

Energy Trust Board of Directors

October 28, 2019

168th Board Training Meeting

October 28, 2019

421 SW Oak Street, Suite 300, Portland, Oregon



Agenda	Rescheduled from 10-16-19	Tab	Purpose
10:00 a.m. Executive Session Call to Order with Lunch (Roger Hamilton) <i>Executive Session pursuant to bylaws section 3.19.1 to discuss internal personnel matters. The Executive Session is not open to the public.</i>			
1:00 p.m. Break			Info
1:15 p.m. Call to Order and Welcome (Roger Hamilton) <ul style="list-style-type: none">• Approve Agenda			
General Public Comment			
Consent Agenda <i>The president may defer specific public comment to the appropriate agenda topic.</i> <ul style="list-style-type: none">• July 24, 2019 Board Meeting Minutes• September 16, 2019 Strategic Plan Board Workshop Minutes		1	Action
1:30 p.m. Executive Director Report (Michael Colgrove)			Info
2:00 p.m. Budget Preview (Michael Colgrove)			Info
3:30 p.m. Break			
3:45 p.m. Management Review (Holly Valkama 1961 Consulting)		2	Action
4:30 p.m. Strategic Plan Review and Approval (Mark Kendall/Debbie Menashe)		3	Action
5:00 p.m. Adjourn			
Committee Minutes		4-10	Info

**The next meeting of the Energy Trust Board of Directors will be held on
December 12, 2019
at Energy Trust of Oregon, 421 SW Oak, Suite 300,
Portland, OR 97204**

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Tab 1

Board Meeting Minutes—168TH Meeting

July 24, 2019

Board members present: Susan Brodahl, Melissa Cribbins, Roger Hamilton, Elee Jen, Mark Kendall, Debbie Kitchin, Henry Lorenzen, Alan Meyer, Roland Riser, Steve Bloom (OPUC ex officio)

Board members remotely attending: Lindsey Hardy, Eric Hayes, Ruchi Sadhir for Janine Benner (Oregon Department of Energy special advisor)

Board members absent: Ernesto Fonseca, Anne Root

Staff attending: Debbie Menashe, Mike Colgrove, Peter West, Cheryle Easton, Emily Findley, Caryn Appler, Peter West, Jon Volkman, Jay Ward, Kate Wellington, Alex Polley

Others attending: Simone Auger, Brian Zoeller, Charity Fain, Corey Scott, Susan Badger-Jones, Christine Chin-Ryan, Victoria Lara, Lisa McGarity, Misti Nelmes, Nick Ridling, Holly Valkama, Jim Owens, Joe Marcotte, Steve Vincent, Lori Wyman, Dave Bamford

Business Meeting

Roger Hamilton called the meeting to order at 9:32 a.m. Reminder that consent agenda items can be changed to regular agenda items at any time.

Bobbie Conner, Executive Director of Tamástslikt Cultural Center, delivered welcome remarks and provided background information about the space, its history and purpose, and its partnership with Energy Trust to make capital upgrades and renewable energy investments over many years. She shared that the center's energy costs have gone from \$1.1 million annually to just a quarter million, thanks to projects like air sealing, solar panels installed on carports and other capital upgrades.

General Public Comments

There were no public comments.

Consent Agenda

RESOLUTION 878 CONSENT AGENDA

MOTION: Approve consent agenda

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

- April 3, 2019 Board Meeting Minutes
- May 16-17, 2019 Board Meeting and Strategic Planning Workshop Minutes

Moved by: Debbie Kitchin

Vote:

In Favor: 11

Opposed: 0

Seconded by: Elee Jenn

Abstained: 0

President's Report

Henry Lorenzen gave remarks. He thanked the cultural center and spoke about the long history of his family's residency in Pendleton, emphasizing the purpose of holding the meeting in Pendleton as a way to learn from diverse perspectives.

Henry then introduced members of Synergy Consulting group, which will be undertaking a project to do a full review of benchmarking for our board of directors and its governance process. Victoria Lara, Christine Chin-Ryan and Jim Owens comprise the team. They will review board composition, governance, structure, frequency/style of meetings, processes, committee functions and evaluation and engagement process. Henry will serve as the liaison between the board and this consulting group.

The group members provided some context about the approach they will take with this project. They aim to conduct 30 interviews, including members of Energy Trust's board, as well as board members of 12-13 other nonprofit entities. They will provide a summary of their findings at the next board meeting in October.

Approve Revised Authorization Northwest Energy Efficiency Alliance 2020-2024 Funding Commitment R879 replaces R877a

Mike Colgrove introduced this topic, explaining that Energy Trust's five-year funding agreement with NEEA needs to be re-approved due to an adjustment made to the funding on the natural gas side. Also joining from Portland was Joe Krause, an attorney at NEEA, to answer any questions.

Mike Colgrove explained that the original funding agreement had a mathematical error that led to missing funds on the gas side. He clarified that while there was also an adjustment to the electric savings goal, it did not affect funding for the electric portion of the agreement. The board expressed appreciation for having this brought to them and discussed how to prevent calculation errors going forward. Joe confirmed that it was an administrative error on NEEA's side and that they had implemented a process change to prevent it in the future.

The board engaged in a broader discussion about having a funding agreement spanning five years. While it's difficult to use as a planning tool, NEEA works closely with Energy Trust to create more accurate estimates for each annual budget, and while the funding agreement is for a five-year period, contracts are executed annually. The agreement is meant to provide stability to our ongoing relationship with NEEA and is comparable to Energy Trust's three-year business planning process.

The board inquired about increased levelized costs resulting from three proposed new initiatives. Staff explained that those initiatives were in the beginning of NEEA's development process and are in a pilot-level phase moving toward program rollout. Market transformation work is more costly in the beginning but typically leads to high savings that increase exponentially after moving into the market and standard practice.

The board discussed whether the five-year funding amount was an absolute cap, or if NEEA may ask for more funding later. Staff stated that it has never happened, and that NEEA is motivated to stay within this budget to avoid re-opening the funding agreement.

Approve Diversity Advisory Charter R880

Debbie Menashe presented a proposed charter to guide Energy Trust's new Diversity Advisory Council (DAC), joined by Charity Fain, Executive Director of Community Energy Project, and a key member of Energy Trust's Foundational DAC.

Debbie reviewed the diversity, equity and inclusion policy and activities that led to the formation of the Foundational DAC. Charity Fain clarified that while her professional industry experience was helpful in helping the Foundational DAC understand Energy Trust's work, their task was to write the charter, which didn't require energy experience. Energy Trust staff was also very responsive and gave presentations to increase understanding of Energy Trust's limitations and the regulations that affect its scope.

Debbie continued to review the Draft DAC charter resulting from the work of the Foundational DAC. While the group referenced the RAC and CAC charters, this new charter was built from the ground up and contains more detail about how the council will operate, as well as guidelines about content.

Per the charter, the DAC will have 11 members, with a required regional distribution of at least four members outside the Portland Metro area. It also offers the possibility of stipends for DAC members as a way to remove financial barriers that might prevent their participation on the council. Recruitment will involve a review and approval process whereby applicants will be evaluated on a skills matrix. At least one meeting per year will take place outside of Portland.

The 11 DAC members will not include Energy Trust staff, but there will be staff support. The board inquired how the draft charter compares with similar ones adopted by other organizations. Staff informed them that among the other charters they referenced, stipends are common.

The board discussed whether stipends will definitely be implemented or may simply be made available. Staff confirmed stipends will be made available, but eligibility is still to be determined in procedures that will also be brought to the board. The concept of stipends is intended to be authorized by the charter.

The board expressed concern regarding the stipend, cautioning that it will have tax and equity implications, and we need to be consistent in applying it. The board requested to review and approve the criteria before implementation begins. Staff responded that we have heard from many stakeholders that this is an important element to include in the charter to increase involvement from people with lower incomes and bring new voices to the table. The board discussed that the stipend shouldn't be dismissed simply because there is not a precedent, since that could be a form of implicit bias.

Charity Fain pointed out that not every single member would want, or apply for, the stipend. It would be an option for those who need it based on resources available to them through their jobs. Their funding structures may not allow them to be there, and their time would not be covered, which puts the organizations in an unfair position.

The board suggested that Energy Trust staff should work with audit staff about our plans to ensure that the stipends wouldn't be questioned in an audit, and staff stated that we would use the same process we already use with our low income groups, which is reported as a consultant service.

The board reiterated its overall support for the charter, with its feedback being to tread carefully and be equitable. It expressed that these are exciting and important conversations, and in order to begin thinking differently, we should continue having them.

Debbie Menashe reviewed changes previously made between the initial draft and the one currently being put forward, which made the geographic diversity requirement more robust and increased the transparency of the member approval process. The board expressed that it felt more comfortable with the charter due to those revisions, and it hopes we continue to evaluate the committee to ensure it is positioned properly to serve Energy Trust's interests in an advisory capacity.

DIVERSITY ADVISORY COUNCIL CHARTER

Adopted: April 3, 2019

RESOLUTION R880 RESOLUTION DIVERSITY ADVISORY COUNCIL CHARTER

WHEREAS:

1. In December 2017, the Energy Trust Board of Directors revised the board Equity Policy into a Diversity, Equity and Inclusion Policy 4.08.000-P. The Diversity, Equity and Inclusion Policy (the DEI Policy) was reaffirmed by the board in December 2018.
2. The DEI Policy calls for Energy Trust to establish a diversity advisory council to “provide advice and resources to the board of directors to support Energy Trust’s diversity, equity and inclusion operations plan and to advise the board of directors on assessing and measuring progress toward goals of such plan.”
3. Beginning in January 2019, Energy Trust convened and supported a group of community members interested in supporting Energy Trust’s efforts to establish a diversity advisory council (DAC) and experienced in DEI and similar advisory councils (the Foundational DAC).
4. Through a series of meetings, the Foundational DAC, working with Energy Trust board members Susan Brodahl and Ernesto Fonseca and a group of Energy Trust staff, drafted a proposed DAC charter which was presented for consideration to the Energy Trust Policy Committee in May and June 2019.
5. Responding to comments of the Policy Committee, the Foundational DAC and involved board and staff members revised the proposed DAC charter and present it to the full board for review.
6. Members of the Policy Committee supported bringing the proposed DAC charter to the full board for review and approval in the form attached to this resolution as Exhibit A.

IT IS THEREFORE RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors approves the Diversity Advisory Council Charter in the form attached as Exhibit A.

Moved by: Melissa Cribbins

Seconded by: Mark Kendall

Vote: In favor: 11

Abstained: 0

Opposed: 0

Adopted on April 3, 2019, by Energy Trust of Oregon, Inc., Board of Directors.

2019 Legislative Session Update

Jay Ward, senior community relations manager, joined from Portland to present on Energy Trust’s participation in the 2019 legislative session.

Energy Trust monitored 80 bills and tracked 10 bills during this session that were likely, or had potential to, affect our work. Jay stated that the most significant bill being tracked was HB2020, also known as Cap and Invest, which did not pass. He shared that Governor Brown has directed her staff to explore alternative paths to achieving the goals of that bill, and while no special session is forthcoming, it may emerge in short session next year.

Jay went on to review highlights from the bills being tracked that passed. These included a modestly funded bill to establish a residential statewide solar incentive for installations paired with storage; a

manufactured home replacement bill directing OHCS to create a program administering up to \$9.5 million in loans to those projects; and a bill to create a renewable natural gas program for large natural gas utilities for up to five percent of their portfolio by 2020.

Jay also summarized some significant bills that did not pass, including one that would have extended the public purpose charge through 2036; one would have given authority to acknowledge the discrepancy of energy burden among consumers; and the Home Wrap bill, which sought to reinstate statewide energy efficiency incentives.

The board had no questions and thanked Jay, stating that it hopes he can help the review committee in the upcoming short session.

The board took a short break at 11:17 a.m.

Strategic Planning Discussion Purpose and Vision

Reconvened at 11:22 a.m.

Board members also referenced handouts available at each place. One of them presented different options for the vision and purpose statements with survey results.

Mike Colgrove, Debbie Menashe and Amber Cole led an interactive discussion to move toward selecting new, revised value and purpose statements. The board referenced handouts listing different options for each category of statements. The board previously voted on their preferences through an online survey, and the handout displayed the options in order of preference.

The board discussed that the audience for the vision and purpose statements is the general public, and how they may align with or be different from the language outlined in the public purpose charge grant agreement. Due to anxiety around whether the public purpose charge will be renewed, it may be beneficial to focus on what the grant agreement references with these public-facing statements.

Mike Colgrove reminded the group of the definitions of vision and purpose statements: vision is aspirational, while purpose is Energy Trust's core reason for being. The board discussed the reason behind re-evaluating the statements. It identified that it's a best practice to check-in periodically to ensure the language still meets our needs. The current statements may not fully capture what we want them to in encouraging customer participation and may require additional explanation through our marketing and communications. The new statements should be succinct, meaningful and memorable for both staff and customers.

Debbie reviewed the purpose statement options with the group. She asked the board to arrange themselves into small groups, within the room and remotely, and discuss if there were one or two options that stood out, as well as words or phrases that resonated.

After discussing, the groups reported out on their discussion and conclusions. Statements and phrases that stood out were relayed as follows by the groups:

In charge of energy use, affordable energy use, prosperous, cleaner, innovative, better life, reducing overall energy costs, customers, empower, enable, affordable, clean, all cost-effective, energy solutions, and deliver clean energy solutions.

The board discussed the importance of emphasizing affordability compared with clean energy, and whether the term clean energy encompassed energy efficiency. Ideally the statement would indicate our primary focus is energy efficiency with renewables to some extent. The option of emphasizing "reduce overall energy costs," was also proposed and the board debated whether reducing energy costs conveyed the same meaning as Energy Trust's work to achieve bill savings.

The board requested more time to continue the discussion.

The board took a break at 12:08 p.m. to go outside and get food to bring back before continuing the discussion.

The Board reconvened at 12:37 p.m. Lindsey Hardy left the call.

Amber Cole presented an overview of options for the vision statements and shared two initial responses from the online survey: one expressed concern about the term clean energy as prioritizing new energy generation, and another expressed a desire to not limit the vision to Oregon or the Pacific Northwest region.

Amber introduced an interactive exercise offering the opportunity to “try on” vision statements by reading them out loud to the audience. Four board members volunteered to read the top four choices out loud, then the board divided into discussion groups based on their top choice among the statements. Then, each group was invited to report out why that statement rose to the top for them.

Remote attendees stated they chose “energy for all” which spoke to what Energy Trust is trying to achieve. They explained that this statement looks toward the future, and that we should consider what the younger generation will want out of the vision.

Another group chose the “Every Oregonian” option, modified out of clarification to “affordable and sustainable” energy choices and added “We believe” to the beginning. They stated that it broadens applicability of our work.

A third group selected the “energy for all” statement and discussed whether “for all” was accurate, considering we serve ratepayers. However, the term ‘ratepayers’ might not be understandable to the general public. The group suggested modifying the statement to “Efficient, clean and affordable energy”.

The board brought up the idea of incorporating the term “least cost,” which appears in our grant agreement. Some concerns are that least cost only applies to energy efficiency, and that it’s a utility term likely to confuse the general public.

Eric disagreed with taking out “for all”. That creates an “us vs them” dynamic, along with creating two different situations.

The next steps are to reconvene with the internal strategic plan group, then provide revised options to the strategic planning committee on September 16. This meeting will also be opened up to the full board as a public meeting, and the new statement will be incorporated into the strategic plan prior to it being finalized.

Lindsey Hardy returned to the call at 1:00 p.m.

Management Review

Holly Valkama and Steve Lacey presented from the Portland office on an update of the management review. They are close to the end of the process, with a draft due to staff on August 1. Holly reviewed the topic areas they were asked to assess. Energy Trust is being asked to look at this now that it is taking on programs using non-public purpose charge funds. The review looked at the feasibility of implementing time tracking and met with staff to discover what's possible. They also interviewed other organizations to learn about different innovation approaches. The final report will be available in September or October.

The board had no further questions or comments.

Energy Programs

Kate Wellington presented an update on an ongoing assessment of the Existing Multifamily program. She reviewed that the main objectives of the study are to create resiliency and maintain a robust program in the face of challenges, which include savings reduction, market saturation and increased delivery costs. The project is nearing the end of the stakeholder engagement phase and is beginning to create recommendations so that larger program changes can be included in the 2020 program rebids. Kate described the different concept themes that the program has identified as useful strategy categories they may employ in the redesign.

The board commented that what Kate described seems like a good approach and asked about the response of multifamily tenant associations to these early concepts. Kate clarified that the program will seek their feedback at a later stage.

Next steps for the project are to incorporate near-term solutions into the 2020 budget, finalize recommendations for the 2020 rebid and continue to seek stakeholder feedback.

Committee Reports

Audit Committee

The committee presented an update on the management review report. The Public Utility Commission was engaged to ensure that terms and conditions to implement the plan conformed, and everything was in order.

Compensation Committee (Melissa Cribbins)

Melissa Cribbins shared that she missed the last compensation committee meeting, but everything is covered by the meeting notes.

Evaluation Committee (Lindsey Hardy)

Lindsey Hardy shared significant topics discussed at recent meetings. Highlights included evaluation on strategic focuses such as Targeted Load Management, customer insights, Fast Feedback results and evaluations of programs that have long project timelines, such as New Buildings.

Finance Committee (Susan Brodahl)

Susan Brodahl provided detailed insights from recent financial reports, supported by Peter West. The board discussed the role of reserves and operational procedures regarding reserves, for both public purpose charge funding and additional funding. She also offered perspective on where revenue stands compared with budget for electric and gas utilities. An update on savings goals and program performance was provided.

During the update, staff provided clarification on the process for negotiating funding with utilities and the board asked questions. The board expressed appreciation for the information, stating that it's important for them to stay on top of financials and be aware of significant variances.

The board suggested adding a note in our public reporting documents explaining that our reserve funding includes a significant amount committed to reserved incentives. An external audience may not realize this and think the amount is too high. Staff responded that we can add the information in the management note preceding the summary.

Policy Committee (Alan Meyer)

Alan Meyer presented recent highlights from committee meetings. The committee had a robust discussion about the forthcoming Diversity Advisory Council, which resulted in recommendations that influenced the final draft presented to the board. He reported there is no change to the fuel switching policy or self-direct incentives policy.

Staff discussed how to separate public purpose funding from Community Solar and some concerns from the OPUC. There will be more updates at the next policy committee meeting. Staff clarified that Community Solar funding does not threaten Energy Trust's status as a nonprofit. A separate reserve will be created from the Community Solar revenue.

Strategic Planning Committee (Mark Kendall)

Mark Kendall presented that the committee's major milestone is the draft strategic plan that is out for public comment. Hannah Cruz provided additional detail on the timeline for stakeholder outreach, which is being implemented through a comprehensive plan. The next meeting will kick off discussions on Energy Trust's mission, vision and purpose.

Conservation Advisory Council (Lindsey Hardy)

Lindsey Hardy provided an update on recent topics discussed by the Conservation Advisory Council including: feedback on Energy Trust's organizational goals; an early look at lighting measure strategy; an update on Portland Clean Energy Fund and its potential intersection with Energy Trust; the draft strategic plan; and the Multifamily redesign project.

Renewable Energy Advisory Council (Henry Lorenzen)

The Renewable Energy Advisory Council is planning a field trip to the Durham wastewater recovery facility on July 31. At the May meeting, the council discussed potential to provide Energy Trust incentives to Community Solar projects. At its June meeting, the council talked about the formation of the Diversity Advisory Council, and analysis of renewable resources and above market cost policy.

Adjourn

The meeting adjourned at 3:06 p.m.

The next regular meeting of the Energy Trust Board of Directors will be held on October 16, 2019, at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon.

Signed: Mark Kendall, Secretary

_____/_____/_____
Date

PINK PAPER

Strategic Planning Workshop Minutes

September 16, 2019

Board members present: Ernesto Fonseca, Eric Hayes, Debbie Kitchin, Henry Lorenzen, Letha Tawney for Steve Bloom (OPUC ex officio), Mark Kendall, Ruchi Sadhir for Janine Benner (Oregon Department of Energy special advisor), Susan Brodahl

Board members attending remotely: Alan Meyer, Anne Root, Elee Jen, Lindsey Hardy, Melissa Cribbins

Board members absent: Roger Hamilton, Roland Riser

Staff attending: Michael Colgrove, Debbie Menashe, Amber Cole, Steve Lacey, Fred Gordon, Spencer Moersfelder, Lizzie Rubado, Hannah Cruz, Cheryle Easton, Wendy Bredemeyer, John Volkman

Others attending: Andrew Ragland (Island Power), Stephanie Petit (CLEAResult)

Business Meeting

Mark Kendal, Chair of the Strategic Planning Committee, called the meeting to order at 10:00 a.m.

Review of Proposed Revisions to Vision & Purpose Statements

Debbie Menashe gave an overview of board and staff engagement to develop Energy Trust's new purpose and vision statements, resulting in a proposed vision statement and two proposed purpose statement options.

The board discussed the proposed vision statement: "Clean, affordable energy for everyone." The board generally supported the statement but noted concern that "clean energy" could be a confusing term. The board took an informal poll and was in favor of adopting the new vision statement.

The board discussed the two proposed purpose statements and supported adoption of a new purpose statement: "Helping customers and communities reduce costs and create additional benefits by saving energy and using renewable resources." The board took an informal poll and was in favor of adopting the new purpose statement.

Review of Current Draft Strategic Plan

Melissa Cribbins joined by phone at 11:00 a.m.

Staff summarized comments received on the draft 2020-2024 Strategic Plan. Comments were largely on the topics of diversity, equity and inclusion; working with communities and community-based organizations; SB 1149 sunset; renewable natural gas; prioritization of focus areas; the term clean energy; trade allies; resilience; climate change and community policies.

Revisions included changes to make diversity, equity and inclusion more prominent; emphasize that Focus Area 1 is the top priority; add references to trade allies; clarify the process for defining and reporting progress toward metrics and goals; change clean energy to energy efficiency and renewable energy where appropriate; and emphasize climate change mitigation, resilience and local policy as context.

The board discussed that the changes made were appropriate and offered edits that staff will make to the draft plan.

The October board packet will include a summary of comment themes and how they have been addressed in the revised plan. Staff will also address comments in meetings with stakeholders.

Next Steps

Staff will revise the draft strategic plan, send it to the board strategic planning committee to review and include it in the October board packet.

Public Comments

Stephanie Pettit, CLEAResult, supported the plan and revisions.

Adjourn

The meeting adjourned at 12:20 p.m.

The next Public Training meeting of the Energy Trust Board of Directors will be held at 1:00 p.m. on Tuesday, October 15, 2019, at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon.

Signed: Mark Kendall, Secretary

____/____/____
Date

Tab 2

Resolution 883

Accept Management Review Report

October 16, 2019

RESOLUTION 883

ACCEPT MANAGEMENT REVIEW REPORT

WHEREAS:

- 1. The grant agreement between the Oregon Public Utility Commission (OPUC) and Energy Trust requires Energy Trust to contract at least every five years for an independent review and evaluation of the efficiency and effectiveness of Energy Trust operations.**
- 2. In May of 2019, the Energy Trust Board retained 1961 Consulting to conduct the review under the auspices of the Audit Committee.**
- 3. 1961 Consulting submitted the review in final form on October 1, 2019. The Audit Committee reviewed the recommendations and recommended that the board accept the review at its October meeting.**
- 4. The Board expresses its appreciation to the Audit Committee, 1961 Consulting, the OPUC and Energy Trust staff for their efforts.**

It is therefore RESOLVED:

- 1. That the Board of Directors of Energy Trust of Oregon, Inc. accepts the final 1961 Consulting management review and instructs the executive director to submit it to the Oregon Public Utility Commission.**
- 2. The Board and Executive Director are fully committed to carefully examining the report and taking appropriate follow-up actions in response to its findings and recommendations.**

Moved by:

Vote:

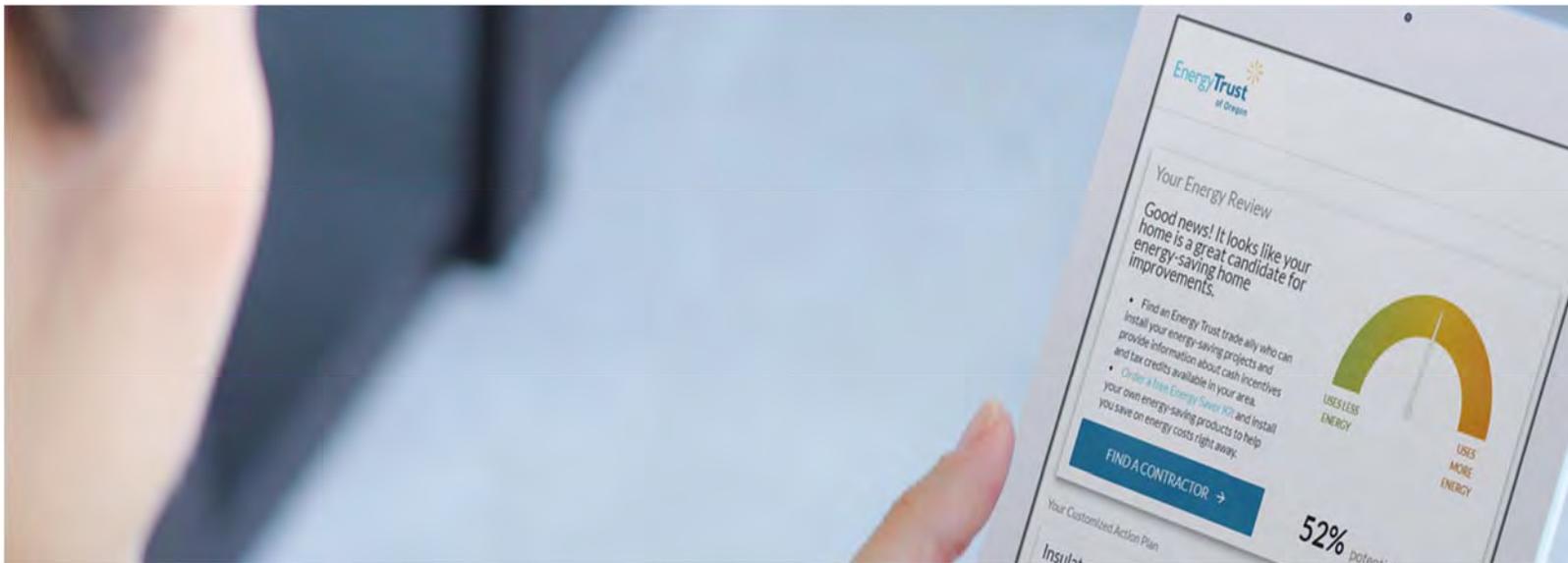
In favor:

Opposed:

Seconded by:

Abstained:

PINK PAPER



Energy Trust of Oregon 2019 Management Review Report

October 1, 2019



Submitted by
1961 Consulting LLC

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Findings, Suggestions and Recommendations

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Executive Summary

The Oregon Public Utility Commission (OPUC) grant agreement requires Energy Trust conduct an independent management review and evaluation at least every five years. “The Management Review will be designed to review the efficiency and effectiveness of Energy Trust operations under this Agreement and make specific suggestions for improvement.” The OPUC, Audit Committee and Energy Trust Management identified three areas for this Review:

- Topic Area A | Cost Allocation Methodology and Billing
- Topic Area B | Time Tracking
- Topic Area C | Resourcing and Financing Innovation

This Management Review Report shares relevant information gathered from a current state review of Energy Trust practices in these three areas and provides benchmarking and leading practices from interviews with 26 organizations, the consultants’ first-hand experiences, and secondary research. Opportunities deemed worth the investment in time or dollars are shared as Recommendations. Others that may not rise to the same level of impact or priority are noted as Suggestions.

Through the Management Review the interconnections of these three topic areas became clear. As Energy Trust diligently seeks to tap new areas for energy efficiency savings or renewables opportunities, it will involve greater risk with less certainty of outcomes. To provide that greater freedom to innovate while maintaining good governance, the organization will need to accurately and quickly see and evaluate how time and other resources are being spent to confirm investment decisions, or course correct. This tracking of time and other program or project costs includes non-direct/shared costs. Managing, accurately reporting, and billing shared costs and their allocations will be important to managing these innovations, and reporting to stakeholders.

Two themes emerged as we worked through this Management Review: balance and agility. All three Management Review topics are important to Energy Trust and require prioritizing because funds and resources are limited. In each area and amongst the three areas, leadership must balance how to direct organizational effort. In cost allocation, there is more specificity possible, but what the Accounting Team does today is sufficient—let them spend their time on higher priority activities, like the upcoming budget systems and process changes. In time tracking there are highly complex systems and processes for capturing time-related information and even connecting them seamlessly to cost allocations and billing. Those systems are not inherently “best practice” though; it depends on how important that information is to the organization’s strategic priorities and the opportunity cost of that effort—is there something else staff could be working on that would be more valuable? Our recommendations balance the benefits of this additional information with the time, cost, and change management that will be required to implement time tracking beyond today’s practices. Starting small, especially given the upcoming budget systems and process changes, is our recommendation. Potentially, start by tracking time spent on innovation, thereby informing leadership about those efforts to help make better resourcing decisions. For both time tracking and innovation, the first decisions will likely not be final or perfect, and that is why agility is important. Leadership and staff need to be agile decision-makers, assessing and course correcting as a regular part of business. The supporting structures and processes should enable agility, not slow it down. The Management Review does not cover the leading practices in structure or process supporting innovation; rather, it

focuses on the resourcing and how to balance between three types of innovation: core, adjacent and transformational. That balance is important to ensure a robust pipeline and that day-to-day program design and delivery goals are met this year and in subsequent years.

We're excited to see where Energy Trust will lead in the next five years. Thank you for letting us contribute through this Management Review.

*Respectfully submitted,
~ 1961 Consulting*

Management Review Methodology

The Management Review used a two phased approach: Understand current state practices, processes and structures; then, compare to leading practices to determine if there were recommended improvements.

During current state (May—June 2019), 1961 Consulting reviewed Energy Trust documents in each of the Topic Areas. A deeper understanding of Energy Trust's current state was provided through a series of internal interviews. In addition, Board members and the Oregon Public Utility were interviewed (see Appendix 1 for those interviewed).

In the benchmarking and secondary research phase (June – early August 2019), 26 organizations were interviewed (see Appendix 1), including Board members, the OPUC, funding utilities, PMCs, organizations delivering energy efficiency and renewables, organizations supporting the energy efficiency and broader energy industry, and organizations outside the energy industry. These interviews focused on innovation resourcing and financing, but also included Topic Areas A and B on cost allocation and time tracking. Additionally, secondary research was conducted to identify resourcing guidelines or ratios used by other organizations to successfully balance innovation with day-to-day operations delivery requirements. All sources are cited in Appendix 7.

This Management Review Report summarizes the Energy Trust current state, benchmark and secondary research findings. From this analysis, recommendations and suggestions are proposed for Energy Trust's consideration.

This report relies on information available to 1961 Consulting at the time of the Management Review. As is the case with any operational review, processes and systems change over time. The current state documented in this Review and the recommendations provided are reflective of the organization at the point in time when this Management Review was performed.

Recommendations Summary

Following is a summary of the Recommendations found in the Management Review. Before recommendations are shared, the full scope of each Topic Area is detailed.

Topic Area A | Cost Allocation Methodology and Billing: Review systems and procedures in place to ensure shared costs, such as facilities, information technology, and administration are appropriately and fairly allocated between Energy Trust’s primary programs administered with public purpose charge funds provided to Energy Trust under its grant agreement with the OPUC, and a small number of other programs funded by other sources such as Oregon Community Solar and NW Natural in Southwest Washington. In addition, review policies and procedures for billing for services.

Management Review Area	Recommendation	Page #
A	1. Track time spent on major cross-functional/organizational initiatives to shared cost centers rather than program cost centers.	15
A	2. Where possible, customize a program-specific ‘shared cost’ markup percentage when pricing each non-PPC funded program.	15

Topic Area B | Time Tracking: Review current practices for tracking time against various programs and projects and recommend best practices and tools. Consider tracking time by program, project, and task. Consider implications for cost accounting, resourcing decisions, billing for services, and to assist communicating with stakeholders regarding the cost of special projects and analyses. Provide some guidance on considerations for implementing such a system.

Management Review Area	Recommendation	Page #
B	3. Change the time reporting cycle to a weekly frequency.	19
B	4. Report actual time worked for all employees, rather than limiting time reported to 40 hours per week for salaried.	19
B	5. Require all contractors working on projects (that require time tracking) to record time in Energy Trust’s enterprise Payroll System, following the same requirements as employees.	19
B	6. Define “project” in a way that is consistent with strategic goals. Consider how it will be used in time tracking, budgeting, forecasting, and billing processes.	23
B	7. Implement business processes to streamline the use of reported time as an input to invoices for additional funding sources.	23
B	8. Begin with simple performance metrics that can be realistically delivered and managed by the business.	27
B	9. Initiate a Proof of Concept (POC) / pilot Agile project to design and deploy a new project-based time tracking system.	27

Topic Area C | Resourcing and Financing Innovation: Review current practice and provide best practices in our industry regarding the proportion of effort staff should spend on program innovation and design versus day-to-day delivery and program operations activities. Help draw



relationships between current savings acquisition and design for future savings innovation. Provide best practices or benchmarks of ratios that might relate to this balance between developing for the near future versus process for the current state. Consider the near- and long-term impact of activities related to programs funded with sources other than public purpose charge funds on the efficiency and effectiveness of Energy Trust primary program operations.

Management Review Area	Recommendation	Page #
C	10. Be specific about what problems to solve and where to focus innovation resources.	43
C	11. Allocate a budget carve out for adjacent and transformational innovation.	43
C	12. Adopt an innovation resourcing strategy and structure that utilizes internal and external resources and sets Innovation Ambition levels amongst core, adjacent and transformational innovation.	43
C	13. Focus innovation efforts using existing PPC funding and collaboration with resource multipliers.	44



Findings, Suggestions and Recommendations

Area A: Cost Allocations and Billing

The OPUC grant agreement stipulates that each management review include an analysis of cost allocations between administration, management and programs, and offer suggestions for appropriate changes. With the addition of non-PPC funded programs, this Management Review asked for additional distinctions:

Review systems and procedures in place to ensure **shared costs**, such as facilities, information technology, and administration are appropriately and fairly allocated between Energy Trust’s primary programs administered with public purpose charge funds provided to Energy Trust under its grant agreement with the OPUC, and a small number of other programs funded by other sources such as Oregon Community Solar and NW Natural in Southwest Washington. In addition, review policies and procedures for billing for services.

Defining Shared Costs. For purposes of the Management Review, the term “shared costs” includes all costs which are allocated. This includes shared costs as defined by the OPUC and program services costs as defined by Energy Trust.

The OPUC defines “shared costs” for purposes of an Energy Trust performance metric that evaluates these three categories of cost against a not-to-exceed percent of revenue. The three categories making up shared costs are:

Management and General - Governance/board activities, interest/financing costs, accounting, payroll, human resources, general legal support, and other general organizational management costs.

General Communications and Outreach - Expenditures of a general nature, conveying the nonprofit mission of the organization and general public awareness of services available to customers.

Program Support Costs - Costs incurred directly by programs, but of an indirect nature such as conferences, travel, supplies and meetings.

At Energy Trust, each of these categories include an allocated share of indirect costs, including rent/facilities, supplies, computer equipment/support and depreciation. Some of the program support costs are managed directly by programs, but the majority of costs in these three categories is managed centrally and allocated to programs.

Due to the inclusion of program services, which are considered to directly benefit programs, figures in this report should not be compared to the OPUC performance metric for Administrative and Program Support.

Energy Trust defines “program services” as services directly in support of programs which are managed centrally and allocated to programs. This includes the following services:

- Planning & Evaluation
- Targeted Load Management

- Customer Service Management
- Trade Ally

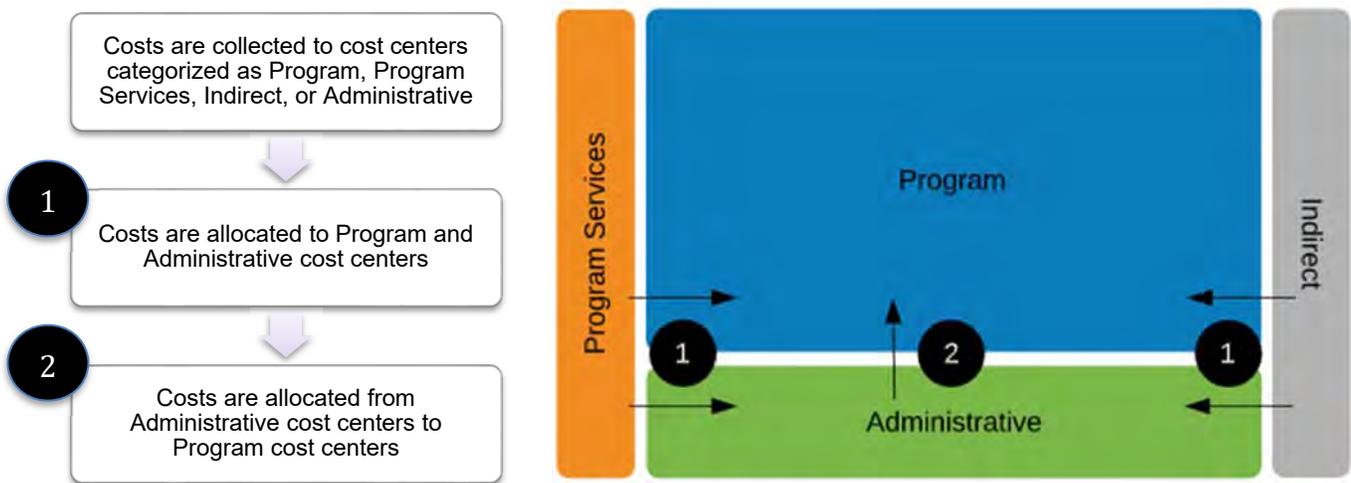
Current State: Cost Allocation Methodology

Initially, costs are collected in four types of cost centers:

1. Program: Direct program costs include incentives (which makes up more than 50% of PPC program costs), Program Delivery subcontracts, staffing costs, and other direct costs. Staffing costs are collected based on timesheets, reported as actual hours for hourly-based employees, and typically reported as 40 hours per week for salaried even if hours worked exceed 40 per week..
2. Program Services: Certain functions like planning, customer service and trade ally support are managed centrally and allocated to programs based on approximate usage of their services.
3. Indirect: Costs for facilities and information technology are managed centrally and allocated to program and administrative cost centers.
4. Administrative: These are allocated to programs after the other allocations are completed. This allows the shared IT and facility costs that were allocated to the administrative cost centers to then be allocated to the programs.

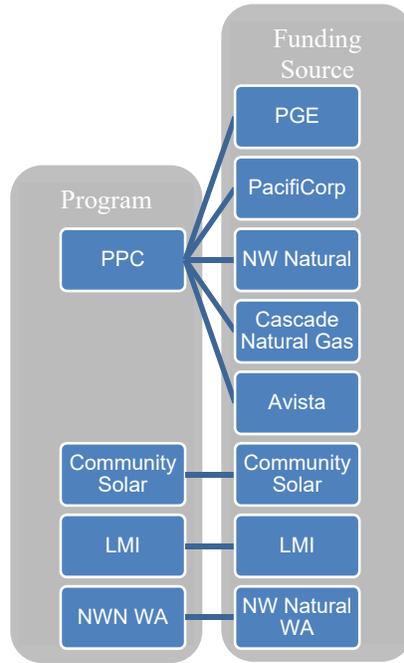
Costs from program services, indirect, and administrative cost centers are allocated to program cost centers to ensure that all of Energy Trust’s costs are ultimately associated with a PPC-funded or non-PPC funded program. The following graphic illustrates the process:

Program Cost Allocation Process



Within programs, costs are also allocated to funding sources. As shown in the diagram below, for non-PPC programs, all costs are allocated to one funding source; therefore, there is clear

delineation from those that are PPC-funded.



When Energy Trust developed its cost allocation methodology, cost drivers were identified that were measurable within reasonable effort. The table below outlines the cost allocation methodology utilized for all expense categories contributing to shared costs. A more detailed explanation of the methodology is provided in Appendix 2. Each is its own cost center, and the allocation method is applied to all costs within the cost center cost pool.

Expenses	Allocation Method
Shared Office / Facility Cost	Payroll hours per cost center based on timesheets
IT Costs	IT users based on annual staffing plan (budget) & PMC headcount (Internals = 1, Externals = .5)
P&E (Planning & Evaluation)	Annual predetermined usage developed during budget process
CSM (Customer Service Management)	# of calls to call center per program by month
Trade Ally Network	Total to date number of trade allies per program
TLM (Targeted Load Management)	Annual predetermined usage developed during budget process
C&O (Communications & Outreach)	YTD Ratio: individual program expenses to total program expenses (includes incentives)
M&G (Management & General Administration)	YTD Ratio: individual program expenses to total program expenses (includes incentives)

The table below outlines the source and target cost center for each allocation of shared cost.

	Cost Centers	Administrative						Program				
		C&O	M&G: Govern /Board	M&G: Legal	M&G: HR	M&G: Office Mgmt	M&G: Fin & Compl	PPC	NWN WA ¹	Comm Solar	LMI ²	Spec Proj Dev ³
1	Shared Office	X	X	X	X	X	X	X	X	X	X	X
	IT	X	X	X	X	X	X	X	X	X	X	X
	P&E ⁴	X			X			X	X			
	CSM ⁵							X	X			
	Trade Ally ⁶							X	X			
	TLM ⁷							X				
2	C&O							X	X	X	X	X
	M&G							X	X	X	X	X

Current State: Billing Process

In addition to reviewing cost allocation methodology, the Management Review covers billing for non-PPC funded programs. 1961 reviewed contracts and invoices, and the following is a brief explanation of how billing occurs for these three programs:

NW Natural-Washington is not billed; similar to NW Natural-Oregon, funding is agreed upon during the budget cycle and paid to Energy Trust on a predetermined schedule. The use of a separate cost center ensures the ability to budget and cost specifically for the non-PPC Washington programs separately from Oregon expenses and revenue.

Community Solar bills on a time and materials basis. Direct hours and costs are captured to the Community Solar program code, including internal staff effort for generating Community Solar invoices. Bill rates include 10% markup to cover indirect costs plus a 30% markup.

LMI bills direct costs based on actuals plus a 10% indirect charge, which is the maximum allowed for federal grants in the absence of a negotiated indirect cost rate. Direct billable costs include staff cost based on employee hours charged on timesheets to the LMI cost center. Markup is not allowed, and billings must remain within the contracted amount. Efforts beyond the contracted amount are services Energy Trust would provide to the LMI initiative under the solar program regardless, as the goals fit with the solar program design and exempt purpose. The value of these services is reported as 'Match'. The staff effort for additional match reporting is captured as a direct cost to the LMI cost center. Internal staff effort for generating LMI invoices is captured as an administrative cost.

¹ NWN WA = NW Natural of Washington

² LMI = Low and moderate income solar program

³ Special Project Development = Other funding source development activities

⁴ Community solar, LMI, and some administrative cost centers do not currently use these services and therefore do not receive costs from this allocation

⁵ Community Solar and LMI do not use CSM services

⁶ Does not impact non-PPC programs because they do not use Trade Ally network services

⁷ Does not impact non-PPC programs because they do not use TLM services



Current State: Control Process

Energy Trust takes seriously its responsibility to ensure PPC-funded programs are not bearing the costs for non-PPC programs.

Energy Trust uses discreet program codes for all PPC and non-PPC programs. Managers direct work effort and monitor charging of time to ensure effort is expended in the correct programs and this effort is recorded accurately. This is especially applicable in cases where there may be subtle differences between programs or uncertainty (e.g., solar work for LMI versus solar work for Solar Electric).

Revenues and expenditures for non-PPC programs are tracked separately in the financial statements. There is additional breakdown for PPC-funded programs to help funders see their portion of Energy Trust’s work. The ‘Income Statement by Service Territory’ report shows every funder revenue, cost, and net assets. Financial statements are monitored on a monthly basis.

Moss Adams performs an audit each year to determine whether the financial statements are prepared in conformity with Generally Accepted Accounting Principles (GAAP). Cost allocation in financial statements is one of the elements governed by GAAP. On the subject of significant accounting estimates, Moss Adams considered Energy Trust’s allocation methodology “reasonable in relation to the financial statements as a whole.” Community Solar has not yet gone through a Moss Adams Audit cycle. We recognize that it will be included in the 2019 audit and expect that a sample of transactions will be audited for compliance to the internal method as part of the normal audit procedure.

Assessment: Cost Allocation Methodology

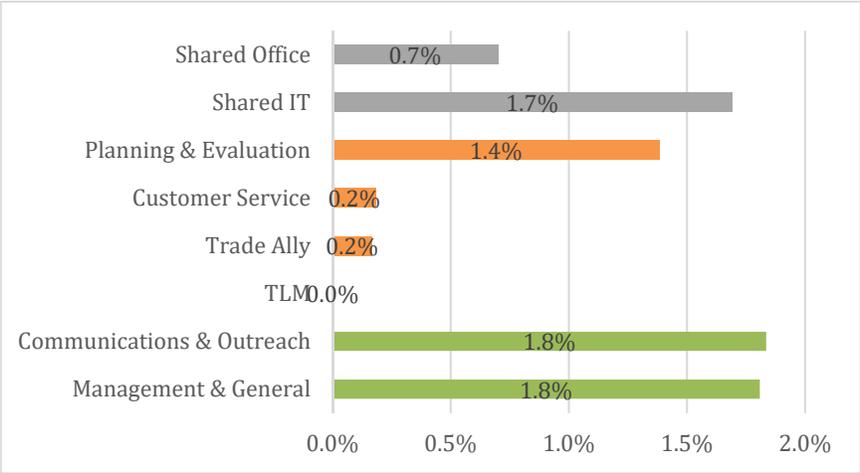
Generally Accepted Accounting Principles allow the allocation of certain costs to avoid effort beyond the value gained by tracking the exact portion of the cost used by each part of the organization. Allocating administrative costs based on proportion of actual costs, IT & planning costs based on manually assigned percentage, and customer service costs based on call center activity are all common and appropriate methods. Most organizations aim to keep a small number of allocation bases, unless using an activity-based costing system. Activity-based costing methods may be more accurate, but they are also more time consuming. It is typically used only in organizations where usage data exists and is easily consumed, or this level of accuracy is a requirement. Energy Trust uses allocation methods specific to the costs being allocated, when reasonably possible. A generic method is applied only for Administrative allocations, where more specific metrics are not readily available.

In 2018 allocated costs as a percentage of total expenditures were 7.8%.⁸ The figure below shows proportion of each allocated cost category as compared to 2018 expenditures.

Allocated Costs by Source as a Percent of Total 2018 Expenditures

⁸ Source: 2018 Statement of Functional Expenses. Note: this is not intended to reflect the OPUC metric which compares administrative costs to revenue. This includes all allocated costs as compared to total expenditures.





As part of the Management Review, KPMG retired audit partner Becky Graham reviewed the methodology. She states that organizations need to consider whether the allocation practices are a productive exercise. Allocation methodologies require practical application and an understanding of the overall objective of the allocation. Organizations have been known to develop overly sophisticated methods that take extensive time and effort to operate. At times, the benefit does not outweigh the cost of the system. Often administrative costs are allocated as a group when further breakdown is not considered cost effective. No allocation method, regardless of the complexity, is without some element of judgment and practical application.

To be considered when determining cost allocation policy, it is recommended that the policy:

- Stand the test of time and is modified if circumstances change
- Support the decision-making needs of the organization and its stakeholders
- Consider the practical application of the methodology – does the time and effort required outweigh the benefit
- Provide internal comparability between periods and a basis for understanding and managing costs. Although Energy Trust may consider external comparability, as long as GAAP and other regulatory requirements are followed, financial reporting will meet comparability expectations for external users.

Given the effort for value criteria, the current cost allocation methods fairly and appropriately distribute shared costs between PPC and non-PPC funding sources.

Time Tracking and Cost Collection

As with most organizations that track time, the Energy Trust current state review showed some variation in level of accuracy in time tracking for both internal staff and program management contractors (PMCs). These variations could impact allocations, though most examples were found to be minor, for example:

- Unless resources are working directly on non-PPC programs, the staff typically charge time to their home cost center(s). Program staff may spend time on cross-functional



initiatives or administrative activities that are still charged to their program. Usually when an Energy Trust employee works on a cross-functional project their role is as a subject matter expert representing their respective program or support function needs. Charging time back to their respective program makes sense. However, in the last few years Energy Trust has embarked on a handful of significant initiatives with administratively focused objectives, where it would have been more appropriate to charge time to an administrative function, and not programs. The best example is the Organizational Review in 2017/18, which was to benefit the entire organization. Resources spending a significant amount of time on this initiative continued to charge all hours to their program cost center, rather than charging a portion to a program support or administrative cost center. For two of the five-person team approximately 20% of their time was recorded as program time, rather than the administratively focused effort.

- A representative from one PMC stated that their allocation of labor and expenses between Oregon and NW Natural Washington is based on their judgment and would be difficult to measure. Energy Trust recognizes there is some benefit to Washington programs and has asked the PMC to estimate that effort to their best ability, without incurring additional cost to do so.

Organizations may aim to reduce these variations in accuracy by encouraging staff to track time throughout the day, or establishing an operating rhythm, e.g., to end each meeting with attendees tracking their time. Considering the need to balance effort and complexity against value, the recommendation will not be to go to this effort, except related to significant non-program time or non-PPC funded activities, the latter of which is in place.

Assessment: Billing Process for non-PPC Programs

Based on the review of current state and responsible accounting practice, 1961 Consulting considers the billing process to be fair and appropriate.

Two main questions were considered relative to the fairness and appropriateness of billing for non-PPC programs. This assessment also revealed future areas to address should non-PPC funded programs and initiatives grow in the future.

1. Are all costs incurred by non-PPC funded programs or initiatives captured and allocated appropriately and fairly?

As demonstrated in the Cost Allocation Methodology assessment, all costs incurred by non-PPC funded programs or initiatives are captured and allocated appropriately and fairly. However, a small portion of program costs may be mischaracterized because of the practice described earlier of capturing time for cross-organizational initiatives directly to home program cost centers. Because there are few administratively focused initiatives, and non-PPC programs or initiatives are very small, the impact today is small. If administrative initiatives expand or the number of non-PPC funded programs larger than LMI and Community Solar expand, attention should be paid to how the staff costs are attributed to ensure allocations are fair and appropriate. The current risk that mischaracterization is occurring is minimal.

2. Do billings for non-PPC programs cover all costs, including 'shared costs'?

Both the details of the billing processes and the figures on Energy Trust's income

statements show that non-PPC revenue covers non-PPC program costs. Shared costs were specifically evaluated for the non-PPC funded programs, Community Solar and LMI. Details are not shown for Northwest Natural Washington because Energy Trust does not generate a bill; funding is based on budgeted costs, which include shared costs. If necessary, NW Natural augments funding to cover actual costs, e.g. more incentive cost than forecasted.

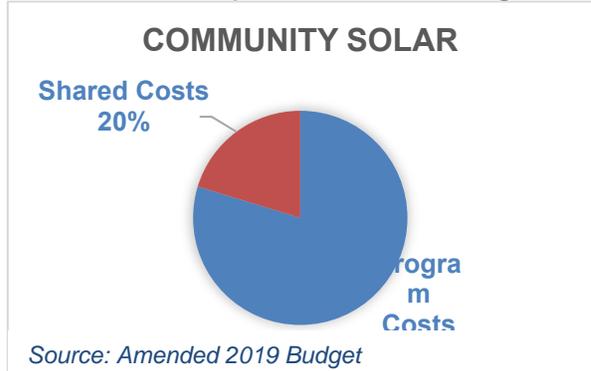
LMI shared costs as a percentage of total year-to-date expenditures are 9%, which is equal to the allowed indirect amount per the federal grant.

Source: Income Statement by Service Territory for Five Months ending May 31, 2019



The Community Solar program began in late March 2019. The financial data for the first two months of startup show shared costs as a percentage of total expenditures at 31%. The 2019 budget for Community Solar estimates shared costs to finish at 20% of total expenditures. This budget variance was identified during the Management

Review, and is being reviewed to better understand and make adjustments, if needed. Regular review of budget variances will be built in as a normal management practice.



These three examples demonstrate the variation and risks in billing shared costs based on a fixed percentage.

If future programs funded outside the PPC are budgeted with shared cost percentages

higher than 10%, the indirect markup percentage built into pricing should reflect the budget, or indirect costs should be billed based on actuals (as is the case for NW Natural).

Recommendations

1. Track time spent on major cross-functional/organizational initiatives to shared cost centers rather than program cost centers.

Energy Trust has the ability for staff to report time across multiple cost centers—LMI and Community Solar are examples. To the extent that a unique effort benefits multiple cost centers (particularly if that includes non-PPC programs), and the effort/initiative is anticipated to require significant time, we recommend program staff time be charged to a shared cost center. An example of such an organizational initiative would have been the Organizational Review Initiative.

Note: Time Tracking could be a means of accomplishing this—to be discussed in next Topic Area.

2. Where possible, customize a program-specific 'shared cost' markup percentage when

pricing each non-PPC funded program.

For future non-PPC funded programs or initiatives, it would be more cautious to use a 'shared cost' markup percentage based on the individual budget, rather than applying 10%. The 10% more than covers Energy Trust's PPC-funded portion of shared costs, but as was shown with Community Solar, that is not the case for all programs or initiatives, especially in early implementation. To ensure billing (revenue) covers shared costs for future non-PPC funded programs, a more detailed budget estimate may be required that includes shared cost-type activities. For federal contracts, which require documentation to support indirect costs in excess of a 10% markup, contract language that characterizes certain services as direct or indirect becomes key in ensuring all costs are covered.

Suggestions

- **Track IT time using the same categories as budgeted (Infrastructure, Reporting, and Development) to substantiate and refine the IT allocation.**
Please note: The organization is planning to do this in the future. IT personnel already aligns to these categories, which gives the ability for the organization to re-cast the 2020 costs this way.
- **Consider the implication to allocations if all employees report all hours worked, rather than only reporting a 40-hour week for salaried employees.**
Only the Shared Office / Facility costs allocation is based on reported hours; therefore, this change in policy (which is a Recommendation in Topic Area B) would not significantly impact cost allocations. The exception is if this were any in a non-PPC funded program.

Area B: Time Tracking

As Energy Trust pursues new ways of finding energy efficiency savings, the organization is stretching into new areas and new ways of working. Tracking its investment in various new methods and activities is meaningful in order to manage effectively. The big questions though are “How?” and “How much?”. Specifically, the Management Review was asked to:

Review current practices for tracking time against various programs and projects and recommend best practices and tools. Consider tracking time by program, project, and task. Consider implications for cost accounting, resourcing decisions, billing for services, and to assist communicating with stakeholders regarding the cost of special projects and analyses. Provide some guidance on considerations for implementing such a system.

In order to assess the current state of time tracking at Energy Trust, interviews were conducted with cross functional stakeholders, including the Management Review project sponsors, Executive Team, Finance and Accounting, Program and Project Managers and staff members at ICF, one of Energy Trust’s PMCs. These interviews provided understanding about Energy Trust’s structure, processes, systems, policies, reporting and metrics related to time tracking. Since Energy Trust is a program-centric organization, understanding how programs and projects are organized and managed across the enterprise is key to developing a time tracking system that adds value. Prior experience working with other service and project-oriented organizations has shown us that time tracking is only effective as a management tool when it is designed holistically, integrating time processes and data with other key enterprise functions. Key functions to integrate include project portfolio management, resource management, billing/receivables, project accounting, budgeting and forecasting. Once these functions and data become integrated, the organization can develop real insights into business performance. The insights will allow leadership to take proactive, corrective measures during project delivery that optimize business performance and results. Given this perspective, many of the Management Review recommendations have integration as a common theme.

The recommendations recognize Energy Trust’s historical approach to resource management and time tracking that balances simplicity with complexity. There is increasing employee burden and effort when they are asked to track time at a detailed level. As time reporting detail increases, there are diminishing returns in the value derived from the information. Carried to an extreme, too much detail becomes counterproductive for the employees tracking time, as well as the organization’s ability to manage the related processes and setup data. Too much detail may also negatively impact the organization’s ability to develop meaningful insights from approved time.

Time tracking recommendations are intended to strike a balance and recognize the tradeoffs between too much detail and an optimal level that is efficient and streamlined for employees and the organization to process. This consideration should be highlighted in change management to gain support of and acceptance to change. It will be important for Energy Trust to continue to seek this balance as time tracking processes change and evolve in the future.

Lastly, recommendations seek to balance effort and investment versus value and risk. Recommendations are made only if the level of effort and investment are justified based on the potential value and benefit that can be realized in Energy Trust’s current state. In some cases, potential changes that are not worth pursuing now are identified for consideration in the

future once processes and systems are further evolved. In addition, recommendations have been designed to provide quick wins that are more agile in nature and minimize risks associated with change. One example is the proof of concept approach for time tracking that has been proven to be successful in many other organizations.

Time Tracking Goals and Benefits

Throughout the course of the interviews and time tracking workshop, many goals and benefits were raised and discussed. The goals and benefits identified were less about implementing a new time tracking system, given one exists, and more about the need for balance—in other words, the effort to gather additional time tracking detail must provide meaningful value. Following are the common goals and benefits articulated.

- 1. Program/Project management, and overall resource management, can be improved with more timely and detailed information.** All stakeholders interviewed identified this as the greatest immediate goal. Energy Trust project teams “do what it takes” to produce high-quality deliverables under existing cost-effectiveness rules, but given the lack of time tracking, staff cannot readily quantify the total hours spent. This inhibits their ability to assess and change course, should that be desirable based on the cost versus benefit. In addition, Energy Trust is implementing new budgeting and forecasting tools. More detailed time and labor cost data has the potential to be integrated with these to provide variance reporting at a program or project level. Improved project performance metrics could then support better project management and resource utilization. Stakeholders pointed out that estimating efforts for business plan initiatives, especially the cross-functional initiatives, is estimated given the lack of historical project time and labor information. Tracking actual time across the project portfolio (e.g., the Organizational Review Initiative) will support more accurate planning and establishing of baseline estimates for future projects. All of these factors point to new opportunities to better manage resources—time tracking can assist in that oversight and periodic risk assessment.
- 2. Improved reporting to the OPUC, other external stakeholders and internal management.** As will be discussed in Area C, the Board, Executive Team, OPUC and Energy Trust Innovation Team are interested in investing “the right amount” in innovation to ensure Energy Trust’s continued strong contribution to energy efficiency and renewable energy. The OPUC is sensitive to data requests that take Energy Trust time to fulfill and wants to track these hours. In the future, these or other projects could be considered billable or allow exceptions to existing staffing performance metrics, as well as program cost-effectiveness requirements. Lastly, internal management is more frequently asking for information on the work that is being executed across the organization, as well as historical records. More detailed time tracking and better labor reporting and analytics would support these new requests.
- 3. Administrative efficiencies in reporting and billing.** If and when higher volumes of new funding sources are added, integrating more detailed time and labor data with billing and project costing functions will provide administrative efficiencies. Today, the Accounting Team is successfully completing these requirements for two active non-PPC projects that require invoicing (LMI and Community Solar). Expansion into new funding sources will become more cumbersome to track, and the manual processes will not be



scalable. Based on the opportunities allowed for in the 2020-24 Strategic Plan, and the development of new funding sources, more detailed time tracking processes will be a proactive step in maturing the administrative model to support a more integrated billing and project costing function.

Area B: Time Tracking

Focus #1: Time Tracking Technology and Process

Findings and Leading Practices:

There are multiple decisions when considering the technology and process for employees and contractors to record their time: frequency of reporting, actual time versus a standard work-week, and method of collection. Energy Trust's current Payroll System was deployed in 2018 as the enterprise software for employee time tracking. When this system was implemented, it was determined that time would be recorded by all internal employees for each day and submitted bi-weekly, which coincides with Payroll runs. Hourly employees record actual time worked; salaried employees record time worked up to a 40-hour per week maximum. Managers approve the hours worked and ensure project costing is accurate. Time is assigned to various data elements that map back to the Accounting System Chart of Account segments (see Appendix 3).

Contractor/PMC time is not recorded in the Payroll System's time tracking module. Energy Trust works with a staffing/temp agency and employs between 15 and 25 contractors on average. Contractors do not currently record time in Energy Trust's Payroll System. They submit timesheets to their staffing/temp agency, which are approved by Energy Trust contract managers and entered in the Accounts Payable module of the Accounting System.

The method for tracking staff time varies. In addition to the current Payroll System, staff track time utilizing different methods and applications:

- During the annual budgeting process, those involved were asked to record Microsoft calendar events to track time spent on budgeting tasks. Periodically, the individuals were asked to email summaries of their time worked to the project manager (PM), so the PM could consolidate total hours worked to better understand and manage resource allocation.
- Individuals working on grant-funded projects utilized mobile phone applications to track time worked on various activities prior to entering into the Energy Trust Payroll System.
- IT tracks time on IT agile projects and development efforts utilizing Microsoft Team Foundation Suite (TFS).

Energy Trust is already following aspects of leading practice, but there are a couple gaps:

- Weekly timesheet submissions are a common model for most project and service-oriented organizations. At ICF, all employees and consultants working for Energy Trust are required to log time daily and submit timesheets for approval on a weekly basis. When ICF instituted this practice to comply with federal requirements, they decided to implement across all projects.

- Project-oriented organizations typically report actual time worked, rather than limiting time reported to any specific maximum value. Although this requires more effort from employees and contractors, having visibility into the true effort to complete the work makes it worthwhile.
- Project-oriented organizations require time to be reported, approved and processed in their internal enterprise time tracking system by all resources, including agency contractors. This allows them to bill their customers and to create a record of the cost – in hours and dollars – for internal projects. The rationale is that without this holistic view of hours worked to complete a project, decisions would be based on incomplete data.

Recommendations

- 3. Change the time reporting cycle to a weekly frequency.**
Weekly timesheet submissions will provide a timelier view of resource effort and align closely with standard industry practices.
- 4. Report actual time worked for all employees, rather than limiting time reported to 40 hours per week for salaried.**
Capping the number of hours reported results in an inaccurate representation of work effort. Visibility to actual time worked allows managers to properly balance workloads, understand where overruns are occurring, and ensure accurate historical work effort is recorded for decisions that will be based on this information.
- 5. Require all contractors working on projects (that require time tracking) to record time in Energy Trust's Payroll System, following the same requirements as employees.**
This policy will ensure all historical resources and effort are recorded consistently and accurately for project management, future project planning and historical time and cost analytics.

Suggestions

- **Utilize a diluted or standard costing methodology if or when a change is made to report actual time.**
If a salaried employee records more than 40 hours in a week, dilution spreads the weekly salary cost rate across all hours. This method effectively calculates a reduced hourly cost rate during weeks where salaried employees work more than 40 hours. Standard costing utilizes a single standard cost rate, regardless of the number of hours worked in a week. This method results in a higher total project cost for weeks where more than 40 hours are worked by salaried employees.

The benefit to utilizing a standard cost rate is that historical cost data always reflects a labor cost where it is not assumed that salaried staff work overtime. In weeks where salaried staff work more than 40 hours, dilution effectively minimizes total cost by not factoring in the cost of each hour worked over 40 hours.

- **Use 30 to 60-minute time increments when reporting time.**
Smaller time increments will not provide additional value at this point and will burden employees with more administration. The exception could be where billable projects require greater detail.
- **Make clear the difference between the personal flexibility to find a method to gather or track time and the requirement to enter that time in one enterprise system.** It is common for organizations to support multiple methods to track time in multiple applications, as Energy Trust does today. The key is for that time data to consistently be entered in the enterprise time tracking system.

People work differently, and it can vary by the minute, hour and day. Depending how and where an individual works may dictate the frequency and exactly how time is captured. This freedom and flexibility should continue to be encouraged by Energy Trust. As discussed during the various interviews, Energy Trust supports personal time tracking flexibility. It was questioned by some during the interviews whether the different practices make sense. It is suggested that Energy Trust communicate and raise awareness to the differences between how an individual gathers their time, and compliance to a policy to enter that time into the company's time tracking system.

Another method in use at Energy Trust is Agile. To correctly apply the Agile methodology, there are strict processes and metrics that must be captured. Time tracking is a common Agile requirement, which allows IT managers to track burn down of tasks within a sprint. Agile management applications, such as Microsoft TFS, are utilized to track IT staff time while working on application development and support. Since the applications are IT specific, it is common for IT staff to report time in two applications (Agile and Payroll System) at different levels. During interviews with Project Managers, this process variation was raised as an exception to the enterprise time tracking process. It is suggested that this variation be highlighted and communicated as a unique requirement for IT projects. In addition, Energy Trust could evaluate the benefit to implement an interface or data exchange between the Agile system and enterprise time tracking system in order to eliminate duplicate time entry across applications.

Area B: Time Tracking

Focus #2: Project and Portfolio Management Integration

Findings and Leading Practices:

Data Structure and Process for Time Tracking. Energy Trust does not have a formal business process or data structure to track enterprise "Projects". There is a Program Management Office, and they use a variety of tools, mostly Excel sheets for project management, but not a project accounting tool. Project-oriented organizations leverage project portfolio management processes and tools to:

- Plan and prioritize the project portfolio on an annual basis, as well as manage new project requests and change requests (changes in resources, scope or funding) throughout the year
- Simplify project planning, budgeting and forecasting
- Capture, standardize and control project time and costs
- Maintain hierarchies or trees that manage and show the relationships between projects, programs and the full portfolio
- Streamline customer invoicing and revenue recognition
- Gain insight into project performance to improve decision-making

ICF and other project-oriented organizations establish project controls to maintain data integrity:

- A limited group of people are responsible for creating projects
- Projects go through a set of closing activities upon completion
- Project teams are used to control who can charge time to a project
- Project managers approve time entry and are responsible for controlling costs

Enterprise resource planning (ERP) systems are used by medium to large organizations to enable the seamless integration of tracked time into billing and a project costing function. These systems automate many support functions, improve data integrity, and provide real-time analytics to support decision making. Smaller organizations often leverage existing systems or software-as-a-service (SaaS) platforms and adopt business processes to manage the integration of data between systems at a lower cost. See Focus #5: Guidance on Implementation Considerations—Time Tracking System Selection for more information.

Defining a “Project.” The concept of “programs” is clear and consistent at Energy Trust, but not so with the definition of a “project.” When companies start tracking time at a more detailed level, it is necessary to also define “projects” to charge that time. For project-oriented organizations, deciding on the definition of a “project” is foundational.

Today at Energy Trust, the closest data element to a project is an initiative defined during the annual Business Planning process (See Appendix 4 for a partial listing). These initiatives include core program work with various funding sources, as well as other types of work, which are not considered core to the business, but are necessary initiatives bringing long-term benefits to operations and may be worthy of time tracking (e.g., the Organizational Review). In interviews with staff, they did not think additional time tracking for all business plan initiatives would provide benefit, e.g., the core activities within each of the energy efficiency and renewables programs. Non-PPC funded programs (e.g., Community Solar and LMI), have already been segregated as separate cost centers for time tracking and cost accounting.

The types of initiatives where Board, Executive Team, OPUC or staff thought there was value in having ready access to time-related information were:

- Large initiatives from business planning
- Cross-functional program work not considered critical or core to program delivery
- Innovation work
- Non-program work performed by a staff member aligned to a program
- Other projects and/or new programs that may develop from the 2020-2024 Strategic Plan area of focus related to new funding sources beyond PPC

There may also be value in Energy Trust following the practices of other project-oriented organizations, and use “operational projects” to track time and costs for key on-going functional activities. These could include functions, such as finance, human resources, information technology, and marketing, as well as cross-functional activities, such as training, business planning and budgeting. Although these do not follow a strict definition of a project with a defined scope, beginning and end, they are often treated as a finite project with start and end dates aligning with the fiscal year. The benefits in having projects to track operational work is to improve the allocation of costs, to understand resource requirements just as with programs, and to promote a standard business process and system structure. Operational functions, like true projects, require planning, execution and control and are constrained by limited resources. Tracking actual time spent on these efforts could provide Energy Trust management and interested stakeholders better visibility into resources consumed.

Aligning Time Tracking with Budgeting. Energy Trust’s annual budgeting process is time consuming and manual, though this is being addressed with the current Budget Planning and Process Initiative. Leading practice shows that when time is tracked at a level that aligns to budgeting (either directly or via rollup or mapping), there are opportunities to better manage project performance based on actual time and labor cost captured via time tracking. Integration of actual time with budgeting and forecasting tools enable this capability in an automated fashion. The integrations of historical time and budget data can also be performed in business intelligence tools.

Activity or Task-level Time Tracking. In limited cases, Energy Trust staff tracks time at a project level, or the more detailed activity or task level. Presently it is tracking for the Targeted Load Management projects and specific data requests. Some organizations find value in tracking time and budgeting at a project task and activity level. This can provide additional project control, analytics aligned with project execution gates, and insight into profitability by common tasks across projects.

At this time, there is insufficient value for Energy Trust to track time at a task level. Should Energy Trust choose to move forward with additional time tracking, a good starting point is at a project level. With that experience and lessons learned, the decision can be made whether to move to greater detail—is the effort worth the benefit?

Recommendations

6. Define “project” in a way that is consistent with strategic goals. Consider how it will be used in time tracking, budgeting, forecasting, and billing processes.

As part of this, establish operational/cross-functional projects to which team members can record time. In the annual budgeting process example, the project manager was seeking information and insight into the project that did not exist. In this case, if annual budgeting was defined as an operational project where a code or structure was defined to track the work, the project manager could have been more efficient.

Evaluate the Business Planning initiatives to determine which are candidates for time tracking. Ask the question, “What will be gained with the new information of hours by each

initiative?” The answer cannot simply be interesting or informative; it should be actionable. Many of the Business Planning ‘business as usual’ initiatives would lack sufficient value to track actual hours to those activities. Energy Trust should develop clear criteria and incorporate it into the planning process to determine if time should be tracked for each initiative. For example, establish a minimum threshold of estimated effort for an initiative to become a separate project for time-tracking. All time for initiatives with lower efforts can be tracked to generic projects.

Depending on the additional projects Energy Trust chooses to track time against, an additional benefit will be to simplify the allocation issues identified in Topic Area A.

For organizations new to time tracking at a project level, less is typically optimal. Many concurrent projects become unmanageable while an organization is developing the rhythm for managing the creation, controls, and closeout of those projects. We recommend that Energy Trust continue to test that the new definition of a project achieves the time tracking and strategic goals outlined and adjust as beneficial.

7. Implement business processes to streamline the use of reported time as an input to invoices for additional funding sources.

Enterprise service automation software that integrates time tracking, project costing, and billing functions can be costly. Until more new funding sources are procured that would justify this investment, modifying business processes to work with existing or best-of-breed tools is a start.

Suggestions

- **Consider a time tracking process and system that can integrate with a project accounting tool.**
Although it is not required currently, since the volume of grant-funded projects is small, continue to monitor volumes and consider picking a technology solution for time tracking that has integrated project costing functionality that can be added in the future. Given that most of Energy Trust’s costs outside of incentives are from labor, time tracking would be a valuable input into a project accounting system.
- **Define time tracking at a level that supports the budgeting process.**
Start out with a manual cross walk between time tracking projects and budgeted initiatives. Evaluate quarterly, or at least annually, how actuals are trending against the budget. Use this information to inform the next budget and the forecast.

Area B: Time Tracking

Focus #3: Reporting and Analytics

Findings and Leading Practices:

As previously noted, Energy Trust does not have a project accounting system that would allow accounting for project budgets, milestones, and actual resources expended at the project level.



Time sheets were designed to allow time tracking at the initiative (task) and sub-task levels, which could be used to represent projects. However, because these costs cannot be compared to a project budget or milestones, it is of limited value, and currently used infrequently.

Finance provides several system-generated reports that show time by Cost Center year to date, by month, and breakdowns with labor cost by Cost Center. An example output showing hours by cost center and very limited use of “Task” is shown below.

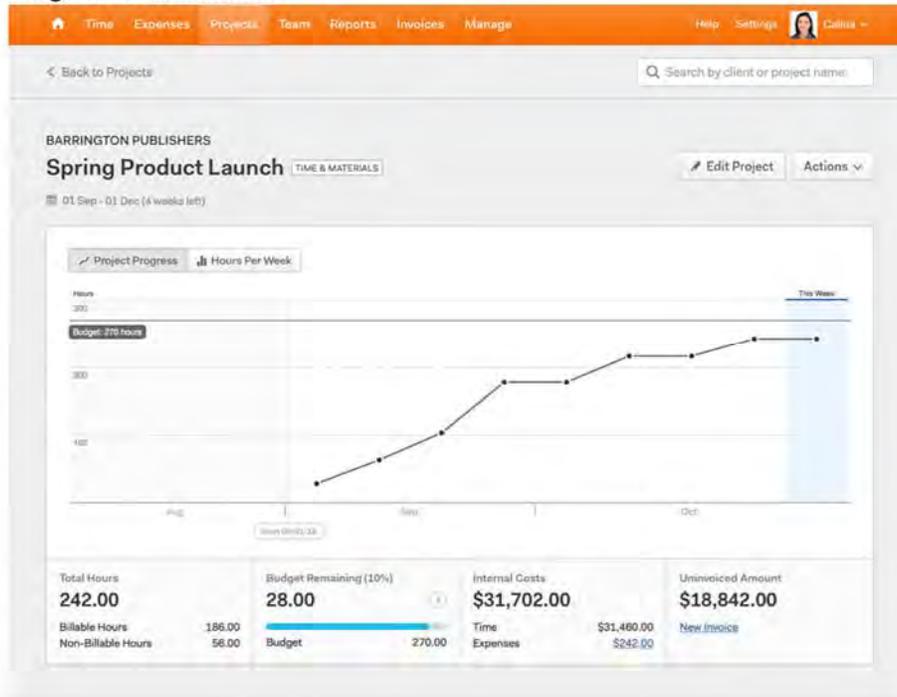
2019 HOURS WORKED BY COST CENTER										
Timecard Work Cost Center	Timecard Worked Cost		Timecard Worked							
	Center Description	Timecard Work Ta	Task Description	Total Hours worked	Jan	Feb	Mar	Apr	May	
100-1000	Ops Analysts	00000	General	4,578.0	966.0	854.0	902.0	970.0	886.0	
100-1001	Programs Director	00000	General	696.0	164.0	64.0	147.0	164.5	156.5	
110-1130	New Buildings	00000	General	1,393.8	288.3	261.0	316.5	245.0	283.0	
110-1170	Existing Buildings	00000	General	3,600.6	729.0	674.1	743.5	747.0	707.0	
110-1173	Multifamily	00000	General	1,467.5	299.0	279.0	309.5	318.3	261.8	
110-2170	WA Existing Buildings	00000	General	233.0	53.0	43.0	32.0	56.0	49.0	
140-1400	Industrial	00000	General	6,810.5	1,436.5	1,202.5	1,336.0	1,398.0	1,437.5	
150-1500	Residential	00000	General	6,413.4	1,339.4	1,125.0	1,183.5	1,418.0	1,347.5	
150-2500	WA Residential	00000	General	240.0	57.3	46.3	30.5	55.0	51.0	
300-3010	CCS General	00000	General	11,238.5	2,250.5	2,020.5	2,028.5	2,470.5	2,468.5	
350-3500	Customer Service	00000	General	986.0	217.0	181.5	174.5	210.5	202.5	
350-3550	Trade Ally	00000	General	1,406.5	287.0	269.0	272.5	297.5	280.5	
405-4085	Solar	00000	General	2,623.5	480.8	439.8	511.3	559.2	632.5	
405-4085	Solar	00001	Project Specific	1,074.0	273.0	265.5	213.5	183.0	139.0	
405-4085	Solar	00020	IMI Match	162.0	50.0	30.5	47.0	11.0	23.5	
430-4300	Other Renewables	00000	General	1,833.6	398.3	288.1	387.0	414.2	346.1	
430-4300	Other Renewables	00001	Project Specific	1,239.4	248.6	220.0	243.9	261.1	265.8	
701-7001	Community Solar	00000	General	441.8			115.6	160.5	165.7	
900-9010	IT	00000	General	11,090.0	2,074.0	1,928.0	2,292.5	2,497.5	2,298.0	
Total Hours worked				81,034.0	16,679.8	14,363.7	15,823.2	17,241.2	16,926.1	
total paid time off				12,452.4	3,174.3	2,498.4	2,188.0	1,700.5	2,891.2	
Total unpaid time (leave of absence)				195.0	-	130.0	60.0	-	5.0	
GRAND TOTAL HOURS				93,681.36						

Beyond the above type of reporting, limitations in data from the current systems hamper Finance’s ability to efficiently provide reporting analytics. For example, in order to provide planned versus actual hours metrics, time must be tracked at the initiative level, and business plan data must be linked to actual time reported. Budget versus actuals would be a useful performance metric, but budget data will likely not exist until the budgeting system is implemented at the project level.

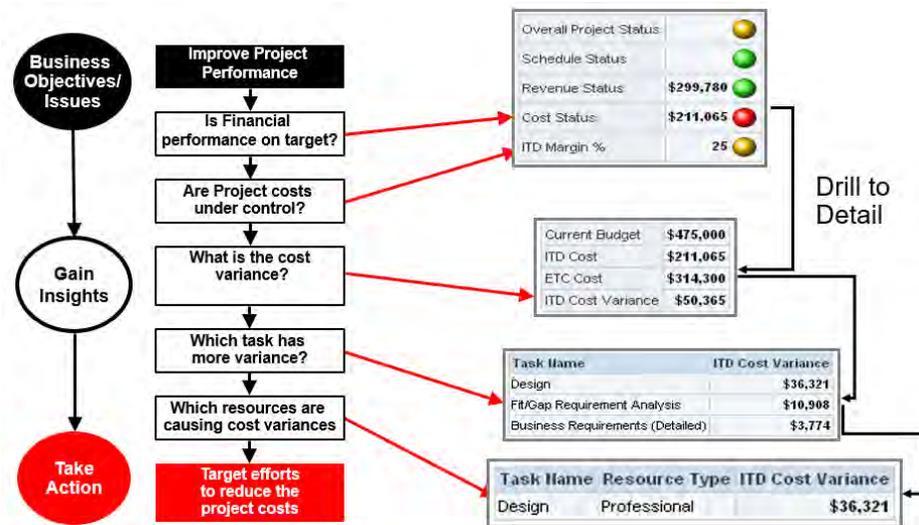
Time tracking systems can efficiently provide some of these types of analytics. The first image below is one example from the Harvest time tracking system of what is possible. Notice the “insight” provided with this type of reporting that incorporates analytics:



Budgeted v. Actual Hours



The second example demonstrates project analytics that utilize specific measures to answer high level business questions and then drill into the details to answer subsequent questions. In this example, the high-level business question is “Are my projects meeting their performance KPIs?”. If the answer to the top-level question is “No” for any one question, the analytics are designed with drill down measures to provide insight and answer why and where out of compliance activity is taking place. The subsequent answers (measures) provide the insight required to take corrective action and bring KPIs back into an acceptable yellow or green range.



Additional examples from various time tracking systems are provided in Appendix 5.

When other organizations adopt leading practices in time tracking reporting and analytics, it is managed as a small project itself. The reason is time tracking systems open a new set of information to management and stakeholders; if not managed and prioritized, creating reports and analytics can consume more time than is really valuable. The key considerations when developing this analytic and reporting capability are:

- Identify a business sponsor and business process lead who can work across stakeholders to identify a small number of metrics and related reports to better manage the business
- Identify new metrics and report data requirements and data gaps
- Develop plans to implement new business processes and/or tools to close data gaps and deliver analytics
- Key Performance Indicators (KPIs) should be defined using the SMART criteria: Specific, Measurable, Attainable, Relevant, and Time-bound.

Metrics requested during interviews included:

- Hours by program/project
- Return on Investment (ROI) by project. This may not be the traditional financial metric with investment representing capital dollars, but may be total budget or hours of investment. The intent was to provide a means to measure value
- Planned Value (Value of what is left to complete in a project)

Other metrics that could be valuable to Energy Trust include:

- Percent of time spent on
 - The 3 different types of innovation: core, adjacent and transformative
 - PPC v. non-PPC work
 - Program v. program support v. administrative work
- Resource utilization
- Planned hours vs. actual time spent

Recommendations

8. **Begin with simple performance metrics that can be realistically delivered and managed by the business.**

When new metrics are being designed and developed with new data sets, it can take months to fully deploy across the organization with change management. Targeting pilot groups first is the ideal approach.

Area B: Time Tracking

Focus #4: Guidance on Implementation Considerations—Proof of Concept (POC)

Agile product development methodologies have become a leading IT practice across all industries. The Agile approach has gained wide adoption because it is designed to slice work into smaller, lower risk components. These components can be quickly solved and deployed to deliver immediate value. Once initial solutions are deployed, the design is iterated based on business feedback; the highest priority features or fixes are redeployed first. This cycle, called a

sprint, continues so that new value is continuously delivered, and designs are improved and evolve over time.

Multiple reasons point to a proof of concept approach as a means of finding a minimally viable solution: (a) IT team utilizes an Agile development methodology, so this is not new to the organization;(b) the Organization Development Initiative identified Energy Trust’s need to become more adaptive, flexible and nimble organization; and (c) the organization’s fear of time tracking becoming a behemoth endeavor. Many clients start with a minimally viable product with just enough features to satisfy key goals (refer back to the beginning of this Topic Area) and provide feedback for future development or build out of this functionality and any supporting system.

Recommendations

9. Initiate a POC / pilot Agile project to design and deploy a new project-based time tracking system.

The POC approach is recommended in lieu of moving forward with selecting a new time tracking system and design detailed tracking for the entire organization. A POC aligns with Agile in that it can be implemented faster, impacts a much smaller number of employees and carries a far lower risk and investment. To receive the intended benefit, Energy Trust needs to be comfortable that the design approach is intended to have a light touch and low effort, which may not be its norm.

It is recommended that the POC scope include a more detailed time tracking process within the existing Payroll System’s time-tracking module. The POC should be designed to test and validate the goals and benefits surfaced in this Management Review. Scope would include defining requirements and designing the organizational change management, business processes, technology and reporting and analytics on a small scale. Once deployed, benefits can be validated and lessons learned can be documented and applied to broader deployments that might follow, should it identify benefits that make additional effort or investment worthwhile.

Suggestions

- **Identify a few (3-5) different types of projects that will achieve Energy Trust’s goals and benefits for time tracking.**
Examples might include new, adjacent or transformative innovation projects, new initiatives from business planning, or other new cross-functional initiatives.
- **Setup new project values in the Payroll System, so the current time keeping process can be utilized.**
Design and develop a recurring reporting process to track project team time and performance compared to budgeted time and cost. Incorporate the new information into project management status and governance processes to work through how the information can be utilized from a project and program management perspective.
- **Consider defining a Project segment in the existing Chart of Accounts.**

Segment 5 (Initiative) is a good option for storing the newly defined Project ID. Project attributes can be maintained offline given the small volume of projects. Standard practice is not to maintain project-level detail in the general ledger, but this could allow Energy Trust to capture project profitability without the need for a separate project management tool.

- **Develop a change management plan, utilizing recently acquired knowledge of the Prosci methodology.**
Because of feedback received about the implementation of Energy Trust’s Payroll System and prior experience from other organizations’ time tracking implementations, a separate focus area is provided on the topic (see below).
- **Document issues, new requirements, benefits and lessons learned throughout the pilot.**
During project closeout, ask the team how the historical budget and actuals information could be utilized to better plan a similar future project? Was the baseline plan accurate and how would the project be planned differently next?

Utilize this information to refine the business case for a potential new time tracking system selection and broader detailed time tracking project.

Area B: Time Tracking

Focus #5: Guidance on Implementation Considerations—Time Tracking System Selection

Assuming the POC / pilot is successful, and Energy Trust moves forward with selecting and implementing a new time tracking system, below are some application models and examples to consider.

1. **Best-of-breed systems.** These typically provide deep, feature-rich time and labor functionality. The downside with best-of-breed applications is that the time and labor application must be integrated with existing enterprise systems such as Payroll, Finance/Accounting, Budgeting and Planning. A variety of integration tools and options are provided (varies based on the product) to help reduce interface development work. There are many best-of-breed time keeping systems available on the market. See below for a few options:
 - Kronos: <https://www.kronos.com/>
 - Harvest: <https://www.getharvest.com/>
 - Workforce: <https://www.workforcesoftware.com/>
 - 10,000ft: <https://www.10000ft.com/>

2. **Enterprise Resource Planning (ERP) or Enterprise Service Automation (ESA) applications.** Typical systems provide time and labor applications that are delivered with integration to the many other modules included in the full ERP / ESA product suite. The major benefit to this approach is the ability to buy and implement time and labor applications and then add-on new modules (e.g., Resource Management, Project Costing, Expenses, AR and Billing) as needed in the future. The downside to this approach is that organizations are limited by their existing ERP application. In some cases, it might make sense to license a full or light ESA application that does not overlap with existing ERP functionality and can be integrated in the future.

Example ERP and ESA systems include.

- Oracle Netsuite: <https://www.netsuite.com/portal/home.shtml>
- Oracle PeopleSoft: <https://www.oracle.com/applications/peoplesoft/>
- Microsoft Dynamics: <https://dynamics.microsoft.com/en-us/>
- Sage Intacct: <https://www.sageintacct.com/>
- Deltek: <https://www.deltek.com/en>

3. **Custom Time Tracking Solutions.** Some organizations choose to develop their own custom solutions built to address their unique requirements. The main benefit of a custom solution is the flexibility and control that comes with it. Custom applications can be built in a wide variety of development tools including Microsoft Excel, SmartSheet, Java and .net.

Area B: Time Tracking

Focus #6: Guidance on Implementation Considerations—Change Management

Findings and Leading Practices:

Based on interviews and the time tracking workshop, staff and management repeated that a new, more detailed time tracking process and system will require a major focus on change management. Even among those who agree with the need for more detailed time tracking, trepidation exists. Based on experience from helping other organizations navigate this change, the concerns are warranted, especially when an organization has professional services-type of work, even innovation-centric, like Energy Trust.

Currently, about half of Energy Trust’s employees charge time only to their default ‘home’ cost center; and for the majority of these a single cost center is appropriate. As is being discussed, if additional cost centers or projects were introduced, the need for staff to charge outside their home cost center will increase, potentially becoming the norm.

There is a step-up in organizational change at Energy Trust—whether it is the introduction of the Payroll System and formalized time tracking, the DEI Initiative, the Org Development Initiative, or adding new funding sources—Energy Trust leadership recognizes this could have a negative impact to staff if they are not minding the people-side of change. Earlier in 2019 leadership began workshops to teach all levels of leadership, and interested staff, how to be better change leaders and manage the people-side of change. Two staff have been formally trained in Prosci, the leading framework for change management, and change management plans are beginning

to be the norm for major initiatives, just like formal project management has been for years. At a general level, should Energy Trust decide to expand present time tracking requirements and adopt new process and systems that impact staff, Prosci's ADKAR (Awareness-Desire-Knowledge-Ability-Reinforcement) framework should be applied and followed.

To help inform that ADKAR thinking, following change management suggestions based on prior client implementations:

- a. Start communications and raise awareness early. Let people know the change is coming well in advance of the change. Create two-way communication opportunities for initial input and feedback on design.
- b. Start at the top. Agreement and conviction at the executive level is a key to success. This includes strong sponsorship of the project, participating in time tracking and ensuring all are held to a similar level of accountability.
- c. Develop 'change agents' to buy into and champion the change. Every organization has employees excited to be part of improving areas of the organization where they are passionate. Garner that positive energy for the cause. Encourage them to participate in a pilot program, provide their feedback, and share the high-level changes and wins with others. These resources can also become part of a help network for employees who have questions or issues.
- d. Highlight benefits to Employee, Managers and organization. This is the "What is in it for me?" In the opening of this Topic Area, staff articulated benefits, and in sharing back those, and likely more, staff will appreciate the value of changes made to time tracking process and personal requirements.
- e. Make sure staff understands the intent is not to micromanage or monitor. Recognize this misperception can be a source of stress and reduce morale. Professionals (outside of industries that require time-based billing) often see the request to time track as a request to justify how they spend their day. Being clear that the intent is to help Energy Trust to continue to serve its mission and demonstrate all the important work that Energy Trust executes for current and potentially new funders is the driver.
- f. Make it easy. Adoption rates are higher when the change is easy. Keep the tool and process simple for the person reporting time. Allow personal choice and flexibility, where possible, without sacrificing efficiency or veracity of the time data.
- g. Conduct training early and often in multiple formats.
- h. Leverage employee performance planning and metrics to help drive compliance. Performing detailed time tracking on a timely basis is a challenge for virtually all organizations when it is first implemented. It is common to include metrics and incentives for accurate and timely time tracking in employee's performance plans to incentivize compliance.

- i. Implement a time approval step for hours recorded against non-PPC-funded grants and projects during initial implementation to help with reinforcement of the change. This control mechanism will ensure that time entered is appropriate for each grant or project. This approval will also ensure only authorized team members are working and reporting time to projects. Once the organization has integrated this activity as a norm, drop this additional level of oversight. The regular time tracking reports will be sufficient oversight to ensure all staff are recording time as needed.
- j. Celebrate wins. Convert early wins, regardless of size, into success stories and communicate them broadly. This reinforces that small contributions and gains matter.
- k. Continue the dialogue. Check in periodically to ensure implementation is proceeding smoothly. Provide a venue for feedback for continual improvement. Offer follow up training sessions

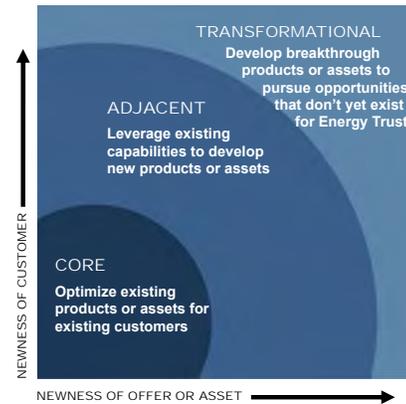
Area C: Innovation

As more than one interviewee noted, Energy Trust's success in energy efficiency and renewable energy has been driven by innovation since its inception in 2001. Innovation is even an organizational value. This Management Review is not about how to start innovating, but how to achieve the historical pace of innovation now that "low hanging fruit" is gone.

Innovation is a broad topic, and the Management Review requested the focus be around resourcing and financing, as those elements relate to moving innovation forward while ensuring delivery on the day-to-day program goals. Specifically, the Management Review request was:

Review current practice and provide best practices in our industry regarding the proportion of effort staff should spend on program innovation and design versus day-to-day delivery and program operations activities. Help draw relationships between current savings acquisition and design for future savings innovation. Provide best practices or benchmarks of ratios that might relate to this balance between developing for the near future versus process for the current state. Consider the near- and long-term impact of activities related to programs funded with sources other than public purpose charge funds on the efficiency and effectiveness of Energy Trust primary program operations.

Because innovation can have different meanings, it was important to have a common definition. For purposes of the Management Review, innovation was defined using the framework Energy Trust has chosen: the Innovation Ambition Matrix by Bansi Nagji and Geoff Tuff from Monitor Group. The Innovation Ambition Matrix divides innovation into three categories: core, adjacent and transformational. Applying these categories to Energy Trust's business shows the following differentiation around target customers and examples of innovation:



Core: The customers would be ratepayers of funding utilities with a high propensity and opportunity for utilizing core energy efficiency and renewable energy (EE/RE) services. Example innovations would be changes to existing measures, incremental improvements to existing EE/RE programs, strengthened existing delivery channels, or improvement in internal operations.

Adjacent: The customers would be ratepayers of funding utilities who have a low propensity or opportunity for the core EE/RE services. Example innovations would be significant changes to EE/RE programs, new measures and pilots, new program delivery channels, new strategic partnerships, complimentary funding, or significant operational improvements.

Transformational: The customers would be outside of those found in core or adjacent innovation. Example innovations would be radical new programs,

EE/RE with new funding partners, new products for new markets, new customer needs beyond EE/RE, or building internal capabilities to explore new products and customers.

Where it is relevant to current state, benchmarking and research, and recommendations, the Management Review makes distinctions about innovation using these categories. With some interview comments or secondary research, this was not possible.

As mentioned, innovation covers a broad spectrum, and it was noteworthy that all interviewed were only able to offer their experience and lessons learned about the Management Review topic focus—resourcing and financing—after they spoke to a broader view of innovation in their organization. Interviewees thought there was a need to have that broader view, to understand the organization’s decisions about innovation or how those decisions were made, before one could understand how they addressed resourcing and/or financing of innovation. The main points of that broader context included:

- What was the focus or purpose of the innovation?
- How does leadership support innovation and inform balancing it with risk-taking?
- What was the organizational structure for innovation?
- What was the process for innovating?

How organizations inside and outside the industry dealt with these questions will be shared in the Benchmarking and Research section.

Innovation: Current State

Energy Trust has adapted to growth and change in scope since its inception, adding gas utility funding and customer services in Oregon and SW Washington, as well as additional electric funding to serve more customers and acquire more energy savings. With this additional scope and its program design innovations, Energy Trust performance increased from 15 average megawatts (aMW) of electricity saved in 2002, to 54.0 aMW of electricity, 7.5 million annual therms of natural gas saved, and 2.4 aMW of renewable energy generation in 2018.

Energy Trust has recognized the need to rethink aspects of innovation, so it can continue to contribute to utility, state and regional clean energy goals. That thinking is showing up at a strategic and day-to-day programmatic or process level.

Given the anticipated dynamic future and staff’s requests to clarify what innovation meant at Energy Trust going forward, an Organizational Review was conducted by an internal team to make recommendations about organizational changes needed to make Energy Trust more nimble, flexible and adaptable. From staff interviews, engagement surveys and secondary research, recommendations stated that various aspects of innovation needed to be addressed because of advances in technology, changing customer expectations, and changes in markets and the utility system. An implementation plan draft was completed in 2018, and an internal Innovation Team was chartered to drive the various efforts. The key goals of the team, to be completed by

October 2019, are shown below. The entire Innovation Team charter and team composition are provided in Appendix 6:

Foundation setting for supporting innovation at Energy Trust

The Innovation work packet recommends Energy Trust build a management system around innovation. The foundational objectives for 2019 include:

- Select a high-level framework for innovation
- Clarify pathways for different types of innovation activity
- Grounded in the Strategic Plan and through engagement with the Executive Team, formalize agreement on the parameters for pursuing innovation
- Develop business metrics for monitoring progress on innovation
- Prepare and submit a “new initiative” template to establish an innovation team in 2020, for consideration in the 2020 business planning process

Idea generation and prioritization

- Generate a list of potential innovation initiatives
- Select 3-5 ideas for further idea development and pilot testing in 2020

Research tools for innovation

- Research tools and processes to support innovation at Energy Trust and provide recommendations for the innovation team in 2020 to consider

Communications and training

- Facilitate common understanding of the term “innovation” and how it applies at Energy Trust
- Communicate internally the parameters for innovation, framework for innovation and any available tools and processes
- Explore options for further workshops and staff training to foster innovation in 2020 if time allows
- Document and transfer insights, tools, resources and recommendations to the Innovation team which is expected to continue this work in 2020

In 2017, the 2020-2024 strategic planning process began. Innovation, whether core, adjacent, or transformational, has been at the heart of many discussions with the Board, OPUC, stakeholder utilities and other interested parties. The present strategic plan draft offers multiple places where innovation is integral in the five areas of focus:

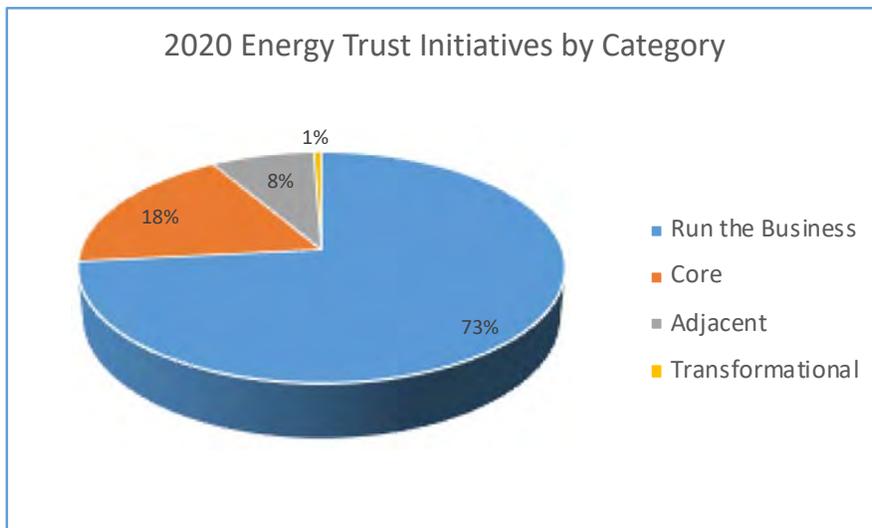
1. Engaging customers with relevant programs, information and services, with particularly attention to underserved customers
2. Linking energy efficiency and renewable energy to the approaches utilities are using to meet changing customer energy needs
3. Supporting development and implementation of energy policies by providing objective information and analyses
4. Maximizing public purpose charge funding by leveraging additional funding to advance clean energy investments that deliver multiple benefits

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

For the day-to-day program design and delivery, and management of its EE/RE portfolios, there are multiple ways innovation has been structured in, including:

- The investment in Northwest Energy Efficiency Alliance (NEEA). As its second largest funder, Energy Trust invests approximately \$13M annually, or 7% of its 2018 expenditures. The resulting innovations could be in any of the three innovation categories, and ultimately are to the benefit of Energy Trust’s annual delivery of energy efficiency savings.
- Within the measure development process, Energy Trust created pilot program and field test options to foster innovation. A pilot can be used to answer a critical question, for research to inform decision-making, or to conduct a limited scale offering. Field tests have less risk than pilots. They are for projects likely to be cost-effective, but where more data is needed for assurance, and a research plan to collect that additional data is not needed. Over the last three years, there have only been seven pilots and one field test, which has fallen short of the intent. In a November 2018 review of the measure development process, Planning and Programs acknowledged a need to better understand why this option is not fostering more innovation.

Resourcing. As Energy Trust begins stepping up innovation, it has baselined its present activities to understand where staff resources have been invested. Beginning in 2018, Energy Trust adopted a business planning process to be more intentional about prioritizing and resourcing the work that most aligns with its strategic plan. Through the information collected in this process, the Innovation Team categorized the 156 major organizational activities into four categories, to help make clear how Energy Trust’s work correlates to innovation efforts, and the three types of innovation—core, adjacent, transformational. It shows that 27% of all staff time is spent on innovation:



Using the Innovation Ambition Matrix, the 27% overall innovation effort (summation of

core, adjacent, and transformational) breaks out as follows:

Innovation Type	Percentage
Core	69%
Adjacent	29%
Transformational	2%

Although the staff time allocation implies a significant focus on innovation, not all staff see it as an intentional priority of Energy Trust. One staff suggested that the sentiment is “Resource only so much into innovation as to not have it impact the amount of ‘run the business’ work the team members can deliver.”

Funding. The fourth Focus Area in the 2020-2024 strategic plan draft directs Energy Trust to leverage additional funding to accomplish clean energy projects with multiple public benefits. Additional funding began in 2018 with LMI, followed by Community Solar in 2019. These non-PPC funded programs represent approximately .2% of the total 2019 budget.

These are highlights of Energy Trust’s current innovation efforts related to resourcing and financing. The question is what guidance is helpful to advance the current state.

Benchmarking and Secondary Research

To inform Energy Trust’s decisions about resourcing and financing innovation while ensuring it meets goals for day-to-day program delivery and design, 20 interviews were conducted along with secondary research (See Appendices 1 and 7 for details). Four of the 20 organizations were outside the energy and energy efficiency industries, but had similarities to Energy Trust, e.g., non-profits faced with a need to address changing market dynamics, and therefore, increase innovation.

From these interviews and research there were common themes and insights, not only about resourcing and financing, but more broadly, innovation lessons learned. Resourcing and financing practices will be shared first, followed by other general innovation guidance. Across organizations interviewed or the secondary research, there were not common ratios or investment levels for resourcing or financing, but there was a set of guidelines these organizations found successful:

1. Tie resourcing decisions and allocations to strategy. Because of this tenet, there is not one right answer about resourcing ratios, headcount or budget; it is organization dependent on strategy or priorities. To see just how varied resourcing is at the organizations interviewed, following is a snapshot (each bullet represents one or more organization):

Utilities

- People are added as opportunities are justified. There is a process to obtain approval for adding FTE
- .001% of budget for transformational innovation. Core and adjacent are not specifically identified; the expectation is that healthy pipelines will be maintained



- Regulators allow a maximum of 5% of total budget for pilot-type projects (approximately \$6M)

Energy Efficiency Organizations

- Started with 1 FTE and \$450K to spend on innovation project costs (primarily core and adjacent). Over years, innovation training was integrated throughout the organization. Additionally, a small “lab” was staffed with innovation experts to help on more complex ideas. This didn’t occur until years after innovation efforts began. Note: This organization is significantly larger than Energy Trust
- One FTE (16% of total staff—smaller organization)
- 2-2.5% of budget for emerging technology (transformational innovation)
- 3-5% of FTE spend 40% of their time on innovation (all three categories)
- Through the budget process, there is an innovation carve out, separated from energy efficiency program design and delivery
- 4 FTE (approximately 5% of FTE) in emerging technology (adjacent and transformational). Over 80% of all staff are working on something that falls into one of the three categories of innovation

Other Organizations

- 2.3 FTE of 6 total (38%)
- Day-to-day program needs are first budgeted, and the remainder is available for innovation (this can set the goal for additional funding needs)
- Everyone is expected to devote a portion of their work to innovation and commit to this during their annual planning process. The manager interviewed commits 10%
- “Have the work [innovation] match the money”

Secondary research on resourcing innovation did not offer many ratios because of the tie to a company’s strategy. The following is a standout, and comes from Bansri Nagji and Geoff Tuff, the authors of the Innovation Ambition Matrix (differentiating core, adjacent and transformational):

In a study of companies in the industrial, technology and consumer goods sectors, we looked at whether any particular allocation of resources across core, adjacent, and transformational initiatives correlated with significantly better performance as reflected in share price. Indeed, the data revealed a pattern: Companies that allocated about 70% of their innovation activity to core initiatives, 20% to adjacent ones, and 10% to transformational ones outperformed their peers, typically realizing a P/E [price/earnings] premium of 10% to 20%.

From secondary research an interesting study by Klingebiel and Rammer studied factors that play into resourcing decisions, including breadth and intensity (depth) of the innovation investment. The finding was that breadth in resource allocation increases innovation performance, more so than resource allocation intensity (depth). Given that the authors note that the effect was particularly strong for sales of more novel products, there is a reasonable inference that this relates more to transformational and potentially adjacent innovation, versus core.



2. **“Innovation resources” best deliver innovations when connected to the day-to-day;** do not isolate in a skunkworks-type environment. For organizations of Energy Trust’s size, the leading practice amongst those interviewed is to not create a separate unit. Those interviewed found that keeping innovators in the daily flow of business helped innovative ideas develop to be more relevant and readily implementable.

“ This is the answer to how to innovate and not hurt day-to-day design and delivery of programs”

“Some of the best innovations came from comingling people who usually didn’t.”

“Don’t send them off by themselves, or they will become irrelevant.”

One organization had the experience of both structures and moved from separation to integration. This organization started with two teams, one focused on innovation and pilots, and the other on program execution. These groups were merged when it was determined that program implementation was lacking in ownership and collaboration, and outcomes were falling short of potential. Once “innovators” and “implementers” combined onto the same team, better results were realized, along with a secondary benefit of a more efficient organization.

Another organization went the other way. They found when innovation and implementation roles were organized together, employees could not find time for future innovation—they were “sucked into the annual cycle of goals and metrics.” As the organization faced existing portfolio challenges, they faced riskier measures, and this required they start thinking differently. Separating into an emerging technology and programs group has been successful. This is more typically found in large, multi-billion dollar companies, like Nike, Adidas, Cisco, etc.

Organizations that use or tried separating “innovators” from “implementers” also noted an organizational risk: There can become two sets of employees, an A Team and a B Team. When separate teams existed, “innovators” were considered special or smarter than those who were “implementers.” Even calling some work “innovation” and other “continuous improvement” was found to be disheartening to those not in the “innovation” bucket. This distinction can cause unity problems in the organization and must be actively managed by leadership.

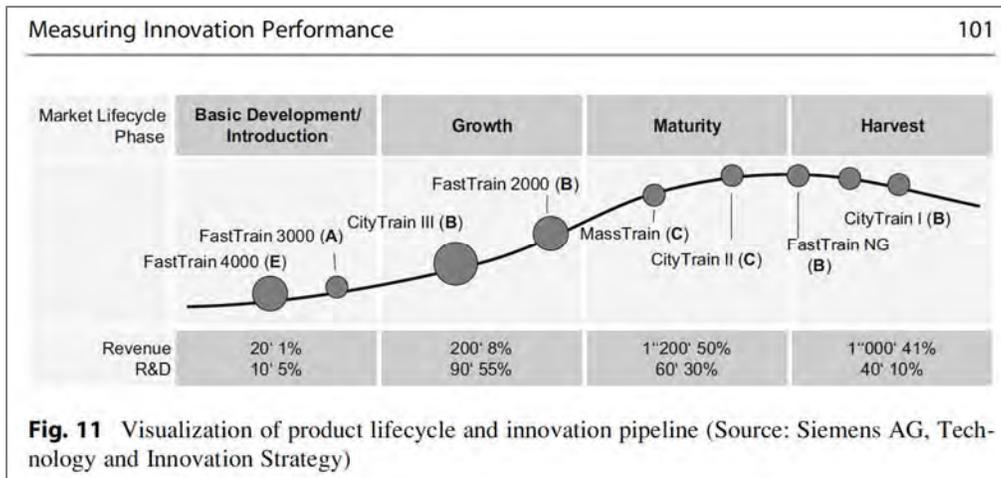
3. **Leverage and collaborate with other organizations—create “resource multipliers.”** This theme applies to both the resourcing and financing areas. Especially in this market, collaborating and leveraging the expertise, experience and budgets of other organizations is an efficient means of resourcing and financing innovation and spreading risk. In doing so, it keeps from diluting investments in day-to-day programs. Interviewed organizations offered the following guidance:
- Partner with commercial or industrial customers. If the energy efficiency is helping improve their business, they may be willing to help develop and fund the idea to the point of being commercially viable.
 - Utilize funding utilities, other utilities in Oregon or in other states, like California. Utilities may want to partner because an organization’s innovation pipeline benefits their goals, or it provides economies of scale. It was advised that it is especially important during ideation to partner with funding utilities to prevent



In addition to having a ‘go to market’ or lifecycle management process as shown above, there is also a need to understand the innovation pipeline, to ensure it stays robust. One energy efficiency organization interviewed shared that when they did not see this full view and allowed the balance to drift away from innovation and too heavily towards deployment, the pipeline suffered. They experienced the consequences of that in future years when they struggled to find savings. The obvious benefit for Energy Trust is that it can see when certain programs are reaching “end of life,” and can confirm that the pipeline coming behind can replace those savings.

Following is an example from Siemens, as a way to show all aspects of the pipeline in one visual:

- This is for Siemens’ rail system portfolio
- The bubble sizes indicate expected R&D investment, accumulated over 5 years
- The corresponding letter represents the expected accumulated revenue over that period, with A being the highest and E being the lowest



The innovation guidelines above were provided because the points were thematic across multiple organizations interviewed. In addition, other financing approaches were utilized that are worth noting:

- One non-profit created a for-profit entity when it wanted to pursue a more innovative offering. They funded the start-up primarily through grants and pro bono support. The Board was supportive and viewed this structure as a means to insulate the non-profit from increased risk.
- Risk-sharing agreements through public-private partnerships can bound risk, making the pursuit of some innovations more palatable because it diminishes previously unbounded risk.
- Innovation was limited to the extent additional funding, beyond that designated for program design and delivery, could be raised. The most often cited source was grants.

In addition to the resourcing and financing insights, the interviewed organizations and secondary research consistently provided guidance in areas of innovation, not directly

associated with the Management Review topics of resourcing and financing. Energy Trust is already taking similar actions in designing a more innovative organization, so these are provided as confirmation and additional refinement thought-starters:

- **Align innovation with organizational priorities.** It was clear that interviewed organizations thought it was more important to decide what an organization is working on—the focus of the innovation—versus how much time and budget to spend on innovation. The more specific an organization can be about the focus for innovation, the better. Some stated this as mission fit or strategic plan alignment. Others were more specific, advising that the organization try to solve a specific problem: One organization who has been realizing 20% year-over-year growth continues to challenge all aspects of their organization, both program offerings and how they run the organization. Relative to their industry, they ask themselves, “If we landed on earth today, what would we try and solve?”

In addition, that focus should align with the organization’s unique role of value. As one interviewee stated, “if there are only 16 ways to address a problem and 1,000 organizations are working on it, step aside and find something else to focus your efforts on.”

Organizations do not have enough resource to blanket a market. When too many “and’s” exist in a mission statement, the organization can find itself not doing any aspects successfully. One organization outside of energy who acted on this in a dramatic way, reduced its staff by 50% and shifted that part of the business to another organization whose mission aligned. It then resourced different talent to pursue innovation where they thought there was a significant market opportunity, and realized significant success.

“Look for gaps in the market.”

“It’s not about dollars; it’s about coverage: are we looking in the right places?”

“We think about how the organization is prioritizing innovation, not necessarily about FTE and budget dollars.”

“There are things that were very productive and valuable in the past, but they may not be right to continue. Look at the portfolio and determine what will be removed.”

- **Focus on the customer.** Given the maturing market, customer focus may look more like a Proctor & Gamble, which is renowned for its market research prowess and ability to segment the market and innovate effectively within niches. The Northwest Power Council and ACEEE both observed that energy efficiency is seeing a similar movement, expanding beyond technical solutions and working within discrete customer sets. Market adoption is addressing barriers in commercialization of product innovations, not just the R&D to develop the ideas. Additionally, by working more closely with customers or associations that represent customer groups, their participation and feedback hones the innovation to create faster adoption, and can also supplement resources at times.
- **Leadership needs to demonstrate and communicate its support for innovation.** As with any priority that touches the culture of an organization, leadership is key to a successful transition. Many interviewed spoke to this



aspect when reflecting on lessons learned. Specific aspects of leadership that support strong innovation outcomes were:

- Risk tolerance or risk profile must be discussed and decided. This has some tie to resourcing innovation because not all innovation efforts will succeed; therefore, leadership has to clearly communicate that failure to a certain extent is anticipated. This should not be misunderstood as leadership not doing due diligence around budget allocations or project pursuits.
- Leadership must continue to protect the innovation agenda, including the resourcing budgeted for it. There will be competing priorities throughout a year or years, and innovation takes time to mature, especially adjacent and transformational. That longer time frame for expected results is different than the day-to-day program delivery or even core innovation, which can often deliver in the budget year its allocated.
- **Structure and process are needed to support innovation.** This is a fundamental in organizational effectiveness (reference Jay Galbraith’s Five-Star model). Structure and process are support mechanisms to help the organization efficiently deliver innovation. In 2015, the Consortium for Energy Efficiency and its Emerging Technologies Collaborative produced a comprehensive handbook on the components for an effective innovation process. This model, similar to the approach of NEEA, VEIC and others interviewed, provides a standard method for moving ideas through development into a commercially viable product or service.

One organization came to realize that they were supporting old ways of doing business (not innovative) without even knowing it. When they realized this, they started proactively scrutinizing their processes, looking for what was holding them back from being innovative.

Organizations interviewed also counseled that this can be taken too far, to the detriment of innovation. “Getting people to follow the new process is difficult, but also having too much bureaucracy is a challenge. There is a tricky balance.” Speed and ease of use were noted as balancing factors.

Recommendations

In some ways all Topic Area C content is a set of recommendations or suggestions. Energy Trust has multiple efforts underway to increase innovation, so most of these recommendations confirm existing activities or provide refinements.

- 10. Be specific about what problems to solve and where to focus innovation resources.**
For example, one non-profit interviewed has a focus on Diversity, Equity and Inclusion. Allow the organization to find successful structures, processes, risk tolerance, etc. with one or a few problems before expanding.
- 11. Allocate a budget carve out for adjacent and transformational innovation.**



Energy Trust has started tallying its overall innovation investment and dividing it into the three categories. The business planning shows staff spend time with a 69-29-2 split. The investments with NEEA and any other PMCs or PDCs need to be similarly categorized. Once completed, designate a budget carve out, at least for adjacent and transformational, since this is where the greater risk exists.

12. Adopt an innovation resourcing strategy and structure that utilizes internal and external resources and sets Innovation Ambition levels amongst core, adjacent and transformational innovation.

Core and adjacent favor integration of resources with day-to-day activities. As these levels are established, assess what is, or makes sense to be, pursued by partners. Allow internal resources sufficient time—at least 40% of total time—to have the mind space to innovate, while not isolating them from the day-to-day, which keeps them grounded in the challenges of implementation. Find Independent Contractors and other organizations who can be partners in innovation, offering expertise and/or financial support. Collaboration is an Energy Trust organizational value, and this strength to collaborate can be leveraged with its many relationships to advance innovation.

Transformational Innovation Ambition most often sees separation of funding and organizational structure to ensure success. In the early period of this step-up in innovation, consider outside partners or vendors sourcing this. Learn from them, and then determine what, if any, to internalize.

Given NEEA's mission and strengths, and the significant investment Energy Trust already makes, work with them to determine how to best focus resources related to adjacent and transformational innovation.

13. Focus innovation efforts using existing PPC funding and collaboration with resource multipliers.

PPC funds exist to support energy efficiency and renewables innovations. Start small with defining how much time to spend on alternative funding, where Energy Trust does not have the experience or infrastructure to support.

Suggestions

- **To expand transformational innovation, consider non-PPC funding sources.** Should the recommendation above to create a budget carve out for adjacent and transformational innovation not be adopted, consider allowing a small portion of staff time to pursue additional, non-PPC funding sources, e.g., grants. Many organizations interviewed found alternative funding to be the means to advance innovation.

APPENDIX

- 1 | Interviewees
- 2 | Cost Allocation Methodology Elaboration
- 3 | GL Chart of Accounts
- 4 | Business Planning and Output
- 5 | Time Tracking Analytic and Reporting Examples
- 6 | Energy Trust Innovation Team Charter
- 7 | Secondary Research Works Cited

Appendix 1: Interviewees

Energy Trust Staff

- Melanie Bissonette
- Quinn Cherf
- Scott Clark
- Amber Cole
- Michael Colgrove
- Jack Cullen
- Alison Ebbott
- Sue Fletcher
- Cheryl Gibson
- Debbie Goldberg Menashe
- Fred Gordon
- Betsy Kauffman
- Steve Lacey
- Amanda Potter
- Pati Presnail
- Lizzie Rubado
- Sloan Schang
- Art Sousa
- Michelle Spampinato
- Greg Stokes
- Peter West
- Mark Wyman

Funding Utilities

- NW Natural
- Portland General Electric

Energy Trust Board Members

- Susan Brodahl
- Roland Risser
- Anne Root
- Oregon Public Utility Commission

Benchmarking and Research Organizations (Topic Areas A/B – Cost Allocations and Time Tracking)

- Ernst & Young
- Fred Hutch Cancer Research Center
- HighQ
- ICF
- Kaiser Permanente
- PricewaterhouseCoopers
- SpearMC Consulting
- The Allegis Group
- Veolia
- Volt Workforce Solutions

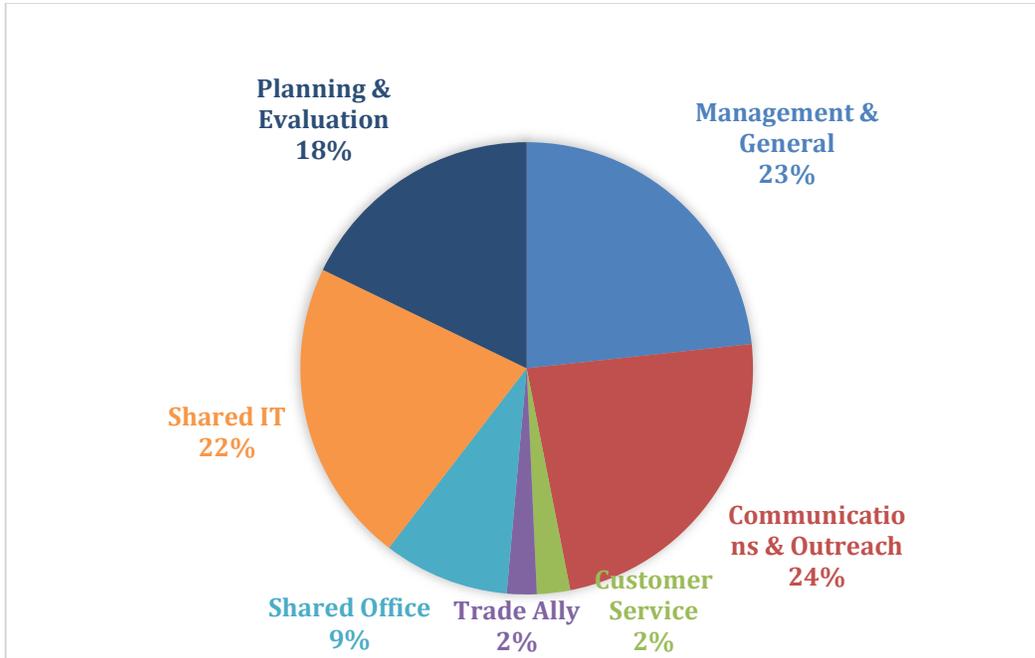
- Williams Companies

Benchmarking and Research Organizations (Topic Area C – Innovation)

- American Council for an Energy-Efficient Economy
- Bonneville Power Administration
- Climate Trust
- Columbia Land Trust
- Consortium for Energy Efficiency
- DTE Energy
- ICF
- Michigan Saves
- Northwest Energy Coalition
- Northwest Energy Efficiency Alliance
- Northwest Power and Conservation Council
- PECI
- The Freshwater Trust
- VEIC and Efficiency Vermont

Appendix 2: Cost Allocation Methodology Elaboration

Proportion of Shared Cost by Expense Category to Total Shared Costs 2018



Administration Allocations (Communications & Outreach + Management & General) – 47%

The allocation for all administrative costs is based on proportion of YTD actual costs, including incentive costs. Energy Trust believes the business model of delivering incentives affects all administration, even for areas with no direct tie to incentives (e.g. Human Resources). In the past, Energy Trust explored whether it would be meaningful to allocate each administrative cost center differently and determined it would not add value.

Community Solar’s contract includes direct services provided by legal, communications, and finance. People performing that work charge time on their timesheet to Community Solar, and the rest of their time is included in administration and allocated.

Energy Trust, like many organizations, lacks visibility into administrative staff time spent by program to validate if the allocation is proportionate to efforts.

IT Allocation and Planning & Evaluation Allocation – 40%

Both allocations are based on budgeted use. The staff involved in the budgeting process are aware that the budget drives these allocations. The intent is to be fair and accurate; however, budgeting by nature is an estimating process.

For 2019, the estimated breakout as per the IT budget/IT director judgement are as follows:

- 53% Infrastructure: allocated across all programs and support centers

- 36% Development: of which 90% is allocated to PPC Programs and NWN WA and 10% to Community Solar and Administrative Cost Centers
- 12% Reporting: of which 75% is allocated to PPC Programs and NWN WA, 20% for Communications & Outreach, and 5% for Community Solar and Management & General

Shared Facility Allocation – 9%

Shared Office/Facility costs are allocated based on monthly payroll hours per cost center based on timesheets, which does not include contractor hours. The assumption with this allocation basis is that these costs support internal functions. Programs that outsource more of their work bear a lower proportion of these costs because they are using a lower proportion of facilities.

Customer Service Allocation – 2%

Calls are tracked to categories, which are mapped to programs. Based on the proportion of calls for that month, the program is charged that proportion of the cost center's cost. Due to technology advancements, most support is not via calls. If this were a larger portion of costs, tracking other types of support requests could be suggested for the allocation. However, the value of tracking and categorizing services outside of calls for the allocation would not justify the additional effort from the customer service team. Customer Service costs are not allocated to Community Solar because the program does not use these services yet. There is a plan to add a category when Community Solar contracts to use the call center in the future.

Appendix 3: GL Chart of Accounts

The Chart of Account segments are currently managed in Energy Trust's Enterprise Accounting System and consists of the following segments. For the purpose of Project time tracking, it should be noted that Segments 5 would be a natural choice to expand for the purpose of detailed project tracking given Energy Trust's historical and current use.

Segment #1 – GL Natural Accounts. This included the various expense, revenue and other accounts that would typically show up in a Profit and Loss or Balance Sheet financials report.

Segment #2 – Departments. Consists of 5 values and includes General, Planning & Evaluation, Legal, Marketing, Information Technology

Segment #3 – Sector. Most costs are assigned to this level and examples values include 'Business Energy Solutions Commercial', 'Business Energy Solutions Industrial', 'Residential Energy Solutions'.

Segment #4 – Program / Cost Center. This is a required detail to code against transactions and rolls up to the Sector values contained in Segment #3. This segment also contains values for specially funded (non-PPC) Projects. Time and Labor cost is recorded against the specially funded projects (Solar LMI Grant and Community Solar) for billing and project costing purposes.

Segment #5 – Initiative. This segment is not being utilized in a meaningful way currently and was previously setup to track specific Energy Trust initiatives that have since been closed out.

Segment #6 – Funding Source. This segment is utilized to code against Revenue and Expenses to track the related funder. Values are setup for each utility (e.g., PGE, PacifiCorp, NW Natural) and shared values for groups of utilities (e.g., Shared by All Electric, Shared by All Gas, Shared by All Utilities).

Appendix 4: Business Planning and Output

Business Planning was in 2018. The scope does not include planning for core program work, as that is a separate process (work plans). Business planning scope includes cross program business as usual initiatives and what are commonly referred to as projects. Initiatives can be recurring from year to year, such as the annual budgeting, but many are run like typical projects and have start and end dates. See figure below for a sample of initiatives that are planned and prioritized as a result of Energy Trust's business planning process.

Figure: Annual Business Planning Sample Output

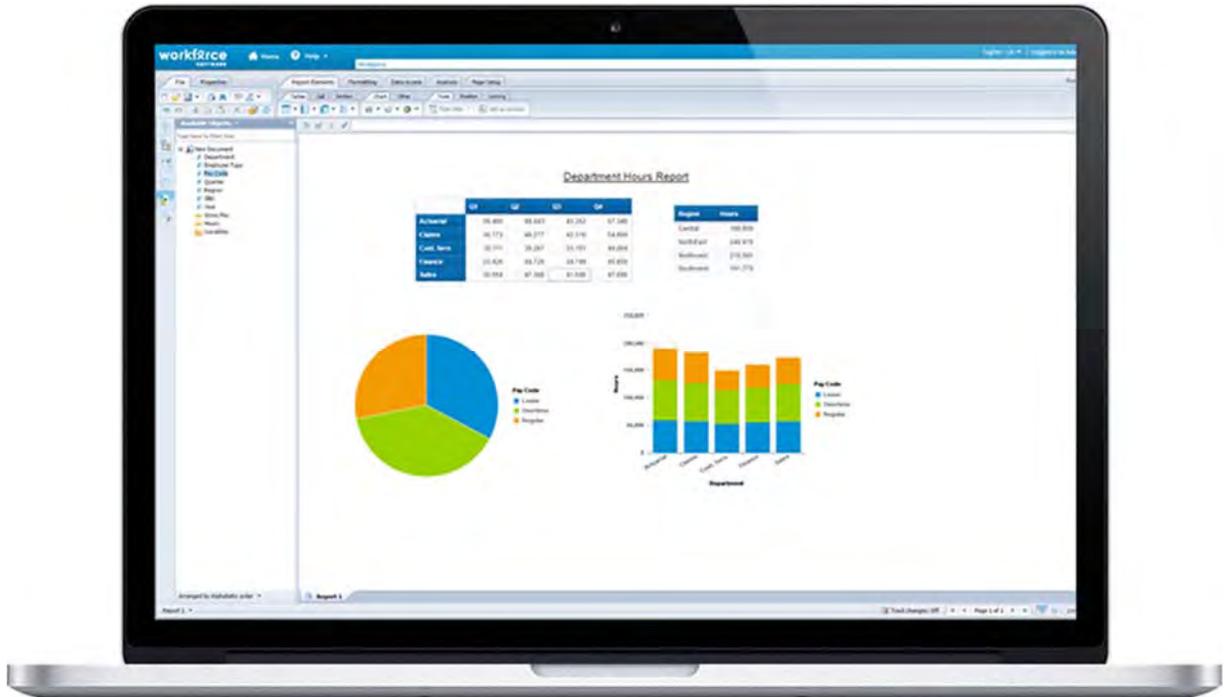
UNIQUE IDENT	FUNCTION	INITIATIVE	New or Business-as-Usual	RESOURCES																TOTAL
				Staffing (total hours: assume 1 F for PTO, prof dev (conferend All-Staff meetings																
				500-5010	500-5035	incl in IT 900	500-5030	500-5025	500-5020	900-9010	350-3550	300-3010	650-6500	150-1500	110-xxxx	140-1400	various			
Executive	Facilities	Project Management Office	Finance	HR	Legal/Contracts/Regulatory	IT Infrastructure	Communications	Outreach/General Marketing	Planning	Residential	Commercial	Industrial/Agriculture	Agency Contract Staff/Interns							
2020BAU-095	IT Infrastructure and Software	SharePoint Support & Maintenance	BAU	0	0	0	0	0	0	850	0	0	0	0	0	0	0	850		
2020BAU-096	Organizational Communications	Social Media Channel Management	BAU	10	0	0	0	0	0	0	145	265	0	0	0	0	20	540		
2020BAU-097	Program Design and Management	Solar program operations and management	BAU	0	0	0	0	0	0	0	135	325	24	60	0	0	2,930	2,899		
2020BAU-098	Organizational Marketing and Ad	Sponsorships/memberships	BAU	10	0	0	0	0	10	0	140	200	0	0	0	0	0	500		
2020BAU-099	Develop and Maintain Relations	Stakeholder Relationship Management and Communication	BAU	312	0	15	0	0	0	0	185	1,410	80	240	250	200	0	3,182		
2020BAU-100	Reporting	Standard Org Reporting and Analysis (Includes Q/AR, leg PP	BAU	40	0	0	415	0	10	0	1,125	54	1,786	40	40	40	0	4,639		
2020BAU-101	Human Resource Management	Supervision and Performance Management (all groups)	BAU	635	200	240	447	120	262	210	534	500	557	325	350	350	71	8,205		
2020BAU-102	IT Infrastructure and Software	Systems Administrations & technical support	BAU	0	0	0	0	0	0	4,280	0	0	0	0	0	0	800	7,850		
2020BAU-103	Program Design and Management	Targeted Load Management (Includes PGE + Test Bed, PAC, I	BAU	48	0	1,200	0	0	0	0	15	245	692	340	120	102	0	4,177		
2020BAU-104	IT Infrastructure and Software	Technical debt	BAU	0	0	0	0	0	0	3,200	0	0	0	0	0	0	1,700	6,770		
2020BAU-105	Customer Service and Trade Ally M	Trade ally forums	BAU	20	0	0	0	0	0	0	0	40	0	40	20	0	10	702		
2020BAU-106	Customer Service and Trade Ally M	Trade ally insider newsletter/communications	BAU	0	0	0	0	0	0	0	15	0	0	0	0	0	0	360		
2020BAU-107	Customer Service and Trade Ally M	Trade ally network admin (includes enrollment, business d	BAU	0	0	0	0	0	0	0	15	0	0	0	0	0	0	985		
2020BAU-108	Customer Service and Trade Ally M	Trade ally tool development and maintenance	BAU	0	0	0	0	0	0	0	0	0	0	0	0	0	0	480		
2020BAU-109	Organizational Communications	Website design, development and maintenance	BAU	0	0	0	0	0	0	0	15	0	0	0	0	0	0	2,215		
2020New-001	Human Resource Management	new toolset/technology to support team collaboration,	New	20	0	0	0	35	20	60	35	20	0	0	0	0	0	210		
2020New-002	Support and Engage the OPUC	Cap and Invest support and integration	New	50	0	0	0	0	35	0	95	60	250	15	15	15	0	590		
2020New-003	IT Infrastructure and Software	Phase 2 - CRM Account/GP Vendor Clean-up Project	New	0	0	0	500	0	0	0	0	0	0	0	0	0	0	1,690		
2020New-004	Board and Executive Activities	Develop two new board learning topic papers	New	2	0	0	0	0	0	0	0	0	0	0	0	0	5	62		
2020New-005	Emerging Technology and Pilot Ma	Develop carbon revenue project	New	30	0	0	60	0	60	0	60	0	142	531	0	0	0	883		
2020New-062	Organizational Development and	Change Management Committee	New	68	0	68	0	0	0	0	68	0	0	0	0	0	0	204		
2020New-063	Organizational Marketing and Ad	Brand Audit and Refresh	New	10	0	0	0	0	5	0	30	125	5	5	5	5	240	235		
2020New-064	Customer Service and Trade Ally M	Assessment of Call Center Structure and Needs	New	0	0	0	0	0	0	20	0	0	0	20	40	0	0	420		
2020New-065	Customer Service and Trade Ally M	Organizational Workforce Development Strategy	New	0	0	0	20	0	0	0	20	40	0	20	40	20	0	310		
2020New-066	Customer Service and Trade Ally M	Pilot Customer Review Platform for Find a Contractor Tool	New	0	0	0	0	0	0	0	0	0	0	20	0	0	0	440		
2020New-067	Customer Service and Trade Ally M	Find a contractor improvements - search for contractors by	New	0	0	0	0	0	0	0	0	0	0	10	10	0	40	290		
2020New-068	IT Infrastructure and Software	Explore Implementing Retention of Information on Servers	New	0	0	0	80	0	0	250	0	0	0	0	0	0	0	330		
TOTALS (BAU only)				6,499	1,906	4,500	11,706	5,031	6,114	9,665	8,150	10,608	9,478	11,807	12,032	11,739	24,149	182,354		
TOTALS (new only)				2,831	150	4,499	3,711	663	2,838	3,312	2,029	1,662	2,699	4,008	5,853	2,249	3,537	60,075		
TOTALS				9,330	2,056	8,999	15,417	5,694	8,952	12,977	10,179	12,270	12,177	15,815	17,885	13,988	27,686	242,429		

Appendix 5: Time Tracking Analytic and Reporting Examples

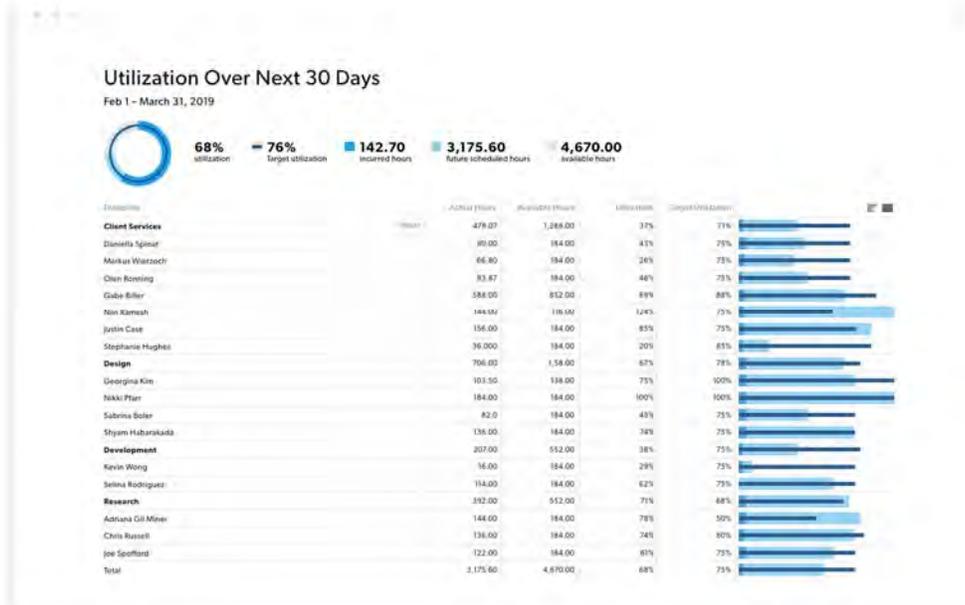


Reporting/analytic examples from real systems

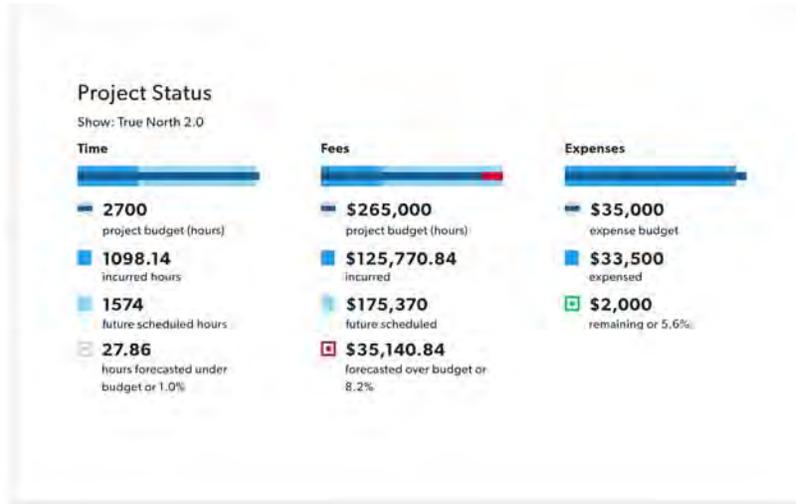
1. Workforce
Hours by department



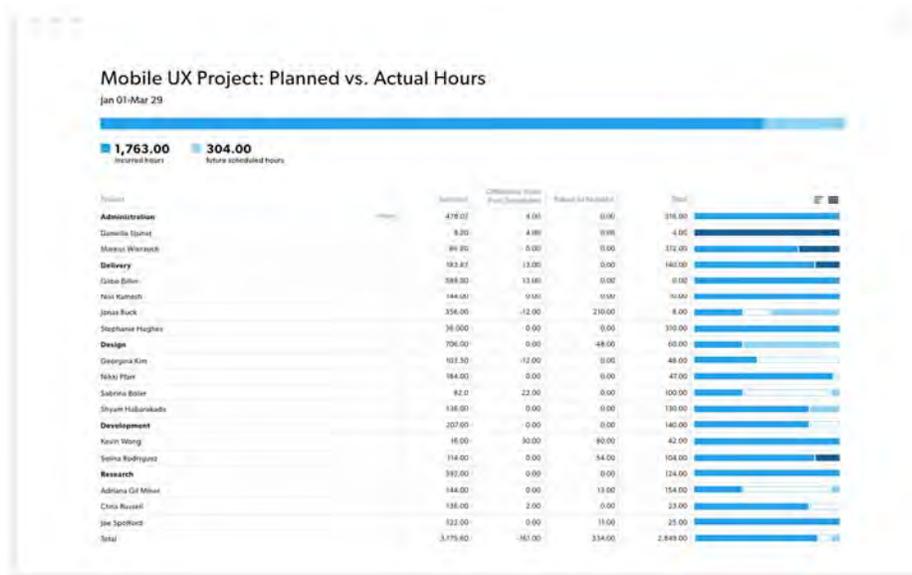
2. 1000ft
Utilization report



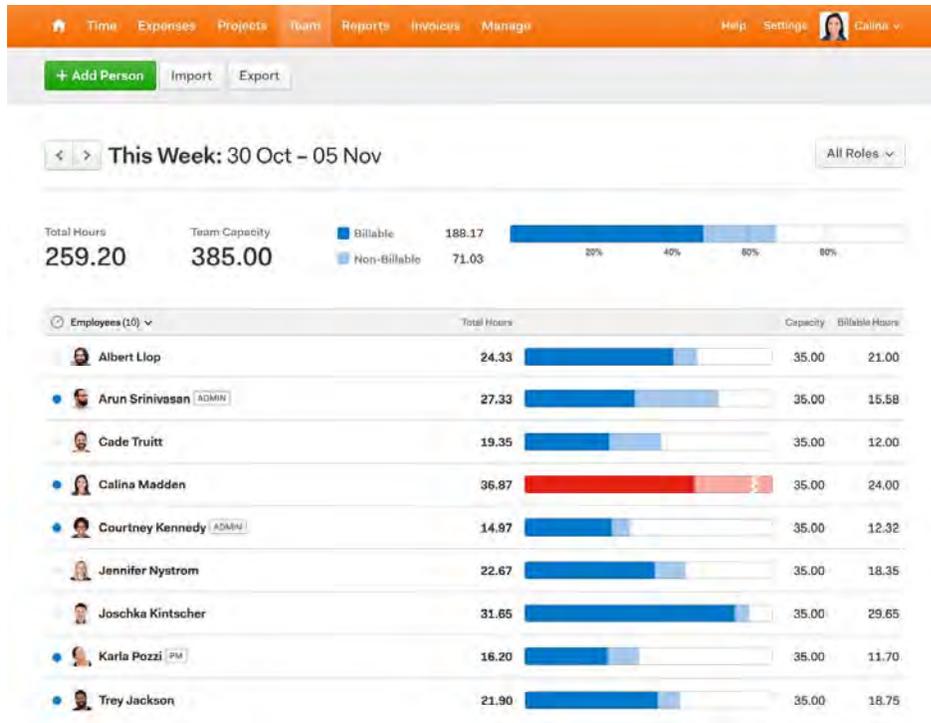
Project Status dashboard



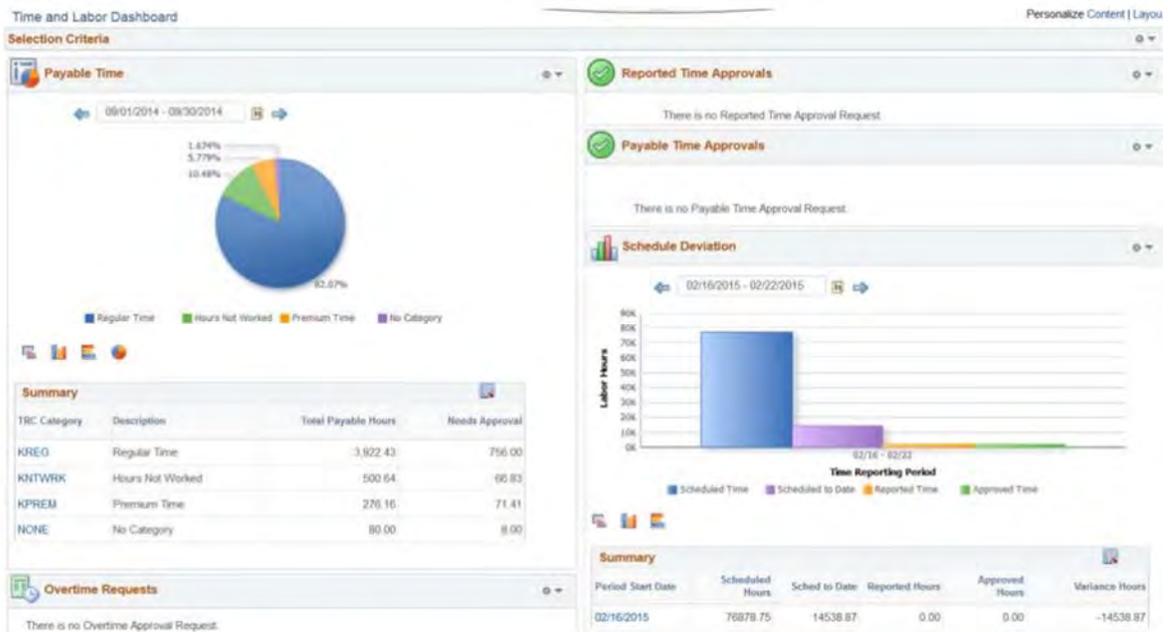
Planned v. Actual



- Harvest: Resource utilization/capacity



4. PeopleSoft Time & Labor Manager Dashboard

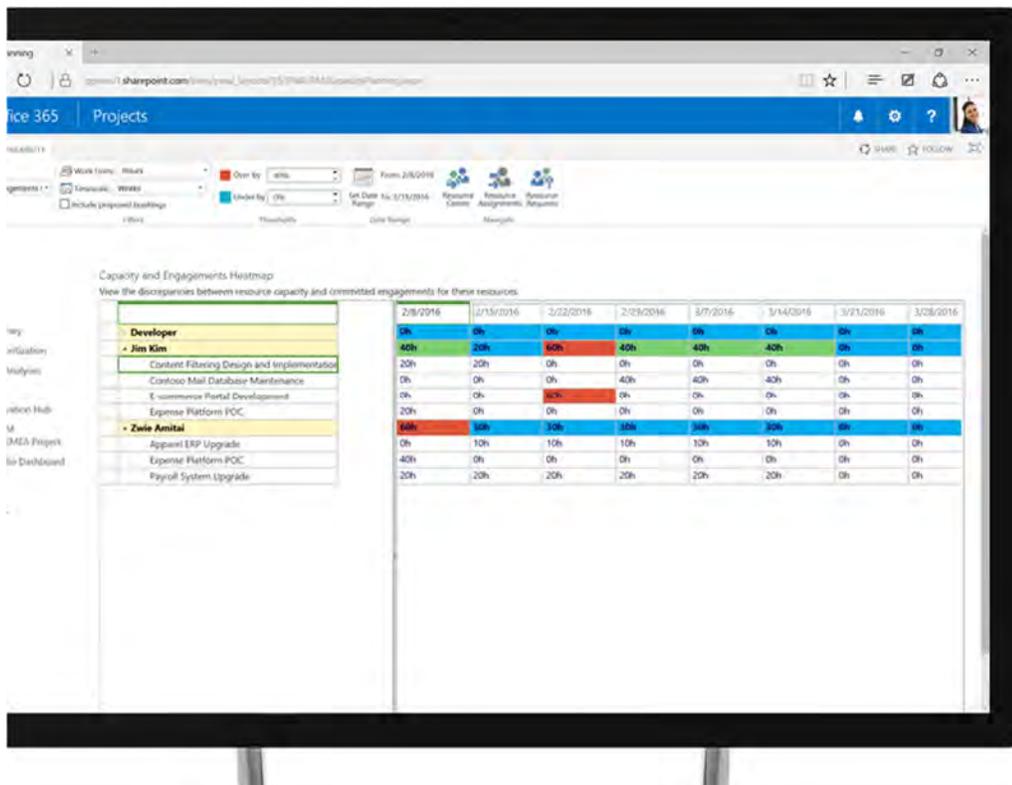


Manager Workcenter



The screenshot shows the 'Time and Labor WorkCenter' interface. On the left is a navigation menu with sections like 'My Work', 'Approvals', 'Alerts', 'Announcements', and 'Links'. The main area is titled 'Approve Reported Time' and includes tabs for 'Manage Report Time', 'Manage Payable Time', and 'Manage Schedules'. Below this is an 'Employee Selection' section with a 'Change View' dropdown set to 'Week' and a date of '02/17/2015'. A summary bar indicates 'Employees For Betty Locherty, Time Needing Approval From 02/16/2015 - 02/22/2015'. A table below shows columns for 'Select', 'Last Name', 'First Name', 'Employee ID', 'Empl Record', 'Job Title', 'Hours to be Approved', 'Reported Hours', and 'Scheduled Hours'. The table contains one row for Betty Locherty with 0 hours to be approved. At the bottom, there is an 'Approval' section with buttons for 'Select All', 'Deselect All', 'Approve', 'Deny', and 'Push Back'.

5. Microsoft Project:



6. PeopleSoft Grants:
Grant Award Summary and Financial Performance



Grants Management **Grants LifeCycle**

Manage My Awards Award Summary

Hello, Kenneth Schumacher You have 0 new items in your worklist. Last Process Date/Time: 10/01/2015 5:48:31AM

To change your search criteria, click Set Search Criteria. Set Search Criteria Refresh Maximum Rows to Retrieve: 50

Financial Calculating Option Burn Rate Indicator

Balances: Include FA

Budget Period From: Through: Bud Ref:

Date Selection:

Burn Rate Indicator

- ▼ Potential Under Spending
- Average Rate Spending
- Potential Over Spending

Search Results

Personalize | Find | View All | Summary 1-3 of 4 Last

Award ID	Funded	Budgeted	Expended	Encumbered	Pre Encumbered	Remaining Balance	Invoiced	Received	Unpaid
<input checked="" type="checkbox"/> ▼ CON000000000028	680,050.00	210,500.00	0.00	0.00	0.00	210,500.00	0.00	0.00	0.00
<input checked="" type="checkbox"/> ● PI-PRP001	51,400.00	51,400.00	1,500.00	1,800.00	2,450.00	45,650.00	40,400.00	40,400.00	0.00
<input checked="" type="checkbox"/> ● PI-PRP005	5,016,000,000.00	5,016,000,000.00	201,000,000.00	400,000,000.00	7,624,402.15	4,407,375,597.85	600,000,000.00	200,000,000.00	400,000,000.00

Total Amount of Selected Items

Selected	4	Expended	201,679,500.00	Invoiced	600,040,400.00
Funded	5,016,433,450.00	Encumbered	400,001,800.00	Received	200,040,400.00
Budgeted	5,017,963,900.00	Pre-Encumbered	7,626,852.15	Unpaid	400,000,000.00
		Remaining Balance	4,408,655,747.85	<input type="button" value="Update Total Amount"/>	

Institution & Sponsor Links

Appendix 6: Energy Trust Innovation Team Charter



Charter	
Team Name:	Innovation
Mission Statement:	Energy Trust systematically supports and fosters the generation and implementation of new valuable activities and approaches across the organization.
Success Measures/Key Performance Indicators:	<ul style="list-style-type: none"> • Proposed changes are fully adopted by organization • Business metrics associated with innovation are improved <ul style="list-style-type: none"> ○ The Innovation project team will develop quantitative, outcome-based metrics that reflect innovation (remembering not all will be successful) • Positive initial feedback from pulse check survey responses. Future success will be measured by a positive trend from the Organizational Development Initiative Survey questions related to innovation
Goals and Objectives:	<p>Foundation setting for supporting innovation at Energy Trust The Innovation work packet recommends Energy Trust build a management system around innovation. The foundational objectives for 2019 include:</p> <ul style="list-style-type: none"> • Select a high-level framework for innovation • Clarify pathways for different types of innovation activity • Grounded in the Strategic Plan and through engagement with the Executive Team, formalize agreement on the parameters for pursuing innovation • Develop business metrics for monitoring progress on innovation • Prepare and submit a “new initiative” template to establish an innovation team in 2020, for consideration in the 2020 business planning process <p>Idea generation and prioritization</p> <ul style="list-style-type: none"> • Generate a list of potential innovation initiatives • Select 3-5 ideas for further idea development and pilot testing in 2020. <p>Research tools for innovation</p> <ul style="list-style-type: none"> • Research tools and processes to support innovation at Energy Trust and provide recommendations for the innovation team in 2020 to consider. <p>Communications and training</p> <ul style="list-style-type: none"> • Facilitate common understanding of the term “innovation” and how it applies at Energy Trust • Communicate internally the parameters for innovation, framework for innovation and any available tools and processes • Explore options for further workshops and staff training to foster innovation in 2020 if time allows • Document and transfer insights, tools, resources and recommendations to the Innovation team which is expected to continue this work in 2020
Timeframe (Duration):	6 months (May – October)
Team Sponsor:	Executive Director
Organization Review Final Report Recommendations Reference:	I1a, I2a-f, I3a, I3b, I6c, I7 The following are not part of this Charter, and will either be completed through the work of the strategic planning process, or are contingent on the results of the strategic planning process that will be completed by 5/31/19:

	I1b, I1c, I3c, I4, I5a-c, I6a, I6b
Team Membership and Roles:	<ul style="list-style-type: none"> Executive Sponsor: Michael Colgrove Team members: Amanda Potter, Mark Wyman, Jack Cullen, Sloan Schang Advisor: Greg Stokes (organizational development) Advisor: Art Sousa (change management and project management) Sounding board: Karen Chase, Alex Novie, Lizzie Rubado, Kate Wellington, Kenji Spielman, Adam Bartini
Individuals Impacted:	<ul style="list-style-type: none"> Entire organization
Team Resources:	Innovation project page on Staffnet
Team Duties:	<ul style="list-style-type: none"> Complete all required reading on Innovation Commit to meeting project goals in a timely and responsible manner Attend meetings as scheduled and provide proactive communication if unable to attend a meeting Complete work outside of meetings while meeting deadlines Communicate project goals and progress to appropriate parties within their own teams/departments/organization, i.e., be a project champion Identify and communicate project risks as they are encountered in real time, either by email or at team meeting meetings Be an advocate and change leader for innovation Represent the team when presenting at Executive Team and all-staff meetings Demonstrate flexible, nimble and adaptable approaches to achieving the objectives of this project team
Boundaries:	<ul style="list-style-type: none"> Finalizing and implementing a prioritization tool is out of scope. However, this team is expected to pilot test approaches to prioritizing innovative ideas and pass on insights to the project team in 2020. Developing and implementing a complete set of tools and processes for allocating resources to nurture innovation is out of scope for 2019.
Risks:	<ul style="list-style-type: none"> Existing practices, processes and other organizational norms do not support innovation, and thereby, innovation does not take hold Energy Trust employees selected to be on this project team are pulled back into their prior job responsibilities and are unable to dedicate their full efforts to educating themselves, and ultimately embedding innovation at Energy Trust Once approved, innovation initiatives do not receive sufficient resources (time, money and leadership support) to meet objectives External stakeholders object to Energy Trust investing in new innovation initiatives, which negatively impacts stakeholder relations
Key Stakeholders:	<ul style="list-style-type: none"> Energy Trust Board, OPUC, funding utilities, other organizations interested in the success of Energy Trust’s mission (e.g., CUB)
Optional Reading Materials:	Recommended Reading

Appendix 7: Secondary Research Works Cited

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Tab 3

Resolution R882

Approving Energy Trust Strategic Plan 2020-2024

October 16, 2019

Summary

Approve the Energy Trust 2020-2024 Strategic Plan

Background

- The 2020-2024 Strategic Plan is the product of a collaboration among Energy Trust's board of directors, its board strategic planning committee, and Energy Trust staff.
- The board's strategic planning committee is chaired by Mark Kendall. Members of the committee are: Janine Benner, Susan Brodahl, Lindsey Hardy, Roger Hamilton, and Roland Risser. Ruchi Sadhir (Oregon Department of Energy), Elaine Prause (Oregon Public Utility Commission staff) also served on the committee. Commissioner Letha Tawney has participated on the committee since July 2019, as well.
- Energy Trust's staff internal strategic planning group is comprised of Michael Colgrove, Hannah Cruz, Fred Gordon, Debbie Menashe, Spencer Moersfelder and Lizzie Rubado.
- The planning process began in May 2017, with the identification of a number of "board learning topics", which were topics of interest to the board that were viewed as informing them about the general environment in which Energy Trust operates and can expect to operate in future years. In a series of board meetings over the next year, staff presented information on each of the identified board learning topics: community engagement, community resilience, cost effectiveness, distribution systems and energy efficiency, electric vehicles and transportation, long term energy efficiency resource, mapping relationships, monetizing non-energy benefits, new opportunities from data, rethinking goals, and solar plus storage.
 - Discussions were held with the Oregon Public Utility Commission, Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas.
- These topics informed a series of workshops and discussions with strategic planning committee members, board members, and other interested parties through February 2019.
- Following these workshops and discussions, the committee and staff developed a draft strategic plan, which the board considered at its May strategic planning workshop.
- The board also considered whether to revise its existing vision and purpose statements and engaged in further discussions to arrive at proposed changes to include in the draft strategic plan.

- The board authorized staff to issue a draft strategic plan for comment over the summer. A number of comments were received, summarized in Attachment 2.
- The board met again in September 2019 to confirm revisions to the vision and purpose statements and to review changes based on comments received. At that meeting, the board supported moving the draft plan forward for approval at its next meeting.
- Energy Trust staff has compiled a memo summarizing the themes that emerged out of the large number of comments received, provides examples and identifies proposed revisions to the draft strategic plan, where appropriate.
- Dominant themes from the comments are:
 - References and specificity around diversity, equity and inclusion
 - Use of the phrase “clean energy”
 - Including trade ally contractors as market actors to support plan implementation
 - The urgency of climate change
 - Working with communities and community-based organizations
 - Addressing the sunset of Senate Bill 1149
 - Including key performance indicators in the plan
- Some comments raise questions and provide direction that could be addressed through Energy Trust’s budgeting, program implementation or other processes, and these are shared in the organization.
- Copies of all comments received have been provided to the board of directors and are included in the public board packet for this meeting.

Recommendation

Adopt and approve the proposed final Energy Trust 2020-2024 Strategic Plan (*incorporating any changes made at today’s meeting*).

RESOLUTION R882

APPROVING AND ADOPTING THE ENERGY TRUST STRATEGIC PLAN 2020-2024

WHEREAS:

1. Energy Trust is required by its grant agreement with the Oregon Public Utility Commission to adopt and revise a strategic plan at least every five years. The current plan, which covers the period 2015-2019, expires at the end of 2019.
2. Beginning in May 2017, Energy Trust carried out an extensive review and engagement process to inform the development of a 2020-2024 strategic plan.
3. A draft plan was discussed at the May 2019 board strategic planning workshop, and released for comment this summer.
4. A revised draft plan was discussed by the full board at a meeting on September 16, 2019, and the board determined to forward the revised draft plan for review as a final proposed plan at the board’s meeting on October 16, 2019.
5. Staff and board members engaged the Oregon Public Utility Commission, Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas, members of our Conservation, Diversity and Renewable Advisory Councils, and many stakeholders through presentations and meetings throughout the state to invite and collect comments on the draft plan. The staff and board have carefully considered these comments.

It is therefore **RESOLVED** that the board of directors of Energy Trust of Oregon, Inc., adopts and approves the Energy Trust Strategic Plan 2020-2024 *incorporating any changes made at today’s meeting.*

Moved by:

Seconded by:

Vote:

In favor:

Abstained:

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

PINK PAPER



FINAL PROPOSED

Strategic Plan

2020-2024



About Us

Vision

Clean, affordable energy for everyone.

Purpose

We help customers and communities reduce costs and realize additional benefits by saving energy and using renewable resources.

WHO WE ARE

We are an independent 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 customers manage their energy use, especially people with lower incomes, communities of color, smaller businesses and rural customers.

OUR WORK

- Helps lower utility bills for participants.
- Reduces overall energy costs for all utility customers.
- 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 nationally recognized for its expertise 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. More than 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 benefit customers.

First, traditional energy efficiency and renewable energy program approaches need to evolve. Until advances in technology open up large areas of opportunity, we anticipate individual 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 small-scale, customer-owned 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, governments and communities are seeking ways to mitigate and adapt to the harmful effects of climate change. As Oregon focuses on addressing climate change and reducing greenhouse gas emissions in both the state's energy supply and how energy is used, our programs will be key to the state's success. In addition, some cities and communities will forge ahead with their own policies to lower carbon emissions or improve resiliency. Low-cost energy efficiency and clean, renewable energy are important ways to support those policies and plans. 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 emerging constraints on their systems and the need to 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. And our commitment to equitable program delivery will ensure customers benefit from these new opportunities.





Where We Will Focus

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

1. Engaging customers with relevant programs, information and services, with particular attention to underserved customers.
2. Linking energy efficiency and renewable energy to the approaches utilities are using to meet changing customer energy needs.
3. Supporting development and implementation of energy policies by providing objective information and analyses.
4. Maximizing public purpose charge funding by leveraging additional funding to advance clean energy investments that deliver multiple 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. To succeed there, we must invest in the other four and improve our ability to serve communities of color, people with lower incomes and rural customers.

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, because the pace of change is accelerating and new opportunities are emerging more quickly than ever before.



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 core to our 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. There is more we can do to ensure people with low and moderate incomes, communities of color and rural communities can participate with us, including through modified program designs, coordination with trade ally contractors and closer collaboration with community organizations. 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 that 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.



FOCUS AREA 1

Engage customers with relevant energy efficiency and renewable energy programs, information and services, including information and services specifically for underserved customers.



STRATEGIES

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

- Significant opportunities remain for residential, commercial, industrial and agricultural customers to save and generate energy, even those we have already served. We will continue to provide trusted, independent information to educate customers about remaining opportunities. Our services, incentives and network of trade ally contractors 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 communities where participation has been lower. Engagement with trade ally contractors, including more minority- and women-owned businesses, will help us reach customers. 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 customers. We will evolve our programs and collaboration with other organizations to address the energy needs of these customers 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 multifamily, commercial, industrial and renewable energy programs, 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.

- We will work with the Northwest Energy Efficiency Alliance and others to research, test and develop new emerging technologies. 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, and continue to use multi-year planning processes to identify ambitious longer-term energy targets that incorporate emerging sources of savings (see callout box).
- We meet or exceed the goals we establish to increase the diversity of program participants.



WHY WE FOCUS HERE

Our priority is to deliver cost-effective energy efficiency and renewable energy programs and services to our affiliated utility customers. It is the reason we were created.

Our focus on all types of customers highlights our commitment to ensure everyone who pays the public purpose charge can be engaged by our programs and benefit from our services. Through our diversity, equity and inclusion operations goals (see p. 14), we are committed to intentionally designing services to reach underserved customers with relevant offers. This is essential to accomplishing our annual energy goals, achieving all available cost-effective energy efficiency and delivering renewable energy generation.

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

We must find new ways to support higher-cost technologies, in recognition that they are still cost-effective relative to other options, and develop markets for solar, hydropower and biopower technologies. Substantial efficiency and renewable energy opportunities remain and we need innovative approaches to our program design and delivery to support customers.

Multi-year planning

We produce long-term integrated resource plan updates with each utility by referencing regional planning tools, considering emerging sources of savings and generation and identifying energy efficiency opportunities based on market intelligence. Short-term energy goals based on those resource plans are then set through our budget and action plan process.

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 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 operate their systems.

- By working with the Oregon Public Utility Commission, our partner utilities and other stakeholders, we will implement energy efficiency and renewable energy initiatives in ways that both 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 energy efficiency and renewable energy technologies and practices.

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 energy efficiency and renewable 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 wireless communications will deliver cost savings and can also be used in utility demand-response programs that encourage customers to use less energy at specific times. Trade ally contractors can be encouraged to construct efficient homes and buildings that are also electric vehicle-ready. Customers installing solar projects with battery storage can help utilities smooth the impacts of intermittent renewable energy on the grid, while also providing resilience benefits.

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 Oregon Public Utility Commission 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.

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

FOCUS AREA 3

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

STRATEGIES

Work with the Oregon Public Utility Commission to provide technical support and advice on energy policies and dockets.

- The Oregon Public Utility Commission 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, regional and federal governments.

- We will work with the Oregon Public Utility Commission to identify areas where our 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 and our results. We will provide this to the Oregon Legislature, Office of the Governor, Oregon Department of Energy, Oregon Housing and Community Services, city and county governments 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 INDICATOR

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

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



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 an independent resource available to support those discussions with objective information as needed.

We can provide impartial information to policymakers and implementers without advocating or lobbying. 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 cost-effective energy efficiency 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 charge 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. These opportunities include co-funding with housing organizations focused on customers who are low income, people of color and rural. Coordination with utility demand response programs provides similar opportunities.

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

- As more communities actively engage in energy, climate change 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 providing 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 (see p. 16 on how we are funded).
- We coordinate with more organizations and communities where their additional resources help accomplish mutually supportive objectives.
- We establish a concept agreement with the Oregon Public Utility Commission 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 that 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 climate change adaptation and mitigation, 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

Intentionally cultivate diversity in our board of directors, advisory councils, executive leadership, staff, delivery contractors, trade ally contractors, program allies, 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.

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.

PROGRESS INDICATORS

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

- We achieve diversity, equity and inclusion goals for employee hiring and recruitment, and for the board of directors.
- 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.



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 on our prior strategies and approaches. While significant savings and generation were achieved, not all customers had the opportunity to participate and directly benefit from our work.

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, quicker to pivot to new opportunities and more diverse.

We will need to develop new ways of working with diverse customers and adapt program designs to find cost-effective approaches to serve them. Changes underway in the utility system and Oregon's energy policies 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, fostering an inclusive environment open to new ideas and perspectives, and cultivating employees' continued passion to deliver on the vision and purpose of the organization.

Diversity, equity and inclusion efforts

The strategic plan guides other planning and reporting processes specific to our diversity, equity and inclusion efforts. For example, the Diversity, Equity and Inclusion Operations Plan sets goals and metrics, and action plans list strategies and activities for each year. We also report on our activities and progress to goals in reports to the Oregon Public Utility Commission.

Strategic Plan Management

IMPLEMENTING THE PLAN

The opportunities within each focus area will evolve with changes in markets, energy policies and other developments. At times, the objectives of one focus area may compete with those of another. Focus area 1 will remain our priority even if unanticipated conflict arises with the objectives of the other focus areas. The board and staff will use annual and multi-year planning, diversity, equity and inclusion planning, and budgeting processes to set more specific goals and to identify, prioritize and allocate resources to specific initiatives.

MONITORING OUR PROGRESS

Past strategic plans included quantitative five-year energy savings and generation goals. These energy goals were the primary way we measured progress toward achieving the overall objectives of each plan.

For the 2020-2024 Strategic Plan, we established progress indicators for each focus area. In the first year of the plan, staff will define the goals and metrics for each progress indicator, such as annual energy savings and generation goals, long-term energy targets, the number of diverse customers served, projects completed by diverse contractors and more. These metrics may evolve during plan implementation. Over the plan period, staff will report annually to the board on these metrics and achievement to the progress indicators.

Combined, the progress indicators and their associated metrics will 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, 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 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 largely 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 of utility customer funds in Oregon.

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.



STRATEGIC PLANNING AT ENERGY TRUST

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

DEVELOPING THIS PLAN

The board's Strategic Planning Committee and staff developed the 2020-2024 Strategic Plan from May 2018 to October 2019. During that time, we presented a draft strategic plan at board and advisory council meetings, at public outreach events in communities across the state and through our website and communications.

We received many thoughtful, detailed comments, which guided us in revising the plan for board adoption. Those comments are available in their original form on our strategic plan web page, along with a summary of our responses to those comments.



Find more information at www.energytrust.org/strategicplan.

PINK PAPER

Briefing Paper

Draft 2020-2024 Strategic Plan Public Comments

October 16, 2019

Background

In preparing a final proposed 2020-2024 strategic plan for the board of directors, the board strategic planning committee and staff developed a draft plan over the course of several months. From May 2018 through April 2019, Energy Trust board members, advisory councils, partner utilities, the Oregon Public Utility Commission and others were engaged in discussions that helped the board committee and staff develop the five focus areas, strategies and progress indicators in the draft plan.

From June through August 2019, staff executed a public outreach plan on the Draft 2020-2024 Strategic Plan. The objectives were to educate customers, contractors, and a wide and expanded set of interested stakeholders on Energy Trust's role, the strategic plan's focus areas and strategies, and opportunities to provide feedback on the draft plan.

Outreach included public announcements and communications, a six-week public comment period from June 24 – August 2, presentations to the advisory councils, outreach to interested parties, a community reception the evening before the Pendleton board meeting and promotion at existing forums, like stakeholder meetings and the Pacific Power regional workshops.

After the public engagement and outreach plan concluded, the draft plan was revised. Revisions reflect the areas of public feedback considered by the board and staff to be at a strategic planning level. In this briefing paper, we summarize the comments by theme, which are listed below in no particular order. With each theme, we provide a few examples from the comments and describe any changes made to the plan based on the theme.

We received many detailed comments on the draft plan from approximately 27 individuals and organizations. We are appreciative of all the feedback we have received. The comments are supportive of the plan, overall, and the process by which it was developed.

Some comments suggested policy or regulatory changes that we are not positioned to advance without direction from the legislature or Oregon Public Utility Commission. In addition, we received many comments best suited for staff consideration during budgeting, program design, program implementation or other processes. Examples of these types of comments are provided in the supplemental section at the end of this briefing paper. In the cases where the feedback is better suited to be addressed through another process that we manage, we will reach out to commenters during those times to ensure they have an opportunity to participate.

Given the large volume of comments we received on the draft strategic plan, we are not responding individually to each comment. All comments received were shared with the board and follow this briefing paper.

Themes in Comments Received

Prioritizing and resourcing the five focus areas

- Description: After a high level of agreement with prioritizing Focus Area 1, comments suggested how we might prioritize the other focus areas or asked how we intend to prioritize them.
- Examples of comments provided:
 - “This [Focus Area 1] is Energy Trust’s ‘bread and butter’ and we appreciate the core programs ETO provides to our customers and believe most effort and investment should remain in this area.” (Pacific Power)
 - “By prioritizing focus area one, the plan acknowledges this as Energy Trust’s key mission. The attention to underserved communities in focus area one is consistent with the state’s commitment to ensuring that clean and affordable energy, and the benefits of energy efficiency, are accessible to all Oregonians.” (Oregon Department of Energy)
 - “It would be good to have more context about how ETO envisions prioritizing and connecting Focus Area 1 with this Focus Area 4, and they should be seen as complementary. In particular (for example), focusing on health impacts and decarbonization could align well with ETO programs and reduce disparities through a DEI lens.” (City of Portland)
 - “Guidance on how to handle potential conflicts between competing focus areas will be important to include in the Strategic Plan. The Strategic Plan should recognize the potential for conflicts and establish principles for prioritizing choices among competing needs in the first two focus areas. We recommend that top priority be given to long-term cost-effective savings in cases where resources are limited, or end goals do not align.” (NW Power and Conservation Council)
- Changes reflected in final proposed plan: The plan implementation section on page 15 was revised to more clearly articulate the priority of Focus Area 1 and the processes we will use to identify, prioritize and allocate resources to other focus areas as the plan progresses.

References and specificity around diversity, equity and inclusion

- Description: Diversity, equity and inclusion objectives should be more prominent, and the plan should be more specific and intentional when referencing diversity, equity and inclusion.
- Examples of comments provided:
 - “In a framework of addressing past inequities in access, we suggest that ETO should dedicate a significant amount of resources to Focus Area 1, broadening access to underserved communities and engaging in market development opportunities.” (City of Portland)
 - “As an organization that values Diversity, Equity and Inclusion, we are excited to see goals focused on the internal culture and demographics of Energy Trust staff, boards

- and committees. However, we think your goal statement for Focus Area 5 should more expressly state that you are committed to developing a more diverse and representative workforce and boards. We encourage Energy Trust to revisit the goal statement and make it clearly an equity focused goal.” (Community Energy Project)
- “OSEIA is pleased to see ETO focusing more on historically disadvantaged communities, low-income ratepayers, rural communities and people of color. We encourage ETO to continue this new focus and make it a bigger priority in the strategic plan. This prioritization should be highlighted more in the plan and should be addressed in every focus area.” (Oregon Solar Energy Industries Association)
 - “Is there any acknowledgement of historical inequity? People didn’t have awareness of the available offerings and were excluded as a result. Will you take responsibility for your role in that as you move forward?” (Energy Trust Conservation Advisory Council and Foundational Diversity Advisory Council)
 - Changes reflected in final proposed plan: Revised several sections of the plan to raise the prominence, and importance, of our diversity, equity and inclusion objectives, such as improving our ability to serve communities of color, people with lower incomes and rural customers. The Focus Area 5 statement was not revised to specifically mention diversity, equity and inclusion. While diversification is a critical element of Focus Area 5, the intent is broader than diversification.

Use of the phrase ‘clean energy’

- Description: The phrase ‘clean energy’ has many meanings and doesn’t necessarily reflect the work of Energy Trust.
- Examples of comments provided:
 - “‘Clean energy’: a term throughout the plan that isn’t consistent with how we understand your work and how our customers understand your work. Not only does EE get lost in this language but it muddles which players are in which business; we see the utilities (gas and electric) as striving to provide centralized clean energy generation and rely on the Energy Trust to help our customers make sure we need as little of that as possible because you are helping them use our resources as efficiently as possible. We feel very strongly that energy efficiency should be stated explicitly as you speak of your work.” (NW Natural)
 - “We find the use of the terms, ‘energy project’ and ‘clean energy opportunities’ to be imprecise and subject to multiple interpretations. ‘Clean energy’ is not congruent with a renewable energy and is a nebulous term that has, in some policy discussions, included nuclear and natural gas.” (PGE)
- Changes reflected in final proposed plan: Because the term is widely used in the utility industry and with varying definitions, we affirmed the definition we have assigned to “clean energy” on page 4 and reviewed the plan to ensure any use of the phrase is in alignment with our definition. If the phrase was used in lieu of a specific mention to energy efficiency or renewable energy, we made the change to the more specific term.

Including trade ally contractors as market actors to support plan implementation

- Description: Trade allies, and their contribution to supporting Energy Trust goals, is missing from the document.
- Examples of comments provided:
 - “Energy Trust has worked extensively with Trade Allies in the past, yet they are not included within this Focus Area, while referencing ‘distributors, suppliers, retailers and other mid- and up-stream market actors.’” (Avista)
 - “More information about the efforts to develop a robust network of trade ally contractors, installers, and etc. to serve customers would be helpful. Are there any plans for further focus in this area? We believe we fill a critical role in accelerating customer adoption of technologies, and would love to see more information in the plan about how the Energy Trust plans on working with this network of trade allies over the next five years.” (Blue Raven Solar)
- Changes reflected in final proposed plan: Trade allies are necessary and important to ensuring we meet our goals. References to trade ally contractors were added in the document, specifically to Focus Areas 1 and 2.

The urgency of climate change

- Description: The draft plan does not convey a sufficient sense of urgency about climate change and the associated policy environment.
- Examples of comments provided:
 - “The impacts of climate change in the Pacific Northwest are expected to get more severe in the coming decade. This should be a new lens through which ETO looks at and prioritizes incentives and investments, to help customers plan, adapt, and respond to new hazards.” (City of Portland)
 - “New policies will continue to drive carbon and GHG goals toward zero and Oregon and other states will need programs that proactively respond to these climate goals and help to make them a reality. We need more than modest impacts and encourage the Energy Trust to be more aggressive in its efforts to deliver deep energy reductions to a more diverse group of stakeholders who could potentially benefit from your programs.” (New Buildings Institute)
 - “The current draft of your strategic plan is deeply lacking in urgency and ambition [in regards to climate change] ... Page 4's statement of ‘Where We Will Focus’ makes no mention of the urgency of climate change. Thinking based on ‘steady progress’ (on the bottom of page 5) and ‘20-year planning’ (page 6) dramatically misses the mark. Page 2’s conclusion that carbon emissions policies will have a ‘modest impact’ through 2024 conveys passivity rather than an aggressive pursuit to leverage such policies and resources, as committed to in Focus Area 4.” (PECI)
- Changes reflected in final proposed plan: The context section was revised to include reference to acknowledge the seriousness of the challenge and the actions governments and communities are making to mitigate and adapt to the effects of climate change.

Working with communities and community-based organizations

- Description: Relationships with community-based organizations and underserved communities should be formed to meet the objectives of the plan.
- Examples of comments provided:
 - “By working with community-based organizations, Energy Trust can expand its reach, and more effectively reach customers who have been left out. Leaning on community groups to find energy savings opportunities because of their on-the-ground knowledge is a cost-effective way to achieve savings.” (Community Energy Project)
 - “Particularly as it relates to your second strategy, ‘Deliver cost-effective programs designed specifically to engage underserved customers’, we hope to see robust partnerships with culturally-specific organizations as you consider programmatic updates.” (Oregon Housing and Community Services)
 - “Looking forward we continue to encourage ETO to further develop relationships in underserved communities, particularly rural Oregon where there is a significant overlap with low-to-moderate income families.” (Pacific Power)
- Changes reflected in final proposed plan: Revised Focus Area 1 to reference collaboration with other organizations as a needed area of evolution to better serve customers.

Addressing the sunset of Senate Bill 1149

- Description: The sunset of Senate Bill 1149 on December 31, 2025, should be explicitly addressed.
- Examples of comments provided:
 - “It is also important to address the future trajectory of ETO, and support policy changes that extend the programmatic and organizational mandate of ETO beyond the 2024 timeframe.” (City of Portland)
 - “We believe that this strategic plan must specifically address the existential question related to the continuation of funding of Energy Trust through public purpose funds (SB 1149). The coincidental timing of this strategic plan and the potential sunset of funding provide an ideal opportunity to address this question head on in an open and transparent way.” (New Buildings Institute)
 - “Lastly, in ETO’s long-term budgeting and planning we hope to see ETO plan for two possible futures, one assuming a public purpose charge extension and one assuming its expiration.” (Oregon Solar Energy Industries Association)
- Changes reflected in final proposed plan: The plan addresses this contingency as part of Plan Management, page 15. We think this approach to contingency planning is sufficient; no changes were made in the plan. Going forward the board and staff will monitor the status of the sunset and revisit the plan if needed.

Including key performance indicators in the plan

- Description: Metrics should be in the plan to ensure goals are measurable and reported on.
- Examples of comments provided:
 - “There’s a vague reference to DEI goals [in Focus Area 1]. What are those goals? Are the goals specific enough to be measured? The goals should be stated clearly, not by reference to another document. Progress indicators are very vague in this regard. Meeting and exceeding unstated DEI goals does not really help ETO or communities of color.” (Native American Youth and Family Center)
 - “My general opinion is that the Strategic Plan needs objective and measurable targets / goals, for each person in the Energy Trust organization.” (Douglas County Smart Energy)
 - “This draft strategic plan needs SMART (Specific, Measurable, Attainable, Relevant and Timely) goals and measurable KPIs (Key Performance Indicators) in order to provide more concrete descriptions of what Energy Trust is trying to accomplish and how it will measure success.” (New Buildings Institute)
- Changes reflected in final proposed plan: Metrics are not included in the strategic plan. Revisions to page 15 clarify that metrics will be set for each progress indicator during the first year of the plan, and that annual progress reports will be provided to the board of directors. These metrics may evolve over the plan period. An addition to page 14 describes where we provide diversity, equity and inclusion goals and metrics.

Next Steps

Changes referenced above, and other smaller text edits or clarifying language changes, were made to the Draft 2020-2024 Strategic Plan and reviewed with the board at a public meeting on September 16, 2019. Based on that meeting, final revisions were made to the draft document. A Final Proposed 2020-2024 Strategic Plan will be presented to the board of directors for consideration at a public meeting on October 16, 2019, where the board will vote on its adoption.

In addition, we remain available for individual discussions with those organizations that submitted comments we did not address in the revisions process.

Supplemental Information

As mentioned earlier, these are examples of the types of comments that will be considered in other Energy Trust-led processes or are policy related.

Comments that could be addressed through Energy Trust’s budgeting, program implementation or other processes

- Examples of comments provided:
 - “OSEIA also recommends that ETO take state and local renewable energy programs into account when planning for the future. The Portland Clean Energy Fund, the Community Solar Program and the new statewide Solar Rebate will all be important considerations for ETO’s strategic plan.” (Oregon Solar Energy Industries Association)
 - “An increased focus on capturing additional, highly cost-effective, EE from these industrial customers, therefore, could partner well with the ETO’s goal of increasing penetration in under-served, higher cost communities, by balancing out this higher cost with low cost opportunities.” (Alliance of Western Energy Consumers)
 - “We strongly encourage ETO to expand its current diversity, equity and inclusion work to add representatives on the Diversity Advisory Council.” (Pacific Power)
 - “One other additional focus or supplemental might be to make the process as clean and efficient as possible. Often there are many hoops attached to funding that prevent developers from engaging as it is not cost effective to participate.” (Related Northwest)
 - “As climate change impacts--such as wildfire and drought—become increasingly severe across Oregon in the coming years supporting efforts by local communities and organizations to plan for and adapt to these changes through targeted application of energy efficiency and distributed clean energy microgrids and other technologies should be a central role for ETO.” (Spark Northwest)
 - “We encourage ETO to continue to keep the rural perspective in mind when designing programs. Could this include variable incentives based on climate?” (Wallowa Resources)
 - “Renewable Northwest sees an opportunity for ETO to conduct further research into clean energy resiliency benefits and how they can be quantified.” (Renewable Northwest)
 - “In terms of cultivating diversity on the board of directors and advisory councils, will there be term limits for members?” (Energy Trust Renewable Energy Advisory Council)
 - “We recommend the Draft Strategic Plan emphasize the need for innovative pilot programs and seek additional partnerships to help accelerate the deployment of cost-effective energy efficiency and include progress indicators for innovation efforts.” (NW Power and Conservation Council)

- Staff response: Beyond clarifying on page 14 how we identify our diversity, equity and inclusion efforts, no changes were made to the final proposed plan. In general, these and other similar comments are important considerations for other processes, like when we develop our business plan, annual budget and action plan or diversity, equity and inclusion operations plan. The strategic plan sets the broad direction for the organization. Specific initiatives are set each year through these other processes.

Comments referencing policy decisions separate from an Energy Trust plan or process

- Examples of comments provided:
 - “Ideally, the calculations that Energy Trust uses to determine whether a measure is cost-effective need to be more flexible and allow for more non-energy benefits to be used. There are high costs to community, health, and climate that are not valued in the current calculation, yet everyone ends up paying. The drive to be cost-effective should not be a barrier to developing programs that reach underserved communities.” (Community Energy Project)
 - “Engage with local governments on advancing codes and ensuring that these codes are understood and enforced so carbon savings are actually realized. Formally participate in the process to advance codes and policies in Oregon that will benefit all rate payers and help Oregon to regain the mantle of leadership in this arena” (New Buildings Institute)
 - “The unique structure and effective operation of the Trust is a valuable asset for Oregon and for the Pacific Northwest region which should be protected and potentially enhanced to expand into other areas, if called upon, to increase its responsibility and reach.” (NW Power and Conservation Council)
- Staff response: No changes were made to the final proposed plan. Energy Trust is an objective source of information for the OPUC, the State of Oregon and other policymaking entities in Oregon. Pursuant to our grant agreement with the OPUC, we do not advocate or lobby for policy change. We remain open to additional discussion on these, or other topics, at the OPUC’s discretion. With regards to the requirement of cost-effectiveness, we are working with the OPUC to implement this requirement in a way that reflects the benefits beyond energy, particularly those that are difficult to quantify.

PINK PAPER

Alison Eggers, member of public

Comments provided on feedback form:

Focus areas seem great. My business building is leased so the landlord may be interested.

Personally, I am very supportive of continued focus on Energy Trust incentives.

I have concern for another weather event like we had reoccurring and the long-term costs with that.

From: Tyler C. Pepple <tcp@dvclaw.com>
Sent: Tuesday, July 30, 2019 8:53 AM
To: Hannah Cruz <Hannah.Cruz@energytrust.org>
Subject: RE: Seeking AWEC's feedback on Energy Trust's draft strategic plan

Hannah,
I have a few comments on the strategic plan on behalf of AWEC.

First, the strategic plan appears to bring more emphasis on reaching under-served communities. This is a laudable goal, but also one that is likely to be relatively more expensive to achieve EE savings, which lowers the amount of available cost effective EE (all things being equal). Meanwhile, industrial EE has historically been the most cost-effective EE the ETO has captured, and industrial customers are growing rapidly at least in PGE's service territory. An increased focus on capturing additional, highly cost-effective, EE from these industrial customers, therefore, could partner well with the ETO's goal of increasing penetration in under-served, higher cost communities, by balancing out this higher cost with low cost opportunities.

Second, AWEC likes the ETO's proposal in Focus Area 1 to apply lessons from its residential mid- and up-stream delivery to the industrial sector; however, I would be interested in hearing more about what this looks like in the industrial sector and how the ETO proposes to accomplish this goal.

Third, in Focus Area 3, the ETO states that it will support OPUC processes "using a public benefits perspective." AWEC is unclear what this phrase means in this context. The OPUC is an economic regulator of investor-owned utilities – it regulates the investments utilities make to ensure that they are making prudent economic decisions on behalf of their customers. The ETO fits into this paradigm by pursuing cost-effective EE, which reduces utility costs for customers and justifies utility customers paying for this EE (as opposed to it being a tax on the population at large). While it may not be the ETO's intent, use of the phrase "public benefits" suggests a perspective that would exceed the scope of the OPUC's regulatory mandate to including issues that may benefit the public at large, but do not necessarily benefit utility ratepayers in their capacity as ratepayers. AWEC recommends that the ETO change the phrase "public benefits" to "ratepayer benefits."

Fourth, AWEC supports the ETO's Focus Area 4 to partner with other organizations to maximize the public purpose charge, and appreciates the ETO's recognition that other organizations may see value in the non-energy benefits of EE, which can help ensure the ETO acquires EE that is cost-effective for utility customers.

Thanks, and feel free to call if you would like to discuss.

Tyler

Tyler C. Pepple | Attorney
Davison Van Cleve PC
1750 SW Harbor Way, Suite 450
Portland, OR 97201
Office: 503.241.7242 | Cell: 410.371.1837
Fax: 503.241.8160
[E-mail](#) | [Web Site](#) | [Bio](#)



DAVISON VAN CLEVE



Avista Corp.

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

July 29, 2019

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

RE: Avista Utilities Comments – Energy Trust of Oregon 2020-2024 Strategic Plan

Dear Michael:

Avista appreciates the opportunity to work together in the development of the new 2020-2024 Strategic Plan (Plan) for Energy Trust of Oregon (ETO), and looks forward to further collaborative efforts in the future. It is evident that the Focus Areas of the Plan are constructive and have been carefully considered. For our part, Avista would like to see more detail within the Plan, or later in the Organizational Goals, to provide clarification on several items. Below are comments of Avista, by Focus Area:

- Focus Area 1
 - Energy Trust has worked extensively with Trade Allies in the past, yet they are not included within this Focus Area, while referencing “distributors, suppliers, retailers and other mid- and up-stream market actors.”
 - How might a methodology be developed to account for diverse customer groups within the Integrated Resource Plan (IRP)?
- Focus Area 2
 - Corresponding pilots are ongoing, yet to be completed. As a natural gas utility, Avista needs further information to understand the considerations to determine a successful deferment, as we do not yet know the effectiveness of targeting Demand Side Management (DSM) projects in order to forestall distribution pipeline investments.

- Focus Area 3
 - Avista appreciates Energy Trust staffs' understanding of energy efficiency and broad depth of knowledge to inform policy. This help will be invaluable to ensure the best outcomes for Oregon customers that pay the public purpose charge.
- Focus Area 4
 - As indicated previously by Energy Trust, they anticipate that the staffing cost metrics set out by the OPUC in Order 19-072 may not be met in the future. Focus Area 4, while warranted, will put further pressure on staffing. A matrix to determine energy savings vs. staff resources to develop opportunities may help ensure wise investment of time, and that resources are being used to adequately benefit the public.
- Focus Area 5
 - It is important that a balance be struck between change and employees' need for surety in the work environment. One such priority to be called out could be researching best practices to ensure implementation is successful.

Overall, Avista supports Energy Trust of Oregon's 2020-2024 Strategic Plan. We appreciate the time and effort put forth that will enable ETO to continue to be effective in future years of managing energy efficiency programs on our behalf. If you have any questions regarding these comments, please contact me at (541) 858-4719, or by email at lisa.mcgarity@avistacorp.com.

Sincerely,

Lisa McGarity
Energy Efficiency Program Manager



From: Kyle Baum
Sent: Thursday, July 11, 2019 10:45 AM
To: Energy Trust of Oregon Info
Subject: Strategic Plan comments

Hello,

Thanks for giving Blue Raven Solar visibility on the 2020-2024 Strategic Plan. It was very helpful for our team to review and understand. I've included a few comments below. Please let me know if you have any questions for us. Thanks again!

- How does our strategic plan relate to your priorities over the next five years?
 - Very closely. Blue Raven Solar is focused on growing our service offerings, with special emphasis on grid enabled technology and providing long-term value for customers through highly-efficient renewable energy systems. Focus Areas 1 and 2 align especially closely to our priorities over the next five years.
- Will our focus areas meet your energy goals and needs?
 - Yes, as an installer and trade ally, the continued focus on providing relevant energy efficiency and renewable energy programs, particularly for underserved customers, meets our goals and needs. Focus Area 3 is critical for our business, as we rely on the expertise and information from the Energy Trust to support development of effective energy policies in the state.
- What relative level of investment do you suggest we make in each of the five focus areas
 - We believe the priorities and levels of investment proposed by the Energy Trust are appropriate. As an installer and trade ally, the most helpful Focus Areas for us are 1-3. However, we recognize that in order to succeed, the Energy Trust must invest in the other 2 as well.
- What are we missing that we should consider when finalizing the plan?
 - More information about the efforts to develop a robust network of trade ally contractors, installers, and etc. to serve customers would be helpful. Are there any plans for further focus in this area? We believe we fill a critical role in accelerating customer adoption of technologies, and would love to see more information in the plan about how the Energy Trust plans on working with this network of trade allies over the next five years.

[Kyle Baum](#) | [Blue Raven Solar](#) | [800.377.4480](#)



The Future of Energy. Today.

City of Creswell

Comments provided on feedback form:

I am impressed by the process you have implemented to arrive at your strategic goals. Your goals will marry well with the needs of our growing community. I applaud your emphasis on being inclusive of all people and all demographics in your approach. In particular, the focus area “maximizing public purpose charge investments by leveraging additional funding to accomplish clean energy projects that offer multiple benefits” catches my interest. We will all benefit the most from opportunities that make clean energy easy to use and access. I wonder why there isn't a program to encourage solar water heaters as an example. But also, installation of electric vehicle charging stations, innovation changes to the grid and to industry will make significant impacts on the future.

August 26, 2019

To: Energy Trust of Oregon

From: Jaimes Valdez and Andria Jacob, City of Portland Bureau of Planning and Sustainability

Re: Comments on Energy Trust 2020-2024 Strategic Plan

Dear Energy Trust of Oregon Strategic Plan Team,

On behalf of the City of Portland, Bureau of Planning and Sustainability (BPS) and the Portland Clean Energy Community Benefits Fund (PCEF), we thank you for the opportunity to provide input to the draft 2020-2024 Strategic Plan. We are grateful to the staff and advisory boards of Energy Trust of Oregon in putting together the vision and draft Strategic Plan Document. We will address some of the question prompts that you provided in the follow-up input sessions.

- **How does our strategic plan relate to your priorities over the next five years?**

City Climate Action Plan and 100% Renewable Energy Goals. The framework of incentives, education and market development programs that Energy Trust provides are important to numerous stakeholders in PCEF and throughout Portland. Addressing climate change and reducing carbon emissions is a longstanding policy priority for the City of Portland. In 2017, Portland City Council established a goal to be 100% renewable economy- and community-wide by 2050. As part of that, Council established a goal to be 100% renewable in the electricity sector by 2035. Given that they can provide carbon reduction and energy saving outcomes, Energy Trust programs that support energy efficiency and renewable energy are key to that vision.

Portland Clean Energy Fund Goals. In November 2018, Portland voters approved Measure 26-201, dubbed the Portland Clean Energy Community Benefits Fund, which passed with 65% of the vote. This was a major milestone for a unique coalition and was Oregon's first-ever environmental initiative created and led by people of color. PCEF is a 1% surcharge on large retailers and service providers, with funds to be deployed each year for living wage jobs and job training in energy efficiency, renewable energy and green infrastructure. It is anticipated that there will be \$54 -71 million available annually for grant funding.

Approximately half of the money will be used for energy projects on homes, schools, and businesses, a quarter will be allocated for job training and apprenticeship programs, and the remainder will focus on green infrastructure and future innovation. The program will prioritize low-income residents and people of color, since these communities are on the front lines of climate change. The fund is anticipated to provide an initial round of funding in mid-2020. Non-profits serving Portlanders are eligible to apply for funding for projects. From our perspective, there is interest, as well as some concern, in how PCEF funds may impact or leverage opportunities with ETO programs. Thus, Focus Area 3 aligns solidly with our goals, and we look forward to engaging with ETO staff in providing input and analysis as PCEF launches. As PCEF will be a competitive grant program, it will likely operate a bit differently than past programs that are available on a state-wide basis, or that guarantee incentives based on certain criteria.

Social and Racial Equity Goals. As a core part of our mission, BPS takes action to shape the future of Portland and advance climate protection for a more prosperous, healthy, equitable and resilient city now and for future generations. Though a focus on social justice, we are working to advance equitable outcomes, dismantle institutional racism, and correct past harms. On a basic level, PCEF funds will not

have the same restrictions and cost-effectiveness tests that ETO programs are subject to by the Oregon Public Utility Commission (PUC), and can use a broader social lens. The PCEF funds will have strongly defined metrics and goals, determined by a 9-member advisory body, and will require a high degree of public transparency. The focus on social equity within the PCEF framework aligns with some elements of ETO strategic plan goals, but goes further in supporting equity not just in who benefits from projects, but also the composition of the people implementing projects, and the development of ethnic and racial diversity in the workforce. There are places where the ETO Strategic Plan could go further in recognizing the different impacts and opportunities that ETO programs provide. For example:

- The directive to broaden who accesses ETO incentives and participates in programs through Focus Area 1 is commendable and recognizes that not all customers who pay in to ETO programs have historically been able to benefit. The focus on serving low income households, communities of color, and rural areas is a good shift. However, Energy Trust also plays a critical role in market development and engagement of contractors in the incentive programs. It would be good to see where the Diversity Equity and Inclusion goals of ETO also impact or align with the development of a more diverse workforce, both within ETO as well as in the contractors supporting program deployment. We suggest expansion of these DEI goals to include the Trade Ally Network.
- This could also play a role in the Focus Area 1 Section related to “distributors, suppliers, retailers and other mid- and up-stream market actors”, as the selection of where and who those retailers are, and what communities they serve has an impact on who benefits from the entire value chain of energy efficiency and renewable investments.
- Focus Area 4 speaks to partnering with other organizations to leverage funding focused at non-energy benefits of efficiency and renewables, and seems to provide some examples, naming “greenhouse gas reduction, public health, affordable housing, workforce development, and environmental justice”. However, the progress indicators of success here appear to be targeted to utility partnership and achieving greater energy-savings. The coordination with organizations seems fairly vague. It would be good to have more context about how ETO envisions prioritizing and connecting Focus Area 1 with this Focus Area 4, and they should be seen as complementary. In particular (for example), focusing on health impacts and decarbonization could align well with ETO programs and reduce disparities through a DEI lens.

• **Will our focus areas meet your energy goals and needs?**

It is hard to know at this point whether the proposed focus areas will meet our City-wide energy and PCEF goals. However, they are generally aligned with the vision of a cleaner, more equitable, distributed energy system. Depending on how ETO implements these focus areas, they may lead us to this future. It is certain that ETO programs will have a lasting impact on the investments that people make in their homes and businesses. It is also important to address the future trajectory of ETO, and support policy changes that extend the programmatic and organizational mandate of ETO beyond the 2024 timeframe.

- **What relative level of investment do you suggest we make in each of the five focus areas?**

Focus on Social Equity and DEI. There are predefined funding allocation percentages between renewables and energy efficiency embedded in the Oregon Revised Statutes and PUC regulations, as well as a number of principles that guide deployment of incentives. However, there is latitude for ETO to implement pilot projects, develop custom incentives, and to engage in new market transformation efforts. In a framework of addressing past inequities in access, we suggest that ETO should dedicate a significant amount of resources to Focus Area 1, broadening access to underserved communities and engaging in market development opportunities. This should include identifying barriers and targeting programs and incentives to meet the needs of low-income communities, communities of color, and rural populations, with a priority on where there is significant intersection between those elements. This fits with the framing that the Draft Strategic Plan has outlined, with Focus Area 1 as the key priority.

Focus on Customer-Side solutions and Engaging Education About Choices. Energy Trust plays a key role in educating people about the energy impacts of different consumer and household choices. As the range of products and services on the market continues to increase, this role will be even more important. Technological changes in smart home devices and new programs like community solar are emerging, and will play a role in how people understand and manage their energy use. While the needs of the utility may play a role in shaping those offerings, through Focus Area 2, the key mission of ETO should remain to serve customers who are paying the Public Purpose Charge. The deployment of technologies like energy storage should be incentivized and leveraged to create customer savings and increase resiliency, not primarily to serve utility planning needs. This also plays a role in Focus Area 4, and partnership with other community-based organizations that can help deploy both customer information as well as programs. This Focus Area 4 should be prioritized to a greater degree than it currently is in the Strategic Plan.

Commercial Energy Performance Reporting. To stimulate greater investment in energy efficiency projects (and particularly to get beyond lighting retrofits), building owners and managers within the commercial sector need more support to help them along the energy efficiency pathway. The City's information transparency requirements have compelled building owners and managers to raise awareness around tracking energy use, but there is a large gap between that basic piece of information/awareness and connecting with Energy Trust on a specific project. Regulated building owners are often left with one big question after tracking and reporting their building's energy use – "Now what?" This gap needs to be filled with supporting advisory services and resources for additional building diagnostics tools in order to propel buildings toward energy saving actions and retrofits - audits, asset scoring, advisory services, trainings and peer networking. To the extent that Energy Trust can provide some of these services, this should be included as part of the strategy to "...provide trusted, independent information to educate customers about remaining opportunities." To the extent that these services, or resources to support these services, cannot be supported by Energy Trust because they only indirectly result in energy savings, this is a key opportunity area for Energy Trust to explore through Focus Area 4 by leveraging other funding sources to remove barriers and create a more seamless experience for decision-makers and project implementers.

- **What are we missing that we should consider when finalizing the plan?**

There are some elements that seem absent or under-represented in the Draft Strategic Plan and are worth highlighting. That includes:

Transportation Decarbonization Some of the first widescale uses of electricity in Portland were for powering streetcars and mobility throughout the city. As the transportation and electricity sector once again become more closely connected through vehicle electrification at various scales, it is important for Energy Trust to develop a strategy as to how you play a role in encouraging more efficient use of energy in various forms, with decarbonization and equitable access as a guiding principle. Transportation is one of the largest sources of carbon emissions in our region, and the investments that households and businesses make in reducing the use of fossil fuels through beneficial electrification can deliver cost savings as well as health and climate benefits.

Resiliency and Climate Hazard Mitigation As Oregon faces greater hazards from wildfires, floods, and extreme heat events, it is important that public programs align to meet those challenges. Just this summer, utilities announced the development of Public Safety Power Shutoff procedures, that could leave vulnerable communities without access to electricity. Additionally, extreme heat events and wildfire smoke have disparate impact on populations based on age and health, based access to efficient cooling equipment and air filtration. This should be something that Energy Trust addresses in your Strategic Plan, creating pathways for people to access more efficient and safe appliances and systems to heat and cool their homes and provide reliable, uninterrupted power. The impacts of climate change in the Pacific Northwest are expected to get more severe in the coming decade. This should be a new lens through which ETO looks at and prioritizes incentives and investments, to help customers plan, adapt, and respond to new hazards.

Thank you for the opportunity to provide these comments, and we look forward to continued engagement with Energy Trust as a key partner in implementing Portland's climate and equity goals.

Sincerely,

Jaimes Valdez
Portland Clean Energy Fund
City of Portland Bureau of Planning and
Sustainability

Andria Jacob
Senior Manager, Energy Programs and Policy
City of Portland Bureau of Planning and
Sustainability



2900 SE Stark St, Suite A
Portland, OR 97214

Tele 503.284.6827
Fax 503.284.9403
www.communityenergyproject.org

August 1, 2019

To: Energy Trust of Oregon Board of Directors
Re: Energy Trust Strategic Plan Comments

Community Energy Project (CEP), Inc., believes that everyone deserves a safe, healthy, efficient home regardless of income. We advance our mission through education, hands-on training, and distribution of weatherization, and lead poisoning prevention materials. We also provide direct weatherization, energy efficiency upgrades and safety repair services to low-income seniors and people with disabilities. This past year, CEP became the Low-Income Facilitator for the Oregon Community Solar Program. We deliver these services in partnership with community members and service organizations, utilities, corporations, foundations, and government agencies.

CEP acknowledges with gratitude the way that the Energy Trust staff has worked to advance its mission, and has allowed for open discussion of its draft strategic plan. We recognize that there are not always easy solutions to complicated challenges, and that Energy Trust must make choices on where to allocate its resources. As our area of expertise lies in working with disadvantaged populations, we will restrict the majority of our comments sections of the plan that have impact for the communities we serve.

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.

We applaud Energy Trust for calling out the need to design programs for underserved customers. For too long, low-income communities have had very limited access to Energy Trust resources. We recognize that in some of the commercial energy efficiency programming, low-income communities are passive recipients of services, for example, when a low-income multi-family housing upgrades their systems. However, most incentives offered by Energy Trust in the past were not accessible to low-income communities. If you do not have the income to upgrade your home, you simply cannot take advantage of the incentive.

This past year, Energy Trust piloted a program with CEP to offer heat-pump water heaters to low-income homeowners in Portland at no cost to the homeowner. We quickly installed 25 over a 4-month period, meeting critical safety needs in the home while offering a high efficiency product that is simply out of reach for homeowners if they are expected to pay.



2900 SE Stark St, Suite A
Portland, OR 97214

Tele 503.284.6827
Fax 503.284.9403
www.communityenergyproject.org

This new approach needs to be replicated at a larger scale across Energy Trust service territory. By working with community-based organizations, Energy Trust can expand its reach, and more effectively reach customers who have been left out. Leaning on community groups to find energy savings opportunities because of their on-the-ground knowledge is a cost-effective way to achieve savings.

While we understand that Senate Bill 1149 sets aside about 12% of the public purpose funds for low-income weatherization, approximately 34% of Oregon household incomes are below 80% state median income. How many low-income ratepayers have paid into the public purpose charge over the years, and have had little to no opportunity to receive benefits because of barriers in program design? We support Energy Trust's work to remove barriers and expand opportunities, and want to see pilots like the one we've started expand.

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.

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

We support Energy Trust's efforts to leverage outside funding to design programs that value non-energy benefits. Ideally, the calculations that Energy Trust uses to determine whether a measure is cost-effective need to be more flexible and allow for more non-energy benefits to be used. There are high costs to community, health, and climate that are not valued in the current calculation, yet everyone ends up paying. The drive to be cost-effective should not be a barrier to developing programs that reach underserved communities. If we want to build programs to address climate change, we need to have bolder programs that are quickly deployed. We simply are running out of time!

Since there seems to be little political will to change how the cost-effectiveness is measured, we support Energy Trust's efforts in seeking complementary funding that can address needs quickly, allowing Energy Trust to be more flexible and responsive to changing times.

FOCUS AREA 5 Enhance our ability to quickly and effectively respond to changes, needs and new opportunities.

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*



2900 SE Stark St, Suite A
Portland, OR 97214

Tele 503.284.6827
Fax 503.284.9403
www.communityenergyproject.org

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*

As an organization that values Diversity, Equity and Inclusion, we are excited to goals focused on the internal culture and demographics of Energy Trust staff, boards and committees. However, we think your goal statement for focus area 5 should more expressly state that you are committed to developing a more diverse and representative workforce and boards.

In strategic planning, the top-level goals are remembered and show where your commitment lies. The tactics and strategies you use can change yearly. If you simply read the goal “enhancing our ability to quickly and effectively respond to changes, needs and opportunities,” it does not mean you have any commitment to changing the diversity of Energy Trust. You could develop a variety of strategies to advance this goal that have nothing to do with diversity, equity or inclusion.

We encourage Energy Trust to revisit the goal statement and make it clearly an equity focused goal.

From: David

Sent: Friday, July 12, 2019 9:21 AM

To: Energy Trust of Oregon Info

Subject: My input to Strategic Plan - 2020-2024 - EnergyTrust of Oregon

Hello Karen Chase and company,

Good to see you and hear you at the Pacific Power luncheon at the Parrott House this last week.

My general opinion is that the Strategic Plan needs objective and measurable targets / goals, for each person in the EnergyTrust organization. How many educational / training talks given per month to customers, how many Facebook Postings, how many emails to individuals/customers with information and suggestions, how many phone calls to customers. The current priority areas seem to vague - not measurable.

My input falls into two areas: residential and commercial/industrial.

Residential:

1. focus again, on the simple low cost solutions
2. promote LED lamps (light bulbs) for homes and give guidance on where to buy them (like Costco or Home Depot).
3. promote Evaporative Coolers - portable low cost and low energy solution for specific rooms, like a living room or a bedroom. cooling where you need it. These evaporative coolers cost around \$150. in our area of Oregon (south), we have relatively low humidity days, so these work very well. they are portable, on wheels. plug into ordinary wall outlet.
4. survival - loss of electrical power. how to use wood for cooking or heating - store up on a couple of propane tanks - charge your mobile phone from the car's cigarette lighter receptacle or USB outlet. have bottled water and canned food for 3 weeks.

Industrial / commercial:

1. ductless heat pumps for specific areas of the business, like office areas.
2. on-demand potable water heaters
3. LED to replace florescent lighting
4. simple time-of-day timers to shut off equipment and HVAC equipment when not needed, like middle of the night, weekends, holidays.

Thanks for the opportunity.

I would welcome a phone discussion or face-to-face chat.

David Reeck

Douglas County Smart Energy organization

Roseburg, Oregon, USA

Mobile phone: +1-541-817-7225



August 1, 2019

Board of Directors
Energy Trust of Oregon
Attention: Strategic Plan
421 SW Oak St., Suite 300
Portland, OR 97204

Re: Public Comments on the Energy Trust of Oregon 2020-2024 Draft Strategic Plan

President Hamilton,

Thank you for the opportunity to comment on the Energy Trust of Oregon (Energy Trust) 2020-2024 Draft Strategic Plan. Farmer's Conservation Alliance (FCA) is a non-profit organization focused on modernizing irrigation infrastructure in a manner that fosters renewable energy generation and conservation while benefitting agriculture, the environment, and rural communities. Over the last five years, FCA, in collaboration with key community partners like Energy Trust, has developed an Irrigation Modernization Program to assist irrigation districts throughout the western United States to realize the benefits of modernization. We are currently working with 25% of the irrigated agricultural lands in Oregon, and we expect to engage with districts located in California, Nevada, and Montana over the next year.

In particular, FCA would like to focus our comments on the proposed plan's fourth goal: "Maximize the effectiveness and reach of public purpose funding by leveraging additional funding to advance clean energy investments that deliver multiple benefits." Energy Trust's investment in in-conduit hydropower and irrigation district energy efficiency has enabled districts throughout the state of Oregon to realize a broad array of community benefits. The revenue generated from these hydropower projects serves as a funding source to help irrigation districts leverage federal or state investments in modernization. For example, the federal government has allocated over \$50 million in modernization project capital in the Deschutes Basin alone over the past three years. The eight districts serving this region would not have been prepared to capitalize on that investment without the financial and technical support provided by Energy Trust. In addition, irrigation district efficiency projects help landowners replace expensive pumps with more efficient technologies, reducing their cost per unit of production. Please see the attached chart for a list of the potential benefits enabled through Energy Trust's irrigation modernization investments.

In addition to the community benefits accelerated through Energy Trust's investments in renewable and energy efficiency irrigation modernization projects, the value created through these investments reaches far beyond the dollars themselves. Energy Trust's investment in multi-benefit irrigation projects has helped to encourage collaborative relationships across environmental and agricultural organizations – relationships that focus on achieving shared, on-the-ground outcomes. Energy Trust-funded projects have helped to

demonstrate that we can simultaneously provide for agricultural resiliency and environmental restoration, not to mention provide clean, renewable energy generation and conservation.

Modernizing irrigation infrastructure is the single greatest opportunity in the western United States to improve agricultural security and production, enable environmental conservation and restoration, accelerate the development of renewable energy, and provide for rural community resilience. We strongly support Energy Trust's leveraging additional investments in multi-benefit projects and believe that Oregon will be stronger and more resilient as a result.

Sincerely,



Julie O'Shea
Executive Director
Farmers Conservation Alliance

From: Marsha Hanchrow

Sent: Saturday, July 27, 2019 12:41 PM

To: Energy Trust of Oregon Info

Subject: Ground source heat pumps, particularly for communities

Please get some language about these in your strategic plan. Ground source heat pumps are expensive and messy to install, but (according to studies I've seen cited) pay for themselves in a reasonably short time. They also produce zero greenhouse gases (unless one's electricity comes from coal). This is proven technology, and it should be in your collection of efficient options.

It would also be very helpful if Energy Trust had these in your bag of tricks, was well informed on the subject, and provided at least links to trusted sources of information.

The mention of "communities" in the subject line is important because it's easy to install loops in the ground - preferably deep under a new street before other utilities go in - when ground is first broken for a new development. It's harder in older neighborhoods where some of us are looking to transition away from gas.

Ground source heat pumps are an energy solution you should be encouraging.

mh

Energy Trust of Oregon – Draft Strategic Plan

Comments by Paul Lumley, Executive Director
Native American Youth and Family Center (NAYA)

August 13, 2019

Cover Page and Whole Document

No comment on the cover page, but the whole document is beautifully laid out and well written.

It is not possible to identify precisely the number of people in the photos that represent people of color, but it looks to be well over 50%. This is nice, and I do not want you to change anything. I'm also glad your goals specifically address communities of color. Please make sure that your actual benefits to communities of color are reflected proportionally to the choices in photography. If there are specific targets to obtain for communities of color, they should be clearly identified. Vague goals are hard to measure.

More broadly, the strategic plan is lacking in measurable goals, objectives and strategies. There are several references to DEI goals. Is this a separate document? If so, it should be attached as an addendum (or incorporated specifically throughout the document), especially if the strategic plan is relying upon DEI goals for success.

Page 1

Vision and Purpose: The video stated that the board may change these statements this fall. If so, would it be substantial? A few comments:

- Vision: Add a comma after the word "economy".
- Purpose: Add context to "those we serve". The remainder of the page indicates you serve the customers of 5 public utility districts. It would be easier to state this in the purpose statement than trying to research who exactly you are serving.

What We Deliver: First sentence indicates you work with contractors, but second sentence indicates your commitment to helping all customers. Both are great, but curious if the focus more on the dependence of contractors to deliver to customers.

Our Work: "Avoids carbon emissions in our region"; please explain this further. The region already relies on hydropower, nuclear energy and natural gas. Not much coal, unless we include the energy exchange with California, but then this is carbon emissions in somebody else's region. We have a lot of carbon from gas powered vehicles. Will ETO assist with converting any of this to other electric powered transportation? I live next to I-205 and daily emissions from gas-powered vehicles are substantial, both smelled and visually deposited every day. A future with majority electric vehicles might be an area of significant advancement for ETO, especially if electric vehicle technology and infrastructure could advance substantially. We all travel to gas

stations for energy out of convenience. It would be so much more convenient to charge my car in my driveway, which is an interesting selling point that is not heard. Can ETO advance this kind of infrastructure development? If so, the demand for electric vehicles would increase and we would have less carbon emission. You've made incredible progress so far. If tweaking existing systems will only yield limited results, then now is the time to dream big.

Page 2

Thank you for acknowledging the changing demographics in Oregon.

Page 3

2nd paragraph mentions an impressive list. From a NAYA perspective, we will be focusing on:

- decarbonization,
- community planning,
- social justice
- healthcare and
- affordable housing.

Regarding affordable housing. We did reach out to ETO to assist with our current project, Nesika Illahee, 59 units affordable housing project near NAYA. We are still very interested in solar panels on the roof. Was ETO able to assist? We also just go approved funding for our next affordable housing project, 55 units just 8 blocks away from Nesika Illahee. Will ETO be able to assist as well? Reaching into communities of color and providing direct assistance is needed by ETO, and in this case, measurable. Interested? If grant programs are overly complicated, the very busy non-profit community-based organization (such as NAYA) will not likely pursue.

3rd paragraph indicates the cultivation of a network and evolving clean energy program with expertise. I will be focusing on community-based organizations and tribal governments.

4th paragraph: Sounds great!

Page 4

No comments

Page 5

There's a vague reference to DEI goals. What are those goals? Are the goals specific enough to be measured? The goals should be stated clearly, not by reference to another document. Progress indicators are very vague in this regard. Meeting and exceeding unstated DEI goals does not really help ETO or communities of color.

Page 6

There's another vague reference to DEI goals, but this time stating that achieving these DEI goals is essential to accomplishing annual savings and generation goals. Wow, this is a big statement and just kind of tucked away. You will be better served in this mission by bringing this to the forefront and being clearer of how this will be accomplished. Please include specifically why this is essential and if it is essential (a very critical connection here) then more specifics are warranted.

What are "relevant offers"? Maybe the document could use a glossary for the public's better understanding. There are other terms that could be defined as well.

Page 7

Define OPUC. I'm pretty sure this means Oregon Public Utility Commission, but it should still be defined or spelled out.

Page 8

It's great that you can encourage contractors to construct efficient homes and buildings that are also electric vehicle-ready. This benefits a sector of society that can afford new construction. The real benefit is with existing construction and those in rental units that cannot benefit from new construction. Will this be addressed? This is where communities of color and underserved communities tend to live at a much higher proportion.

Page 9

You might want to add City governments to the list of government agencies. Portland Clean Energy Initiative comes to mind.

Page 10

No comments

Page 11

Progress indicators: Not sure what "public purpose charge funding" is. Please define.

Page 12

Last paragraph has a long list of partnerships to be explored, but is not linked to the rest of Focus Area 4. Partnerships should be authentic and not mentioned as something to aspire for, or an afterthought.

Page 13

Progress Indicators: Another vague reference to DEI goals.

Page 14

No comments

Page 15

Developing the Plan: Will the budget reflect the work of serving DEI?

Monitoring Progress: Are there measurable or numeric goals that could be mentioned?

Is there a desire to Report Progress? If there was a score card to measure progress, what would it look like?

Page 16

No comments.

Page 17

Priorities of NAYA that are missing include:

- NAYA affordable housing development
- Reduced carbon emissions as a result of traffic
- Workforce development opportunities
- Direct benefits to the NAYA campus, if any
- Direct benefits to the Native community that we serve in the Portland metropolitan area.

August 2, 2019

Board of Directors

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NRDC

Vice President:

Peter Turnbull
Pacific Gas
and Electric

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USGBC

Michelle Thomas
Southern California
Edison

CEO

Ralph DiNola

Energy Trust of Oregon
Attention: Strategic Plan
421 SW Oak Street, Suite 300
Portland, OR 97204

RE: NBI public comments on 2020-2024 DRAFT Strategic Plan

Dear Members of Energy Trust of Oregon's Board and Staff:

Thank you for the opportunity to comment on Energy Trust's 2020-2024 Strategic Plan. We applaud your efforts to define your approach for the next five years and are happy to provide you with feedback on the current draft of the Strategic Plan. New Buildings Institute has served as a trusted advisor to Energy Trust of Oregon since the organization's founding. We appreciate your consideration of our feedback.

As you may know, NBI combines research on leading-edge practices and technologies for high performance buildings with a comprehensive understanding how various policies and building markets (like office, schools, and multifamily) function and the barriers that prevent advances in energy efficiency. Our deep market engagement and technical expertise allows NBI to create innovative and practical solutions for building owners, designers, policy makers and energy efficiency administrators. The following comments provide both general and specific feedback on the draft Strategic Plan and we welcome the opportunity to clarify them as you are drafting next version of the plan.

The energy efficiency, renewable energy, code and policy landscape is changing rapidly in Oregon and across the U.S. Within this context, the Energy Trust of Oregon must consider a forward looking five year strategy that envisions the future landscape and provides leadership in the face of a rapidly evolving context. We agree that the Energy Trust needs to expand beyond traditional energy efficiency programs and innovate to address the dramatic changes taking place outside of the organization and evolve to keep pace with the changes taking place.

For example, this new approach will require acknowledgement that the very definition of "cost-effective" energy efficiency in Oregon must evolve beyond current measure-by-measure limitations. Other states have embraced new tests, such as the Resource Value Test in Washington, or the Fuel Substitution Test in California. Energy Trust should be informing this and other policy changes that will help Oregon to meet their greenhouse gas emission goals. The evolution of these tests is critical. Energy code advancements in Oregon will make it more expensive to achieve savings.

We are excited to see your focus on diversity, equity and inclusion throughout the plan. We believe that the development and implementation of programs that deliver on that promise should be of the highest priority for Energy Trust. However, we are concerned that Energy Trust's critical goal of reaching diverse audiences and communities of color may be incompatible

with current cost effectiveness rules. Energy Trust should cast a wide net to understand what the most innovative programs across the U.S. are doing in this arena and seek to innovate in order to truly impact underserved communities and populations. We also recognize that entirely new approaches and new relationships are required to successfully meet all Oregon ratepayers where they are. It will take time to develop authentic relationships, but this is worth pursuing and should not be thwarted because efforts do not meet outdated cost effectiveness rules.

In addition, we are concerned that Energy Trust believes that “state carbon emissions reduction policies will likely have [a] modest impact on programs in the 2020-2024 timeframe.” Unfortunately, this is contrary to a preponderance of the evidence that the time to act to solve of climate change is short. New policies will continue to drive carbon and GHG goals toward zero and Oregon and other states will need programs that proactively respond to these climate goals and help to make them a reality. We need more than modest impacts and encourage the Energy Trust to be more aggressive in its efforts to deliver deep energy reductions to a more diverse group of stakeholders who could potentially benefit from your programs.

We hope that Energy Trust will consider entirely new approaches, ones that move away from predictions based on estimates (otherwise known as “deemed savings”). With opportunities for savings diminishing, Energy Trust should not only work with customers to “complete more projects”, but also, develop new programs that deliver more savings through entirely new approaches. For example, we encourage Energy Trust to:

- transition to *measured* energy outcomes in program delivery to create seamless integration between now disparate new construction, existing building and strategic energy management programs
- engage with local governments to on advancing codes and ensuring that these codes are understood and enforced so carbon savings are actually realized
- formally participate in the process to advance codes and policies in Oregon that will benefit all rate payers and help Oregon to regain the mantle of leadership in this arena
- play a more integrated role in building and grid integration, which would include energy efficiency, renewable energy, energy storage, electric vehicles and grid integration.

We encourage Energy Trust to think differently about programs and partnerships that can deliver even better outcomes beyond the kWh and therm savings that you have traditionally delivered. This draft strategic plan needs SMART (Specific, Measurable, Attainable, Relevant and Timely) goals and measurable KPIs (Key Performance Indicators) in order to provide more concrete descriptions of what Energy Trust is trying to accomplish and how it will measure success. We encourage you to incorporate specific, new performance and evaluation metrics into the strategic plan, ones that include carbon emission reductions, amount of time/money spent engaging communities of color and other frontline communities, health outcomes associated with efficiency upgrades, number of careers in energy efficiency and renewable energy created, as well ways to address grid constraints that may make efficiency more valuable in some areas than others.

In addition to the feedback above, we have provided a few specific responses to the questions included on the last page of the strategic plan draft, as follows:

1. How does our strategic plan relate to your priorities over the next five years? Will our focus areas meet your energy goals and needs?

General feedback on programmatic areas that needs further consideration from the Trust.

- Energy Trust requires new and innovative program designs to run cost effective programs. Instead of one of technology programs importance should be given to whole building programs like Savings by Design. This should not only be limited to new construction programs but is also for existing building programs.
- Programs/evaluation integrated with Measurement and Verification will give a clear idea of actual savings compared to the pseudo energy savings focused custom and prescriptive programs. Energy Trust should support city benchmarking programs and building energy reporting and disclosure ordinances.
- Three prong test is now a fuel substitution test in California. This will allow clean energy measures to be implemented as long as they are energy efficient compared to the measure that is being replaced and meet portfolio level cost effectiveness. Energy Trust should be supporting such policy changes that will help Oregon and Washington meet the greenhouse gas emission goals.

2. What relative level of investment do you suggest we make in each of the five focus areas?

- Relevant programs, information and services for all customers, with particular attention to underserved customers: 40%
- Delivering energy efficiency and renewable energy initiatives that benefit customers and help utilities manage constrained systems: 20%
- Supporting development and implementation of energy-related policies by sharing our expertise: 10%
- Maximizing public purpose charge investments by leveraging additional funding to accomplish clean energy projects with multiple public benefits: 10%
- Enhancing our ability to quickly and effectively respond to changes, needs and new opportunities: 20%

3. What are we missing that we should consider when finalizing the plan?

Energy Trust should consider running new and innovative whole building programs than one off technology incentive programs. The pseudo calculation methodologies used to calculate savings need to transition to actual benchmarking programs and disclosure ordinances. We recommend Energy Trust to work more cohesively with the city departments and programs.

- Support city benchmarking programs and building energy reporting and disclosure ordinances
- Shift its gears from just energy efficiency to grid optimal energy efficiency in buildings in a way that is sensitive to potentially adverse carbon emissions and grid impacts.

Finally, we believe that this strategic plan must specifically address the existential question related to the continuation of funding of Energy Trust through public purpose funds (SB 1149). The coincidental timing of this strategic plan and the potential sunset of funding provide an ideal opportunity to address this question head on in an open and transparent way.

We have been researching and spearheading these changes elsewhere across the United States, and we look forward to working with you on new and innovative approaches.

Kind Regards,

A handwritten signature in black ink, appearing to read "Ralph DiNola". The signature is fluid and cursive, with a large initial "R" and "D".

Ralph DiNola, CEO
New Buildings Institute

July 23, 2019
Michael Colgrove
Energy Trust of Oregon
421 SW Oak St, Suite 300
Portland, OR 97204

RE: NEEA Comments on Proposed Energy Trust of Oregon 2020-2024 Strategic Plan

Dear Michael and Energy Trust staff:

The Northwest Energy Efficiency Alliance (NEEA) appreciates the opportunity to provide comments on the Energy Trust of Oregon's draft 2020-2024 Strategic Plan. Since its inception, Energy Trust of Oregon has played an important role in advancing energy efficiency to the benefit of all Oregonians. NEEA is supportive of the description of Energy Trust's vision and purpose, as outlined in this five-year plan, and appreciate both the effort behind this document and the opportunity for continued engagement with the Energy Trust to advance energy efficiency across the state.

The Plan's focus on emerging technology and a continued partnership with NEEA will help the region meet its energy efficiency goals in several ways. Activities like piloting new technologies and developing mid-stream and up-stream solutions support potential opportunities for efficiencies by leveraging platforms, processes and relationships that are already in place across the region. This regional approach brings results back to Oregon, as more and more utilities participate and drive the acceleration of energy efficiency opportunities through these shared platforms. And, this parallels the Energy Trust's intention to leverage outside funding for clean energy projects, to further its public purpose charge investment.

The plan complements NEEA's research efforts to assess non-energy benefits (NEBs) and to determine where there are opportunities to influence cost-effectiveness for technologies where NEBs are measurable. Energy Trust's investment in partnerships to synergize energy efficiency projects with NEBs will offer lessons learned and contribute to the body of knowledge for including NEBs in evaluating the cost of efficient technologies.

NEEA also acknowledges the plan's focus on enabling technologies for demand response. This is an area where NEEA is looking to partner with Energy Trust and Northwest utilities to streamline and accelerate this work through collaboration and finding a common voice.

Finally, we applaud the plan's nod to Energy Trust's need to effectively respond to new opportunities. There will certainly be legislative, regulatory, utility industry and environmental changes during the period of the plan. Energy Trust should be enabled to serve the highest priority needs of Oregon's utility customers, as determined in cooperation with its board and the Oregon Public Utility Commission. This may include the encouragement of new partnerships and collaborations and funding to best meet those needs in a manner that leverages appropriate resources and skills.

Thank you again for your consideration, and for the opportunity to comment.

Sincerely,

Susan E. Stratton

EXECUTIVE DIRECTOR

Direct 503.688.5401

Mobile 503.505.4499

NORTHWEST ENERGY EFFICIENCY ALLIANCE

421 SW Sixth Avenue, Suite 600, Portland, Oregon 97204

503.688.5400 | Fax 503.688.5447 | neea.org

Jennifer Anders
Chair
Montana

Bo Downen
Montana

Guy Norman
Washington

Patrick Oshie
Washington



Northwest Power and Conservation Council

Richard Devlin
Vice Chair
Oregon

Ted Ferrioli
Oregon

Jim Yost
Idaho

Jeffery C. Allen
Idaho

September 5, 2019

Michael Colgrove
Energy Trust of Oregon
Attention: Strategic Plan
421 SW Oak St., Suite 300, Portland, OR 97204

Subject: Comments on Energy Trust Draft Strategic Plan

Dear Michael:

Thank you for the opportunity to comment on the Energy Trust of Oregon Draft Strategic Plan. Staff of the NW Power and Conservation Council has participated in the Energy Trust Conservation Advisory Committee since 2009 and is familiar with the history of the Trust and its long-term performance as an independent implementer of Oregon energy efficiency and renewable resources goals. The Energy Trust has cast an appropriately wide net for soliciting input for the Draft Strategic Plan. The effort has been well crafted, and we appreciate the careful inclusion of the advisory committees, stakeholder groups and engagement of the Energy Trust Board of Directors.

The Northwest Power and Conservation Council was established pursuant to the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (Public Law 96-501) by the states of Idaho, Montana, Oregon, and Washington. The Act authorized the Council to serve as a comprehensive planning agency for energy policy and fish and wildlife policy in the Columbia River Basin and to inform the public about energy and fish and wildlife issues as a means to involve the public in decision-making. The Power Act gives priority to the same energy resources as Senate Bill 1149: energy efficiency and renewable resources. As part of its duties, the Council is keenly interested in the implementation of cost-effective energy efficiency and renewable resource development across the four-state region.

Summary

Overall, the Energy Trust drafted a very good strategic plan. The primary focus should be on developing all available cost-effective efficiency and small-scale renewable resources because those achievements are highly valuable to the energy system, affiliated utilities,

and energy customers on many levels. The Strategic Plan should allow The Trust to take a long-term view of those goals and devote resources to foster innovation for the challenges ahead. Progress indicators should be developed to promote and gage the effectiveness of innovation. Guidance on how to handle potential conflicts between competing focus areas will be important to include in the Strategic Plan. And finally, the unique structure and effective operation of the Trust is a valuable asset for Oregon and for the Pacific Northwest region which should be protected and potentially enhanced to expand into other areas, if called upon, to increase its responsibility and reach.

Our comments are structured to correspond with the sections of the Draft Strategic Plan. Specific recommendations where the Draft Strategic Plan could be improved or clarified are highlighted in italics.

Context

The Draft Strategic Plan section on Context identifies trends and issues consistent with those the Council is seeing in its development of the 2021 Regional Power Plan. The electricity system in the west is undergoing rapid change. More than half of existing coal generation in the western power system is being considered for retirement by 2036. Costs of wind and solar resources continue to decline and state-level renewable policies are encouraging further build out of these resources. There are legislative pressures against building new gas generation in all the west coast states. Last winter saw \$1000 per MWh price spikes in wholesale electric power and this spring natural gas supplies were pinched when unusually cold weather coincided with scheduled gas and electric system maintenance. There is a rising concern over electric system inadequacy in the near term with announced generating resource retirements and increased pressure on natural gas supplies.

If these trends continue, the capacity and flexibility of the Northwest hydro system will become increasingly valuable and the need for new carbon-free capacity resources will likely become stronger. The Council will be exploring regional power system solutions to best manage through these emerging conditions in the development of its 2021 Power Plan. While it is too early to have results, the changes in the power system will likely affirm the need for and value of cost-effective energy efficiency and renewable resources. Focus may continue to shift to resources that provide capacity and enhance the capacity value of the hydro system and any additional storage that may come on line.

The situation is changing too in the implementation of energy efficiency. Past successes have effectively tapped many low-cost efficiency resources. The mix of remaining opportunities and markets will be more challenging and likely more costly to develop. Expansion of programs into segments and consumer groups that are more difficult to reach and engage will require new perspectives and solutions. The Council expects further development of energy efficiency will require continued innovation and additional resources to tap more difficult technologies, applications and markets at the scale needed to keep Oregon, and the region, on the least-cost path.

Role

Energy Trust has been extremely successful as a non-profit agency carrying out the vision of an energy system benefits administrator envisioned by the Oregon legislature. The Energy Trust has become one of the most effective implementers of energy efficiency in the Pacific Northwest. The Trust has a sustained record of high rates of efficiency acquisition being consistently among the top performers in the Council's Regional Conservation Progress Report which tracks regional efficiency efforts. The Trust has developed industry-leading tools to scale up efficiency efforts through the development of active and engaged trade ally networks and its program delivery contractor model. It has incorporated top-notch practices in assessment of opportunities, planning, evaluation of its efforts, and in stakeholder involvement. Its success has engendered expansion and extension of its services to natural gas efficiency and even across state boundaries to Washington. The Trust has developed important relationships with other organizations in pursuit of these goals. Those relationships are a valuable asset which could be leveraged into further service for Oregon and for the Pacific Northwest region.

This collective set of the innovations developed over the two decades has put the Trust into a unique position to face the challenges that lie ahead for the development of energy efficiency and small-scale renewable resources. They also position the Trust to help carry out other potential state priorities which may emerge, such as reducing greenhouse gasses or scaling up demand response activities, efforts that could benefit from the suite of assessment and implementation tools the Trust has developed including its effective relationships with trade allies and stakeholders. The Draft Strategic Plan appropriately recognizes these opportunities in setting out future roles for the Trust.

Five Focus Areas

All five focus areas are well thought out and the Draft Strategic Plan appropriately recognizes their interdependence. We have a few specific comments about the first three focus areas.

Focus Area One: Providing relevant programs, information and services for all customers, with particular attention to underserved customers.

Prioritizing programs to produce savings for all customers should be top priority and this effort fits well with findings and recommendations of the Council's Seventh Power Plan. The Seventh Plan identifies the need for the Pacific Northwest electric system to collectively scale up region-wide electric energy efficiency acquisitions to about 330 aMW per year by 2022 to provide power system reliability and to keep low the costs and risks for the region's energy system. That energy efficiency offers both energy and capacity value is a key finding from the Seventh Plan and is reinforced by the work of the Energy Trust. The Energy Trust Draft Strategic Plan clearly recognizes the challenges of accelerating efficiency targets and identifying and addressing under-served markets. In order to scale up acquisitions, the Seventh Plan also calls on program administrators like the Trust to identify underserved markets and expand into effective delivery in underserved areas in order to achieve target conservation goals, assure all available cost-effective efficiency is captured, and to assure equity among customer groups.

Focus Area One is identified as top priority and appropriately calls for the Trust to focus on mechanisms to lower cost of delivery of efficiency and renewables development. The Draft Strategic Plan recognizes that costs could increase for some of the more difficult markets. Increasing costs in utility conservation acquisition began in 2016 according to regional data and forecasts supplied by efficiency providers all across the region. This trend indicates continued upward costs per kWh saved. To close the gap on cost of savings, the Draft Strategic Plan appropriately calls for identifying and expanding mid- and upstream approaches to acquisition and for evaluating new energy technologies and incorporating them into programs when cost-effective and ready. Close coordination with the Northwest Energy Efficiency Alliance (NEEA) is a good strategy for expanding upstream approaches and identifying new technologies. The strategy should also recognize there may be additional partners, such as other states and the national labs, which could help expand low-cost delivery approaches and evaluation of new technologies.

We recommend that the Draft Strategic Plan should include direction to investigate additional partnerships to explore new efficiency technologies and development opportunities with willing partners.

Finding new opportunities to accelerate efficiency adoption, expand into under-served markets and keep costs low will require considerable innovation by the Energy Trust and its partners. This innovation will require dedicated resources for exploration, planning, implementation, and evaluation of efforts. The Final Strategic Plan may benefit from specific progress indicators focused on increased savings leverage, and innovation in implementation. Experimentation might not always be fruitful, and the Draft Strategic Plan should recognize this too.

We recommend the Draft Strategic Plan emphasize the need for innovative pilot programs and seek additional partnerships to help accelerate the deployment of cost-effective energy efficiency and include progress indicators for innovation efforts.

The Draft Strategic Plan identifies a three-year action planning cycle beginning 2022 to inform annual budgets and set goals in coordination with the integrated resource planning activities of affiliated utilities. Coordination with utilities' IRPs is essential and should include a long-term view of energy and capacity resource needs including any preparatory work needed on technology and delivery mechanisms further than three years out. It takes time to develop mature programs for future endeavors and the planning cycle should incorporate a long-term perspective of future initiatives, technologies and market strategies. The planning cycles should also consider regional goals and activities that may be established by the Council in its regional power plans.

We recommend that the three-year planning cycle include actions for activities that support long-term efficiency and renewable resources goals of affiliated utilities and regional goals and activities that may be established by the Council in its regional power plans.

Focus Area Two: Delivering energy efficiency and renewable energy initiatives that benefit customers and help utilities manage constrained systems.

The Draft Strategic Plan acknowledges that utility system needs are changing and that the analysis and delivery expertise of the Energy Trust can enhance the approaches utilities are using to meet changing customer energy needs. Examples include advancing distributed energy resources in areas where they benefit the utility distribution system. We agree this is an appropriate secondary focus. As these areas are explored there may be situations where conflicts emerge between helping utilities manage constrained systems and the goals of Focus Area One. For example, local distribution problems in this focus area in may not align well with underserved neighborhoods.

The Strategic Plan should recognize the potential for conflicts and establish principles for prioritizing choices among competing needs in the first two focus areas. We recommend that top priority be given to long-term cost-effective savings in cases where resources are limited, or end goals do not align.

Focus Area Three: Provide objective information and analyses to support development and implementation of energy policies.

The Energy Trust has been a key player in the energy industry in both Oregon and in the Northwest region. The Energy Trust's contributions have been and will continue to be considerable in this area. Council staff strongly supports continued focus in this area. Energy Trust has supported and participated in the Council's Regional Technical Forum, the development and implementation of the regional power plan, and sharing research findings, program evaluations, and program opportunities. The Energy Trust has taken on key leadership roles in NEEA throughout its history. Continued contributions to technical, policy, and program implementation work at the regional level should be part of the Trust Strategic Plan.

The second strategy in Focus Area Three should include a bullet on continued participation in regional forums and alliances where there are substantive benefits to the affiliated utilities, Energy Trust, and its stakeholders.

In summary the Draft Strategic Plan is a well-crafted document setting the course for the Trust for the next few years and addressing priorities for Trust initiatives. Overall it recognizes the challenges and opportunities going forward and proposes well thought out strategies to address them.

Thanks again for the opportunity to comment. If you have any questions please call me.



Ben Kujala
Director, Power Planning

Holly Braun
Energy Efficiency and Innovation Manager
503-226-4211 x5717
holly.braun@nwnatural.com



August 2, 2019

Dear Energy Trust Board and Strategic Planning staff,
Your dedication to serving NW Natural's customers with energy efficiency in ever-evolving ways deserves great praise. You have consistently met therm savings goals for the duration of our partnership and are now teaming with us in ways to reveal savings previously untapped:

- Working together to couple carbon savings (through SB 844) with efficiency savings in under-performing measures;
- Focusing efforts at a city level where cities have either raised their hand for additional support or where we've identified distribution system constraints; and
- Joining the NEEA Gas collaborative to help bring new gas technologies to market.

You've asked how your strategic plan relates to NW Natural's priorities over the next five years but for us, our alignment is even more comprehensive than this plan: we have stepped out as a forerunner among gas utilities to decarbonize our product and dramatically reduce emissions through customer use. Energy efficiency (EE) is the most powerful tool we have to achieve our GHG reduction goals near-term and has the added benefit of saving customers money *and* providing ancillary benefits in the process (greater warmth, better performance etc.). For this reason, the core of your mission – to deliver cost effective energy efficiency—is a dramatic contributor towards achieving our priorities over the next 5 years.

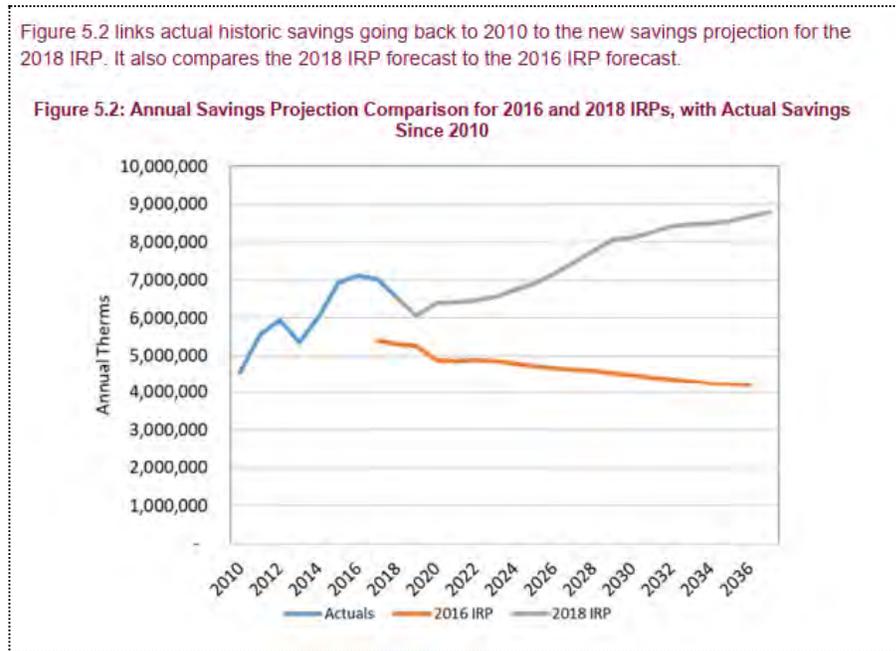
Responding more specifically to the five focus areas called out in your plan:

1. **Providing relevant programs, information and services for all customers, with particular attention to underserved customers.** This is the bread and butter of your work and our partnership. We are fully supportive and grateful for your work to understand which customers are not currently being reached and experimenting with ways to do this more effectively. Where there are ways we can more actively support you, please reach out - we have access to all our customers and can likely help you reach them too.

We appreciate Energy Trusts' efforts to connect into the well-established low-income weatherization network but as you find your way in this eco-system we hope your contribution will drive *incremental* savings rather than paying for measures (and claiming savings) that would happen naturally through the robust state and federal programs.

In the context setting you state that individual projects will save less energy than in the past – meaning costs will increase in order to achieve the same savings. Our 2018 IRP actually

shows an increase in cost effective energy efficiency to be obtained¹, so this statement may not hold true for all utilities. Our work to provide more precision on the avoided cost at peak opens new opportunities for cost effective savings and we look forward to working together to harvest those savings over the next 5 years.



2. **Delivering energy efficiency and renewable energy initiatives that benefit customers and help utilities manage constrained systems.** Leveraging EE to relieve system constraints through our new Geographically Targeted Energy Efficiency (GeoTee) initiative is one of the most exciting approaches we've encountered because it's no longer about *average* savings preventing a *theoretical* pipeline expansion but it's about preventing or delaying *specific* pipe in a *specific* place. Thank you for taking the long range perspective with us and piloting different iterations of this work. Your references in this section go beyond energy efficiency though and reach into the Utility's world of demand response. We believe that function should remain with the utility and be done in harmony with other EE efforts.

3. **Supporting development and implementation of energy-related policies by sharing our expertise.** Energy Trust is a rich source of energy information and it makes sense therefore, that the Trust call out a role in providing this information to those developing policy and legislation. The meat of this focus area calls out working with OPUC, which is of course appropriate, but we would also like to work collectively towards this end. As policy waves move towards electrification this is a point of sensitivity for us. NW Natural commissioned a study with E3 that finds the region can meet our deep decarbonization goals with less cost and risk by heating buildings using a mix of renewable natural gas in our existing

¹ Excerpt from NW Natural's 2018 IRP, chapter 5, page 5.4 or 143 in the pdf.

infrastructure. Given these findings, we want to ensure our customers' dollars aren't being used to shape policy that do not appear to be in the region's interest and would harm our collective infrastructure investments.

4. **Maximizing public purpose charge investments by leveraging additional funding to accomplish clean energy projects with multiple public benefits.** As you've described this section, it's the most exciting, rich with many new possibilities. During this 5-year plan the pace of purchasing RNG for gas customers will increase dramatically under the new policy set out in the recently passed SB 98.² Given this new policy context, it will be important to have the Trust deployed to assist future RNG producers with studies for how best to harvest their waste products.

Our work to mine more 844 projects fits here too and we are confident this tool will enable us both to reach customers and markets that may currently be underserved. We are excited for the possibility embedded in this structure and appreciate you calling it out as a focus area.

5. **Enhancing our ability to quickly and effectively respond to changes, needs and new opportunities.** Understanding the organizational structure and skills needed to seize new opportunities sounds like a worthwhile investment. We are also highly supportive of efforts to diversify your staff and those representing Energy Trust in councils and on the board. Please share with us the progress you make in these areas as this develops.

Stepping back from the focus areas, we noted a term throughout the plan that isn't consistent with how we understand your work and how our customers understand your work. Certainly "clean energy" rolls off the tongue easier than "energy efficiency and small scale renewables" and we understand that some of the industry has adopted this general term to encompass both, but as a customer-facing organization it's imperative that language describing your work be consistent with how utility *customers* understand your offerings. We believe that when a customer begins their search for solutions to save money on their utility bills and block drafts they aren't searching up "clean energy solutions." Our language need to synchronize with customer understanding, not policy makers or our industry peers.

Not only does EE get lost in this language but it muddles which players are in which business; we see the utilities (gas and electric) as striving to provide centralized clean energy generation and rely on the Energy Trust to help our customers make sure we need as little of that as possible because you are helping them use our resources as efficiently as possible. This is a massive undertaking, a noble task and it shouldn't disappear or get subsumed by a broader, generic term. We feel very strongly that energy efficiency should be stated explicitly as you speak of your work.

² SB 98 was passed into law in the last Oregon legislative session. The new law allows gas utilities to purchase RNG for all customers to meet ambitious RNG goals and to spend up to 5% of a utility's revenue requirement on the incremental cost of RNG.

I believe you mentioned your Vision and Purpose statements are still in progress and the language reflected in the strategic plan is not where you are landing. We would value the opportunity to weigh in on those as well; these crystalizing statements help ensure shared understanding of mission/agency. Generally we are supportive of what exists currently but find the term “*sustainable energy efficiency*” to have many interpretations and hence be ripe for re-evaluation.

Again, on behalf of NW Natural’s staff all striving towards a cleaner tomorrow and all of our customers, thank you for the consistent, thoughtful and very effective advancements in energy efficiency and your eye towards doing this more nimbly and inclusively as we move into a new era of policy and consciousness around carbon impacts. It is a pleasure working with your staff as we all try to be more creative in effectively achieving our shared goals!

If you would like to discuss any of these points in greater detail, do not hesitate to reach out to me.

Thank you,

A handwritten signature in cursive script that reads "Holly Braun". The signature is written in black ink and has a fluid, connected style with a long horizontal flourish at the end.

Holly Braun

Cc: David Anderson, Kim Heiting, Kathryn Williams, Bill Edmonds, Tamy Linver, Alan Garcia and Rick Hodges



Oregon

Kate Brown, Governor



550 Capitol St. NE
Salem, OR 97301
Phone: 503-378-4040
Toll Free: 1-800-221-8035
FAX: 503-373-7806
www.oregon.gov/energy

August 19, 2019

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

Dear Michael,

The Oregon Department of Energy (ODOE) appreciates the opportunity to provide comments on Energy Trust of Oregon's draft strategic plan. These comments are in addition to the feedback provided to the Energy Trust Board and staff through ODOE's role on the RAC and CAC and as special advisor to the Energy Trust Board.

Overall, we believe the focus areas identified in the draft strategic plan are the right areas for Energy Trust's attention and will provide valuable guidance and prioritization for future Energy Trust activities.

As ODOE discussed in our *2018 Biennial Energy Report*, cost-effective energy efficiency is a main resource to meet future load growth in Oregon – and Energy Trust programs play an important role.¹ The integrated resource plans for Portland General Electric and Pacific Power both identify this resource, and Oregon's natural gas utilities also call for significant energy efficiency savings. Energy Trust's focus on providing energy efficiency and renewable energy programs is an underlying, continued need in Oregon.

Oregon has several energy and climate goals that are supported by Energy Trust's efficiency, conservation, and renewable energy programs. In 2007, Oregon set statewide greenhouse gas emission reduction targets to arrest the growth and begin to reduce emissions by 2010. The targets include a reduction of emissions levels to ten percent below 1990 levels by 2020, and to 75 percent below 1990 levels by 2050. Oregon's emissions levels from electricity and natural gas use have been declining,² in part, thanks to the programs at Energy Trust.

Renewable energy in Oregon has grown over the years due to drivers such as the Renewable Portfolio Standard, utility integrated resource plans, falling costs, public demand, required and voluntary procurements, and financial incentives. Energy Trust's financial incentives for customers of PGE and Pacific Power in the form of cash rebates for solar, hydro, bio-power, wind, and geothermal electricity generation help to buy down the above-market costs of renewable energy projects.³

¹ Oregon's 2018 Biennial Energy Report, Chapter 6, page 4 (November 2018), available at <https://www.oregon.gov/energy/Data-and-Reports/Documents/BER-Chapter-6-Energy-Efficiency.pdf>

² Oregon's 2018 Biennial Energy Report, Chapter 2, page 5 (November 2018), available at <https://www.oregon.gov/energy/Data-and-Reports/Documents/BER-Chapter-2-Climate-Change.pdf>

³ Oregon's 2018 Biennial Energy Report, Chapter 3, page 20 (November 2018), available at <https://www.oregon.gov/energy/Data-and-Reports/Documents/BER-Chapter-3-Renewable-Energy.pdf>

ODOE applauds the draft strategic plan's commitment to continuing these fundamental energy efficiency and renewable energy programs. By prioritizing focus area one, the plan acknowledges this as Energy Trust's key mission. The attention to underserved communities in focus area one is consistent with the state's commitment to ensuring that clean and affordable energy, and the benefits of energy efficiency, are accessible to all Oregonians.

ODOE also supports references in the plan to continued cooperation with state agencies on shared objectives. ODOE values our working relationship with Energy Trust and especially appreciates recent efforts to improve coordination and collaboration with our schools program, as well as Energy Trust's engagement in the implementation of the Governor's November 2017 Executive Order on energy efficiency in the built environment.

Finally, ODOE acknowledges the role Energy Trust has played, and will continue to play, in using its experience implementing energy programs to contribute information and data on energy efficiency and renewable energy for state energy policy discussions. ODOE has found Energy Trust staff to be knowledgeable and committed to sharing data and information to inform policy discussions on topics relevant to Energy Trust programs. ODOE supports focus area three and looks forward to having Energy Trust staff continue to share its expertise to assist in the development and implementation of state energy programs where appropriate. We would be happy to work with the OPUC to help identify areas where Energy Trust staff can provide data or share their experience to help advance state policy goals.

Through our role on the Energy Trust Board, ODOE has been able to advise board members and staff on energy policies and trends and to help align Energy Trust's programs with state energy policies and objectives. We have also gained valuable insights about the deployment of energy efficiency and renewable energy projects in Energy Trust territory. We look forward to working with the Energy Trust Board and staff to continue making progress in the focus areas outlined in this strategic plan.

Sincerely,

A handwritten signature in cursive script that reads "Janine Benner". The signature is written in black ink and is positioned above the typed name and title.

Janine Benner, Director
Oregon Department of Energy



Oregon

Governor Kate Brown

Housing and Community Services

North Mall Office Building
725 Summer St NE, Suite B
Salem, OR 97301-1266
PHONE: (503) 986-2000
FAX: (503) 986-2020
TTY: (503) 986-2100
www.ohcs.oregon.gov

August 2, 2019

Dear Mr. Colgrove,

Oregon Housing and Community Services (OHCS) recently released our [Statewide Housing Plan \(2019-2023\)](#), our five-year roadmap to address needs across the housing spectrum from homeless to stabilizing rental housing costs to homeownership. It is our mission to provide stable and affordable housing by engaging leaders to develop integrated statewide policy that addresses poverty and provides opportunity for Oregonians. The Statewide Housing Plan leads our work as we embark upon a series of bold initiatives to realize this mission and vision over the next five years.

How does the ETO's strategic plan advance OHCS priorities over the next five years?

One of the department's key priority is working to close the affordable rental housing gap and reduce the housing cost burden for low-income Oregonians. Many studies have shown that access to affordable housing has broad positive impacts. Affordable housing increases financial stability and allows families to prioritize spending. An important piece of housing stabilization work is ensuring low-income Oregonians have the resources needed to stay in their homes, including assistance with home energy costs.

OHCS administers multiple low-income Energy Services programs. The Energy Services programs are designed to support housing stabilization for low-income Oregonians by providing energy bill payment assistance and weatherization services to effectively reduce energy costs and improve health. These service outcomes reduce energy burden for these households and stabilize finances. Additionally, weatherization has a supplemental benefit of reducing home energy use, benefiting our communities and our planet.

The work and strategies in this Energy Trust Strategic Plan will assist the Statewide Housing Plan following priorities and strategies:

Affordable Rental Housing

- Expedite the delivery of affordable housing to Oregon communities with improved technology, streamlined processes and collaborative partnerships.
- Build the capacity and expertise of partners and project sponsors to deliver housing in communities throughout the state through training and technical assistance particularly solar-ready projects and electric-vehicle initiatives implemented through Executive Order 17-20.



Homeownership

- Expand and explore innovative new programs that address an unmet need in the marketplace for low- and moderate-income potential homebuyers (e.g., down-payment assistance, manufactured home products and insured mortgages).
- Engage with culturally specific and culturally responsive organizations to help connect communities of color to OHCS homeownership programs and ensure that program parameters are aligned with the needs of communities of color.
- Support low-cost homeownership opportunities through preservation and improvement of manufactured housing.

Rural communities

- Facilitate access to OHCS resources and information by partners in Oregon's small towns and rural communities by building consistent and reliable working relationships with local service providers, development partners, city and county governments, and tribal communities.
- Remove systemic barriers to accessing OHCS resources by tailoring programs intended to serve small towns and rural communities to the needs and context of those areas.
- Engage the agricultural worker community to understand the housing and service needs of Oregon farmworkers and develop strategies to meet these needs.

Equity and Racial Justice

- Adopt an approach to advancing equity and racial justice, informed by national promising practices and lived experience of communities of color.
- Improve OHCS's ability to track, analyze, and measure performance and progress towards equity goals through standardization of data collection and enhancing data analysis of program utilization.
- Provide statewide leadership by using OHCS' Internal Diversity, Equity and Inclusion Committee to solicit and adopt a Diversity, Equity and Inclusion framework as a piece of the core value system of the agency and to serve as a model for the state.

On November 6, 2017, Governor Kate Brown signed Executive Order 17-20, which contains specific directives to State agencies to improve energy efficiency and support actions to reduce greenhouse gas emissions in the State of Oregon. One of these directives, Section 5 (B), specifically addressed affordable housing.

OHCS, the Oregon Department of Energy and the Public Utilities Commission were directed to work together to assess energy use in all affordable housing stock and develop a ten-year plan for achieving maximum efficiency, as well as a continuum of efficiency levels up to maximum efficiency, in affordable housing. As part of the assessment, the agencies are considering new

resources and best practices with the assistance of the Energy Trust of Oregon and the Bonneville Power Administration. OHCS is directed to expand its existing multi-family energy program and green energy path requirements, including a manufactured home replacement program through pilot programs and initiatives, while considering multiple values from energy efficiency improvement, such as health and habitability.

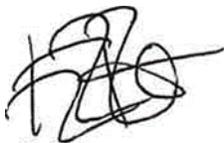
We worked closely with the ETO and will continue to do so to implement the strategies that were developed in the Statewide Housing Plan.

We would encourage ETO in your role to serve and benefit all eligible utility customers by strengthening your approaches and tailoring your programs to ensure people with low- and moderate-incomes, communities of color and rural communities can benefit from your resources. Particularly as it relates to your second strategy, “Deliver cost-effective programs designed specifically to engage underserved customers”, we hope to see robust partnerships with culturally-specific organizations as you consider programmatic updates.

Thank you for the opportunity to provide input into the draft Energy Trust of Oregon 2020-2024 Strategic Plan. We appreciate the opportunity to work with your staff and the continued collaboration between our programs and stakeholders to facilitate access to OHCS and ETO resources for our partners and communities. We look forward to continued engagement as you implement the strategies and focus areas outlined in ETO’s Plan.

Please reach out if you have any questions.

Regards,

A handwritten signature in black ink, appearing to read 'Kenny LaPoint', with a stylized flourish extending from the end.

Kenny LaPoint
Interim Assistant Director of Housing Stabilization,
Oregon Housing and Community Services

From: KIM Anna

Sent: Friday, August 2, 2019 2:44 PM

To: Energy Trust of Oregon Info

Cc: Debbie Goldberg Menashe; EISDORFER Jason; BATMALE JP; Michael Colgrove

Subject: Strategic Plan Comments from OPUC Staff

To the Energy Trust of Oregon,

Overall, OPUC Staff appreciates Energy Trust's engagement with stakeholders throughout the strategic planning process and notably incorporating feedback collected through these engagements.

In reviewing the Focus Areas, Staff supports the emphasis on Focus Area 1 as the top priority of Energy Trust and the acknowledgement that Energy Trust's core work requires forward-thinking and innovative approaches to maintain the high level of success that Energy Trust has delivered to date. Staff also appreciates how Energy Trust has highlighted the opportunities in working with utilities to meet stakeholder needs (Focus Area 2) and leveraging other funds to extend the core function of Energy Trust (Focus Area 4). Staff can also see Focus Areas 3 and 5 supporting the ongoing delivery of high-quality programs.

Thank you for continuing to engage us through this effort.

How does our strategic plan relate to your priorities over the next five years?

Focus Area 1 naturally aligns most closely with our priorities. Focus Area 3 communicates that Energy Trust intends to be a strong partner with the OPUC and is prepared to offer expertise and data that may be helpful in various regulatory proceedings. Staff also sees Focus Areas 2 and 4 as additional opportunities to pursue in the next five years.

Will our focus areas meet your energy goals and needs?

Staff believes that these Focus Areas will meet OPUC's goals and needs so long as they do not detract from the primary goals of delivering energy efficiency and renewables programs. We understand the focus areas as building blocks to support high quality, efficient and responsive programs for customers.

What relative level of investment do you suggest we make in each of the five focus areas?

Rather than a split between Focus Areas, Staff sees Focus Areas 2-5 as opportunities to ultimately support Focus Area 1. Staff supports these other focus areas to the extent that they will in the long run lead to better results in delivering energy efficiency and renewable programs for utility customers.

Best regards,

Anna Kim

Sr. Utility Analyst | Energy Resources & Planning

503-378-6360

anna.kim@state.or.us





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

August 2, 2019

Dear Mr. Colgrove and the Energy Trust of Oregon Board of Directors,

The Oregon Solar Energy Industries Association (OSEIA) respectfully submits the following comments to the Energy Trust of Oregon (ETO) strategic plan. Thank you for inviting comment from Oregon stakeholders; we look forward to working with you to implement your plan.

OSEIA is pleased to see ETO focusing more on historically disadvantaged communities, low-income ratepayers, rural communities and people of color. We encourage ETO to continue this new focus and make it a bigger priority in the strategic plan. This prioritization should be highlighted more in the plan and should be addressed in every focus area. The need for ETO to put more resources into rural and historically underserved communities was highlighted in a recent low and moderate income solar work group at ETO. Someone made a comment that outreach for solar projects needs to be more focused not just on low-income households but also on middle income households of color. Another attendee spoke up and said that she was in that category and having solar on her home had never occurred to her. There is clearly more work to be done to make solar accessible to underserved ratepayers and we encourage ETO to bring this to the forefront of the strategic plan, while at the same time continuing the programs for the all ratepayers.

In forecasting ETO's programs to support solar, we encourage ETO to keep in mind current cost uncertainties due to the ramp-down of the federal Investment Tax Credit (ITC). The market is facing great uncertainty due to the ITC ramp-down and tariffs; both of these factors may cause the cost of modules to increase, rather than decrease as has been the current trend. While planning for incentives we encourage ETO to be flexible and able to adjust programs should costs increase.

OSEIA encourages ETO to consider all forms of housing when planning for the future. Oregon's housing shortage means that a wide variety of housing is being used across the state; there are increases in tiny homes, manufactured homes, house boats and multi-family buildings. We encourage



ETO to plan to assist all types of affordable housing in going solar. In addition, different areas of Oregon have different types of housing. ETO must be innovative in serving all its customers.

As Oregon continues to prepare for a large earthquake, solar plus storage has a valuable role to play in making Oregon as resilient as possible. ETO can play a critical role in emergency preparedness by educating customers about storage and adding a storage incentive to ETO's portfolio of incentives. The ability to keep the lights on during an emergency will be critical for public buildings, residences, and commercial buildings like hospitals and grocery stores. Even one house in the neighborhood with storage can become a lifesaver for those with refrigerated medications and medical equipment. In addition to resiliency benefits, storage is a key piece of developing a smart grid and can serve an important balancing function to the grid. We request that ETO include resiliency and storage in its strategic plan.

OSEIA appreciates the inclusion of focus area 3, having ETO provide objective information and analyses to support development and implementation of energy policies. ETO has excellent data and the capacity to analyze it which is incredibly useful for policymakers and stakeholders. Not being engaged in this way is a missed opportunity for the entire state.

Lastly, in ETO's long-term budgeting and planning we hope to see ETO plan for two possible futures, one assuming a public purpose charge extension and one assuming its expiration. A plan assuming that ETO's critical work continues into the future demonstrates the great work that ETO should continue doing. OSEIA also recommends that ETO take state and local renewable energy programs into account when planning for the future. The Portland Clean Energy Fund, the Community Solar Program and the new statewide Solar Rebate will all be important considerations for ETO's strategic plan.

Thank you for the opportunity to comment on ETO's strategic plan. We look forward to partnering with ETO as it executes the plan.

Sincerely,

A handwritten signature in black ink that reads "Angela Crowley-Koch". The signature is written in a cursive style.

Angela Crowley-Koch
Executive Director
Oregon Solar Energy Industries Association

August 19, 2019

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

RE: Comments on Energy Trust draft 2020-2024 Strategic Plan

Dear Mike,

We appreciate the work Energy Trust of Oregon (ETO) has invested in developing and presenting your draft 2020-2024 Strategic Plan to Pacific Power, other funding utilities, and interested stakeholders around the state. We would like to offer the following comments and have identified the following opportunities:

- Focus Area 1: Cost effective energy efficiency and renewable energy programs. This is Energy Trust's "bread and butter" and we appreciate the core programs ETO provides to our customers and believe most effort and investment should remain in this area. Looking forward we continue to encourage ETO to further develop relationships in underserved communities, particularly rural Oregon where there is a significant overlap with low-to-moderate income families. We strongly encourage ETO to expand its current diversity, equity and inclusion work to add representatives on the Diversity Advisory Council (DAC) from the utilities and rural stakeholders.
- Focus Area 2: Linking program delivery to utility needs. ETO has done good work in conducting targeted energy efficiency and renewable programs to maximize the potential grid benefits of these programs. Pacific Power believes that continued ETO focus on targeted energy efficiency and renewable projects could lead to additional opportunities to provide targeted system benefit for customers. Again, this links back to Focus Area 1, in that ETO continue to focus on core program delivery in utility areas that provide the most value.
- Focus Area 3: Participation in energy policy development and implementation. As we've stated publically, Pacific Power feels this is a very slippery slope for ETO. While it is expected that ETO can and will respond to data requests and program development/administration inquiries, it is not ETO's role to lobby, facilitate or fund public policy development. Pacific Power has raised concerns regarding certain ETO funding expenditures in this area, especially where results have outlined a path to deregulate the electricity sector, impacting ETO's core mission, and/or restructure the local utility model.

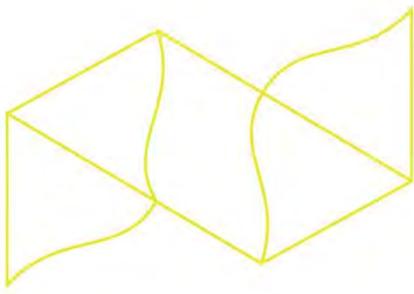
- Focus Area 4: Expanding funding opportunities beyond the public purpose charge. This area is a bit of a mixed bag. The elements Pacific Power appreciates are coordinating efforts with other funders/implementers to maximize or expand delivery and acquisition potential. An excellent example of this is the recent manufactured home replacement program that provided deep and long-lasting benefits to our customers and the community in the Cully neighborhood. The other side of this focus area links back to our comments in Focus Area 3. While ETO has depth with technical and education expertise to support community energy planning work, ETO should not fund or combine funds with any activity that is not in alignment or complementary to the utility.
- Focus Area 5: Diversity, equity and inclusion. We support this approach and refer back to our comments on Focus Area 1. We would like to see each utility participate on the DAC, like the Conservation and Renewable Advisory Councils (CAC, RAC). Additionally, it might be beneficial to facilitate “beyond Portland” participation through web/teleconferencing or rotating a RAC/CAC/DAC meeting out-of-town like the ETO Board. Ensuring the franchisement of rural Oregonians should be of particular focus.

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

Sincerely,

A handwritten signature in black ink that reads "Cory Scott". The signature is written in a cursive, flowing style with a long horizontal line extending from the end of the name.

Cory Scott
Managing Director, Customer Solutions



August 25, 2019

TO: Energy Trust of Oregon
FR: Tim Miller, Interim Executive Director, Portland Energy Conservation, Inc. (PECI)
RE: Feedback on Energy Trust's Draft Strategic Plan 2020-2024

Dear Energy Trust Strategic Planning Team,

Given the essential role Energy Trust plays in Oregon's energy ecosystem, we deeply appreciate the opportunity to provide feedback on your Strategic Plan ('the Plan'), and applaud the thoughtful, transparent, inclusive effort that produced this impressive draft.

PECI is also a nonprofit in the energy arena, and has a long history of collaboration with Energy Trust. Founded in Portland, Oregon, in 1979, PEGI is dedicated to advancement in energy use, generation, and policy. Through decades of work designing and implementing programs for utility and government agency clients, helping residential, commercial, and industrial utility customers, PEGI earned national recognition as a leader in energy resource management. The company is now partnering with other nonprofits to help advance energy-related policies, especially in Oregon, deeply integrating equity considerations, all with a focus on addressing climate change. Energy Trust's work and continued success is directly relevant to our mission.

Our feedback is organized in the three sections:

I. Yes!

The draft shows a number of great advancements, and addresses and commits to work in a number of very important areas that could benefit tremendously from Energy Trust's involvement. We want to highlight these in hopes that they aren't removed or de-prioritized as you finalize the Plan.



II. A Challenge To Do More

This section focuses on areas that the Plan already includes, but where the stated strategies are missing key elements, where justifications could be strengthened, or where the current vision is short on necessary ambition. This section also touches on some areas where the Plan itself contains what appear to be internal inconsistencies or where the thinking deserves to be challenged.

III. Missed Opportunities

Considering Energy Trust's central role, its on-going mandate and presence, and the tremendous expertise and resource embodied by your team, and at the same time recognizing the huge challenges and opportunities Oregon (and the world) faces with respect to advancing our energy systems, it is imperative that Energy Trust consider every appropriate opportunity to effect positive change in its area of work. We call out a number of areas Energy Trust is uniquely positioned to address, adjacent actions to efficiently address in the course of its work, and arguable areas of responsibility.

Knowing many Energy Trust professionals, and the commitment and diligence they apply to their work every day, we also recognize their desire to maximize the organization's results on its mission. It is in that spirit that we provide this input, and constructive criticism, in hopes that it helps the team and organization toward continued and growing success.

PECI FEEDBACK

I. YES!

A. Capturing the value brought to utility systems (Focus Area 2)

Your strategies in this space (to 'quantify and value' these benefits, and to 'enable customers' to take actions that yield these benefits) are essential, and if Energy Trust doesn't pursue it, there is a real chance nobody else will any time soon. Utilities' incentives are not properly aligned for them to proactively pursue this (such as growth of non-rate base assets), and without your efforts, they'll continue to be the only market actors with actionable information about these potential opportunities. It is great to see there is recognition (page 8) that you have skills and are positioned to bring value in this space. More on this in Section II.

B. Boosting your participation in energy policies (Focus Area 3)

Energy Trust can bring much-needed expertise and data to decision-making at the commission and in various levels of government, as noted in the Plan. You have unique access to data, program and customer expertise, a view of similar policy discussions in other jurisdictions, and an understanding of the players and various/problematic incentives built into our system.

Advocates for renewable energy and energy efficiency are often out-gunned and out-resourced by participants that prefer the status quo (utilities, etc.). These discussions (dockets, etc.) require heavy staffing & tracking of innumerable hearings, and industry can afford the lawyers, studies, and 'experts' representing their perspective. Energy Trust can indeed bring an objective, data-driven voice to these venues; you have of course done this in the past, but your increased allocation of resources and participation would be a welcomed addition. Examples like the recent resource value of solar (RVOS) discussion that dramatically missed the mark, and the newer distribution system planning docket that may or may not yield the needed transparency and openness to distributed resources, both will have huge implications for integration of renewables, and demonstrate the need for more objective information in decision-making.

Your commitment to 'maintain effective working relationships' with commission staff is somewhat disconcerting if that means 'not rocking the boat;' rather, our hope is that you intend to build truly strong relationships that also have room for constructive confrontation and speaking truth to decision-makers as needed.

C. Connecting with and leveraging other dollars (Focus Area 4)

Despite multiple attempts, state agencies have often failed to connect, invest, and take advantage of the huge co-benefits available from smart energy work in efficiency and renewables – from healthy-home benefits, to economic development, training, and equity benefits, to resilience improvements and others. The legislature's failure to continue state-supported energy efficiency incentives is a clear example of defunding these co-benefits, and every year we have housing, health, education, economic development and other large state investments that fail to harvest these low-hanging benefits. Often it is a matter of under-resourced agencies unable to speak each other's languages, and lacking the time or facilitation to identify and act on these co-benefits. Recent progress in manufactured homes (with Energy Trust participation), and low income housing investment discussions, show small pieces of the potential. But Energy Trust's strategic recognition of these huge opportunities, and your role in connecting with them, would be a great step forward.

At the time of Energy Trust's formation, Oregon was seen as a leader in energy policy. Since then, we've taken many steps backward as others have advanced. If Oregon can, with Energy Trust's participation (even leadership), connect our utility sector investments (public purpose funding) with the public sector's huge other investments, while maximizing the co-benefits, we have the potential to efficiently and dramatically accelerate this essential work, save public and customer dollars, present a model for other regions, and re-gain the momentum of leadership.

II. A CHALLENGE TO DO MORE

A. A question of independence

The ‘Who We Are’ section on page 1 describes the organization as ‘an Oregon nonprofit organization,’ while elsewhere (such as your website), and for years, Energy Trust has been described as an ‘independent nonprofit’ or as an ‘independent, customer-focused nonprofit.’ The lapse of including ‘independent’ here is disconcerting. It is understood that the organization largely ‘reports to’ the commission, but abdicating or softening your stated independence is a risk – to your effectiveness, to your necessary ability to challenge Oregon’s slowness in evolving in the face of tremendous challenges and opportunities, to your ability to innovate, and to your ability to expand into other areas of work. More on this in section III.

B. Helping all customers, yes, but without an unspoken expectation of ‘sector balance’

With public purpose charges flowing from all rate payers, it is understood that Energy Trust intends to have programs available to customers in all sectors (residential, commercial, industrial). However, at times in the past, Energy Trust managers have asserted the importance of balance – aligning a given sector’s public purpose charge contributions with that sector’s receipt of program investments. While this may be politically important, it is not an appropriate allocation consideration toward maximizing your results in terms of energy efficiency or renewables, and your pursuit of your stated vision. Yes, programs should be available, but that should not mean promotion, incentive, or allocation decisions should drive proportionality. The current draft of the Plan is silent on this strategic issue. The Plan refers to ‘all customers’ on page 1 and page 10, but that is largely in a Diversity, Equity and Inclusion context (which PECEI adamantly applauds). But if sectoral balance is indeed a goal, it should be stated – allowing for transparency and due consideration among your stakeholders.

C. Leveraging resources to maximize programs for the underserved

Page 5 includes a compelling reference to programs for underserved customers. PECEI strongly applauds Energy Trust’s progress in recent years in addressing these customers, and your stated commitment to advancing these objectives even further. We suggest that your discussion of this, in Focus Area 1, should also directly reference the connection with Focus Area 4. Leveraging health, housing, economic development and other community and state objectives and dollars – and building them directly into the structure of your programs for the underserved – will extend and accelerate your impact, save and maximize state resources, and bring dramatically improved benefits to these customers.

D. Pursuing and declaring appropriate extensions of your role and expertise

Broadly speaking, changes in the economy, energy markets, and technology are creating the opportunity to bring additional value to Oregon customers in areas that were previously not technically possible. Benefits include carbon reduction, local resilience, and economic development (including through workforce opportunities and education, and through local ownership of resources). Status quo business models in Oregon (unlike in the NE and

California) are not aligned to maximize these benefits to Oregon communities and residents. The expertise and role of Energy Trust can provide an informed view of needed structural changes and a test bed to pilot innovation.

More concretely, the Plan notes, in Focus Area 2, Energy Trust's role in helping customers value and pursue projects that also benefit utility systems. You have the opportunity to go further. Page 8 notes the recognition of your skills and expertise that could help in this area. But the Plan stops short of acknowledging the opportunity to pursue contracts and earn significant and innovation-fueling independent revenue streams for the value you could bring to utilities (and customers) by driving energy efficiency and renewables into targeted areas. An objective review by the commission should reveal that this is not only a good fit, but that it would be an absolute waste of resources (and create customer confusion) to *not* have Energy Trust pursue this targeting – alongside and integrated with your other programs. At the same time, any such projects should also obtain value for the time of use (load shape) characteristics to capture full value, and to provide appropriate value to the customers making those investments. Finally, rather than merely using your expertise to 'inform' demand response programs characterized in the Plan as 'utility-led,' such programs may find leverage and efficiencies if integrated into yours.

Recognizing that this is also a public document with various sensitivities, still, recognizing the imperative of progress, the Plan's approach needn't be a matter of respecting turf and sensitivities. A more transparent and proactive alternative, if it is the case, would be to assert a goal of opening an objective conversation on this opportunity, and an evaluation of whether such programs should be run alongside Energy Trust's current programs.

E. Framing your diversification and internal development efforts (Focus Area 5)

The Plan includes a compelling commitment to internal development, with a strong statement of team investments, and a clear-eyed intention to foster the strength of diversification. This important Focus Area deserves stronger framing. The summary's brevity and emphasis on 'speed and effectiveness' and 'responding' misses the deeper strength envisioned in the rest of the effort, and weakens the statement of commitment Energy Trust is making to the diverse communities and breadth of perspectives you serve. An expanded statement would go a long way, such as: *"Enhance our ability to wisely and effectively serve all customers, and to quickly respond to changing needs, by fully integrating diverse perspectives and continuously investing in team development."*

Further, the current draft makes the mistake of so many others, putting diversification last. There is an implied prioritization with the internal staff-oriented paragraph ahead of the diversification paragraph.

Finally, the strategy indicates cultivating diversity among seven important categories of actors and stakeholders, yet the progress indicators mention monitoring only two categories (employees and board). To fully succeed in this important effort, all categories of actors and all dimensions of diversification should be measured – and reported on externally.

F. MOST IMPORTANTLY: ENERGY TRUST'S ROLE IN ADDRESSING CLIMATE CHANGE

Energy Trust has made tremendous contributions in addressing climate change – through efficiency and renewables – and, at times, has proudly stated those results. But just as the IPCC has clarified that humanity's window for averting the worst devastation is now down to 11 years, and as Alaska sweats and the Amazon burns, the current draft of your strategic plan is deeply lacking in urgency and ambition. Some of the approaches are mired in flawed legacy thinking – holding the organization back.

- i. Page 4's statement of 'Where We Will Focus' makes no mention of the urgency of climate change. While this epochal threat may be buried in 'energy policies' and 'new needs' phrases, we're confident Energy Trust would (and should) address climate change whether it is reflected in new policies or not. It is humanity's central challenge, it has been driven by our use of energy, and the organization works directly in energy. The g deserves to be stated, directly, and with appropriate urgency. Subtlety on the issue risks the organization's credibility, dampens potential alignment with partners, likely impacts internal morale and effectiveness, and is tantamount to abdicating the organization's responsibility and agency as a leader.
- ii. Thinking based on 'steady progress' (on the bottom of page 5) and '20-year planning' (page 6) dramatically misses the mark. Again, climate change is upon us – now. Over the years, meetings with Energy Trust management has brought out deeply-held thinking favoring steady, sustainable (long-lasting, predictable) programs – revealing decisions to even hold back on incentives and other aspects of program design, delaying potential capture of energy savings and renewables generation. In the face of climate change, this is flawed, outdated thinking. Every incentive dollar not deployed, and every ton of GHGs not mitigated, should be answered for in the face of this urgency. Of course boom and bust cycles in deployment are problematic – but 'problematic' is nothing in the face of climate change. Rather than old models of 'steady progress' and '20-year planning,' Energy Trust has the opportunity (and responsibility) to engineer a sustained boom for the next decade or more.
- iii. The Plan's Focus Area 3 shows potential proactiveness in contributing objectivity (data, expertise, potentially even science-based goals) into policy making. Again, PECl strongly applauds this commitment to contributing to the policy dialogue. But other sections in the document reveal continued passivity – relegation to the role the Trust has occupied as a recipient of direction rather than a leader. Page 2 speaks to a policy environment that will make it harder to develop renewables – but Energy Trust has a role (on behalf of its customers and program beneficiaries) to not allow such hurdles. This doesn't require a disallowed *advocacy* role; it requires a full-throated delivery of objective information in the face of misguided policy changes or industry-biased decision processes. Similarly, page 2's conclusion that carbon emissions policies will have a 'modest impact' through 2024 conveys passivity rather than an aggressive pursuit to leverage such policies and resources, as committed to in Focus Area 4. Energy Trust should indeed be 'key to the state's success' in this arena, as also noted on page 2, and will need a proactive stance and strategy to play that role.

III. MISSED OPPORTUNITIES

A. Adding a major group – workers – into your Diversity, Equity, and Inclusion (DEI) efforts

Energy Trust deserves great credit for its focus and advancements in DEI. The Plan includes strong commitments and strategies with respect to the customers you serve, and in internal development and advisory diversification.

But this misses a huge opportunity. Pushing \$170 million dollars into incentives and program costs every year, Energy Trust significantly influences the spending of hundreds of millions of dollars. That very likely means over \$100 million of direct labor costs in installation and deployment, and a tremendous opportunity for Energy Trust to affect the equitable treatment and stability of over a thousand Oregon families. There are powerful existing models Energy Trust could deploy to ensure all these jobs pay living wages and include health benefits. Without strong standards, the industry easily focuses on only the visible costs, stressing families, and even pushing inefficient health care, housing stability, and other family costs onto public assistance systems. This is bad for families and expensive for Oregon.

Taking it further would include ensuring diversity in hiring by contractors, supporting and expanding training on-ramps for diverse workers new to the industry, and many other strategies.

With the Portland Clean Energy and Community Benefits Fund (PCEF) launching in the coming year and integrating a strong emphasis in these objectives, Energy Trust has an opportunity to at least align with and leverage those PCEF efforts for the Trust's work within Portland.

B. Leadership requires 'managing upward' and owning your expert voice

The Plan includes a very encouraging commitment by Energy Trust to expand its voice in bringing objective expertise and data to policy discussions. But there remains an even bigger responsibility: managing upward. The OPUC, perhaps by perceived necessity, works under and within outdated models and paradigms – even while the utility industry is in upheaval, and as the scale and speed of the climate imperative blows past any existing efforts. Energy Trust owns unmatched expertise, data, and experience in its fields, and has a responsibility to forcefully assert and explain where its role and mandate should be shifted to play its best role in meeting the challenges of the day. Leadership doesn't allow for accepting (or hiding behind, or acquiescing to) a 20-year-old vision of the organization's role.

This is not to say the organization should complain or impact its working relationships, but Energy Trust has the ethical if not stated responsibility to take a proactive stance in engaging with the commission, with the ability to convey both its information and expertise, as well as its recommendations regarding evolution, in a forthright manner, toward the best realization of benefits for Oregonians. (And since these conversations require dedicated time and expertise, and may also flow into other venues, the Trust might need to consider retaining advocacy resources (a lobbyist), and securing the relaxation in rules to allow it, to ensure the full delivery

of this kind of information into the dialogue for the benefit of Oregonians.) In turn, the OPUC has the responsibility to ensure and foster this mature and professional dialogue, willingly and openly welcoming this input.

This responsibility also flows up to the commission, where it must also assert the need to update its charter to the legislature and the governor. That is obviously beyond the scope of these comments; the ‘managing upward’ responsibility starts with Energy Trust.

C. ‘Cost-Effective’ – A broken yet foundational concept

The concept of cost-effectiveness is relied upon 10 times in this Strategic Plan draft. Yet it is widely known to be a deeply flawed and increasingly outdated notion from bygone decades. Entire conferences are convened to update (or jettison) the idea, new frameworks have been developed and published, different states use dramatically different formulations imagining theirs is correct, and we know that ours fails to include very significant considerations. The commission finds itself going through contortions to allow programs with unacceptable cost-effectiveness ratios in order to allow what it knows it should. The tools as used in Oregon fail to sufficiently consider carbon emissions (regardless of whether we have a law to price carbon or not), and that’s without even considering the huge range of other externalities – from health to economic development to equity – that the concept fails to sufficiently handle. The avoided cost paradigm misses the whole time- and location-based value of energy. And the fiction that ‘ratepayers are different from the public’ is no longer a sufficient dodge to a real conversation.

At this time, we need structural and paradigm change that allows and enables much greater integration of all of the energy producing and using infrastructure that serves Oregon to meet pressing environmental, resilience and economic priorities. The ‘cost-effectiveness’ notion is a great place to start.

This is one of the biggest and most central areas in which Energy Trust has a responsibility to manage upward to the commission – as it underlies the strategies and thinking of so much of the Trust’s work. This difficulty shows up loud and clear in the Plan. On page 5, the notion of providing incentives to ‘spur customer investment’ is, of course, constricted by the flawed cost effectiveness framework (as well as the broken notion of ‘steady progress’ discussed above), leading to consistent underinvestment by customers. Focus Area 1 also references delivering ‘cost-effective programs’ for underserved customers, when it is clear that these are customers for whom the externalities in health, housing stabilization, wealth building and addressing past inequities are the strongest – and should merit investment levels beyond any that would be allowed by the outdated paradigm. Even the core purpose, stated on page 6 and including the ‘cost-effective’ limitation, puts Energy Trust’s core purpose at odds with its page 1 vision of a ‘healthy environment and climate for generations’ – because the current notion of cost-effectiveness inherently forces underinvestment toward that vision.

It’s time to start a real effort to revamp this concept, including pushing upward on the PUC (and thus the state) accordingly, and since the paradigm underlies so much of Energy Trust’s thinking, it should be considered a high-level strategic imperative.

D. A strategic crossroads to consider

Like the rest of the world, Oregon faces unprecedented challenges and opportunities with its generation, use, and impacts of energy. Many of our pathways forward will be framed and even determined in the 2020-2024 period. And Energy Trust can – and arguably has the responsibility to – play a central role. The strategic planning effort is an opportunity to make that role clear. Reviewing the Plan, it appears that Energy Trust can choose to be:

- a) A bureaucracy whose purpose is to make programs available and administer them, as constrained and defined by another bureaucracy, or to be
- b) An independent nonprofit building on 20 years of success and expertise to advance Oregonians’ well-being by strategically addressing the opportunities and challenges related to Oregon’s energy use and distributed resources.

The reality likely lies somewhere in between. But your strategic planning process represents an opportunity – not to be missed – to choose which path, and even to declare it.

We provide these comments, on behalf of PECEI, with the greatest admiration for Energy Trust and all that it has achieved, and in hopes that the organization will continue to expand and reach its growing potential.

Respectfully and sincerely,



Tim Miller
Interim Executive Director
Portland Energy Conservation, Inc.



Portland General Electric
121 SW Salmon Street · Portland, Ore. 97204

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

Mike Colgrove,

Portland General Electric ("PGE") is pleased to provide these comments on your draft Strategic Plan for 2020 – 2024 ("draft plan"). At the outset, PGE wishes to thank the Energy Trust ("Trust") and your staff for the public and inclusive process for the development of the latest five-year plan. While it was likely that we would have provided comments on the draft plan as a matter of course, we would emphasize that your staff worked carefully to ensure that stakeholders, including PGE, understood that the draft plan had been released for comment and that comments from a broad representation of stakeholders was desired.

PGE's vision for a clean and reliable energy future and the Trust's vision expressed in the draft plan have a high degree of coincidence. We believe that we must do our part to reduce the threat of climate change, improve air and water quality and live a more sustainable life, including importantly: reducing greenhouse gas emissions; planning for more new, cost-effective and sustainable ways to generate electricity using renewable resources; and building and operating a smarter, more flexible and resilient grid. Success in this endeavor will depend on thoughtful planning, community partnerships and empowering customers in their energy technology and efficiency choices. Similarly, the Trust "envisions a high quality of life, vibrant economy and healthy environment and climate for generations to come, build with renewable energy, efficient energy use and conservation." Our overlapping understanding of our communities we serve and the imperative of carbon dioxide reduction is a strength that our organizations must leverage in addressing the greatest challenge of our generation.

The relationship between PGE and the Trust is a critical one. On behalf of our customers, your organization delivers on our statutory obligation to acquire all cost-effective energy efficiency ("EE"). It does so in an increasingly complex environment where traditional routes for acquiring that efficiency face new challenges and where technologies and behavioral mechanisms will blend to evolve how we view EE and conservation.

Overview

Generally, PGE agrees with the context of how the plan was shaped. There is a need for the traditional clean energy program approaches to evolve, we can seize new opportunities with the predicted utility system changes and applications of technologies and we can do a much better job of recognizing our customer demographics, how they are changing and how that will affect the delivery of energy savings and renewable energy solutions. PGE recognizes the changing landscape and the many challenges the Trust had to address in formulating their strategic vision. The passage of the Portland Clean Energy Fund is one major indication that many of our customers in our largest municipality see the need to



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move faster on the climate imperative and in a way that involves and includes all of our customers. Thus, the five focus areas outlined in the draft plan are relevant and timely.

Through Oregon's many decades of investment in EE we have collectively learned that EE is more than an energy resource. It is, as the draft plan outlines, a community and customer resource. Energy Trust's best practice is core EE and we are pleased to see your continued commitment first and foremost to EE and support the notion in the "role in 2020-204" section that states that the Trust's "core purpose" is to provide "impactful energy efficiency and renewable energy programs."

As the energy landscape changes the importance of EE will not wane. We have discussed with Energy Trust leadership the importance of maximizing customer benefits and accelerating smart grid development. PGE's work to develop virtual power plants, through an aggregation and orchestration of customer sited distributed energy resources, requires coordination and partnership with Energy Trust. It is through these collective activities that we will jointly meet the State's greenhouse gas goals and deliver on the promise of the Trust's vision.

PGE believes that the language used to communicate important motivations for the five focus areas, and the focus areas themselves, is appropriately broad, as befits a strategic plan. However, when additional detail is shared within the attendant strategies sections PGE found, in some cases, the language too generic, creating a potential for a lack of defined scope of Energy Trust's role or failing to provide important context. Our comments will point these areas out where they occur below, but two examples may clarify our concern.

1) In the section titled "Dynamics shaping our plan" the following sentence appears: "Additionally, we expect market conditions and the policy environment will make it harder to develop renewable energy projects." This leads to the conclusion that new partnerships and funding models will be necessary. However, we would not agree that the "policy environment" will make it harder to develop renewable energy projects. If anything, the policy environment facing utilities places us in a position of developing solely renewable energy generation projects. We are not aware of other policy environments that would make development difficult. At the very least, the Trust should provide context around the expected changes in market conditions and policies that would justify new funding models.

2) In the section titled "Our Role in 2020-2024" the following sentence appears: "We will be a resource to community-based organizations, cities, counties, customer associations and other networks who can help engage new customers." PGE approves of the interest in reaching more deeply into communities to find new avenues for delivery of EE. However, without more clarity as to what the Trust means in being a "resource" it is easy to see how this collaboration could stray from the "core purpose" described previously. We would recommend that at the very least, the Trust be clearer about what being a resource entails.



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121 SW Salmon Street - Portland, Ore. 97204

Specific comments on focus areas

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.

The strategies outlined in this focus area are appropriate. However, the language used allows for an expansion of Energy Trust's scope of work beyond that contracted with the Oregon Public Utility Commission.

"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."

While PGE does envision new roles for the Energy Trust as grid development and resource options evolve, we believe expansion of the Trust's work should be purposeful, collaboratively developed, transparent and done in collaboration with state regulators. The Trust presently delivers EE and above-market renewable energy programs in compliance with the statutory limits for the public purpose charge. This scope of work is significant and while traditional routes of acquiring EE may have become more difficult to utilize, this is not necessarily the case for renewable energy projects.

We find the use of the terms, "energy project" and "clean energy opportunities" to be imprecise and subject to multiple interpretations. "Clean energy" is not congruent with "renewable energy" and is a nebulous term that has, in some policy discussions, included nuclear and natural gas. "Energy project" could include virtually anything involving energy. Both terms suggest potential incremental expansion of scope and because there is a lack of detail, we would argue those terms should be avoided in the Strategic Plan process and, should this be the intent, needs more discussion outside of the draft plan.

"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."

The lead-in to this paragraph specifies that the programs will be cost-effective, but cost-effectiveness itself has been a barrier to greater participation in some of these underserved communities. The draft plan would do well to recognize this likely challenge.

"...and continue to coordinate closely with the Northwest Energy Efficiency Alliance to identify [emphasis ours] additional mid- and up-stream opportunities."

PGE believes this language should be modified. PGE sees great value in the Northwest Energy Efficiency Alliance (NEEA) and their continued relationship and coordinated market efforts with the Energy Trust. Coordination with NEEA should go beyond identification of "mid- and up-stream opportunities". NEEA's work is more expansive than identification. NEEA verifies measure and technology performance, works with markets on early adoption, and prepares markets and customers through various strategies and programmatic approaches. Once these markets are mature, NEEA passes its work to entities such as



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Energy Trust working within more local markets. Given the importance of NEEA's work and the collaboration between the Trust and NEEA, the language used to refer to NEEA's work should better align with its value and reality of the relationship.

"We aim (emphasis ours) to achieve all available cost-effective energy efficiency over a 20-year planning horizon.... Our focus on all customers highlights our commitment to achieve all available cost-effective energy efficiency...."

We note that the obligation on utilities in ORS 757.054 is to "plan for and pursue all available EE resources that are cost effective, reliable and feasible." With the Trust's role as being the main agent for EE acquisition for investor-owned utilities in Oregon, we believe that the language "aim" should be bolstered with recognition of this statutory obligation.

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.

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

This language raises several concerns. PGE does not understand the use of the adjective, "distributed" to modify the term "energy efficiency" and we cannot find the origins or examples of "distributed energy efficiency" or where or why this new nomenclature is being used. We believe it refers to seeking customer sited EE combined with grid system benefits which benefit all customers. PGE is excited to work with the Trust on identifying enhanced locationally-specific value of EE. As we advance our distribution system modeling and distributed energy resource planning, we see value and opportunity for this joint work.

As stated previously, PGE believes expanding scope should be done transparently, purposefully and in collaboration with state regulators and the funding utilities. While we are excited and look forward to working with Energy Trust on identifying the locational value of EE, we are concerned about how the Energy Trust has chosen to communicate this activity within the draft plan.

"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."

We view this section's language as normalizing concepts for later discussions about incremental expansion of Energy Trust's role. The draft plan's brevity means the language within carries great weight. As expressed above, PGE has concerns regarding the term "clean energy projects" and its repeated use needs careful review and modification.



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“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.”

The above language also suggests the role of the utility as limited to integration. While the utilities will integrate distributed energy resources, we do not believe this will be our only role. When read in conjunction with prior language in this section, it may unduly restrict the programs within which the Trust can provide value. One suggestion would be to add “installing or managing” after “integrating” to reflect this larger role.

“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.”

PGE has multiple concerns with this sentence. As stated previously, we are uncertain as to whether this sentence is an indication that the Trust plans to expand its scope, in this case through finding methods to provide incentives for battery storage. We agree that storage could be beneficial to the system, and through careful investigation, we could determine the value of such storage and provide an incentive to customers. However, we believe that the current limitation on the Trust’s activities to reducing the above-market costs of renewable energy resources does not directly extend to providing incentives for storage, something that does not produce renewable energy and could be used to store system power. Further, while some solar plus storage systems can have resilience benefits, many solar systems will continue to be grid-tied and do not necessarily provide those benefits. Finally, there are current benefits associated with installation of controllable, smart inverters that also provide grid benefits and are much more cost-effective. Some mention of the need for more controllable solar production, and management of a future Oregon “duck curve,” would add valuable context to this section.

Focus Area 3

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

PGE does not have any significant concerns with this section. However, the text in the “Progress Indicators” bar, should be reviewed and modified to eliminate risk associated with policy development work. Policy development is conducted within the government sphere and the text notes that the Trust will, “participate in policy development” and will “contribute data analysis and technical expertise.” Similarly, above the bar, language states that the Trust will “identify areas where we can further support policy activities.” We note that the draft plan’s statements suggest activities that are akin to lobbying. However, the Trust is not only barred from lobbying pursuant to the grant agreement with the OPUC, the public purpose charge statute does not envision any role for lobbying and thus we would be concerned that public purpose dollars would be spent on such activities. To reduce the risk of this role being viewed as lobbying, we suggest combining text in the bar to note that “Energy Trust will contribute data analysis and technical expertise to policy makers upon request” and suggest reviewing language elsewhere in this focus area to excise suggested activities that could be construed as lobbying.



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Later, in the “Why we focus here” section of this focus area, we believe the draft plan provides the appropriate connotation when it states “Our technical knowledge and experience ... can continue to be valuable inputs into policy making discussions.”

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.

This is a new area of work for Energy Trust and we defer to the Oregon Public Utility Commission about whether this new scope of work is reasonable. Additional funding streams to Energy Trust may complicate assessments of value and performance of Energy Trust’s Public Purpose Charge funded work. But it goes without saying that the addition of funding streams like the Portland Clean Energy Fund to the pool of available incentives for renewable energy development and EE installation may have an effect on the Trust’s work. We would like to have an open discussion with Energy Trust and the Oregon Public Utility Commission about whether there should be a leveraging of “additional funding” or whether there is coordination with other entities funding program activity. We also note again the use of the term “clean energy” in this focus area and restate our concerns regarding its use.

We believe that it is appropriate for the Trust to consider the likelihood of the adoption of mandatory carbon dioxide and greenhouse gas emission reduction requirements in the pendency of this draft plan. However, the Trust must be careful in describing and defining its role in this future. We agree that the activities that the Trust engages in have a direct effect on the CO₂e emissions of the energy sector. However, climate related benefits are not directly part of the Trust’s mission, but a potential co-benefit outcome of what it does. We are committed to achieving a future with a greater than 80% reduction in our greenhouse gas emissions and will be depending on the Trust to provide support in that effort. But we are not yet valuing EE for its climate co-benefit and indeed, providing traditional incentives for conservation could constrain progress toward climate reduction if not carefully considered for its long-term influence on the built environment.

“We establish a concept agreement with the OPUC and at least one natural gas utility to assess a joint carbon reduction effort.”

PGE does not agree with this Progress Indicator. Not only is this a discrete activity lacking a strategic approach, but it is an unnecessary role for the Trust. ORS 757.539 already provides the OPUC with authority to create incentives for natural gas utilities to invest in projects that reduce GHG emissions. The report that the OPUC provided to the legislature in February 2019 on implementation of that statute made no mention of a role for the Trust. Natural gas is a fossil fuel and efficient use of this fuel is the best approach to reducing greenhouse gas from natural gas consumer use. PGE has found its customers have strong opinions about the expansion of natural gas infrastructure for meeting capacity needs, and they very much want us to avoid installation of new natural gas generation. If the Trust wishes to collaborate on carbon reduction strategies with utilities, its work will have to walk a very fine line between fuel neutral EE work and business development/business model/product development work with its concomitant long-term emissions of CO₂.



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Focus Area 5

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

We agree with Energy Trust strategic efforts as outline in Focus Area 5.

Conclusion

Energy Trust is an important PGE partner and we look forward to continuing our work together. Energy efficiency is the first fuel.

Portland General Electric affirms Energy Trust's role as the state's energy efficiency program provider. There is and will continue to be important work procuring EE, developing EE programs and managing the maturity and effectiveness of this resource. We note Energy Trust's invaluable work with regulators on such topics as: updating EE avoided costs, open discussion and work related to the capacity value of energy efficiency through targeted load research studies with Pacific Power, the OPUC's distribution system planning docket, and work with trade allies to identify and model measure specific savings by system location. We look forward to working with the Trust in our Smart Grid Testbed project to model and identify locational value of energy efficiency, coordinate marketing and outreach efforts, identify new approaches to serve customers, and co-developing and deploying new measures that combine energy efficiency saving and grid flexibility functionality such as grid connected energy efficient heat pump water heaters and commercial smart thermostats. There also remains continued due diligence on building performance and building codes.

PGE found the presentation video narrated by Mike Colgrove, posted to *vimeo* entitled Setting our Strategic Direction 2020-2024 to be a helpful explanation of 2020-2024 Draft Strategic Plan. We thank Energy Trust for the opportunity to comment and engage on their 2020-2024 Draft Strategic Plan.

Sincerely,

A handwritten signature in black ink that reads "Larry Bekkedahl". The signature is fluid and cursive, with a large initial "L" and "B".

Larry Bekkedahl

Vice President, Grid Architecture, Integration and Systems Operations
121 SW Salmon Street
Portland, Oregon 97201

From: Kondor, Stef
Sent: Thursday, July 25, 2019 11:24 AM
To: Jessica Iplikci
Subject: RE: seeking feedback: Energy Trust's draft strategic plan

Thanks for sharing. Looks good—one other additional focus or supplemental might be to make the process and clean and efficient as possible. Often there are many hoops attached to funding that prevent developers from engaging as it is not cost effective to participate in. Just a thought.

-S

Stefanie Kondor
Vice President, Development
RELATED NORTHWEST
111 SW Columbia, Suite 1380
Portland, Oregon 97201
Main (510) 882-6362 |
skondor@related.com



421 SW 6TH Ave, Suite 975
Portland, OR 97204
www.RenewableNW.org



Energy Trust of Oregon
Attention: Strategic Plan,
421 SW Oak St.,
Suite 300,
Portland,
OR 97204.

August 2, 2019

Re: Public Feedback on draft 2020–2024 Strategic Plan

Renewable Northwest is grateful for this opportunity to comment on the Energy Trust of Oregon’s (“ETO’s”) draft Strategic Plan (“draft plan”) for 2020–2024. These comments provide our thoughts and feedback on each of the five focus areas in turn, and then answer the questions posed for stakeholders. Renewable Northwest’s notes that its Regulatory Director, Michael O’Brien, has been honored to be a member of ETO’s Renewable Advisory Council (“RAC”) since 2013.

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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.

Regarding this focus area, Renewable Northwest welcomes ETO’s proposed strategy of *intentionally* evolving its services, information and incentives to address the energy needs of people with low and moderate incomes, communities of color, and rural communities, and ensure that they all can participate in, and benefit from, clean energy. This could put ETO on a pathway to ensuring “...all customers who pay the public purpose charge can be engaged by our programs and benefit from our services.”¹

Renewable Northwest would welcome ETO working with communities and community based organizations to further elaborate in the final Strategic Plan why this must be a focus area. Our organization is coming to an understanding that in order to meet equity goals we need to

¹ Energy Trust of Oregon, DRAFT Strategic Plan 2020–2024, p 6.

acknowledge and be aware of cultural, institutional, and systemic inequities. Any attempt to meaningfully address inequities requires collaboration with communities affected by them, and such collaboration rests upon building trust and including these communities in decision making. ETO’s new Diversity Advisory Council would seem to be a step in the right direction; Renewable Northwest looks forward to opportunities to work together through the RAC.

—

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 needs.

The draft plan states that one of the strategies in this focus area is 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 costs, reduce utility peak consumption and defer utility investment in transmission, supply or distribution upgrades.²

In terms of the electricity sector, Renewable Northwest encourages ETO to build upon lessons learned from the Oregon Public Utility Commission’s (“PUC’s”) investigation into the resource value of solar.³ Renewable Northwest sees an opportunity for ETO to conduct further research into clean energy resiliency benefits and how they can be quantified. The Oregon Department of Energy’s recently developed ‘Oregon Guidebook for Local Energy Resilience’—while designed with consumer-owned utilities in mind—could provide a foundation for further research.⁴ Focus Area 2’s strategy of “...help[ing] utilities manage their local distribution system” would also complement the work being undertaken in the PUC’s investigation into distribution system planning (UM 2005). Furthermore, the progress indicator of being able to “...evaluate energy efficiency and renewable energy resources opportunities in targeted locations in collaboration with with utilities” ties in well with discussions around concepts such as ‘hosting capacity analysis’ being undertaken during the implementation of Oregon’s community solar program.⁵

—

² Energy Trust of Oregon, DRAFT Strategic Plan 2020–2024, p 7.

³ UM 1716, UM 1910 (PacifiCorp), UM 1911 (Idaho Power), UM 1912 (Portland General Electric).

⁴ ODOE, Oregon Guidebook for Local Energy Resilience Guide, 2019.

<https://www.oregon.gov/energy/safety-resiliency/Pages/Local-Energy-Resilience-Guide.aspx>

⁵ OPUC, UM 1930, Community Solar Implementation.

Focus Area 3—Provide objective information and analyses to support development and implementation of energy policies.

Renewable Northwest welcomes and is grateful to ETO for sharing its experience and data both at the legislature and the PUC. ETO is recognized as an objective source of expertise, and the demand for its perspective and analyses will only increase with the penetration of clean energy resources.

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.

Renewable Northwest agrees that “[c]lean energy projects frequently realize public benefits beyond energy savings and renewable generation.”⁶ This also complements Focus Area 2, in as much as further research into the benefits of clean energy could contribute to better coordination with communities as they explore climate resiliency plans. In addition, one potential area that the public purpose charge could be applied—and additional funding leveraged—is Oregon’s community solar program.

Focus Area 5—Enhance our ability to quickly and effectively respond to changes, needs and new opportunities.

Renewable Northwest agrees with ETO that this focus area “...is critical to [ETO’s] success in every other area as the pace of change accelerates and new opportunities emerge more quickly than ever before.”⁷ We also support ETO’s strategy to “intentionally cultivate diversity” in its board of directors, advisory councils, executive leadership, staff, contractors, partners and vendors, and further appreciate the acknowledgment of going beyond diversity to building an “...inclusive organization in all dimensions”.⁸ This strategy could help ETO make meaningful progress toward the goals discussed in Focus Area 1.

⁶ Energy Trust of Oregon, DRAFT Strategic Plan 2020–2024, p 12.

⁷ *Ibid.*, p 5.

⁸ *Ibid.*, p 13.

Next Steps—**Public Outreach and Plan Revision.**

How does the draft plan relate to Renewable Northwest’s strategic plan and priorities over the next five years?

Renewable Northwest is undergoing its own strategic review, so drawing explicit parallels is not possible right now. However, we are hoping to develop our own diversity, equity, inclusion and access goals and ETO’s experiences will help inform this.

Will the draft plan’s focus areas meet Renewable Northwest’s energy goals and needs?

ETO’s focus on “using distributed resources in a more integrated way” certainly aligns well with where Renewable Northwest’s own strategic plan could be heading.⁹ Clean energy resources on the distribution system, and the ancillary services that they can deliver, provide an opportunity to integrate clean energy across the entire system more cost-effectively.

What relative level of investment does Renewable Northwest suggest we make in each of the five focus areas?

The draft plan states that ETO’s priority is “is the first focus area, and that is where the vast majority of [its] investments will be made”.¹⁰ While Focus Area 1 is identified as a priority, Focus Area 5 is referred to as foundational: “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 before.”¹¹ Regarding the remaining focus areas, all of which are important, Focus Area 2 would seem to be the key to increasing the chances of success in other areas. By further quantifying the value of distributed energy efficiency and renewable energy (Focus Area 2), ETO would be better positioned to: a) provide technical support on energy policies and dockets (Focus Area 3); and, b) maximize the effectiveness of the public purpose charge (Focus Area 4).

What is ETO missing that it should consider when finalizing the plan?

Renewable Northwest welcomed the draft plan’s mention of both battery storage and electric vehicles.¹² Renewable Northwest recommends the ETO consider calling out potential support for Oregon’s community solar program in its final plan.

⁹ Energy Trust of Oregon, DRAFT Strategic Plan 2020–2024, p 8.

¹⁰ *Ibid.*, p 5.

¹¹ *Ibid.*, p 5.

¹² *Ibid.*, p 8.

Once again, Renewable Northwest is grateful for this opportunity to comment on the ETO's draft strategic plan.

/s/ Michael H. O'Brien

Michael H. O'Brien
Regulatory Director
Renewable Northwest
421 SW Sixth Ave. #975
Portland OR 97204
503-223-4544
michael@renwablenw.org

From: Jennifer Groth
Sent: Monday, August 5, 2019 3:44:45 PM
To: Karen Chase
Subject: Energy Trust strategic plan input

Karen,

I know the deadline has passed, but I received some late feedback from one of our program managers about Energy Trust's strategic plan, so I thought I'd pass it along in case it's helpful to you.

- Local ownership of generation, biopower technologies, energy efficiency investments, solar, and hydro with new technologies in rural areas aligns with our programmatic goals for Rural Economic vitality. This should be a major consideration as Energy Trust commits further resources to engagement and support in rural communities.
- There could be alignment with Broadband build out, especially as it relates to focus area 2
- Building resiliency in rural communities requires energy efficiency and local generation potential. It is important that rural communities are not just treated as the ideal location for large scale generation and transmission siting, but that local economic impact is a priority when devising strategies and implementing this strategic plan.
- We are intrigued by opportunities for partnership between Eco-Trust and RDI, and see Focus Area 4 as a great opportunity to coordinate efforts.
- NIMBY reactions are a real thing, particularly in energy development, and can be avoided through proper engagement with the local community. However, if Energy Trust has equity as core principle of clean energy development, then ensuring that rural people are not just engaged, but are clear beneficiaries of projects is necessary to ensure that the gains don't just go to a few wealthy landholders. Identifying and implementing community-driven projects (such as community solar projects, publicly owned utilities, etc.) is key to distribute benefits across communities.

Thanks,

Jennifer Groth

Grants and Program Coordinator

Rural Development Initiatives

541-684-9077 x3 jgroth@rdiinc.org

www.rdiinc.org

#WeAreRural #RuralLove

RDI strengthens rural people, places and economies in the Pacific Northwest.



August 2nd, 2019

To: Energy Trust of Oregon

From: Alexia Kelly--Policy Advisor, Spark Northwest, Member, ETO Renewable Energy Advisory Council

RE: Energy Trust of Oregon Strategic Plan (2020-2024)

Thank you for the opportunity to provide comments regarding the Energy Trust of Oregon's draft Strategic Plan 2020-2024.

Enhanced energy efficiency and distributed renewable energy generation provides important customer choice and energy security and resilience benefits; it needs to be a central part of Oregon's energy mix going forward, particularly in rural and underserved areas. As the state's largest grant making organization working in this area and as stewards of the State's pioneering Public Purpose Charge, the Energy Trust of Oregon (ETO) plays a central role in advancing the next generation of clean energy solutions for the State.

Spark Northwest recognizes the important role that ETO has played in providing critically needed resources to advance energy efficiency and clean energy solutions and in supporting local communities in conducting analysis and pre-feasibility work for clean energy projects. Spark Northwest would like to particularly commend ETO for the substantial and concerted efforts the organization has made over the past years to ensure more equitable and inclusive application of public purpose charge dollars for the benefit of low-income and disadvantaged communities and ratepayers across the State.

Spark Northwest strongly supports ETO's role in supporting local community organizations in the development and implementation of Community Solar Projects and encourages close and enhanced collaboration and coordination between ETO and the Portland Clean Energy Fund in execution of their respective programs. ETO has played a central and constructive role in advancing the implementation of the Community Solar Program in its design stage and Spark Northwest looks forward to future cooperation in implementing this new program.

Going forward, an increasing emphasis on solutions that support and enable the development of a climate resilient, decarbonized, inclusive, and locally-controlled energy system that serves all ratepayers of Oregon will be central to ETO's--and Oregon's--success. Support for piloting and demonstration of next generation technologies, including advanced battery energy storage, multi-generation source (e.g. wind, solar, and hydropower) microgrids, and virtual net metering systems, among others, will be central to advancing an efficient and resilient electricity grid. As climate change impacts--such as wildfire and drought--become increasingly severe across Oregon in the coming years supporting efforts by local communities and organizations to plan for and adapt to these changes through targeted application of energy efficiency and distributed clean energy microgrids and other technologies should be a central role for ETO.

1402 3rd Ave, Suite 901
Seattle, WA 98101

sparknorthwest.org



To this end, Spark Northwest strongly supports the use of ETO resources for early stage planning and analysis by communities and non-profit organizations seeking to advance local clean energy generation in the State that serves local communities. ETO should also continue to offset the incremental (and still substantial) costs associated with energy efficiency and clean energy projects. Early-stage planning and on-location capacity support for local governments and community-based organizations to develop and execute meaningful climate resilience and adaptation energy strategies is desperately needed and enormously under resourced. Grant support through organizations such as ETO play a key role in enabling and accelerating local planning and implementation efforts. The need for this type of support is only going to grow as climate impacts become more severe and have greater impact on our energy system, our economy and our lives.

Finally, Spark Northwest strongly support the forward-looking interest by ETO in “[m]aximizing public purpose charge investments by leveraging additional funding to accomplish clean energy projects with multiple public benefits”. From a public benefit perspective, leveraging grant funding to attract and unlock private and other sources of public funding (including other State and Federal) will significantly amplify and increase the impact of ETO’s work and extend additional benefits to ratepayers across the State.

Significant opportunities exist for ETO to support scaled investment in and implementation of clean energy and energy efficiency across the State through development and deployment of tried and tested financing models, such as loan guarantees, revolving loan facilities, blended capital funds, and provision of matching funds for federal dollars, among others. Further, ETOs substantial financial management and administration experience and qualifications uniquely positions it to manage and administer innovative financing programs and vehicles on behalf of the State. Further analysis of opportunities in this arena and piloting of new approaches in the 2020-2024 time frame will be important for a sustained and central role for ETO in the coming decade.

Spark Northwest is honored to serve as a member of the Renewable Energy Advisory Committee (RAC) and looks forward to continued collaboration in the next phase of ETO’s growth.

Sincerely,



Alexia Kelly
Policy Advisor, Spark Northwest
Member, ETO Renewable Energy Advisory Council
alexia@sparknorthwest.org



From: Kyle Petrocine
Sent: Thursday, August 1, 2019 1:25 PM
To: Dave Moldal
Cc: nils@wallowaresources.org; Hannah Cruz ; Matt
Subject: Re: Energy Trust Draft 2020-2024 Strategic Plan

Hi Dave,
Thank you for reaching out for comments on the ETO Strategic Plan.

My comments below:

Focus Area 1

Great to see an emphasis on programming designed specifically for underserved customers. We encourage ETO to continue to keep the rural perspective in mind when designing programs. Could this include variable incentives based on climate (ie. colder climate = more energy saved from efficiency measure = larger incentive)? Beyond the rural classification, serving underserved populations is also an area of development for us at WR, as we dive deeper into program design with a DEI lens.

Focus Area 2

Encouraging to see this focus area. Especially in the light of developing an energy plan for Wallowa County. Quantifying the value and full benefits of local distributed energy production will be key for gaining both public and utility support.

Focus Area 4

Fantastic to see support of community energy planning directly stated. We have already engage ETO on our County energy planning efforts. Also great to see an emphasis on non-energy benefits. Perhaps this is where we could brainstorm on the potential for biomass thermal support in areas without natural gas?

Overall, the ETO Strategic Plan is very inspiring! Thank you for the opportunity to comment.

Kyle Petrocine
WRCSI Program Manager

Tab 4

Compensation Committee Meeting Notes

August 22, 2019

Attending by Teleconference:

Melissa Cribbins (Chair), Mark Kendall, Roland Risser and Roger Hamilton (ex officio)

Attending at Energy Trust office:

Pati Presnail and Amanda Sales

Others attending:

Jeff Gates, Cable Hill Partners
Ann Konrad, Principal Financial

Meeting started at 2:00 pm

Jeff Gates and Ann Konrad, of Principal Financial, were present at the meeting to provide a quarterly fiduciary investment review to the committee. The presentation covered the second quarter of 2019.

Jeff did a high-level report on Energy Trust's plans, explaining that overall, 2019 has been a good market, with the exception of a downturn in July due to uncertainty about trade wars and tariffs. Jeff then explained that his review of health of the retirement plans' portfolio funds would be in a more summary form than in prior quarterly reports. Based on feedback from the committee and Energy Trust staff, Jeff did not go into as much detail on the Cable Hill scorecard methodology as he has in previous meetings. Instead he did a summary report on funds currently on the watchlist. This approach in presentations will give more time for more educational topics for the committee. At this committee meeting, based on committee input, Jeff provided more in-depth information on ESG fund choices for retirement plan fiduciaries.

Before turning to the educational part of the presentation, Jeff advised the committee of the plan fund status. Only one 401k plan fund is currently on the watchlist: TIAA CREF Social Choice Equity Institutional Fund. The outlook is promising though. The Cable Hill scoring methodology deems that funds which score less than 7 for four consecutive quarters be removed from the platform. The TIAA CREF fund was scored less than 7, but has been scored at 7 for the last three consecutive quarters. If it stays at this rating for an additional quarter, it will be removed from the watchlist.

Plan participation rate continues to be good, up slightly from last quarter. This is especially impressive because Energy Trust's participation rate far exceeds the average rate among all plans on the Principal platform. In addition, the deferral percentage rate selected by employees is steady and in the ranges Cable Hill views as healthy. Shelby noted that the spread between younger and older participants in the Energy Trust plan is not as wide as in some of their other clients. This indicates that younger employees understand the benefits of a deferral option and are taking advantage of it. Debbie advised the committee that

Energy Trust suggested that employees consider increasing their contribution following the performance review merit increases. Staff will monitor whether this suggestion results in any greater deferral rates.

Jeff made reference to the growth in the fund balance, comparing 2018 Q4 to 2019 Q1. The market has rebounded, and this is reflected in an increase of nearly \$500,000 in the fund balance.

Jeff then turned to an informational and educational presentation on concepts behind environment, social and governance (ESG) investing and best practices to consider as plan fiduciaries. For fiduciaries, the key considerations are how much ESG investing aligns with mission, participant interest, and supports a diverse portfolio of fund options. In Energy Trust's case, it has been clear that participant interest is high, so it is important to use ESG investing options consistent with principles of prudence and ERISA compliance. ERISA requires a prudence lens to be used for ESG investing just as it is for other fund investing, and that's what the scorecard methodology provides. Jeff advised the committee that the use of ESG funds as part of a diverse portfolio is considered an ERISA best practice.

Jeff says he continues to look for additional ESG options for the Energy Trust plans and asked committee members and staff whether participants have asked about additional options. Amanda Sales and Pati Presnail reported that interest was expressed clearly in the change in plan administration and that they believe it is of continuing interest to staff. Jeff advised that he will continue to work with Ann Konrad and Principal to consider additional ESG investing opportunities for the plans.

The committee expressed appreciation for Jeff's presentation and then discussed possible future educational presentations. He is planning to do a presentation at the next meeting on automatic deduction escalation. Committee members also expressed interest in information on trends in employee benefits and examining the level of participation in Energy Trust's guaranteed return fund options. Jeff will make plans for future presentations with these suggestions in mind.

Ann then gave the committee a high-level summary of the distribution of plan investments and a snapshot of “retirement wellness,” a measure of participation level, disaggregated by age of participation. Generally, Energy Trust’s participant “retirement wellness” is good as compared to the comparison benchmark used by Principal Financial. The plan has good participation, and better than benchmark in all age groups, particularly so among younger employees. In addition, the plan is not overutilized for employee loans, which is good. The Roth option is underutilized, as compared to benchmark, and this might be a topic for future employee education sessions to drive up use. Ann also described the new Principal phone app.

Meeting adjourned at 3:30 p.m.

The next Compensation Committee meeting will be held on October 24, 2019, at 2:00 p.m.

Moss Adams was scheduled to review the 401K audit results from 3:00 p.m. - 3:30 p.m. but was unable to attend due to unexpected traffic. A future joint audit and compensation committee meeting will be scheduled.

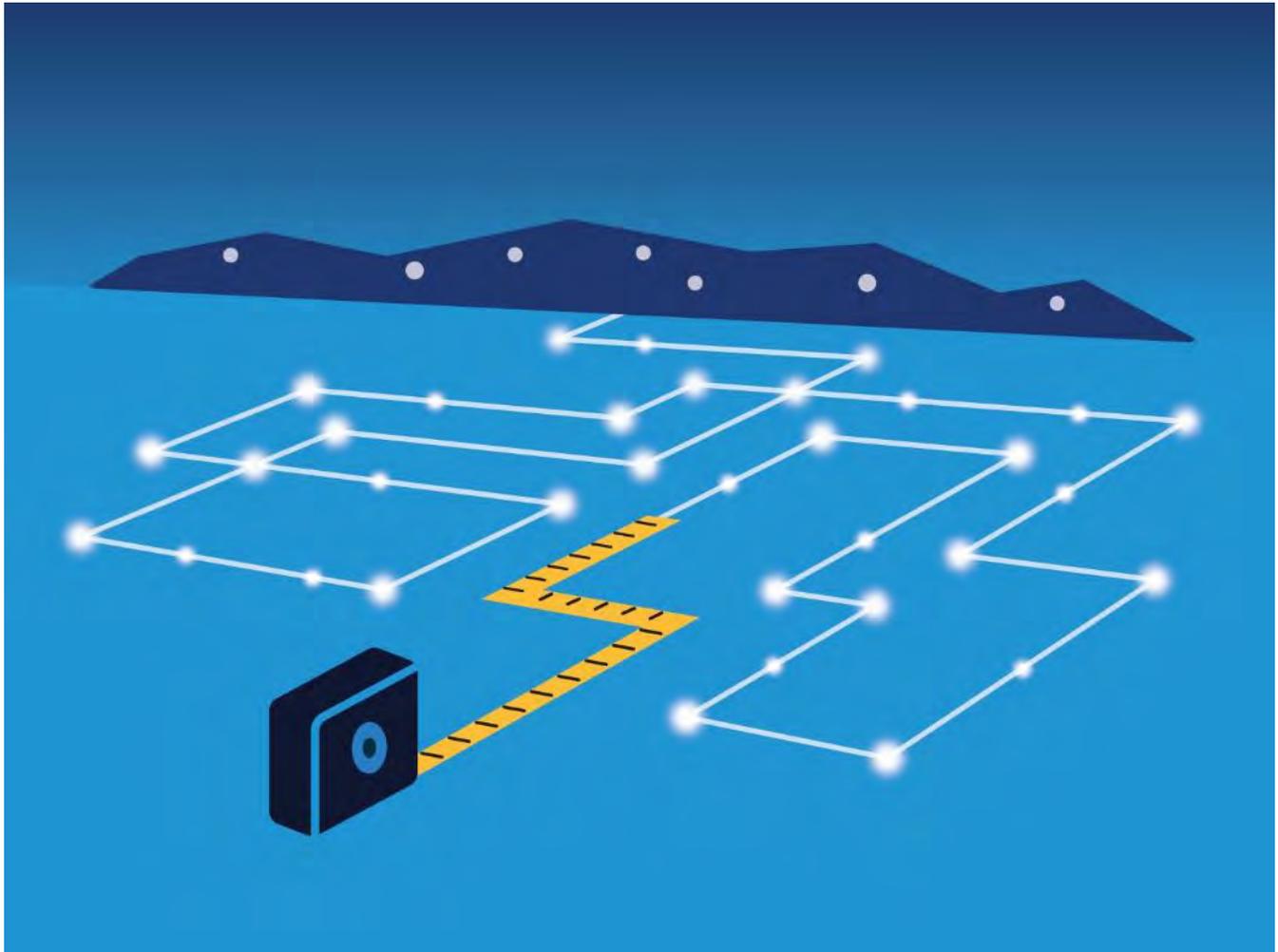
Tab 5



Opinion **Dynamics**

Portland Office

3934 NE Martin Luther King, Jr. Blvd.
Suite 300
Portland, OR 97212
503-287-9136



Energy Trust of Oregon Fast Feedback 2018

End-of-Year Report

June 6, 2019



MEMO

Date: June 25, 2019
To: Board of Directors
From: Dan Rubado, Evaluation Project Manager
Subject: Staff Response to 2018 Fast Feedback Report

The primary purpose of Energy Trust's Fast Feedback survey is to track participant satisfaction with Energy Trust programs and quantify free-ridership (customers who would have completed the same efficiency measures without Energy Trust's incentives or services). The overall satisfaction and free-ridership results for 2018 participants were largely in line with past years. The format of the 2018 Fast Feedback survey was a departure from past years. In the past, Fast Feedback was implemented through a short phone survey of recent participants. However, increasing costs and decreasing response rates for phone surveys led Energy Trust to explore different options to collect this information. Energy Trust worked with Opinion Dynamics (formerly Research into Action) to design the 2018 survey as an experiment to test a web survey, with several different recruitment methods and incentive conditions, and compare it to the standard phone survey.

For residential participants, the study clearly showed that a web survey delivered higher response rates at lower cost than the phone survey. However, there were variations in response rates and costs per survey completed within the web survey experimental groups. There were nine web survey experimental groups based on combinations of recruitment method (email only, email + mailer, mailer only) and incentive type (fixed incentive, lottery incentive, no incentive). The email only with no incentive group yielded a response rate comparable to the phone survey, at the lowest cost. However, the email only with fixed incentive group had the highest response rate, by far, and although it had a higher cost, it was still less than the phone survey. There were also significant differences in survey responses between the web and phone survey modes that can't be ignored. As a result of this research, Opinion Dynamics recommended implementing a 'web-then-phone' approach using email recruitment with a fixed incentive and following up with a phone survey to non-respondents. They argued that this method would obtain the highest response rate at the lowest cost while reducing any bias introduced by the survey mode. For the 2019 Fast Feedback residential participant survey, Energy Trust has adopted this approach.

For nonresidential participants, the results were very different. For these customers, the phone survey clearly delivered the best results, with much higher response rates and lower costs per response than the web survey. The phone survey probably reached most nonresidential customer contacts on their work phone, where they were more likely to answer calls. Differences in responses between the web and phone survey modes were also much smaller than in the residential survey. However, for business customers, Opinion Dynamics recommended moving to the same 'web-then-phone' approach as the

residential survey. For the 2019 Fast Feedback nonresidential participant survey, Energy Trust continued the same phone survey approach used in the past. This approach should obtain the highest response rate at the lowest cost per survey completed, with minimal mode bias.

Energy Trust also captured information on participant spillover to non-incentivized efficiency measures in the 2018 survey. Unfortunately, the survey questions were long and awkward, and it was impossible to quantify the energy savings of measures that respondents cited. Thus, the spillover results only offered a qualitative assessment that gave Energy Trust a rough sense for the magnitude of its influence on efficiency beyond incentivized measures. These questions were dropped from the 2019 survey. Overall, roughly 10 percent of residential and 3 percent of non-residential participants reported that Energy Trust had influenced them to install additional efficiency measures for which they did not receive incentives.

In 2018, Energy Trust added a battery of demographic questions to the residential Fast Feedback survey instrument for the first time. There are four questions covering respondents' race/ethnicity, income, age, and household size. The goal of adding these questions was to better understand the demographic characteristics of Energy Trust participants. These data will support Energy Trust's Diversity, Equity, and Inclusion efforts by comparing the demographics of residential participants in specific measure categories and to overall state demographics. Although Energy Trust has other sources of data about demographics and program equity, this survey provides another source of information to help identify demographic groups that Energy Trust is not reaching with its residential services. It is important to recognize that these results are only for a subset of single-family residential participants that received a rebate after investing in an efficiency or renewable energy project. Fast Feedback excludes kits, giveaways, and midstream buy-downs, like lighting, showerheads and water heaters. These questions were not asked of multifamily participants, because these participants are often landlords and property managers.

The 2018 results showed that people of color, particularly African American and Hispanic residents, are generally underrepresented among residential participants who responded to the Fast Feedback survey. People of color were somewhat better represented among smart thermostat and solar PV participants. Low-income households were also underrepresented among residential participants in the survey, particularly smart thermostats and solar PV. However, the moderate-income track appears to be reaching lower income households—in which gas furnaces and ductless heat pumps play a large role. The Portland Metro area was overrepresented among participants, while the North Coast, Willamette Valley, and Eastern Oregon were underrepresented. This geographic distribution may be partly due to the limits of Energy Trust's service territory, which does not include all of Oregon. These demographic questions will be continued in the 2019 survey, so Energy Trust will be able to track trends in participant demographics over time.

Energy Trust plans to make further changes to the Fast Feedback survey in 2020 in response to the organization's changing information needs. As of 2020, Energy Trust will begin reporting gross savings, rather than net, and will no longer quantify free-ridership. There will still be a need to track Energy Trust's influence in the market, but there is an opportunity to streamline the survey instrument. In

addition, there is not as much need to quantify customer satisfaction with the level of precision in the past for each measure group in the residential sector, providing an opportunity to decrease the respondent quotas, which will save money and reduce the survey burden on Energy Trust’s participants.

1. Executive Summary

Opinion Dynamics Corp. (formerly Research into Action; “the research team”) conducted the 2018 customer feedback survey for Energy Trust of Oregon (Energy Trust), called Fast Feedback, from March 2018 through February 2019. Embedded within the 2018 survey was an experiment testing the impact of different survey modes and recruitment and incentive conditions. This report summarizes the analysis conducted by ODC and results of the survey. The purpose of the analyses was to: 1) summarize Fast Feedback survey findings by program and quota group; and 2) report on the results of the experimental testing of survey mode (phone or web) and recruitment and incentive conditions in the web survey.

1.1 Residential Survey Summary

Residential survey results indicated a high level of overall program satisfaction across all measure groups (Table 1). Satisfaction levels were generally consistent with previous years.

Table 1. Summary of Residential Satisfaction

<i>Measure Group</i>	<i>Number of Survey</i>		
	<i>Respondents</i>	<i>Overall Satisfaction</i>	<i>Free Ridership</i>
Residential - Total	4,380	88%	40%
Residential - Oregon	4,147	94%	39%
Residential - Washington	233	94%	49%
Moderate Income Track	190	96%	37%
Solar PV System	469	90%	20%
Clothes Washer	544	95%	52%
Ceiling Insulation	195	91%	41%
Floor Insulation	53	90%	35%
Wall Insulation	26	84%	40%
Heat Pump	229	95%	38%
Ductless Heat Pump	386	93%	31%
Boiler	14	93%	67%
Windows	703	92%	49%
Gas Fireplace	352	95%	37%
Gas Furnace	310	94%	50%
Spa Cover	136	92%	37%
Thermostat	963	96%	38%

Analysis of the survey results revealed several other key high-level findings. Fewer than half of respondents obtained information from Energy Trust of Oregon (Energy Trust) before taking their efficiency action.

Participants' contractors generally had the greatest influence on their decisions, with the incentive and other factors more influential for certain measures.

Respondents easily found and selected contractors, most commonly by word of mouth, usually after getting one or two bids. For most measure groups, a minority of respondents (about one-third or fewer) reported having considered the Energy Trust list of trade allies, in large part because about one-quarter to one-third of them were not aware of the list. Of those who did consider the list, in all cases the majority (usually just over half to about two-thirds) reported they considered the star rating system.

In terms of measure-specific questions, the survey found that most incented smart thermostats were still installed; somewhat more than half of heating systems replaced operating systems, the percentage being highest for heat pumps; and gas fireplaces most likely replaced a wood burning fireplace or stove.

About 10% of respondents reported spillover (energy efficient measures that did not receive incentives but were influenced by Energy Trust), with the percentage ranging from 0% to 24% for specific measure groups.

Almost all assessed indices showed some variability among measure groups.

1.2 Nonresidential Survey Summary

Nonresidential survey results indicated a high level of overall program satisfaction across all quota groups; satisfaction with interactions with the Energy Trust program representative was more variable among quota groups (Table 2). Satisfaction levels were generally consistent with previous years.

Table 2. Summary of Nonresidential Satisfaction

<i>Quota Group</i>	<i>Unweighted</i>	<i>Satisfaction</i>	
		<i>Overall</i>	<i>Interaction with Program Representative</i>
Existing Buildings - Oregon	320	94%	87%
Existing Buildings - Custom	10	86%	100%
Existing Buildings - Lighting	133	91%	83%
Existing Buildings - Standard	113	98%	85%
Existing Buildings - Direct Install	64	95%	93%
Existing Buildings - Washington	11	100%	69%
Production Efficiency	223	96%	88%
Production Efficiency - Custom	21	100%	100%
Production Efficiency - Lighting	91	94%	88%
Production Efficiency - Standard	111	97%	85%
Existing Multifamily	202	96%	87%
Existing Multifamily - Incentives	148	96%	84%
Existing Multifamily - Direct Install	54	94%	94%
Commercial Solar	16	96%	81%

Free-ridership varied among programs and quota groups (Table 3).

Table 3. Summary of 2018 Annual Nonresidential Free Ridership

Program	Fuel	Quota Group	Years of Data ^a	n	Free Ridership (Low)	Free Ridership (Mid)	Free Ridership (High)
Existing Buildings ^b	Electric	Custom	2017-2018	36	7%	11%	15%
		Lighting		249	13%	15%	18%
		Standard		84	15%	17%	19%
		Direct Install		64	12%	13%	15%
		Combined ^c		433	13%	15%	17%
	Gas	Custom	2016-2018	33	13%	15%	17%
Standard		167		28%	30%	31%	
Combined ^c		200		21%	22%	24%	
Existing Multifamily	Electric	Incentives	2018	122	23%	25%	27%
		Direct Install		54	32%	34%	35%
		Combined ^c		176	26%	27%	29%
	Gas	Combined ^c	2018	47	13%	27%	41%
Production Efficiency	Electric	Custom	2017-2018	64	15%	16%	17%
		Lighting		172	16%	16%	16%
		Standard		176	26%	27%	28%
		Standard + Lighting ^c		348	18%	19%	19%
		Combined ^c		412	17%	18%	18%
	Gas	Combined ^c	2017-2018	35	16%	19%	22%

Notes: Non-residential free ridership rates are savings-weighted, meaning that each project's influence on free ridership is directly proportional to its share of savings in the program track and fuel sample.

^a Multiple years of survey data are aggregated together to compute free ridership for a program track and fuel combination if the sample size for an individual cell is below 30. Additional years of data are added until 30 or more survey responses are achieved for each program track and fuel combination.

^b Free ridership is not computed for NWN WA participants, so they are excluded here.

^c These combined program level free ridership rates are computed as the savings-weighted averages of the track level results, even if the track level results are not reported. Thus, the influence of track-specific results on program level free ridership rates is directly proportional to their share of savings in the 2018 program.

Among nonresidential survey respondents, the Energy Trust incentive was the most consistently highly rated influencer, followed by information received from Energy Trust. Nonresidential respondents showed high levels of satisfaction with their program experience, with levels generally consistent with those observed in prior years. About 3% of nonresidential respondents reported spillover, with the percentage ranging from 0% to 8% for specific quota groups.

1.3 Effects of Experimental Conditions

Analyses of survey data assessed whether survey mode (phone or web) and/or incentive condition affected response rate (RR), cost per interview (CPI), and responses to Fast Feedback survey questions as well as whether web and phone respondents differed in how well they represented the overall Energy Trust population or Oregon population.

In the residential survey, survey mode did not have an overall effect on RR, but within the web mode, incentive condition affected RR (Table 4). Thus, while overall phone and web RRs were about equal, the web survey with a fixed incentive produced a considerably higher RR than the phone survey. The CPI for the web survey with an email recruitment and fixed incentive was considerably lower than that for the phone survey, although the web survey with no incentive had the lowest CPI of all. The nonresidential phone survey delivered more than twice the RR than the web survey. In that survey, there was less difference between the CPIs for the phone and web surveys.

Table 4. Response Rates and Cost per Interview, By Mode and Web Incentive Condition

Sector	Mode							
	Phone	Web, Overall	Web Recruitment Condition			Web Incentive Condition		
			Email Only	Mailer & Email	Mailer Only	Fixed	Lottery	None
Weighted Response Rate (RR)								
Overall	26%	22%	25%	27%	3%	30%	19%	22%
Residential	23%	24%	26%	28%	3%	32%	20%	22%
Nonresidential	40%	17%	18%	12%	5%	18%	11%	17%
Unweighted Cost Per Interview (CPI)								
Overall	\$13.29	\$8.30	Recruitment by Incentive Condition (Overall)	Email Only	\$12.51	\$12.10	\$4.36	
Residential ^a	\$13.01	\$8.19		Mailer & Email	\$16.31	\$19.90	\$8.36	
Nonresidential ^a	\$8.08	\$10.86		Mailer Only	\$81.57	\$126.01	\$78.43	

While residential web and phone respondents were similarly representative of the state population on most demographic factors, some differences suggest that the web survey may select for customers more inclined to use online resources. Results also suggest some mode differences on free-ridership rated program influence on equipment purchase decisions, and satisfaction with various aspects of program participation. Among web survey respondents, satisfaction ratings do not appear to be affected by incentive condition.

Together, the results of the Fast Feedback experiment suggest the use of a combined phone-and-web survey, with the web component delivered by email only with a fixed incentive. Instead of allocating each participant to one mode or the other, the best approach may be to start with a web survey recruitment and then conduct a phone recruitment with a subset of those who did not respond to the web survey. This would control survey costs while providing an opportunity to control for mode biases. This is discussed in detail in Section 7, Summary and Conclusions.

For more information, please contact:

Zac Hathaway
Senior Consultant

503-943-2371 tel
zhathaway@opiniondynamics.com

3934 NE Martin Luther King, Jr. Blvd. Suite 300
Portland, OR 97212



Boston | Headquarters

617 492 1400 tel
617 497 7944 fax
800 966 1254 toll free

1000 Winter St
Waltham, MA 02451

San Francisco Bay

510 444 5050 tel
510 444 5222 fax

1 Kaiser Plaza
Suite 445
Oakland, CA 94612

San Diego

858 270 5010 tel
858 270 5011 fax

7590 Fay Avenue
Suite 406
La Jolla, CA 92037

Portland

503-287-9136 tel

3934 NE Martin Luther King, Jr. Blvd.
Suite 300
Portland, OR 97212

PINK PAPER



Residential Ductless Heat Pump Study

June 21, 2019

Prepared for:
Energy Trust of Oregon
421 SW Oak Street
Suite 300
Portland, OR 97204

MEMO

Date: October 1, 2019

To: Board of Directors

From: Dan Rubado, Evaluation Project Manager
Mark Wyman, Sr. Program Manager - Residential
Scott Leonard, Sr. Project Manager - Residential
Jackie Goss, Sr. Planning Engineer

Subject: Staff Response to the Residential Ductless Heat Pump Study

The residential Ductless Heat Pump (DHP) study completed by Cadmus provided Energy Trust with a wealth of insight into the drivers of electric savings for DHPs in both single-family and multifamily applications. Overall savings were disappointing in both sectors, but they could generally be explained by known issues that Energy Trust has the ability to address. In the ideal installation scenarios, the study documented electric savings that were very similar to expected, deemed savings values. In those cases, DHP electric savings were robust and represented relatively high percentages of total energy consumption. The study also uncovered several important non-energy benefits that Energy Trust will consider in the way it values DHPs compared to their costs. These included wood fuel reductions, the addition of cooling capacity and increased thermal comfort. Participants reported that increased comfort due to increased heating and cooling capacity was one of the primary motivations for installing a DHP.

Several factors negatively impacted overall savings from DHPs, most notably:

- A high prevalence of supplemental heating fuels, particularly wood.
- Systems that were installed in previously unconditioned spaces.

Multifamily properties were much less impacted by these factors, but savings from the ideal installation scenarios were lower than in single-family homes. Homes with low baseline electricity consumption, which may already indicate supplemental fuel usage or low savings potential, also showed lower savings. In addition, larger, newer homes tended to save less electricity. Smaller systems, with a single indoor head, installed in the home's primary living space achieved the most cost-effective savings. Energy Trust will attempt to push the market toward this scenario in the future.

Although DHPs are still not cost-effective in many scenarios, Energy Trust's Residential program is pursuing strategies to improve savings and reduce costs. In addition, DHPs appear to be a good equity measure, as they benefit rural and low-income households which often use more electric resistance heating, along with smaller homes having higher occupancy levels. These are situations in which DHPs tend to save more energy and are most cost-effective. By increasing market penetration of DHPs in rural and low-income households, Energy Trust may

achieve higher electric savings, decrease costs, and achieve its goals of better serving underserved populations.

Energy Trust recently received an exception to continue DHP incentives through March 2022. In that time, Energy Trust's programs will enhance measure requirements, improve screening and targeting of DHPs, and work with contractors to increase savings and reduce costs. The result will be a more cost-effective electricity-saving technology in the future. To this end, Energy Trust will adjust its measure requirements and analysis of DHP savings and costs to include the following:

- Indoor heads must be placed in the primary living space.
- Additional indoor heads will not be recommended, and we'll assume that installed systems are 1-to-1. (Additional indoor units are at the customer's discretion, but they are not expected to save additional energy and Energy Trust will not support them.)
- Develop a new measure for DHPs displacing wood heat which is cost-effective due to the value of wood savings.
- Incorporate cooling savings for homes that would have installed a less efficient cooling system in place of a DHP.
- Quantify cooling comfort benefits for homes which add cooling.
- Incorporate avoided electricity costs for the summer cooling season.

Energy Trust programs will also undertake the following strategies and initiatives:

- Launch new fixed price offers with more stringent installation requirements and a cost ceiling.
- Target housing types and regions where DHPs are more cost-effective.
- Research improved controls for DHPs.
- Explore DHP demand response potential, especially for peak summer cooling demand. A demand response opportunity with DHPs might create an opportunity for Energy Trust to combine funds with electric utilities to improve their cost-effectiveness.

Executive Summary

Energy Trust of Oregon has offered cash incentives for the installation of ductless heat pumps (DHPs) in single-family homes since 2008 and in multifamily residences since 2009. These systems deliver heating and cooling at greater efficiencies than many alternative systems, and as a result have a comparatively high technical potential for reducing energy consumption. The prevalence of inefficient systems and low adoption rates of DHPs in the Northwest also contributes to the large technical potential of DHPs. However, in calculating measure cost-effectiveness, the price of the system plays an equally important role as the potential for saving energy. In 2017, Energy Trust found most DHP installation scenarios were not cost-effective. One factor in this analysis was the expiration of Oregon's Residential Energy Tax Credit for DHPs. Measures that are not cost-effective are not typically supported by Energy Trust, but the Oregon Public Utility Commission (OPUC) granted an exception to allow Energy Trust to continue offering incentives for DHPs through the end of 2019. During this period, Energy Trust hired Cadmus to evaluate DHPs and to identify potential cost-effective installation scenarios.

The goal of this evaluation is to determine the most cost-effective DHP installation scenarios and inform new residential offerings using empirical evidence. The research objectives include the following:

- Quantify energy savings and costs of DHPs in single-family and multifamily buildings overall and for key installation scenarios.
- Estimate the impact of supplemental fuel usage on DHP energy savings and quantify supplemental fuel savings and benefits.
- Estimate the impact of DHPs on cooling energy usage compared to different baseline cooling scenarios.
- Determine the primary drivers of variability in DHP energy savings and costs. Identify the most cost-effective installation scenarios as well as factors that contribute to low energy savings and high costs.
- Understand how DHPs and existing heating and cooling systems are controlled for key installation scenarios.
- Understand the impact of different control strategies on savings.
- Understand the participant decision-making process and motivations for installing DHP systems, including important non-energy benefits.
- Identify improvements to Energy Trust data and data collection processes.

Cadmus used a quasi-experimental design to develop estimates of annual energy savings resulting from the installation of a DHP, where each program participant was matched to a non-participant of the same building type, within a limited geographic area, and with a similar energy consumption profile during the pre-installation period. Cadmus divided each non-participant into pre- and post-installation periods using the installation date of the matched participant. Following this matching, Cadmus estimated Typical Meteorological Year (TMY) energy savings for each participant and non-participant as the

difference between modeled pre- and post-installation consumption and differenced each participant's results with those of the matched non-participants to develop a final savings estimate.

This difference-in-difference framework is used to isolate program-specific impacts under the assumptions that pre-period electricity consumption is the correct counterfactual baseline scenario and that post-installation changes in consumption in the participant group, unrelated to DHP installations, are also present in the non-participant comparison group. This analysis was supplemented with participant and non-participant surveys, and several questions in these surveys targeted understanding how well these assumptions held for sites included in the analysis. Cadmus also used the survey responses to segment the savings analysis and to identify ideal DHP installation scenarios.

Below, we provide a summary of the evaluation's conclusions and recommendations:

The study found a high prevalence of supplemental fuel usage during the baseline period that negatively impacts program savings. Single-family homes with a wood or pellet stove saw average savings of -174 kWh/DHP. Similarly, a weighted average of natural gas systems have average savings of -437 kWh/DHP. These types of systems comprised greater than 20 percent of documented heating systems, and separate analysis showed 14 percent of all single-family homes included in the analysis had natural gas service. A billing analysis conducted with records of electric consumption does not account for fuel switching and will underestimate energy savings of individuals shifting away from supplemental fuels and towards electricity.

Recommendation: Documenting all heating fuels used in an individual's home would allow the cohort of supplemental fuel users to be separately analyzed when calculating program savings. This data could be collected during installation, through surveys, from utility gas records, or from participation in other efficiency programs. Developing a savings estimate for these individuals could be done by modeling TMY heating consumption based on their post-period usage and then assuming a less efficient electric baseline system. Alternatively, a non-energy benefit could be calculated based on the reduction in supplemental fuel usage.

Recommendation: Better targeting of individuals with electric baseline systems and of housing stock would also serve to diminish the negative impacts of supplemental fuel users. One option for accomplishing this targeting would be to emphasize in marketing materials the savings benefits of switching from electric baseboard or electric furnaces to DHPs and utilize existing housing stock market knowledge.

The study found the incidence of DHPs installed in previously unconditioned spaces to negatively impact program savings. There were average savings of 259 kWh/DHP for single-family homes where at least one of the spaces conditioned by a DHP was previously unheated. If homeowners planned to purchase a less efficient heating system in the event of not receiving an incentive to install a DHP, then the assumed baseline of a billing analysis would be incorrect and underestimate savings for that site. A similar incorrect assumption can be made for cooling systems. Survey responses indicated that more than 20 percent of single-family participants would have purchased a window or central AC if they hadn't installed a DHP system. Individuals that purchased a DHP instead of a minimum efficiency

window AC would save on average an additional 200 kWh/DHP. The equivalent figure for multifamily dwellings is approximately 130 kWh/DHP.

Recommendation: Similar to the first recommendation for addressing supplemental fuel users, it would be helpful to document when a DHP was installed in an unconditioned space. Depending on the space type, it may be reasonable to assume the space would have been heated by a different system if a DHP had not been installed. It's more difficult when considering cooling systems to know if the space would have remained unconditioned and surveys could be used to better understand a customer's decision process. The data could be combined with assumed baseline systems and modeled post-period consumption to better estimate savings for these individuals.

The use of less efficient heating and cooling systems in addition to DHPs negatively impacts program savings. Single-family homeowners are using less efficient heating and cooling systems to condition the rooms served by DHPs. In some cases, there may be practical reasons for this, but increasing the use of DHPs over other electric systems will increase energy savings. There was a similar trend for multifamily survey respondents.

Recommendation: Educating homeowners and renters to operate their DHPs in place of other systems could serve to increase program savings. This could be accomplished through contractors or marketing materials. Advanced automatic controls also have potential to address this issue, although the technology to coordinate multiple HVAC systems may not be readily available or inexpensive enough for wide adoption. It was evident that programmable thermostats are not currently contributing to savings, but this shouldn't be mistaken for a lack of potential. It would be valuable to conduct a pilot exploring more advanced control systems to quantify this potential.

The study found evidence that installing DHPs in primary living spaces will positively impact program savings. Living room installations in single-family homes had higher than average annual savings at 1,118 kWh/DHP. This number increases to 2,528 kWh/DHP when looking specifically at sites without supplemental fuels or multiple outdoor units. This may result from increased usage in spaces more frequently occupied. If this is the cause, then it could be worth placing some restrictions on the types of spaces where DHPs are installed. A challenge with these types of restrictions is that it can be ambiguous how particular spaces should be classified and also occupancy of a space type can vary widely.

Recommendation: Encourage the installation of DHPs in primary living spaces through contractors and marketing materials.

The study found sites with low annual energy consumption to have lower than average savings. Single and multifamily participants with baseline period usage less than 5,000 kWh have negative saving per DHP installation. As a group these installations are lowering program savings and are not cost-effective.

Recommendation: Inform homeowners and renters that the return on the investment in a DHP requires having a sufficient heating load and using the systems with some frequency. If they are installing units in homes or apartments that are sporadically occupied or only require minimal heating, then an existing system or a different type of system may be a better option.

The study found evidence that DHP systems with a single indoor unit are more cost-effective. There were above average savings among DHPs with a single indoor unit in single-family homes. A similar trend was observed among sites with lower total DHP capacity. These results are counterintuitive because it is reasonable to expect additional capacity would further displace less efficient systems. It may be premature to conclude systems with a single indoor unit actually save more energy, but the data at least suggests they are more cost-effective in single-family residences. There were higher savings in multifamily homes for systems with two indoor units, but the cost-effectiveness for single and double head systems is similar.

Recommendation: Consider offering smaller incentives for additional indoor units.

Increased thermal comfort is an important benefit of DHPs that negatively impacts program savings. Greater than 60 percent of single-family survey respondents indicated thermal comfort was a motivation for installing a DHP. For multifamily survey respondents, this number was greater than 50 percent. It was also clear that homeowners believed the spaces conditioned by DHPs were warmer during the winter and cooler during the summer. A billing analysis assumes the level heating and cooling provided by a DHP is the same as that provided by the baseline system, and when a homeowner increases the comfort level, the impact will be to lower savings estimates. However, there are real but difficult to quantify benefits to improving thermal comfort that should not be ignored when evaluating a DHP program.

Recommendation: Benchmark the value of improved thermal comfort and include this as a non-energy benefit or assume the increased level heating and cooling would have been provided by a less efficient alternative system and calculate savings using this baseline.

The study found evidence of increased installation costs associated with mounting DHP outdoor units on concrete slabs. There are many practical limitations to consider when installing a DHP, and most systems were reported as having been installed on a concrete slab, but there were some apparent cost savings correlated with bracket mounting of outdoor units.

Recommendation: Encourage bracket mounting of outdoor units when it does not compromise an installation if it can be done less expensively.

Tab 6

Notes on July 2019 Financial Statements
August 22, 2019

Revenue

Revenue is within 3 percent of budgeted amounts. We remain ahead of budget primarily because we have received more PGE 838 Funding than expected.

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Var</u>	<u>YTD %</u>	<u>PY</u>
PGE Efficiency	51,643,011	48,787,114	2,855,897	6%	57,077,161
PGE Renewables	5,278,408	5,273,491	4,917	0%	5,081,611
PAC Efficiency	32,951,922	33,349,437	(397,515)	-1%	33,083,516
PAC Renewables	3,747,021	3,902,665	(155,644)	-3%	3,793,013
NWN	19,200,361	19,570,465	(370,104)	0%	15,896,224
CNG	2,312,274	1,928,690	383,585	19%	1,681,658
Avista	1,220,258	1,220,258	-	0%	771,247
Community Solar Revenue	115,924	167,011	(51,086)	-34%	
Grant Revenue	38,169		38,169	0%	46,147
Investment Income	938,407	350,000	588,407	166%	470,356
Total	117,445,755	114,549,129	2,896,626	3%	117,900,933

Reserves

Reserve levels increased by \$3 million over the prior month. Following the mid-year push in June, we slowed our incentive spending and were \$2 million below the July budget. We have about \$11 million more in reserves than we did last year at this time. Community Solar is modestly accumulating net assets, which may be utilized by the program for unforeseen costs or released for other purposes.

Reserves

	<u>7/31/19</u> <u>current</u>	<u>12/31/18</u> <u>Year End</u>	<u>7/31/18</u> <u>one year ago</u>
PGE	34,590,691	22,328,018	30,002,142
PacifiCorp	17,515,424	9,319,633	15,201,467
NW Natural	8,895,331	3,591,597	8,717,313
Cascade	1,363,725	373,597	1,154,086
Avista	373,055	0	(670)
NWN Industrial	1,735,570	772,993	1,483,760
NWN Washington	812,649	501,071	788,376
PGE Renewables	11,693,294	9,510,800	9,043,450
PAC Renewables	6,777,707	6,490,682	6,975,792
Program Reserves	83,757,446	52,888,391	73,365,716
Other Reserves	18,645	24,897	27,591
Community Solar Reserves	45,133	-	-
Contingency Reserve	5,000,000	5,000,000	5,000,000
Board approved for program loans	1,800,000	1,800,000	1,800,000
Contingency Available	4,075,708	3,091,484	3,311,665
Total	94,696,918	62,804,754	83,504,970

Contingent Liabilities

Energy Trust commits program reserves and expected revenue to fund future efficiency and renewable projects and other agreements. Each of these commitments is contingent on the project being completed according to the milestones established in the agreement. Once a project is complete, the commitment becomes a liability and is paid as quickly as possible from the then-available program reserves.

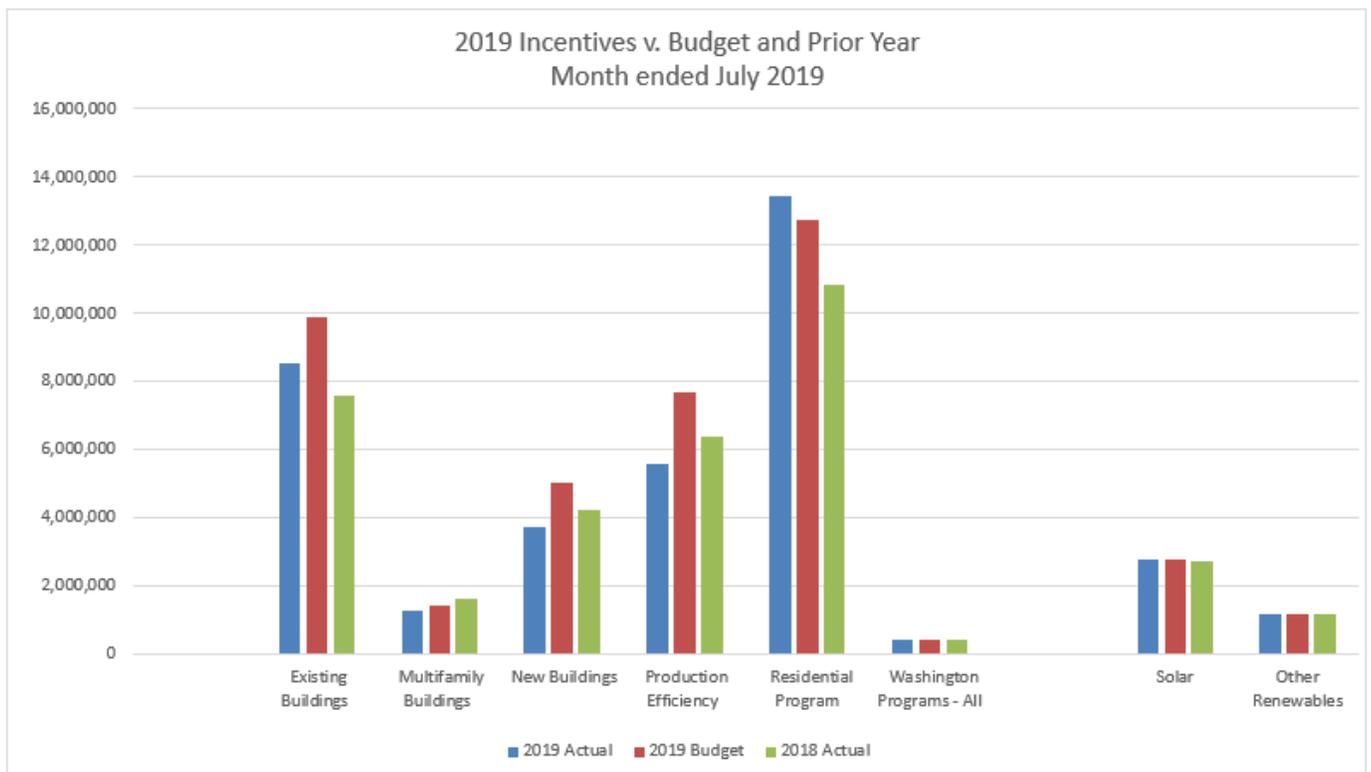
Current reserves plus future revenue ensure funds are available when commitments come due. Controls prevent over committing against future revenue.

Contingent liabilities as of July 31, 2019 are as follows:

Efficiency Incentive commitments to be paid in the future	86,500,000
Renewables Incentive commitments to be paid in the future	11,800,000
In-force contracts for delivery and operations, to be paid in the future	49,700,000
Total contingent liabilities for future commitments	148,000,000

Expenses

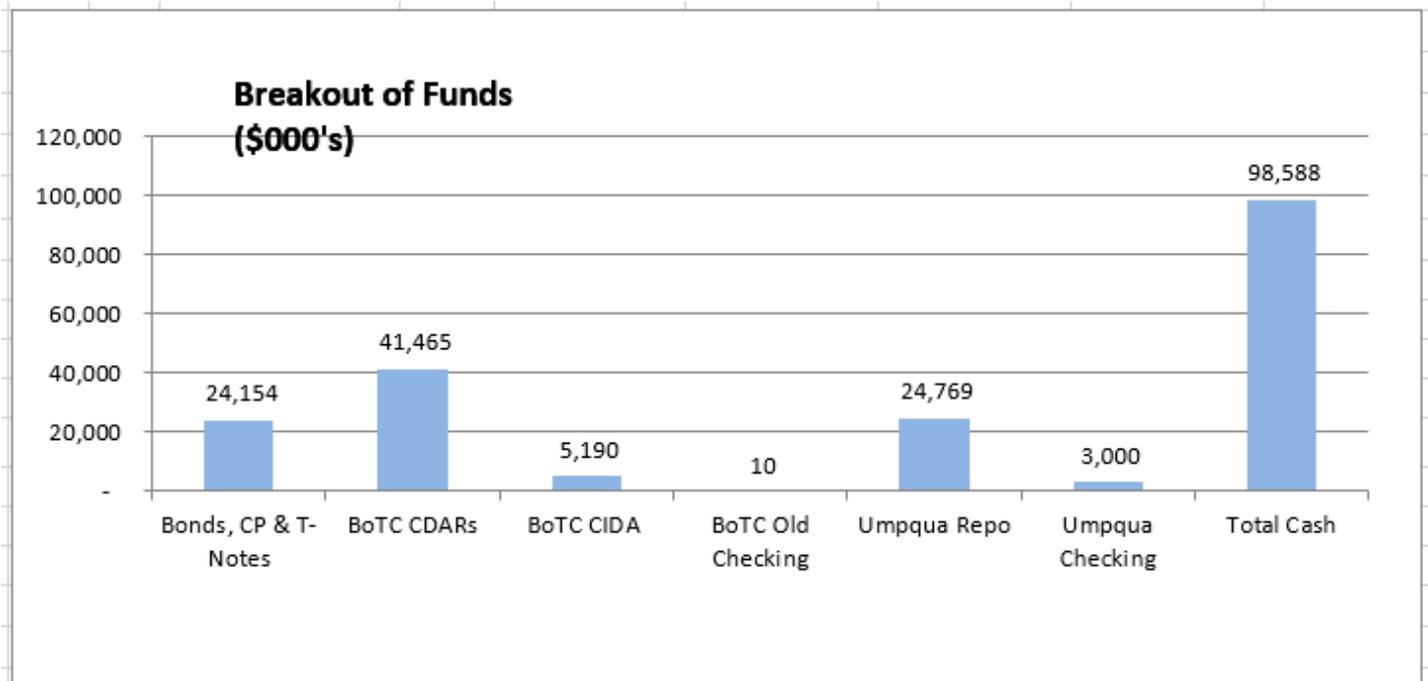
Year-to-date spending at the end of July is \$9.5 million (10 percent) below budget. YTD incentives are \$4.3 million below budget but came in \$1.9 million above last year at this time. The programs pushed to reach their mid-year incentive spending goals which caused lower expenditures in July.



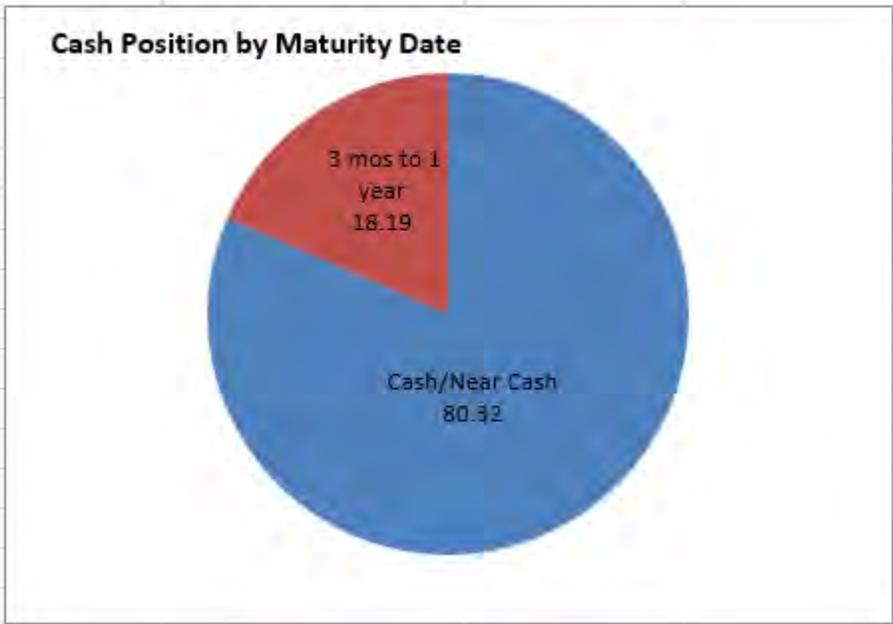
	Total Incentives		
	Year-to-Date 2019		
	<u>2019 Actual</u>	<u>2019 Budget</u>	<u>2018 Actual</u>
Existing Buildings	8,514,189	9,882,541	7,575,524
Multifamily Buildings	1,289,680	1,442,327	1,628,047
New Buildings	3,708,746	5,056,108	4,215,598
Production Efficiency	5,594,337	7,686,881	6,370,930
Residential Program	13,420,977	12,731,847	10,814,599
Washington Programs - All	404,056	447,590	439,769
Solar	2,803,633	2,775,296	2,751,792
Other Renewables	1,156,319	1,180,878	1,155,638
Total Incentives	36,891,936	41,203,469	34,951,898
Energy Efficiency Only	32,931,984	37,247,295	31,044,467

Investment Status

The graphs below show the type of investments we hold and the locations where our funds are held. Cash levels declined slightly as we paid out mid-year incentives, but remain high (as expected). \$3 million matured and has not yet been reinvested due to interest rate volatility/decline. Our investments are primarily in CDARs (a bundle of FDIC insured CDs) with maturities of 13 weeks. We are expecting that we can continue rolling them over until year-end. Our yield dropped slightly because CDAR rates declined by 0.2 percent (from 2 percent to 1.8 percent).



Average Days to Maturity:	53
Average Portfolio Yield:	1.77%



PINK PAPER

Energy Trust of Oregon
BALANCE SHEET
July 31, 2019
(Unaudited)

	July 2019	June 2019	DEC 2018	July 2018	Change from one month ago	Change from Beg. of Year	Change from one year ago
Current Assets							
Cash & Cash Equivalents	32,972,386	31,593,346	53,104,536	38,503,624	1,379,039	(20,132,150)	(5,531,239)
Investments	65,535,766	68,458,549	38,440,394	53,799,989	(2,922,783)	27,095,372	11,735,777
Receivables	185,442	220,158	78,531	50,208	(34,715)	106,912	135,234
Prepaid Expenses	680,110	604,302	222,217	536,084	75,808	457,892	144,025
Advances to Vendors	1,738,617	2,607,925	2,238,777	1,546,356	(869,308)	(500,160)	192,260
Total Current Assets	101,112,320	103,484,279	94,084,454	94,436,263	(2,371,959)	7,027,866	6,676,058
Fixed Assets							
Computer Hardware and Software	3,869,226	3,869,226	3,869,226	3,934,165	-	-	(64,939)
Leasehold Improvements	617,915	617,915	615,557	595,027	-	2,358	22,888
Office Equipment and Furniture	816,373	816,373	831,612	819,795	-	(15,239)	(3,422)
Total Fixed Assets	5,303,514	5,303,514	5,316,395	5,348,986	-	(12,881)	(45,472)
Less Depreciation	(4,749,421)	(4,732,958)	(4,658,292)	(4,727,988)	(16,463)	(91,129)	(21,432)
Net Fixed Assets	554,093	570,556	658,103	620,998	(16,463)	(104,010)	(66,905)
Other Assets							
Deposits	258,653	258,653	258,653	237,314	-	-	21,339
Deferred Compensation Asset	985,715	980,273	967,280	990,737	5,442	18,436	(5,022)
Note Receivable, net of allowance	763,669	763,669	430,669	430,669	-	333,000	333,000
Total Other Assets	2,008,038	2,002,596	1,656,602	1,658,721	5,442	351,436	349,317
Total Assets	103,674,452	106,057,431	96,399,160	96,715,981	(2,382,980)	7,275,292	6,958,470
Current Liabilities							
Accounts Payable and Accruals	5,622,828	11,144,958	30,565,097	10,159,974	(5,522,130)	(24,942,269)	(4,537,146)
Salaries, Taxes, & Benefits Payable	1,105,010	1,046,700	931,049	982,071	58,310	173,961	122,938
Total Current Liabilities	6,727,838	12,191,658	31,496,146	11,142,045	(5,463,820)	(24,768,308)	(4,414,207)
Long Term Liabilities							
Deferred Rent	1,265,621	1,194,060	1,133,461	1,074,991	71,561	132,160	190,630
Deferred Compensation Payable	981,000	975,557	962,564	990,737	5,442	18,436	(9,738)
Other Long-Term Liabilities	3,075	3,075	2,235	3,249	-	840.00	(174)
Total Long-Term Liabilities	2,249,696	2,172,693	2,098,260	2,068,977	77,003	151,435	180,718
Total Liabilities	8,977,534	14,364,351	33,594,406	13,211,023	(5,386,817)	(24,616,873)	(4,233,489)
Net Assets							
Unrestricted Net Assets	94,696,918	91,693,081	62,804,754	83,504,959	3,003,837	31,892,164	11,191,959
Total Net Assets	94,696,918	91,693,081	62,804,754	83,504,959	3,003,837	31,892,164	11,191,959
Total Liabilities and Net Assets	103,674,452	106,057,431	96,399,160	96,715,981	(2,382,980)	7,275,292	6,958,470

Energy Trust of Oregon
Cash Flow Statement-Indirect Method
Monthly 2019

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Year to Date</u>
Operating Activities:								
<i>Revenue less Expenses</i>	\$ 12,037,369	\$ 8,616,210	\$ 6,368,168	\$ 6,175,429	\$ (955,899)	\$ (3,352,949)	\$ 3,003,837	\$ 31,892,164
<i>Non-cash items:</i>								
Depreciation	21,164	20,911	16,739	16,463	16,463	20,944	16,463	129,147
Change in Reserve on Long Term Note								-
Gain on disposal of assets		(17,265)						(17,265)
Receivables	(690)	4,224	(46,689)	(30,886)	9,957	(12,946)	5,568	(71,462)
Interest Receivable	6,540	(27,555)	(74,445)	10,719	39,996	(19,852)	29,148	(35,449)
Advances to Vendors	746,259	746,259	(1,556,553)	767,604	767,604	(1,840,321)	869,308	500,160
Prepaid expenses and other costs	(707,517)	60,974	(345,625)	281,664	85,380	(102,955)	(81,250)	(809,329)
Accounts payable	(18,806,695)	(713,165)	(705,741)	(1,416,005)	(2,276,491)	4,497,952	(5,522,131)	(24,942,276)
Payroll and related accruals	(212,773)	57,285	118,962	17,034	158,606	(10,470)	63,753	192,397
Deferred rent and other	10,100	10,100	10,099	10,100	10,940	10,100	71,561	133,000
Cash rec'd from / (used in) Operating Activities	(6,906,243)	8,757,978	3,784,915	5,832,122	(2,143,442)	(810,497)	(1,543,742)	6,971,091
Investing Activities:								
Investment Activity (1)	(2,035,756)	(4,000,472)	(9,238,890)	(5,568,183)	(7,087,432)	(2,087,422)	2,922,783	(27,095,372)
(Acquisition)/Disposal of Capital Assets	20	(5,929)	(1,963)					(7,872)
Cash rec'd from / (used in) Investing Activities	(2,035,736)	(4,006,401)	(9,240,853)	(5,568,183)	(7,087,432)	(2,087,422)	2,922,783	(27,103,244)
Cash at beginning of Period	53,104,536	44,162,558	48,914,136	43,458,198	43,722,137	34,491,263	31,593,346	53,104,536
Increase/(Decrease) in Cash	(8,941,979)	4,751,577	(5,455,938)	263,939	(9,230,874)	(2,897,919)	1,379,041	(20,132,150)
Cash at end of period	\$ 44,162,558	\$ 48,914,136	\$ 43,458,198	\$ 43,722,137	\$ 34,491,263	\$ 31,593,346	\$ 32,972,386	\$ 32,972,386

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

Energy Trust of Oregon
Cash Flow Projection
January 2019 - December 2020

	Actual							Budget				
	January	February	March	April	May	June	July	August	September	October	November	December
Cash In:												
Public purpose and Incr funding	19,862,886	20,022,600	18,823,067	17,904,001	14,136,700	12,284,057	13,319,944	12,409,829	12,973,719	14,868,205	12,200,571	14,647,264
Investment Income	116,780	75,970	54,380	141,560	196,541	148,455	169,273	-	-	-	-	-
From Other Sources	(690)	14,377	(24,879)	699	34,935	12,260	45,929	22,497	22,497	22,497	29,583	29,583
Total cash in	19,978,976	20,112,947	18,852,568	18,046,260	14,368,176	12,444,772	13,535,145	12,432,326	12,996,216	14,890,702	12,230,154	14,676,847
Cash Out:												
Net cash flow for the Seven Months	(26,885,198)	(11,360,899)	(15,069,615)	(12,214,140)	(16,511,621)	(13,255,269)	(15,078,887)	(15,542,100)	(18,485,452)	(17,499,537)	(18,402,498)	(24,721,766)
Net cash flow for the Seven Months	(6,906,222)	8,752,048	3,782,953	5,832,120	(2,143,445)	(810,497)	(1,543,742)	(3,109,774)	(5,489,237)	(2,608,836)	(6,172,344)	(10,044,919)
Cash Flow from/to Investments	(2,035,756)	(4,000,472)	(9,238,890)	(5,568,183)	(7,087,432)	(2,087,422)	2,922,783					5,000,000
Beginning Balance: Cash & MM	53,104,536	44,162,559	48,914,137	43,458,200	43,722,137	34,491,263	31,593,346	32,972,387	29,862,614	24,373,378	21,764,544	15,592,200
Ending cash & MM	44,162,559	48,914,136	43,458,198	43,722,137	34,491,263	31,593,346	32,972,386	29,862,614	24,373,378	21,764,544	15,592,200	10,547,282
Future Commitments												
Renewable Incentives	10,100,000	10,400,000	10,300,000	10,500,000	11,000,000	10,000,000	11,700,000	11,800,000	10,000,000	10,300,000	10,800,000	11,300,000
Efficiency Incentives	77,500,000	79,500,000	79,800,000	80,000,000	85,600,000	86,300,000	86,500,000	86,500,000	86,700,000	86,800,000	87,400,000	95,700,000
Emergency Contingency Pool	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Commitments	92,600,000	94,900,000	95,100,000	95,500,000	101,600,000	101,300,000	103,200,000	103,300,000	101,700,000	102,100,000	103,200,000	112,000,000

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

Energy Trust of Oregon
Cash Flow Projection
January 2019 - December 2020

2020 R2 Projection												
	January	February	March	April	May	June	August	October	October	October	November	December
Cash In:												
Public purpose and Incr funding	18,064,283	22,460,282	17,528,184	17,103,269	15,068,412	14,477,318	12,206,703	12,954,548	13,515,339	15,190,343	12,822,199	15,481,895
Investment Income	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
From Other Sources	43,923	43,923	45,905	45,905	45,905	45,905	45,905	45,905	45,905	45,905	45,905	45,905
Total cash in	18,114,283	22,510,282	17,578,184	17,153,269	15,118,412	14,527,318	12,256,703	13,004,548	13,565,339	15,240,343	12,872,199	15,531,895
Cash Out:												
Net cash flow for the Seven Months	(29,750,650)	(9,939,194)	(12,023,319)	(12,490,189)	(13,084,084)	(14,187,697)	(14,848,233)	(13,251,158)	(13,890,535)	(14,869,489)	(15,544,853)	(18,680,168)
	(11,636,367)	12,571,088	5,554,865	4,663,080	2,034,328	339,622	(2,591,530)	(246,610)	(325,196)	370,854	(2,672,654)	(3,148,273)
Cash Flow from/to Investments	12,500,000											
Beginning Balance: Cash & MM	10,547,282	11,410,915	23,982,003	29,536,868	34,199,948	36,234,276	36,573,897	33,982,367	33,735,757	33,410,561	33,781,415	31,108,761
Ending cash & MM	11,410,915	23,982,003	29,536,868	34,199,948	36,234,276	36,573,897	33,982,367	33,735,757	33,410,561	33,781,415	31,108,761	27,960,488

Future Commitments

Renewable Incentives	11,300,000	11,300,000	11,300,000	11,300,000	11,300,000	11,300,000	11,300,000	11,300,000	11,300,000	11,300,000	11,300,000	11,300,000
Efficiency Incentives	95,900,000	96,100,000	96,300,000	96,500,000	96,700,000	96,900,000	97,500,000	97,500,000	97,500,000	97,500,000	97,500,000	97,500,000
Emergency Contingency Pool	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Commitments	112,200,000	112,400,000	112,600,000	112,800,000	113,000,000	113,200,000	113,800,000	113,800,000	113,800,000	113,800,000	113,800,000	113,800,000

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

Energy Trust of Oregon
Income Statement - Actual and YTD Budget Comparison
For the Seven Months Ending July 31, 2019
(Unaudited)

	July				YTD			
	Actual	Budget	Budget Variance	Variance %	Actual	Budget	Budget Variance	Variance %
<u>OREGON PPC REVENUE</u>								
Public Purpose Funds-PGE	2,986,580	2,943,093	43,487	1%	25,061,287	23,533,766	1,527,520	6%
Incremental Funds - PGE	3,924,532	3,838,125	86,407	2%	31,860,132	30,526,838	1,333,294	4%
Public Purpose Funds-PacifiCorp	2,039,835	2,237,551	(197,716)	-9%	16,852,664	17,515,201	(662,538)	-4%
Incremental Funds - PacifiCorp	2,368,586	2,298,794	69,792	3%	19,846,280	19,736,901	109,379	1%
Public Purpose Funds-NW Natural	421,426	541,491	(120,065)	-22%	15,630,703	15,800,696	(169,993)	-1%
NW Natural - DSM	769,658	769,769	(111)	-	2,269,658	2,269,769	(111.00)	0%
Public Purpose Funds-Cascade	135,005	94,308	40,697	43%	2,312,274	1,928,690	383,585	20%
Public Purpose Funds-Avista	174,323	174,323	-	0%	1,220,258	1,220,258	-	0%
Total Oregon PPC Revenue	12,819,944	12,897,453	(77,510)	-1%	115,053,255	112,532,119	2,521,136	2%
NW Natural - Washington	500,000	700,000	(200,000)	-	1,300,000	1,500,000	(200,000)	-13%
Grant Revenue	12,918		12,918	-	38,169		38,169	
Community Solar Revenue	27,443	33,402	(5,959)	-18%	115,924	167,011	(51,086)	-31%
Revenue from Investments	140,124	50,000	90,124	180%	938,407	350,000	588,407	168%
Total Other Sources of Revenue	680,485	783,402	102,917	13%	2,392,500	2,017,011	375,490	19%
TOTAL REVENUE	13,500,429	13,680,856	(180,427)	-1%	117,445,755	114,549,130	2,896,626	3%
<u>EXPENSES</u>								
Incentives	4,012,674	6,190,969	2,178,295	35%	36,891,936	41,203,469	4,311,534	10%
Program Delivery Subcontracts	4,273,993	5,151,253	877,260	17%	33,999,850	35,973,589	1,973,739	5%
Employee Salaries & Fringe Benefits	1,214,885	1,208,955	(5,931)	0%	8,277,082	8,449,603	172,521	2%
Agency Contractor Services	147,110	155,089	7,978	5%	778,572	1,152,521	373,949	32%
Planning and Evaluation Services	172,718	308,573	135,855	44%	1,263,308	2,160,009	896,700	42%
Advertising and Marketing Services	132,858	265,653	132,795	50%	1,415,171	1,870,020	454,848	24%
Other Professional Services	347,134	418,106	70,972	17%	1,639,949	2,708,261	1,068,312	39%
Travel, Meetings, Trainings & Conferences	32,456	41,714	9,258	22%	197,451	272,039	74,588	27%
Dues, Licenses and Fees	12,298	17,694	5,395	30%	118,456	138,996	20,540	15%
Software and Hardware	41,599	45,221	3,623	8%	194,259	306,782	112,524	37%
Depreciation & Amortization	16,463	25,602	9,139	36%	129,147	139,512	10,365	7%
Office Rent and Equipment	83,643	88,328	4,685	5%	583,772	618,294	34,522	6%
Materials Postage and Telephone	8,761	11,246	2,485	22%	58,350	78,721	20,371	26%
Miscellaneous Expenses		250	250	100%	6,287	3,250	(3,037)	-93%
TOTAL EXPENSES	10,496,592	13,928,651	3,432,059	25%	85,553,591	95,075,060	9,521,469	10%
TOTAL REVENUE LESS EXPENSES	3,003,837	(247,795)	3,251,632	1312%	31,892,164	19,474,071	12,418,094	64%

Energy Trust of Oregon
Income Statement - Actual and Prior Yr Comparison
For the Seven Months Ending July 31, 2019
(Unaudited)

	July				YTD			
	Actual	Actual Prior Year	Prior Year Variance	Variance %	Actual	Actual Prior Year	Prior Year Variance	Variance %
<u>OREGON PPC REVENUE</u>								
Public Purpose Funds-PGE	2,986,580	2,836,007	150,573	5%	25,061,287	22,677,475	2,383,812	11%
Incremental Funds - PGE	3,924,532	4,963,965	(1,039,433)	-21%	31,860,132	39,481,297	(7,621,165)	-19%
Public Purpose Funds-PacifiCorp	2,039,835	2,100,323	(60,488)	-3%	16,852,664	16,999,639	(146,976)	-1%
Incremental Funds - PacifiCorp	2,368,586	2,315,099	53,487	2%	19,846,280	19,876,890	(30,611)	0%
Public Purpose Funds-NW Natural	421,426	489,723	(68,297)	-14%	15,630,703	14,290,102	1,340,601	9%
NW Natural - DSM	769,658		769,658.00		2,269,658		2,269,658	
Public Purpose Funds-Cascade	135,005	82,229	52,776	64%	2,312,274	1,681,658	630,616	37%
Public Purpose Funds-Avista	174,323	96,406	77,917	81%	1,220,258	771,247	449,011	58%
Total Oregon PPC Revenue	12,819,944	12,883,751	(63,808)	0%	115,053,255	115,778,308	(725,054)	-1%
NW Natural - Washington	500,000	683,433	(183,433)	-27%	1,300,000	1,606,122	(306,122)	-19%
Grant Revenue	12,918	5,194	7,724	149%	38,169	46,147	(7,978)	-17%
Community Solar Revenue	27,443		27,443		115,924		115,924	
Revenue from Investments	140,124	116,517	23,607	20%	938,407	470,356	468,051	100%
Total Other Sources of Revenue	680,485	805,144	(124,659)	-15%	2,392,500	2,122,625	269,875	13%
TOTAL REVENUE	13,500,429	13,688,895	(188,466)	-1%	117,445,755	117,900,933	(455,179)	0%
<u>EXPENSES</u>								
Incentives	4,012,674	5,065,257	1,052,583	21%	36,891,936	34,951,898	(1,940,038)	-6%
Program Delivery Subcontracts	4,273,993	4,199,512	(74,481)	-2%	33,999,850	33,505,446	(494,404)	-1%
Employee Salaries & Fringe Benefits	1,214,885	981,577	(233,308)	-24%	8,277,082	7,770,335	(506,747)	-7%
Agency Contractor Services	147,110	78,610	(68,500)	-87%	778,572	758,072	(20,499)	-3%
Planning and Evaluation Services	172,718	229,936	57,219	25%	1,263,308	1,247,329	(15,979)	-1%
Advertising and Marketing Services	132,858	200,517	67,659	34%	1,415,171	1,586,298	171,127	11%
Other Professional Services	347,134	162,514	(184,620)	-114%	1,639,949	1,216,216	(423,733)	-35%
Travel, Meetings, Trainings & Conferences	32,456	27,889	(4,567)	-16%	197,451	212,019	14,568	7%
Dues, Licenses and Fees	12,298	5,910	(6,388)	-108%	118,456	83,043	(35,413)	-43%
Software and Hardware	41,599	76,644	35,045	46%	194,259	234,077	39,818	17%
Depreciation & Amortization	16,463	26,631	10,168	38%	129,147	285,568	156,421	55%
Office Rent and Equipment	83,643	84,187	545	1%	583,772	606,859	23,086	4%
Materials Postage and Telephone	8,761	10,180	1,419	14%	58,350	66,831	8,480	13%
Miscellaneous Expenses		400	400	0%	6,287	4,609	(1,678)	-36%
TOTAL EXPENSES	10,496,592	11,149,765	653,173	6%	85,553,591	82,528,599	(3,024,992)	-4%
TOTAL REVENUE LESS EXPENSES	3,003,837	2,539,130	464,707	18%	31,892,164	35,372,335	(3,480,170)	-10%

Energy Trust of Oregon
Statement of Functional Expenses
For the Seven Months Ending July 31, 2019
(Unaudited)

	Energy Efficiency Total	Renewable Energy	Low and Moderate Income Solar	Community Solar Operations	Total Programs	Office Space	IT	Management and General	Communications and Customer Service	Fund Development	Supporting Centers	TOTAL
Incentives	\$32,931,984	\$3,959,952			\$36,891,936							\$36,891,936
Program Delivery Subcontracts	33,810,238	189,612			\$33,999,850							33,999,850
Employee Salaries & Fringe Benefits	3,376,906	766,761	4,249	49,504	4,197,420		1,220,269	1,594,179	1,258,962	6,252	4,079,662	8,277,082
Agency Contractor Services	183,237	98,289	30,450		311,977	3,830	197,732	230,312	34,721		466,595	778,572
Planning and Evaluation Services	1,233,600	40,941			1,274,541			166	(11,398)		(11,232)	1,263,308
Advertising and Marketing Services	699,071	126,320			825,390				589,781		589,781	1,415,171
Other Professional Services	626,085	594,503			1,220,588		1,388	364,717	53,257		419,361	1,639,949
Travel, Meetings, Trainings&Conferences	51,019	28,037		95	79,152	2,034	11,544	60,247	44,474		118,299	197,451
Dues, Licenses and Fees	44,109	18,943			63,052	179	593	37,609	17,023		55,404	118,456
Software and Hardware		94,612			94,612	(5,451)	105,098				99,647	194,259
Depreciation & Amortization						57,099	72,048				129,147	129,147
Office Rent and Equipment						583,772					583,772	583,772
Materials Postage and Telephone	2,409	333			2,741	31,063	20,816	2,841	890		55,609	58,350
Miscellaneous Expenses	874	1,962			2,836	1,518		1,933			3,451	6,287
Shared Office Space	274,502	92,329	491	6,743	374,066	(674,045)		159,527	140,451		(374,066)	
Shared Information Technology	1,111,552	165,715	834	10,872	1,288,974		(1,629,487)	171,010	169,503		(1,288,974)	
TOTAL FUNCTIONAL EXPENSE	74,345,589	6,178,307	36,024	67,214	80,627,131	-	-	2,622,540	2,297,665	6,252	4,926,459	85,553,591

Energy Trust of Oregon
Administrative Expenses Classified by OPUC Performance Measure
For the Seven Months Ending July 31, 2019
(Unaudited)

	Total	Program	Administrative and Program Support
Incentives	36,891,936	\$36,891,936	
Program Delivery Subcontracts	33,999,850	33,999,850	
Employee Salaries & Fringe Benefits	8,277,082	4,197,420	4,079,662
Agency Contractor Services	778,572	311,977	466,595
Planning and Evaluation Services	1,263,309	1,274,541	(11,232)
Advertising and Marketing Services	1,415,171	825,390	589,781
Other Professional Services	1,639,949	1,220,588	419,361
Travel, Meetings, Trainings & Conferences	197,451		197,451
Dues, Licenses and Fees	118,456		118,456
Software and Hardware	194,259		194,259
Depreciation & Amortization	129,147		129,147
Office Rent and Equipment	583,772		583,772
Materials Postage and Telephone	58,350		58,350
Miscellaneous Expenses	6,287		6,287
TOTAL Expenses	85,553,591	78,721,702	6,831,888
Program Support			1,905,433
Management & General & Development			2,628,792
Communications and Outreach			2,297,665
TOTAL Expenses			6,831,888
divided by			
Total Revenue without Interest			116,507,348
OPUC Measure vs. 8%			5.86%

**Energy Trust of Oregon
Program Expense by Service Territory
For the Seven Months Ending July 31, 2019
(Unaudited)**

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	Solar LMI	Fund Development	Community Solar Operations	ETO Total	YTD Budget	Variance	% Var
Energy Efficiency																	
Commercial																	
Existing Buildings	\$11,600,971	\$5,890,688	\$17,491,659	\$432,395	\$1,443,864	\$483,447	\$251,007	\$2,610,712	\$20,102,371	\$330,157				\$20,432,528	\$24,070,124	\$3,637,596	15%
Multifamily Buildings	3,152,788	960,417	4,113,205	7,770	498,024	14,834	73,426	594,054	4,707,259					4,707,259	5,342,199	634,940	12%
New Buildings	5,592,146	2,141,207	7,733,353	15,995	768,963	136,322	82,216	1,003,495	8,736,848					8,736,848	10,438,065	1,701,217	16%
NEEA	1,177,447	888,250	2,065,697		159,550	17,728		177,278	2,242,975					2,242,975	2,126,701	(116,274)	-5%
Total Commercial	21,523,352	9,880,561	31,403,913	456,159	2,870,401	652,331	406,649	4,385,540	35,789,453	330,157				36,119,610	41,977,089	5,857,479	14%
Industrial																	
Production Efficiency	7,573,389	6,719,767	14,293,156	850,921	197,253	74,920	14,142	1,137,235	15,430,391					15,430,391	18,202,233	2,771,842	15%
NEEA	39,961	30,146	70,107					70,107	70,107					70,107	79,775	9,668	12%
Total Industrial	7,613,350	6,749,913	14,363,263	850,921	197,253	74,920	14,142	1,137,235	15,500,498					15,500,498	18,282,008	2,781,510	15%
Residential																	
Residential Combined	9,093,794	7,258,231	16,352,026		6,703,178	533,100	380,595	7,616,873	23,968,899	658,263				24,627,162	25,227,560	600,398	2%
NEEA	1,149,842	867,425	2,017,267		556,138	61,793		617,931	2,635,198					2,635,198	2,733,277	98,079	4%
Total Residential	10,243,636	8,125,657	18,369,293		7,259,316	594,893	380,595	8,234,804	26,604,097	658,263				27,262,360	27,960,837	698,477	2%
Energy Efficiency Program Costs	39,380,338	24,756,132	64,136,466	1,307,081	10,326,969	1,322,146	801,386	13,757,582	77,894,044	988,422				78,882,466	88,219,934	9,337,466	11%
Renewables																	
Solar Electric (Photovoltaic)	2,499,002	1,835,959	4,334,961					4,334,961						4,334,961	4,579,606	244,645	5%
Solar LMI											38,169			38,169			
Other Renewable	596,912	1,624,039	2,220,951					2,220,951						2,220,951	2,178,735	(42,216)	-2%
Renewables Program Costs	3,095,914	3,459,996	6,555,910					6,555,910			38,169			6,594,081	6,758,341	164,260	2%
Community Solar Operations													70,791	70,791	96,791	26,000	27%
Fund Development											6,252			6,252		(6,252)	
Cost Grand Total	42,476,252	28,216,128	70,692,376	1,307,081	10,326,969	1,322,146	801,386	13,757,582	84,449,954	988,422	38,169	6,252	70,791	85,553,588	95,075,060	9,521,469	10%

ENERGY TRUST OF OREGON
Summary of All Units
For the Seven Months Ending July 31, 2019

	ENERGY EFFICIENCY									
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista	Oregon Total	NWN WA	ETO Total
REVENUES										
Public Purpose Funding	19,782,879	13,105,643	32,888,521		15,630,703	2,312,274	1,220,258	52,051,756	-	52,051,756
Incremental Funding	31,860,132	19,846,280	51,706,412	2,269,658				53,976,070	1,300,000	55,276,070
Grant Revenue										
Community Solar Revenue										
Revenue from Investments										
Gain or Loss on Investments										
TOTAL PROGRAM REVENUE	51,643,011	32,951,923	84,594,933	2,269,658	15,630,703	2,312,274	1,220,258	106,027,826	1,300,000	107,327,826
EXPENSES										
Incentives	15,841,380	10,291,641	26,133,022	591,631	4,845,240	591,326	366,708	32,527,929	404,056	32,931,985
Program Delivery Subcontracts	17,645,079	10,605,270	28,250,347	501,709	3,855,844	540,984	313,305	33,462,188	348,049	33,810,237
Employee Salaries and Fringe Benefits	1,083,283	723,827	1,807,110	48,928	270,364	32,209	21,332	2,179,942	59,286	2,239,228
Agency Contractor Services	88,653	64,140	152,793	5,701	16,170	2,628	1,427	178,718	-	178,718
Planning and Evaluation Services	591,717	413,461	1,005,178	34,757	81,052	12,573	6,837	1,140,398	-	1,140,398
Advertising and Marketing Services	343,590	222,785	566,375	11,527	97,559	11,571	7,268	694,299	-	694,299
Other Professional Services	224,527	164,750	389,278	2,205	131,158	11,140	7,889	541,670	3,975	545,645
Travel, Meetings, Trainings and Conferences	14,078	9,862	23,940	404	5,709	595	384	31,031	302	31,333
Dues, Licenses and fees	5,551	2,780	8,331	176	710	189	101	9,505	12,575	22,080
Software and Hardware	-	-	-	-	-	-	-	-	-	-
Materials Postage and Telephone	419	372	791	47	11	4	1	854	-	854
Miscellaneous Expenses	331	264	596	0	245	19	14	874	-	874
Shared Office Space	132,658	89,426	222,083	6,219	32,499	3,861	2,561	267,223	7,279	274,502
Shared Information Technology	538,179	326,946	865,122	13,407	171,805	18,513	13,150	1,081,997	29,555	1,111,552
Customer Service Management	61,374	37,472	98,846	1,536	20,069	2,346	1,583	124,379	18,854.00	143,233
Trade Ally Management	51,208	37,641	88,849	190	32,707	2,723	1,976	126,445	-	126,445
Planning & Evaluation Management	493,375	341,662	835,036	13,469	171,878	15,423	10,758	1,046,563	47,643	1,094,206
TOTAL PROGRAM EXPENSES	37,115,402	23,332,299	60,447,697	1,231,906	9,733,020	1,246,104	755,294	73,414,015	931,574	74,345,589
ADMINISTRATIVE COSTS										
Management & General (Notes 1 & 2)	1,207,244	758,924	1,966,167	40,069	316,583	40,532	24,568	2,387,921	30,301	2,418,222
Communications & Customer Svc (Notes 1 & 2)	1,057,692	664,909	1,722,602	35,106	277,366	35,510	21,524	2,092,108	26,547	2,118,655
Total Administrative Costs	2,264,936	1,423,833	3,688,769	75,175	593,949	76,042	46,092	4,480,029	56,848	4,536,877
TOTAL PROG & ADMIN EXPENSES	39,380,338	24,756,132	64,136,466	1,307,081	10,326,969	1,322,146	801,386	77,894,044	988,422	78,882,466
TOTAL REVENUE LESS EXPENSES	12,262,673	8,195,791	20,458,467	962,577	5,303,734	990,128	418,872	28,133,782	311,578	28,445,360
NET ASSETS - RESERVES										
Cumulative Carryover 12/31/18 (Audited results)	22,034,160	9,187,488	31,221,646	743,894	3,531,025	368,189	-	35,864,754	495,306	36,360,060
Investment Income Attributed to Reserves (Note 4)	293,858	132,145	426,003	29,099	60,572	5,408	254	521,336	5,765	527,101
Contingency Funds Temporarily Used / (repaid)							(46,071)	(46,071)		(46,071)
Change in net assets this year	12,262,673	8,195,791	20,458,467	962,577	5,303,734	990,128	418,872	28,133,782	311,578	28,445,360
Ending Net Assets - Reserves	34,590,691	17,515,424	52,106,116	1,735,570	8,895,331	1,363,725	373,055	64,473,801	812,649	65,286,450
Ending Reserve by Category										
Program Reserves (Efficiency and Renewables)	34,590,691	17,515,424	52,106,116	1,735,570	8,895,331	1,363,725	373,055	64,473,801	812,649	65,286,450
Reserves (Community Solar)										
Net Assets Loaned through Craft3 Program										
Operational Contingency Pool										
Emergency Contingency Pool										
TOTAL NET ASSETS CUMULATIVE	34,590,691	17,515,424	52,106,116	1,735,570	8,895,331	1,363,725	373,055	64,473,801	812,649	65,286,450

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

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

Note 3) Program Management costs include both outsourced and internal staff.

Note 4) In December 2018, Investment income was re-attributed to program reserves in proportion to average balances

ENERGY TRUST OF OREGON
Summary of All Units
For the Seven Months Ending July 31, 2019

	RENEWABLE ENERGY			Solar LMI	Fund Development	Community Solar Operations	Other	TOTAL	Approved budget	Change	% Change
	PGE	PacifiCorp	Total					All Programs			
REVENUES											
Public Purpose Funding	5,278,408	3,747,021	9,025,429					61,077,185	59,998,611	1,078,574	2%
Incremental Funding								55,276,070	54,033,508	1,242,562	2%
Grant Revenue				38,169				38,169		38,169	
Community Solar Revenue						115,924		115,924		167,011	(51,087)
Revenue from Investments							938,407	938,407	350,000	588,407	168%
Gain or Loss on Investments										0	
TOTAL PROGRAM REVENUE	5,278,408	3,747,021	9,025,429	38,169	-	115,924	938,407	117,445,755	114,549,130	2,896,625	3%
EXPENSES											
Incentives	1,852,079	2,107,873	3,959,952	-	-	-	-	36,891,937	41,203,469	4,311,532	10%
Program Delivery Subcontracts	113,511	76,101	189,612	-	-	-	-	33,999,849	35,973,588	1,973,740	5%
Employee Salaries and Fringe Benefits	295,064	380,155	675,218	4,249.00	6,252	49,504	-	2,974,451	3,020,632	46,183	2%
Agency Contractor Services	56,545	41,542	98,087	30,450	-	-	-	307,255	515,151	207,896	40%
Planning and Evaluation Services	21,198	15,574	36,773	-	-	-	-	1,177,171	1,912,092	734,922	38%
Advertising and Marketing Services	64,891	61,201	126,091	-	-	-	-	820,390	1,218,143	397,753	33%
Other Professional Services	242,296	307,217	549,513	-	-	-	-	1,095,158	1,770,502	675,344	38%
Travel, Meetings, Trainings and Conferences	14,325	12,207	26,533	-	-	95	-	57,961	100,146	42,182	42%
Dues, Licenses and fees	10,333	7,624	17,957	-	-	-	-	40,037	60,042	20,004	33%
Software and Hardware	54,541	40,070	94,612	-	-	-	-	94,612	99,983	5,372	5%
Materials Postage and Telephone	47	14	60	-	-	-	-	914	4,491	3,577	80%
Miscellaneous Expenses	1,131	931	1,962	-	-	-	-	2,836	-	(2,836)	-
Shared Office Space	40,434	51,895	92,329	491	-	6,743	-	374,065	406,824	32,759	8%
Shared Information Technology	72,209	93,505	165,715	834	-	10,872	-	1,288,973	1,544,179	255,207	17%
Customer Service Management	3,946	2,899	6,845	-	-	-	-	150,078	201,925	51,847	26%
Trade Ally Management	50,792	37,316	88,107	-	-	-	-	214,552	171,175	(43,375)	-25%
Planning & Evaluation Management	24,198	24,742	48,941	-	-	-	-	1,143,147	1,298,120	154,976	12%
TOTAL PROGRAM EXPENSES	2,917,540	3,260,766	6,178,307	36,024	6,252	67,214	-	80,633,386	89,500,462	8,867,083	10%
ADMINISTRATIVE COSTS											
Management & General (Notes 1 & 2)	95,067	106,186	201,252	1,167	-	1,899	-	2,622,540	3,126,791	504,249	16%
Communications & Customer Svc (Notes 1 & 2)	83,307	93,044	176,351	978	-	1,678	-	2,297,663	2,447,810	150,144	6%
Total Administrative Costs	178,374	199,230	377,603	2,145	-	3,577	-	4,920,202	5,574,601	654,393	12%
TOTAL PROG & ADMIN EXPENSES	3,095,914	3,459,996	6,555,910	38,169	6,252	70,791	-	85,553,591	95,075,060	9,521,469	10%
TOTAL REVENUE LESS EXPENSES	2,182,494	287,025	2,469,519	-	(6,252)	45,133	938,407	31,892,164	19,474,070	12,418,094	64%
NET ASSETS - RESERVES											
Cumulative Carryover 12/31/18 (Audited results)	9,369,702	6,382,129	15,751,831	-	24,356	-	10,668,524	62,804,753	43,871,177	18,933,576	43%
Investment Income Attributed to Reserves (Note 4)	141,098	108,553	249,651	-	541	-	(777,294)	-	-	-	
Contingency Funds Temporarily Used / (repaid)	-	-	-	-	-	-	46,071	-	-	-	
Change in net assets this year	2,182,494	287,025	2,469,519	-	(6,252)	45,133	938,407	31,892,164	19,474,070	12,418,094	64%
Ending Net Assets - Reserves	11,693,294	6,777,707	18,471,001	-	18,645	45,133	10,875,708	94,696,918	63,345,247	31,351,670	49%
Ending Reserve by Category											
Program Reserves (Efficiency and Renewables)	11,693,294	6,777,707	18,471,001	-	18,645	-	-	83,776,096			
Reserves (Community Solar)						45,133		45,133			
Net Assets Loaned through Craft3 Program							1,800,000	1,800,000			
Operational Contingency Pool							4,075,708	4,075,708			
Emergency Contingency Pool							5,000,000	5,000,000			
TOTAL NET ASSETS CUMULATIVE	11,693,294	6,777,707	18,471,001	-	18,645	45,133	10,875,708	94,696,918	63,345,247	31,351,670	49%

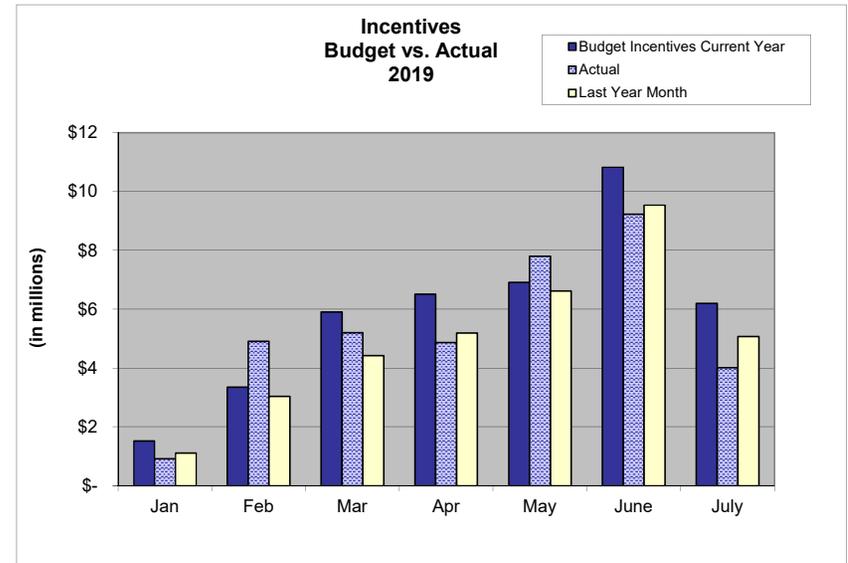
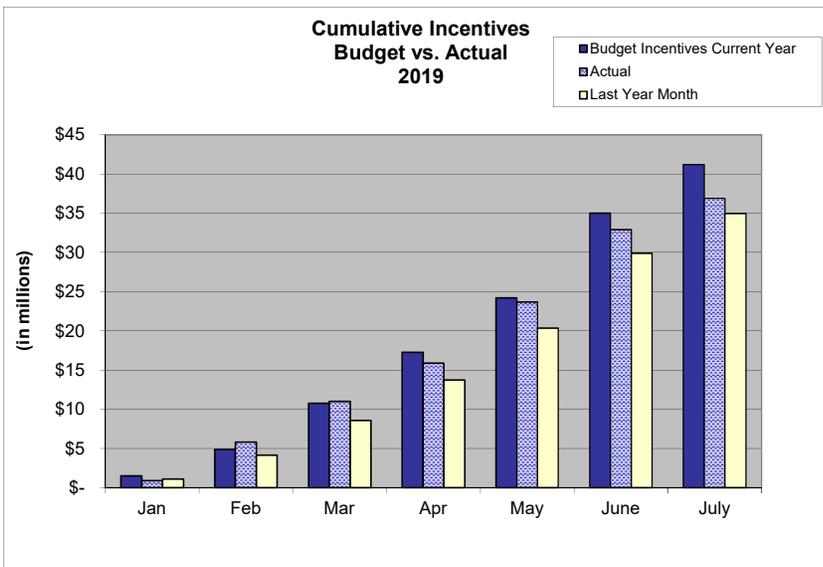
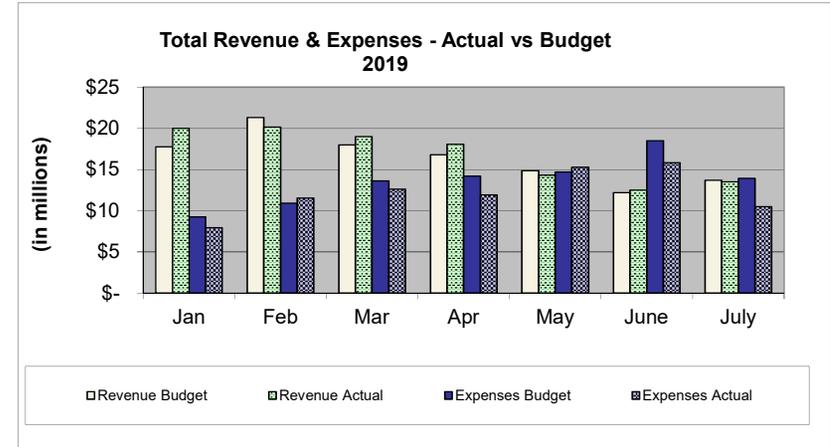
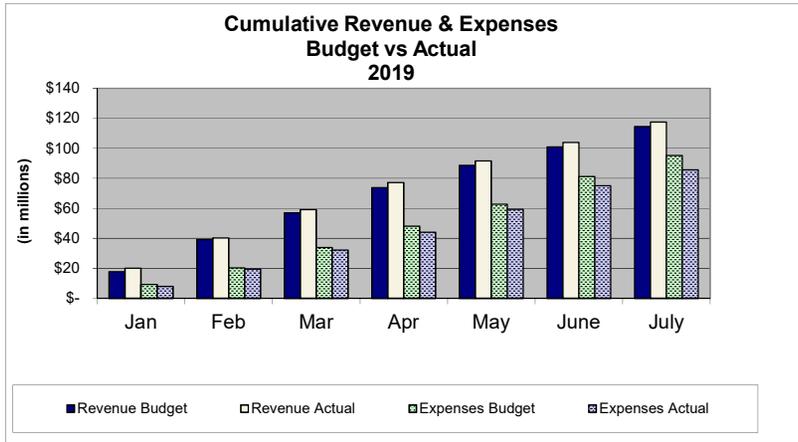
Energy Trust of Oregon
Administrative Expenses
For the Quarter and Seven Months Ending July 31, 2019
(Unaudited)

EXPENSES	MANAGEMENT & GENERAL						COMMUNICATIONS & CUSTOMER SERVICE					
	QUARTERLY			YTD			QUARTERLY			YTD		
	ACTUAL	BUDGET	REMAINING	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	REMAINING	ACTUAL	BUDGET	VARIANCE
Outsourced Services	\$89,922	\$336,604	\$246,682	\$352,851	\$655,993	\$303,142	\$113,470	\$323,000	\$209,530	\$626,478	\$753,667	\$127,189
Legal Services	180	13,500	13,320	1,329	31,500	30,171						
Salaries and Related Expenses	293,969	847,764	553,795	1,833,312	1,970,363	137,050	180,107	507,111	327,004	1,240,871	1,225,562	(15,309)
Supplies	1,282	750	(532)	1,688	1,750	62		125	125	889	292	(597)
Postage and Shipping Expenses				223		(223)						
Printing and Publications	49	2,000	1,951	930	4,667	3,737		875	875		2,042	2,042
Travel	5,271	14,100	8,829	28,221	32,300	4,079	105	9,500	9,395	28,227	22,167	(6,060)
Conference, Training & Mtngs	5,238	13,075	7,837	31,997	31,508	(489)	1,867	7,625	5,758	15,384	17,792	2,408
Interest Expense and Bank Fees				1,915	1,500	(415)						
Miscellaneous Expenses				18		(18)						
Dues, Licenses and Fees	2,409	12,105	9,696	37,570	17,635	(19,935)	797	4,125	3,328	15,814	9,625	(6,189)
Shared Allocation (Note 1)	24,890	73,387	48,497	159,527	172,259	12,732	19,059	59,286	40,227	140,451	139,160	(1,291)
IT Service Allocation (Note 2)	26,874	89,411	62,537	171,010	204,896	33,886	26,637	88,623	61,986	169,503	203,090	33,587
Planning & Eval	229	1,032	803	1,949	2,420	471	7,088	31,735	24,646	60,047	74,413	14,366
TOTAL EXPENSES	450,313	1,403,729	953,416	2,622,540	3,126,791	504,251	349,131	1,032,006	682,875	2,297,663	2,447,810	150,144

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

Note 2) Represents allocation of Shared IT Costs

Administrative Expenses 1st Month of Quarter 3



PINK PAPER

For contracts with costs
through: 7/30/2019

CONTRACTOR	Description	City	EST COST	Actual TTD	Remaining	Start	End
Administration							
Administration Total:			13,629,314	6,224,796	7,404,518		
Communications							
Communications Total:			3,723,116	2,182,294	1,540,822		
Energy Efficiency							
						NEEA begins 1/2020 over 5 yrs	
Northwest Energy Efficiency Alliance	NEEA Funding Agreement	Portland	40,386,000	0	40,386,000	1/1/2020	8/1/2025
Northwest Energy Efficiency Alliance	Regional EE Initiative Agmt	Portland	36,142,871	32,127,125	4,015,746	1/1/2015	7/1/2020
ICF Resources, LLC	2019 BE PMC	Fairfax	17,010,123	7,456,567	9,553,556	1/1/2019	12/31/2019
CLEAResult Consulting Inc	2019 Residential PMC	Austin	8,138,843	3,293,832	4,845,011	1/1/2019	12/31/2019
CLEAResult Consulting Inc	2019 NBE PMC	Austin	6,477,804	3,070,012	3,407,792	1/1/2019	12/31/2019
Northwest Energy Efficiency Alliance	Regional Gas EE Initiative	Portland	5,864,530	4,134,499	1,730,031	1/1/2015	7/1/2020
Lockheed Martin Corporation	2019 MF PMC	Grand Prairie	4,728,273	2,155,874	2,572,399	1/1/2019	12/31/2019
Energy 350 Inc	PE PDC 2019	Portland	3,523,160	1,569,491	1,953,669	1/1/2019	12/31/2019
Intel Corporation	EE Project Incentive Agmt	Hillsboro	2,400,000	1,600,000	800,000	11/13/2015	12/31/2019
Cascade Energy, Inc.	PE PDC 2019	Walla Walla	2,324,400	1,176,867	1,147,533	1/1/2019	12/31/2019
Evergreen Consulting Group, LLC	PE Lighting PDC2019	Tigard	2,271,740	1,051,987	1,219,753	1/1/2019	12/31/2019
RHT Energy Inc.	PE PDC 2019	Medford	2,199,922	1,082,498	1,117,424	1/1/2019	12/31/2019
TRC Engineers Inc.	2019 EPS New Const PDC	Irvine	2,135,341	1,079,451	1,055,890	1/1/2019	12/31/2019
Cascade Energy, Inc.	PE PDC 2019	Walla Walla	1,921,485	958,984	962,501	1/1/2019	12/31/2019
Northwest Power & Conservation Council	RTF Funding Agreement		1,825,000	1,695,057	129,943	2/25/2015	12/31/2019
CLEAResult Consulting Inc	2019 Retail PDC	Austin	1,403,837	653,403	750,434	1/1/2019	12/31/2019
Craft3	Manufactured Home Pilot Loan	Portland	1,000,000	0	1,000,000	9/20/2018	9/20/2033
Michaels Energy, Inc.	PE 16 & 17 Impact Eval	La Crosse	539,000	491,822	47,178	7/1/2018	9/1/2019
Craft3	Loan Agreement	Portland	500,000	500,000	0	1/1/2018	12/31/2019
Pivotal Energy Solutions LLC	License Agreement	Gilbert	490,500	349,862	140,638	3/1/2014	12/31/2019
EnergySavvy Inc.	Optix Engage Online Audit Tool	Seattle	467,000	376,413	90,587	6/1/2016	5/31/2020
CLEAResult Consulting Inc	2019 Residential PMC - Pilots	Austin	400,790	97,699	303,091	1/1/2019	12/31/2019
Open Energy Efficiency, Inc.	Automated Meter Data Analysis	Mill Valley	400,000	270,800	129,200	1/1/2018	12/31/2019
Balanced Energy Solutions LLC	New Homes QA Inspections	Portland	381,575	203,062	178,513	4/27/2015	12/31/2019
KEMA Incorporated	EB & SEM 2017 Evaluation	Oakland	377,860	377,858	2	4/10/2018	7/31/2019
DNV GL Energy Services USA Inc	EB 2018 Impact Eval	Oakland	350,000	4,110	345,890	5/9/2019	5/31/2020
Craft3	Loan Agreement	Portland	300,000	300,000	0	6/1/2014	6/20/2025
ICF Resources, LLC	2019 BE NWN WA PMC	Fairfax	270,876	116,986	153,890	1/1/2019	12/31/2019
The Cadmus Group LLC	2017 NB Impact Eval	Portland	250,000	38,688	211,312	3/4/2019	3/31/2020
CLEAResult Consulting Inc	2019 Residential PMC - WA	Austin	222,790	96,100	126,690	1/1/2019	12/31/2019
ICF Resources, LLC	2019 BE DSM PMC	Fairfax	215,972	47,567	168,405	1/1/2019	12/31/2019

**Energy Trust of Oregon
Contract Status Summary Report**

For contracts with costs
through: 7/30/2019

CONTRACTOR	Description	City	EST COST	Actual TTD	Remaining	Start	End
CLEARresult Consulting Inc	2019 Residential PMC - CustSvc	Austin	176,490	76,497	99,993	1/1/2019	12/31/2019
The Cadmus Group LLC	Site Specific Impact Evals	Portland	170,000	3,600	166,400	2/8/2019	1/31/2021
The Cadmus Group LLC	Residential DHP Study	Portland	166,000	166,000	0	4/18/2018	6/30/2019
DNV GL Energy Services USA Inc	Ind O&M Persistence Study	Oakland	157,980	104,068	53,912	9/4/2018	10/1/2019
Opinion Dynamics Corporation	PE Process Evaluation	Waltham	150,850	133,576	17,274	4/2/2018	7/31/2019
TRC Engineers Inc.	2019 EPS New Const PDC - WA	Irvine	124,474	62,404	62,070	1/1/2019	12/31/2019
SBW Consulting, Inc.	BPA Air Source HP Study	Bellevue	119,500	22,007	97,493	11/26/2018	11/30/2019
Opinion Dynamics Corporation	Fast Feedback 2018	Waltham	117,000	115,488	1,512	2/15/2018	5/31/2019
Portland General Electric	Intel Mega project transition	Portland	110,000	55,794	54,206	1/1/2019	12/31/2019
Alternative Energy Systems Consulting, Inc.	PE Technical Review Assistance	Carlsbad	100,000	2,738	97,262	5/8/2019	4/30/2021
Cadeo Group LLC	Propensity Model	Washington	99,840	100,280	(440)	3/15/2019	12/31/2019
WegoWise Inc	benchmarking license	Boston	90,000	44,228	45,772	6/15/2014	12/31/2019
EES Consulting, Inc	Professional Services Agmt	Kirkland	80,430	35,638	44,793	10/1/2016	9/30/2020
Evergreen Economics	EM Process Evaluation	Portland	72,000	9,285	62,715	5/6/2019	12/31/2019
Battelle Memorial Institute	PNNIL Services Agreement		70,142	70,142	0	5/9/2019	3/30/2020
Opinion Dynamics Corporation	Evaluation MHR Pilot	Waltham	66,000	33,325	32,675	5/1/2017	3/31/2020
BASE zero LLC	Quality Assurance Services	Bend	58,825	51,178	7,648	3/1/2016	12/31/2019
Earth Advantage, Inc.	Decrease REA to EA	Portland	56,000	9,250	46,750	11/1/2018	10/31/2020
Craft3	SWR Loan Origination/Loss Fund	Portland	55,000	0	55,000	1/1/2018	12/31/2019
Alternative Energy Systems Consulting, Inc.	CSEM - PTT	Carlsbad	50,000	41,968	8,032	6/30/2018	9/30/2019
TRC Engineers Inc.	2019 EPS New Const-Grid Harmon	Irvine	50,000	49,943	57	1/1/2019	12/31/2019
Verde	Community based EE	Portland	50,000	10,000	40,000	3/22/2019	12/31/2019
RWDI USA LLC	Net Zero Fellowship Grant		40,500	12,500	28,000	9/1/2018	11/30/2019
Apex Analytics LLC	WhiskerLabs Optimization Pilot	Boulder	40,000	14,120	25,880	3/20/2019	12/31/2019
FMYI, INC	Subscription Agreement	Portland	39,650	39,650	0	4/25/2016	2/1/2020
INCA Energy Efficiency, LLC	Intel Mega Projects Eval	Grinnell	35,000	0	35,000	8/1/2019	7/1/2021
KEMA Incorporated	Billing Analysis Review	Oakland	35,000	5,501	29,499	3/15/2015	12/31/2019
MetaResource Group	Intel Mod 1&2 Megaproject	Portland	35,000	11,537	23,463	3/1/2018	12/31/2019
Northwest Energy Efficiency Council	Tool Lending Library	Seattle	30,500	30,500	0	1/1/2019	12/31/2019
American Council for and Energy Efficient Economy	2019 Research Sponsorships		30,000	0	30,000	1/1/2019	12/31/2019
INCA Energy Efficiency, LLC	Red Rock Evaluation	Grinnell	30,000	0	30,000	6/10/2018	6/9/2020
Pod4print	PGE 2019 Bill Inserts	Beaverton	30,000	8,900	21,100	1/1/2019	12/31/2019
University of Oregon	NB 2018 Net Zero Fellows Grant	Eugene	26,000	162	25,838	10/1/2018	3/30/2020
Bridgetown Printing Company	NWN 2019 Bill Inserts	Portland	25,000	5,844	19,156	1/1/2019	12/31/2019
Ecotope, Inc.	LR MultiFamily Field Studies	Seattle	25,000	25,000	0	11/13/2018	11/11/2019
Bridgetown Printing Company	Pacific Power 2019 Bill Insert	Portland	22,000	10,370	11,630	1/1/2019	12/31/2019

For contracts with costs
through: 7/30/2019

CONTRACTOR	Description	City	EST COST	Actual TTD	Remaining	Start	End
Cadeo Group LLC	RetailLightingTrackingAnalysis	Washington	21,120	11,690	9,430	4/1/2019	12/31/2019
American Council for and Energy Efficient Economy	2019 Sponsorships		20,000	10,000	10,000	1/1/2019	12/31/2019
Community Energy Project, Inc.	Grant for MF Heating Workshops	Portland	18,400	9,000	9,400	4/24/2019	12/31/2019
Michaels Energy, Inc.	Large NB Impact Evaluation	La Crosse	18,000	10,313	7,688	8/1/2018	3/31/2020
Efficiency for Everyone, LLC	Benefit Outreach- Appliances	Portland	15,000	7,500	7,500	1/1/2019	12/31/2019
LightTracker, Inc.	POS data development lighting	Boulder	10,000	7,500	2,500	4/1/2019	12/31/2019
Northwest Earth Institute	2019 EcoChallenge	Portland	10,000	0	10,000	7/23/2019	12/31/2019
The Cadmus Group Inc.	NB Evaluation Plan	Watertown	9,500	4,945	4,555	10/1/2017	3/30/2020
Vermont Energy Investment Corp	2019 Grant Agreement	Burlington	9,000	4,500	4,500	2/1/2019	8/30/2019
American Council for and Energy Efficient Economy	2019 Summer Study		8,980	8,980	0	5/30/2019	9/1/2019
City of Portland Bureau of Planning & Sustainability	2019 Fix it Fair Sponsorship	Portland	8,000	8,000	0	1/1/2019	12/31/2019
Resource Innovation Institute	2019 EE PETraining Sponsorship	Portland	7,500	7,500	0	2/6/2019	12/31/2019
Northwest Energy Efficiency Council	2019 BOC Technical Webinar	Seattle	6,780	6,780	0	1/1/2019	12/31/2019
Prosperity Now	2019 Sponsorship I'm Home		5,000	5,000	0	6/27/2019	12/31/2019
Urban Land Institute	2019 Event Sponsorships	Washington	5,000	5,000	0	2/24/2019	12/31/2019
Speranza Architecture	Net Zero Leaders Grant	Eugene	3,840	3,810	30	11/14/2018	6/15/2019
Northwest Energy Efficiency Alliance	Lighting Design Lab WS	Portland	2,500	2,500	0	2/21/2019	6/30/2019
Energy Efficiency Total:			147,732,493	67,851,123	79,881,370		
Joint Programs							
Structured Communications Systems, Inc.	ShoreTel Phone System Install	Clackamas	72,845	65,287	7,559	1/1/2017	12/31/2019
Pivot Advertising	TLM Pilots		40,000	0	40,000	5/7/2019	9/15/2020
Infogroup Inc	Data License & Service Agmt	Papillion	26,114	19,877	6,237	2/12/2018	2/12/2020
Consortium for Energy Efficiency	2019 Membership Dues	Boston	24,214	24,214	0	6/20/2019	12/31/2019
Consortium for Energy Efficiency	Benchmarking Project 2019	Boston	20,000	0	20,000	1/1/2019	12/31/2019
Daniel E. Ledezma	DEI Project Management	Portland	19,100	0	19,100	1/1/2019	12/31/2019
Illume Advising, LLC	Customer Insights Study	Verona	16,500	0	16,500	7/20/2019	11/30/2019
Efficiency for Everyone, LLC	Equity Metrics Research Grant	Portland	9,000	4,500	4,500	2/1/2019	8/30/2019
The Cadmus Group LLC	Capacity Savings Peak Periods	Portland	8,500	0	8,500	5/1/2019	12/31/2019
Portland State University	Training Writing User Stories		5,450	0	5,450	5/16/2019	8/15/2019
Joint Programs Total:			241,723	113,877	127,846		

For contracts with costs
through: 7/30/2019

CONTRACTOR	Description	City	EST COST	Actual TTD	Remaining	Start	End
Renewable Energy							
Sunway 3, LLC	Prologis PV installation	Portland	3,405,000	3,261,044	143,956	9/30/2008	9/30/2028
City of Salem	Biogas Project - Willow Lake	Salem	3,000,000	0	3,000,000	9/4/2018	9/4/2038
Clean Water Services	Project Funding Agreement	Hillsboro	3,000,000	2,013,106	986,894	11/25/2014	11/25/2039
Oregon Institute of Technology	Geothermal Resource Funding	Klamath Falls	1,550,000	1,550,000	0	9/11/2012	9/11/2032
Farm Power Misty Meadows LLC	Misty Meadows Biogas Facility	Mount Vernon	1,000,000	1,000,000	0	10/25/2012	10/25/2027
Farmers Conservation Alliance	Irrigation Modernization	Hood River	1,000,000	157,639	842,361	4/1/2019	3/31/2021
Three Sisters Irrigation District	TSID Hydro	Sisters	1,000,000	1,000,000	0	4/25/2012	9/30/2032
Farmers Irrigation District	FID - Plant 2 Hydro	Hood River	900,000	900,000	0	4/1/2014	4/1/2034
Three Sisters Irrigation District	Mckenize Reservoir Irrigation	Sisters	865,000	0	865,000	3/18/2019	3/17/2038
Klamath Falls Solar 2 LLC	PV Project Funding Agreement	San Mateo	850,000	382,500	467,500	7/11/2016	7/10/2041
Old Mill Solar, LLC	Project Funding Agmt Bly, OR	Lake Oswego	490,000	490,000	0	5/29/2015	5/28/2030
City of Medford	750kW Combined Heat & Power	Medford	450,000	450,000	0	10/20/2011	10/20/2031
City of Pendleton	Pendleton Microturbines	Pendleton	450,000	150,000	300,000	4/20/2012	4/20/2032
Deschutes Valley Water District	Opal Springs Hydro Project	Madras	450,000	0	450,000	1/1/2018	4/1/2040
RES - Ag FGO LLC	Biogas Manure Digester Project	Washington	441,660	441,660	0	10/27/2010	10/27/2025
RES - Ag FGO LLC	Biogas Manure Digester - FGO	Washington	441,660	438,660	3,000	10/27/2010	10/27/2025
Three Sisters Irrigation District	TSID Funding Agreement	Sisters	400,000	300,000	100,000	1/1/2018	12/31/2038
Farmers Conservation Alliance	Program Support	Hood River	367,000	366,909	91	1/1/2018	12/31/2019
SunE Solar XVI Lessor, LLC	BVT Sexton Mtn PV	Bethesda	355,412	355,412	0	5/15/2014	12/31/2034
City of Gresham	City of Gresham Cogen 2		350,000	334,523	15,477	4/9/2014	7/9/2034
Clean Power Research, LLC	PowerClerk License	Napa	303,601	303,601	0	7/1/2017	5/31/2020
City of Astoria	Bear Creek Funding Agreement	Astoria	143,000	143,000	0	3/24/2014	3/24/2034
Energy Assurance Company	Solar Verifier	Milwaukie	100,000	96,320	3,680	11/15/2018	10/14/2020
Gary Higbee DBA WindStream Solar	Solar Verifier	Eugene	100,000	10,714	89,286	10/15/2018	10/14/2020
Kendrick Business Services LLC	Small Business Financial Dev	Albany	84,750	9,790	74,960	8/1/2018	6/30/2020
Wallowa County	Project Funding Agreement	Enterprise	80,000	0	80,000	4/1/2018	3/31/2038
SPS of Oregon Inc	Project Funding Agreement	Wallowa	75,000	74,513	488	10/15/2015	10/31/2036
Craft3	NON-EEAST OBR Svc Agrmt	Portland	60,000	52,500	7,500	1/1/2018	12/31/2019
Clean Power Research, LLC	WattPlan Software	Napa	56,000	56,000	0	11/17/2017	5/31/2020
Oregon Solar Energy Industries Association	Solar soft costs install price	Portland	54,200	17,225	36,975	12/21/2018	6/30/2020
TRC Engineers Inc.	2019 EPS New Const PDC-Solar	Irvine	53,016	26,607	26,409	1/1/2019	12/31/2019

For contracts with costs
through: 7/30/2019

CONTRACTOR	Description	City	EST COST	Actual TTD	Remaining	Start	End
Site Capture LLC	SiteCapture Subscription	Austin	42,000	31,500	10,500	2/1/2018	1/31/2020
Wallowa Resources Community Solutions, Inc.	Renewables Field Outreach	Enterprise	40,000	27,131	12,869	2/1/2018	1/31/2020
Clean Energy States Alliance	MOU Membership 2019-20	Montpelier	39,500	39,500	0	7/1/2019	6/30/2020
Faraday Inc	Software Services Subscription	Burlington	36,000	18,000	18,000	1/15/2019	12/14/2019
University of Oregon	UO SRML Contribution 2019	Eugene	24,999	24,999	0	3/9/2019	3/8/2020
Robert Migliori	42kW wind energy system	Newberg	24,125	24,125	0	4/11/2007	1/31/2024
Oregon Solar Energy Industries Association	2019 Sponsorship	Portland	20,000	20,000	0	1/1/2019	12/31/2019
Warren Griffin	Griffin Wind Project	Salem	13,150	9,255	3,895	10/1/2005	10/1/2020
Flink Energy Consulting	Barriers Solutions Small RE PD	Portland	13,145	6,573	6,573	11/1/2018	10/31/2019
Lewis & Clark	Small Scale 20MW RE Projects	Portland	13,145	3,000	10,145	11/1/2018	10/31/2019
Mid Columbia Economic Development	2019 LMI Solar Grant	The Dalles	10,000	6,000	4,000	1/25/2019	3/31/2020
Sustainable Northwest	LMI Solar Innovation Grant	Portland	10,000	6,000	4,000	1/25/2019	3/31/2020
Verde	2019 LMI Solar Grant	Portland	10,000	3,000	7,000	1/25/2019	4/30/2020
Wallowa Resources Community Solutions Inc	LMI Solar Innovation Grant	Enterprise	10,000	8,000	2,000	1/25/2019	11/30/2019
Umpqua Community Development Corp.	LMI Solar Innovation Grant	Roseburg	9,000	5,400	3,600	1/25/2019	10/30/2019
Seeds for the Sol	2019 LMI Solar Grant		8,350	5,010	3,340	1/25/2019	10/30/2019
African American Alliance for Homeownership	LMI Solar Innovation Grant	Portland	8,000	4,800	3,200	1/25/2019	11/30/2019
Oregon Clean Power Cooperative	2019 LMI Solar Grant	Corvallis	6,250	1,875	4,375	1/25/2019	10/30/2019
Rocky Mountain Institute	Membership to Elab 2019	Boulder	6,000	6,000	0	7/15/2019	7/30/2020
Renewable Energy Total:			22,218,963	14,631,890	7,587,073		
Grand Total, including Incentives:			187,545,610	89,366,895	98,178,714		
Contracts without incentives & without 2020-2025 NEEA:			123,560,713	73,874,893	49,685,819		

Tab 7



Policy Committee Meeting Notes

September 5, 2019

Attending at Energy Trust offices

Alan Meyer (committee chair), Henry Lorenzen

Attending by teleconference

Roger Hamilton, Anne Root

Staff Attending

Amber Cole, Michael Colgrove, Cheryle Easton, Fred Gordon, Steve Lacey, Debbie Menashe , Pati Presnail

Others Attending

Christine Chin Ryan, Jim Owens (Synergy Consulting), Kheoshi Owens (Empress Rules LLC), Oswaldo Bernal (OBL Media LLC)

Policies Reviewed

1. Conservation Funding for Schools Policy 4.02.000-P

The Conservation Funding for Schools policy was up for its regular three-year review. Because staff are currently working with ODOE and OPUC to review various roles in providing conservation funding for schools and the policy framework, staff proposed that the committee defer review until early 2020 and recommended no changes to the policy at this time. Committee members agreed that a delay in the review, pending ongoing discussions with ODOE, made sense. The committee asked staff to return to the committee in not more than one year to report in on discussions with ODOE and to propose any changes to the policy at that time. Staff will update policy tracking systems to ensure that an update and any policy change proposals are presented to the committee not later than one year from the meeting date.

2. Using Reserve Accounts Policy 5.05.010-P

The Using Reserve Accounts Policy was up for its regular three-year review. Staff suggested no changes to the policy, but committee members raised several questions about how program and organizational emergency and contingency reserves work in practice, how and what amounts of reserves in all categories are set, and whether additional detail should be included in the policy. Committee members asked staff to review the policy again with an eye for revising it, so that a more casual reader, less familiar with Energy Trust, would be able to gain a better sense of how reserves are established, maintained and used. Committee members also asked if the policy had been reviewed by the finance committee. Staff and committee members then discussed how this board policy relates to financial procedures and reports to the finance committee.

Energy Trust staff will review the current Using Reserve Accounts Policy, seek input from the finance committee, and propose revisions to the policy committee at a future committee meeting. No changes to the policy were proposed at this meeting, but future changes may be proposed and presented to the full board at a later date.

Consent to Appoint Members to Diversity Advisory Council (DAC)

Energy Trust staff recommended five individuals to the policy committee for appointment to the DAC. This was the first request for consent to appointment members to the DAC. Candidates recommended for appointment by staff are all members of the “Foundational DAC”, a group of volunteers who worked closely with Energy Trust staff for more than six months to develop a DAC charter. That initial DAC charter was presented for approval, and approved by the full board at its meeting in July 2019.

The DAC charter calls for a DAC of 11 members, with certain geographic diversity requirements. Recruiting is ongoing, and staff expect to come back to the policy committee at future committee meetings with additional member recommendations.

At the meeting, five individuals were recommended for appointment: Oswaldo Bernal, Charity Fain, Kaeti Namba, Kheoshi Owens, and Cheryl Roberts. Biographical information for each candidate was provided to the policy committee in advance of the meeting. Kheoshi Owens and Oswaldo Bernal attended the meeting to answer questions from the committee members.

Committee members asked questions of the foundational DAC members present, regarding relevant experience and perspectives on Energy Trust and its work. All five individuals recommended for appointment to the DAC were approved by the policy committee.

Staff Updates

Michael Colgrove updated the committee on the recently adopted OPUC performance measures on staffing, along with diversity, equity and inclusion. Mike noted that the new DEI measures, which will be for the 2020 calendar year, involve significant engagement with the DAC, and he asked Kheoshi and Oswaldo to remain for his report.

On August 27, the OPUC revised the existing staffing performance measure for 2020-2021. For this period, the performance measure will be a reduction of the year-over-year limitation on staffing cost growth from 10 percent to 9 percent. In addition, the new measure does not include a rolling average check of staffing costs as a percent of total costs. Finally, Energy Trust staff will monitor and report on staffing cost trends and provide a recommendation for the 2022 performance measures.

On the same day, the OPUC approved a set of four performance measures as oversight tools for the commission to monitor and evaluate Energy Trust’s diversity, equity and inclusion work. Four measures were approved:

1. Expand and enhance the data used to assess impacts on different communities to ultimately enable the ability to comprehensively assess Energy Trust existing performance measures through a DEI lens and update the DAC periodically on this work.
2. Review the Energy Trust DEI lens with the DAC for approval in its form and implementation.
3. Complete 1,000 projects with trade allies that are minority-owned businesses in 2020, and report on the incentive dollars represented by these projects.
4. Convene a rural-focused workshop in 2020 to continue the dialogue on developing community capacity to serve customers and achieve savings in rural communities.

The meeting adjourned at approximately 3:00 p.m.

The next policy committee meeting will be held on October 17, 2019, from 1:00 p.m. – 3:00 p.m.

Tab 8

Conservation Advisory Council Meeting Notes

June 26, 2019

Attending from the council:

Rick Hodges for Holly Braun, NW Natural
Charlie Grist, Northwest Power and
Conservation Council (phone)
Julia Harper, NW Energy Efficiency Alliance
Warren Cook, Oregon Department of
Energy
Wendy Gerlitz, NW Energy Coalition
Kari Greer, Pacific Power
Anna Kim, Oregon Public Utility
Commission

Danny Grady, City of Portland Bureau of
Planning and Sustainability
Jason Klotz, Portland General Electric
Kerry Meade, Northwest Energy Efficiency
Council
Lisa McGarity, Avista
Tyler Pepple, AWEC
Will Gehrke, Citizens' Utility Board of
Oregon

Attending from Energy Trust:

Hannah Cruz
Fred Gordon
Peter West
Ryan Crews
Debbie Menashe
John Volkman
Jackie Goss
Cameron Starr
Kenji Spielman
Alex Novie
Lizzie Rubado
Spencer Moersfelder
Steve Lacey
Mark Wyman

Kati Harper
Kate Wellington
Jeni Hall
Peter Schaffer
Amber Cole
Michael Colgrove
Amanda Zuniga
Kirsten Svaren
Kate Hanson
Jack Cullen
Rob Strange
Jessica Kramer
Jay Olson
Emily Findley

Others attending:

Alan Meyer, Energy Trust board
Lindsey Hardy, Energy Trust board (phone)
Shelly Beaulieu, TRC
John Molnar, Rogers Machinery
Sam Baraso, City of Portland
Vinh Mason, City of Portland
Damon Motz-Storey, Oregon Physicians for
Social Responsibility

Charity Fain, Community Energy Project
and Foundational Diversity Advisory Council
Kheoshi Owens, Empress Rules and
Foundational Diversity Advisory Council
Colin Podelnyk, ICF
Ben Crandall, CLEAResult
Joe Marcotte, Lockheed Martin
Jaimes Valdez, City of Portland

1. Welcome, Old Business and Short Takes

Hannah Cruz convened the meeting at 1:37 p.m. The agenda, notes and presentation materials are available on Energy Trust's website at www.energytrust.org/about/public-meetings/conservation-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.

Hannah introduced the agenda and welcomed two members of the Foundational Diversity Advisory Council who attended the meeting. Notes from the May meeting were approved with no changes.

2. Guest Speaker: City of Portland and Portland Clean Energy Community Benefits Fund

Topic summary

Sam Baraso, Vinh Mason and Damon Motz-Storey provided an update on the development of the Portland Clean Energy Community Benefits Fund program (also called Portland Clean Energy Fund), including the status of hiring staff, selecting the committee and upcoming milestones for the program.

Discussion

Vinh Mason provided an overview of how the program, which began as a ballot measure, is being developed in close collaboration with the community-based organizations that were instrumental in the ballot measures formation and passage.

Damon Motz-Storey, the program's communications lead, continued with more historical background. He stated the coalition that initiated the ballot measure came together out of a desire to address the climate crisis in a way that did not further social inequality and acknowledged its disproportionate impact on vulnerable communities, which they termed frontline communities. These efforts were also assisted by groups that are part of Oregon's broader environmental movement that have resources and expertise to help the campaign, also known as privileged capacity.

Sam Baraso continued with emerging details about how the program will be staffed and administered. Although much is still unknown, they intend to distribute the expected \$54 million to \$71 million in annual funding through a grant structure that will award funding in three main categories—energy efficiency and renewable energy, green infrastructure and sustainable agriculture, and innovation. The program is currently recruiting for a nine-member council, the decision-making body that will review and award grants.

Sam Baraso noted staffing updates, specifically that Jaimes Valdez has joined the team and Katie Lister of Alaska Energy Authority will come onboard soon. They will eventually ramp up to five or six staff members in the first year.

Kheoshi Owens: How will you ensure diversity among the committee members?

Sam Baraso: There has been a lot of outreach to ensure we are getting a broad level of people applying. On aggregate, it has been a representative pool. We are working on further defining that process. Because our coalition is in touch with Portland City Council, the nine members will be carrying out the vision.

Sam continued that the grant committee will be seated end of August or early September. He noted that due to a grace period for paying into the fund, the initial distribution will not occur until 2020, with the full funding expected to start in 2021.

Kari Greer: Once funding is fully up and running, how much are you expecting per year?

Sam Baraso: Around \$54 million to \$71 million per year. Because the businesses paying into the fund haven't provided that level of information in the past, this is our estimation, not a firm resolution. After the first year, we'll have better information on what to expect year to year.

Kheoshi Owens: Do schools have access to the funds through this process?

Sam Baraso: There's work to do in determining that. The ballot language refers to nonprofit entities. We're getting clarification. Based on a particular read, public schools may be able to

access the funds. Private schools can access them. Others can gain access through partnerships with nonprofits. We want to increase the capacities of nonprofits that have traditionally served low income.

Damon Motz-Storey: The intention was to have resources available for entities that are not always as likely to receive these funds. It's within the intent to provide benefit to schools.

Kheoshi Owens: I just did the Portland Children's Levy. They've gone through a lot of feedback. Have you connected with them?

Sam Baraso: The coalition has connected with them in early thinking. We're waiting for Katie to come on board to have our sit down with them. They're on our early list to connect with. They have different criteria among the different grantmaking spaces.

Damon Motz-Storey: I was in a meeting with Commissioner Saltzman and got advice from setting up the Children's Levy.

Kheoshi Owens: I recommend connecting with the staff who did the work.

Lisa McGarity: What types of businesses pay the gross receipts?

Sam Baraso: That's in the realm of the city's revenue division. At a high level, it includes corporations who have earned at least \$1 billion nationally and \$500,000 within the City of Portland. This excludes utilities, groceries, medicine and health services, as well as co-ops and credit unions.

Kari Greer: Does money collected in Portland stay in Portland, or can it be used outside of that?

Sam Baraso: We're looking into that. Community Energy Project brought up that same issue. There should be a direct connection to Portland residents.

Damon Motz-Storey: The City of Portland and Multnomah County have renewable energy goals with benchmarks of 2% community generated energy by 2035 and 50% community generated energy by 2050. Some of these projects can help meet that.

Kari Greer: Is that also what you mean by green infrastructure?

Sam Baraso: That was thinking about wetlands, rain gardens and green roofs.

Damon Motz-Storey: The idea is to create multiple community benefits from a variety of places. There can be a 20-degree temperature disparity between neighborhoods based on its infrastructure.

Kheoshi Owens: Is there any data on the impact of that?

Sam Baraso: There is data about increases in violent crime on extreme heat days and you can tie that to certain neighborhoods.

Kheoshi Owens: You don't have that data now?

Damon Motz-Storey: Oregon Physicians for Social Responsibility did a project on how Portland Clean Energy Community Benefits Fund projects would address health issues. There is some data.

Anna Kim: Are you envisioning one-off grants or an ongoing funding stream for long-term projects?

Sam Baraso: Both. You'll see applicants who want a single project or organizations coming in with programmatic grants that would be ongoing, like heat pump replacements targeted to certain neighborhoods. The committee needs to find the right balance and make sure all types of organizations can apply for grants.

Charity Fain: We're organizing a big meeting in September to kick off coordination between organizations. It will be like a potluck of skills and experience. This process is so community driven, it's different than other work, very collaborative and open to sharing resources. We are looking at how to take a community of organizations with different experience and build coalitions and project ideas from entities that wouldn't normally have funds to carry out the projects. How do frontline entities meet with technical groups? We've been meeting every other

week since February. The event in September will be the first of many. We want to see innovative project ideas to continue the spirit of collaboration.

Anna Kim: Have you set aside money or thought about verification?

Sam Baraso: Given the amount of public scrutiny, we haven't hit that conversation yet but that will be part of the program. That's a challenge to hit that right balance to ensure projects are providing benefit without creating undue burden. We can bring resources to think creatively about this.

Damon Motz-Storey: That's in the language. The committee is bound to measure the success of projects.

Vinh Mason: The metrics are unique. We also focus on human impact. Evaluation is very qualitative and energy based. We also want to look at the impact of how it's changing people's lives.

Jason Klotz: From a utility perspective, I'm curious what is your definition of energy efficiency? When we did our decarbonization study, 25% of our resources will have to come from the customer side of the system. Are you including the interactive assets of technologies you might support the adoption of?

Sam Baraso: Looking back to city code, it might not exactly have that. There's going to be a long runway bringing in expertise to find opportunities of long-term resiliency while benefitting the community today. There was foresight that went into that, squarely focused on communities of color and low income. We need to bring in greater clarity.

Jason Klotz: If you put in a heat pump water heater that can talk to the grid, we can provide a steady stream of incentives to that customer.

Sam Baraso: This is going to be critical to our grant committee.

Next Steps

No next steps.

3. Draft 2020-2024 Strategic Plan

Topic summary

Michael Colgrove and Energy Trust staff presented and sought feedback on the Draft 2020-2024 Strategic Plan. A facilitated discussion centered around the plan's five focus areas and their strategies and progress indicators. Conservation Advisory Council members and Foundational Diversity Advisory Council members were invited to provide feedback on the plan, particularly on how well it is a reflection of Energy Trust's role.

Discussion

Mike Colgrove reviewed the draft strategic plan development schedule and public comment period kick-off, noting how Conservation Advisory Council engagement has shaped the plan so far. Mike reviewed the five focus areas, the first of which emphasizes Energy Trust's ongoing efforts to serve all utility customers of the five partner utilities.

Kheoshi Owens: Is there any acknowledgement of historical inequity? People didn't have awareness of the available offerings and were excluded as a result. Will you take responsibility for your role in that as you move forward?

Mike Colgrove: Yes and in a number of places we have already recognized underserved customer groups. We have a mandate to serve across all sectors and equitably within sectors. That has been the topic of a number of conversations. A first step was the data analysis to help us understand where customers were being underserved.

Alan Meyer: As I read the first focus area, it sounds passive. Would a more active statement be appropriate? We could look at re-working the language around "provide programs."

Mike Colgrove reviewed the second focus area, which deals with using distributed energy resources to address capacity issues and the need for flexibility. The third focus area relates to sharing expertise in supporting energy policy development.

Kari Greer: I agree this is important work, but some support may potentially defund Energy Trust if a community considered an alternative energy structure. Is there benefit to put resources into efforts that could defund you?

Mike Colgrove: That's a great point, and I appreciate that. Our focus in working with communities is to help eligible customers access our programs and services. For communities and other entities, if there are ways they can achieve greater energy savings or generation in our programs better, faster or cheaper, it's okay for us to be a part of that.

Lisa McGarity: I have found that some entities take advantage of the free services and want to use an organization to provide their analysis when they need to do that themselves. You could provide a matrix for sharing of resources.

Mike Colgrove: You'll hear more about this. At a high level, one of our organizational goals is to develop rules of engagement for exactly those types of things and figure out how and when we will invest time and resources into these types of engagements. Our annual goals for next year support this. We aim to make sure things like this are happening, but unanticipated requests are also thought through.

Charity Fain: I encourage you to think through how you interact with municipalities, especially when the Portland Clean Energy Fund kicks off. The role you will play in advice and analysis for entities who may not have worked in this space at all is important. I know what that's like with our institutional knowledge. There's a lot of jargon in this industry, but the need is huge. I'm glad to see this here. They might not have anyone else to go to that is objective and data driven. Also, it's not just how you serve state and municipalities, but also organizations and nonprofits that want to get more involved.

Mike Colgrove: A lot if this section was based on some of the feedback you provided. We have strategies within these focus area statements that help to detail that more. In this focus area, there are two bullets specifically about helping community-based organizations and communities build capacity. It is envisioned in next year's activities too. We want to change the dynamic and find the intersection of what's important to these communities while helping us achieve our goals.

Kheoshi Owens: I'd like to see some videos. Those would be very helpful with this content. White people like to write things down and worship the written word. Being of African descent, we may learn visually. To have a relationship with other communities, there's going to be a learning curve.

Mike Colgrove: That's a great idea. We should be looking at more ways to get these messages out. I did record a webinar about the draft Strategic Plan that is available on our website.

Mike Colgrove moved on to review the fourth focus area, which aims to leverage additional funding in order to maximize public purpose charge funds while achieving additional community benefit.

Wendy Gerlitz: This is a great focus area, I've been thinking about how the Portland Clean Energy Fund will open a lot of opportunities in primarily urban areas, which is fantastic. Energy Trust should be cautious of the perception that urban areas get all the resources and opportunities. I would like to see this focus area be about bringing opportunities to rural areas too. It benefits the entire community to make extra efforts to reach out to them as this influx of funding comes to urban areas. It will take a lot of energy to deal with the Portland Clean Energy Community Benefits Fund.

Mike Colgrove: That's a great comment. I appreciate that feedback. Farmer's Conservation Alliance is exclusively rural and is one of our great successes. It has unlocked hundreds of millions in funding for the state. The manufactured home replacement pilot has potential to be a rural focused program.

Mike Colgrove reviewed the fifth focus area, which aims to enhance Energy Trust's ability to quickly and effectively respond to changes. This focus area looks internally to address increasing diversity of staff, staff development and decision making.

Lisa McGarity: One thing I was talking to our outreach staff about is considering if you want to reach more minority- and women-owned businesses, but after that initial effort, the second tier would be how many minorities and women those businesses are employing.

Mike Colgrove: That's a great comment. Thank you.

Kheoshi Owens: I like this part. It makes a difference, and that's how you get exponential growth. The way to eliminate inequities is to invest in people and offer intentional professional development. That triggers me quite often. People import leaders. How are you intentionally asking staff about development goals?

Mike Colgrove: The first strategy in this focus area is to foster and retain talented staff.

Kheoshi Owens: We're going to have to invest and grow interest in the high school students about how energy is exciting.

Mike Colgrove: I was surprised that this group didn't ask the City of Portland how they're going to work with Energy Trust. That's one of the places I get excited that the Portland Clean Energy Fund can help unlock: workforce development. We don't play in that space but when you think about it, the workforce is mobile. You can develop within Portland, but it might not stay here. That could benefit the whole state.

Rick Hodges: Have you thought about having an aim to put staff back into the community instead of retaining them?

Mike Colgrove: That's an interesting observation. Jed Jorgensen from our Other Renewables program is leaving after 11 years. He is moving to Farmer's Conservation Alliance to work on irrigation modernization full time. It's a huge loss for us, but a great gain for Farmer's Conservation Alliance and the industry. It may result in more work for Energy Trust. We've always taken that kind of perspective. We know they're going to other organizations and will continue to do incredible things.

Rick Hodges: If you have churn, it could be okay and not seen as a bad metric.

Mike Colgrove concluded by reviewing key takeaways of the draft plan, then introduced Betsy Kauffman to facilitate a guided discussion based on prepared questions included in the slide presentation.

Lisa McGarity: For Avista, our main focus is our customers. If they are doing well, then we do well. I think that lines up perfectly with the Energy Trust plan.

Kheoshi Owens: I do equity work and my goal is to reach a place where socioeconomic status is not decided by color, gender identity or ability. The fifth focus area is something I'm excited about. My goal for my community is that they can live anywhere they want to live. The only way they can do that is if they have opportunities. I'm excited about equity in staff and the workforce. We should incorporate more diverse perspectives in renewable energy, and we'll do better when more people are involved. I also realize that part of my calling is to promote voluntary social responsibility. It's good to see people in this room that I can engage.

Danny Grady: A focus area that resonated is the fourth one, which we discussed how it dovetails with the Portland Clean Energy Fund. Looking at ways to match funding streams to maximize community benefits is a great stance to take. I'm also happy to see focus area two, supporting focused utility efforts to help meet city energy goals. Providing resources to complement those efforts can only help the community as a whole. And thinking more broadly about the impacts that more renewable energy will have on the grid. Exploring creative ways to support that transition is encouraging. I like the evolution of how we're thinking about different ways to provide support.

Jason Klotz: At PGE, we've been coordinating with your staff and leadership a lot. It's new for both sides and may take a bit. I'm happy with what's happening right now. The activities will be difficult, especially around communication through the grid-enabled devices and making sure the protocols are there and creating customer engagement protocols and tariff development. We noticed today that in developing a time of use rate, we may have over-incentivized the development of storage. We need your engagement on developing some of these things as well.

Charity Fain: We are also starting our strategic planning process. Community Energy Project serves clients who are 70% people of color and 90% low income. Seeing that focus in your plan is encouraging. Thinking about scale, what we have been doing is small. With the Portland Clean Energy Fund, how can we integrate? This is an opportunity to think about partnering not just as a funder, but also on data collection, building a baseline and creating a scalable project in Portland that can apply to the Portland Clean Energy Fund. Knowing there might be staff who can help us, a place that is intentional in the program design is something that could benefit both of us as we think about scale. I was recently on a Home Performance conference panel that discussed what it would take in Seattle to retrofit every home and how much it would cost in Portland. It's a few billion dollars but also think about how much it costs to build a football stadium—those are public funds as well. I'm seeing a place where your knowledge and skills can help because we don't have capacity. We can collect customer information that your staff can't access, which could create a collaboration where we're really partners.

Will Gehrke: I'm with Oregon's Citizen's Utility Board. We represent both gas and electric residential ratepayers. Calling out the fourth focus area, we appreciate that you considered gas customers. If you put a price on carbon, gas customers will pay more on heating bills. If Energy Trust can leverage funding from carbon legislation and clean up the gas system, we find that promising.

Julia Harper: You talked about a focus on emerging technologies. Is that an area you want to increase resources you're putting into from a budget or human resources standpoint?

Mike Colgrove: I think if anything, how do we keep our eye on the ball of emerging technology? Are there ways to accelerate it even further? How this materializes is how we strengthen our relationship with NEEA. It's not encroachment. We find that relationship valuable. We tend to talk at the NEEA board level about that delineation between NEEA support for a technology and the move to an Energy Trust or utility funded program. It's not a bright line. We need to figure out how to get through that quickly and transition faster.

Julia Harper: You have been great partners on pilots early on. We like that.

Lisa McGarity: Building on Julia's comment, I was in a meeting talking about the importance of emerging technologies having multiple years they can count on for support. That's where we fall down a lot of times.

Lisa McGarity: One thing that's important for Avista is we want to keep energy affordable for our customers because we serve low income, rural and a lot of moderate-income customers.

Having that called out in the plan is good. This is why we do efficiency. Not just for the systems benefit, but also customer benefit.

Charity Fain: I like that there are diversity strategies, but I expected to see diversity at a focus area level.

Mike Colgrove: That's something we struggled with. We settled on wanting those types of things integrated into everything we're doing.

Charity Fain: Focus areas are sometimes harder to change. One of our high-level goals at Community Energy Project is always diversity focused.

Betsy Kauffman passed around a worksheet to collect additional comments, invited feedback about the process so far and reviewed how to submit written comments.

Next Steps

Staff will provide this feedback to the board Strategic Planning Committee as it considers any revisions to the draft plan in August and September. The final plan will be presented to the board for adoption at its October public meeting.

4. Existing Multifamily Program Assessment

Topic summary

Staff hosted an interactive session to discuss the Existing Multifamily program assessment. The session will inform program changes for 2020 and 2021. Staff is looking for feedback on early concepts coming out of the assessment and input on future engagement.

Discussion

Kate Wellington introduced the early concepts for the multifamily program assessment. She shared updates on the project's status and the timeline. Staff will be presenting these concepts to the board in July. Program optimizations would be implemented in 2020, while large-scale change would take effect in 2021.

The council was asked to review a briefing paper in the meeting packet that outlined four main directions a redesign could incorporate. Council members transitioned to four tables, each of which had a staff facilitator who requested input on one of these themes. The council members rotated to each of the tables, discussing each theme for about eight minutes. At a fifth table, members of the audience also had an opportunity to discuss each of the themes.

After the council had visited each table, tables took turns reporting out key feedback they heard.

Table 1: Customer engagement

- Creating alignment between programs will help alleviate confusion in both regular and midstream (incentives to distributors/retailers) offerings.
- For midstream, Energy Trust needs to do something both on the demand and supply side. It is important to maintain customer relationships.
- Small multifamily property owners face many challenges.
- Energy Trust should learn how the customers self-identify and meet them there, while keeping complexity behind the curtain.

Table 2: Reaching underserved customers

- For tenants, education is key. Make sure Energy Trust is providing that and that customers are aware of our services. There are incremental steps they can take.
- Energy Trust needs to make sure the representatives that are sent to a community are diverse and match who they're serving.

- Having a separate program focused on underserved customers is a good approach and Energy Trust should look at it as a way to focus efforts—tying-on to existing programs is not meeting the need.

Table 3: Driving and quantifying savings

- They are all interwoven.
- Non-energy benefits, health benefits and environmental justice were all discussed.
- Regarding the use of different baselines: collect the data and do the concept, then see what happens. A lot of organizations want to do this work and it's about starting that conversation and sharing data. The difficulty is in coordination.
- The Portland Clean Energy Fund is a big opportunity—being able to coordinate and understand roles in administration will be important.

Table 4: Future measure offerings

- Pay for performance program design would be really hard in the multifamily space with split incentives.
- There is a risk to behavior-based savings due to a risk a landlord may penalize a tenant for not adopting the energy-saving behavior. It's worrying that tenants could be manipulated by owners by this process. Energy Trust would also need to consider how the building is metered.
- Two emerging technologies that could help a pay for performance approach are the Ohm Connect demand response platform and Wifi-enabled window shakers.
- Many measures have benefits beyond what can be quantified and there are also other purchase-motivating factors that ought to be considered.

Audience Table: All themes

- Customer sorting can be a barrier to working across programs. Energy Trust marketing materials can lead to confusion when customers try to get to the next layer.
- Standardizing forms is recommended. Providing the sorting rules to trade allies would empower them to assist customers and serve different sectors.
- Something similar to New Building's Market Solution packaged offerings could work well for Multifamily as a way to avoid the measure level cost effectiveness barrier.
- There are two extra challenge to a midstream delivery model. One, retail locations have different data collection processes, and it would be ideal to standardize that through a portal. Two, no matter how good that data collection system is, you lose attribution by pushing customers to a retailer and it hinders our ability to re-engage customers. If you don't know where a system was installed, you can't follow up with the customer.
- One issue with creating a program targeting underserved customers is we want to reach those customers, but we don't have much to offer them and they don't have high savings. If it has to meet cost effectiveness, it may never qualify. It would be meeting a different goal.
- There's value in a different baseline and might be some initial savings. We have this with assisted living and low-to moderate-income housing with regard to occupancy and hour-of-use. There's data to support it but if you move those baselines, you would also have to move others and it might end up cancelling out the additional savings.
- Shelly Beaulieu: I ran a multifamily pay for performance program in New York, and it was really effective. We used actual metered usage at the beginning, so we didn't need deemed savings and only required bills for one year after the install.
- There's a lot of opportunity for emerging technology within new multifamily properties—they are higher-tech and there are opportunities to upgrade things that were value-engineered out of initial construction.

Kate Wellington invited the group to report-out as a whole and identify themes or ideas they heard come up across multiple tables.

Lisa McGarity: Leveraging of funding went across a couple tables.

Anna Kim: You have some of the most challenging problems, all in the same program.

Julia Harper: If you can focus on a few non-energy benefits and larger communities, that can help with cost effectiveness.

Charity Fain: Serving underserved communities isn't hard, you just haven't made the deliberate effort to do it yet. Partner with organizations that already know how to do that.

Kate Wellington invited stakeholders to participate in workgroups to continue these conversations. Further feedback was also invited in written form through the index cards provided at the tables.

Anna Kim: How much of these explorations are moving into multifamily buildings with fewer units? Are we reformulating to address the multifamily properties that have not been reached yet? That description of the customer group wasn't the same at all these tables perhaps. How do you reach two-unit structures in South Bend?

Kate Wellington: That has come up a lot and been part of our thinking, particularly in program alignment. We've served many very large properties and a small portion of the very small properties.

Anna Kim: If we had gone around tables knowing that was a target, discussion outcomes may have been different.

Next Steps

Staff will incorporate this feedback into the ongoing assessment work. Another presentation will be scheduled with the council at a meeting at the end of 2019.

5. Public Comment

There was no public comment.

6. Meeting Adjournment

The meeting adjourned at 4:45 p.m. The next meeting is Wednesday, July 31, 2019.

PINK PAPER

Conservation Advisory Council Meeting Notes

July 31, 2019

Attending from the council:

Holly Braun, NW Natural
Brent Coleman (for Tyler Pepple, Alliance of Western Energy Consumers)
Warren Cook, Oregon Department of Energy (phone)
Kari Greer, Pacific Power (phone)
Julia Harper, Northwest Energy Efficiency Alliance
Tim Hendricks, Building Owners and Managers Association

Anna Kim, Oregon Public Utility Commission
Jason Klotz, Portland General Electric
Lisa McGarity, Avista (phone)
Kerry Meade, Northwest Energy Efficiency Council (phone)
Dave Moody, Bonneville Power Administration
Alyn Spector, Cascade Natural Gas

Attending from Energy Trust:

Kathleen Belkhatat
Melanie Bissonnette
Michael Colgrove
Amber Cole
Ryan Crews
Hannah Cruz
Jack Cullen
Mana Haeri
Fred Gordon
Jackie Goss
Marshall Johnson
Oliver Kesting
Steve Lacey

Scott Leonard
Spencer Moersfelder
Alex Novie
Thad Roth
Dan Rubado
Peter Schaffer
Kenji Spielman
Cameron Starr
Julianne Thacher
Jay Ward
Kate Wellington
Peter West
John Volkman

Others attending:

Matt Artell, Delta Connects
David Beaulieu, TRC
Rachel Dawson, Cascade Policy Institute
Jon Eichler, ICF
Laura Hall, ICF

Lindsey Hardy, Energy Trust board
Genevieve London, Stillwater Energy
Joe Marcotte, Lockheed Martin
Alan Meyer, Energy Trust board
Brian Sipe, CLEAResult

1. Welcome, Old Business and Short Takes

Hannah Cruz convened the meeting at 1:32 p.m. The agenda, notes and presentation materials are available on Energy Trust's website at www.energytrust.org/about/public-meetings/conservation-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.

Hannah introduced the agenda. The June meeting minutes were approved with no changes.

2. 2020 Organizational Goals

Topic summary

Michael Colgrove described the purpose and intent of Energy Trust's 2020 organizational goals and how they drive the organizational annual budget. These goals were informed by the draft 2020-2024 Strategic Plan and will help the organization start to make progress toward the strategic plan focus areas.

Goals include: 1) meet savings and generation targets and create future opportunities, 2) use guidelines to determine resource investments in community efforts, 3) provide information to policymakers, agencies and implementers, 4) strengthen internal innovation capabilities and develop new proposals and 5) make operational improvements. Areas of emphasis for each goal were also explained; they serve to help guide staff in prioritizing activities but do not encompass all activities for the coming year.

Discussion

Conservation Advisory Council asked questions and gave feedback about Energy Trust's 2020 organizational goals.

Questions were about the definition of higher-value renewable energy and energy efficiency (Dave Moody), what is meant by capacity building for community-based organizations (Holly Braun), and how Energy Trust is balancing near-term concerns such as cost-effective constraints and staffing constraints with longer-term needs to innovate and evolve (Holly Braun).

Alan Meyer requested that the language in one of the sub-goals be changed from "coordinate utility efforts" to "coordinate *with* utility efforts." Staff will make the change.

Members discussed the term "clean energy" used in the goals to refer to energy efficiency and renewable energy, with Holly Braun, Alyn Spector and Kari Greer voicing concerns that the term could be confusing for customers because it can refer to a broader set of clean energy actions and could be understood to exclude energy efficiency.

Next Steps

Conservation Advisory Council will see these goals reflected in the draft budget and action plan presented at the October budget workshop, and Energy Trust will seek feedback from members at that workshop.

3. 2020 Budget Engagement Schedule

Topic summary

Staff reviewed the 2020 budget engagement schedule and key dates, including when the Conservation Advisory Council will be engaged and have opportunities for feedback. Staff highlighted how changes from last year's budget engagement process were incorporated into this year's schedule, including earlier engagement with utilities, publishing the draft budget earlier and providing more time for the public and stakeholders to provide comments, and focusing council meetings on major program changes.

Discussion

Jason Klotz asked about opportunities for early utility engagement, which will occur in August.

Next Steps

Staff will present major program changes at the September meeting. Conservation Advisory Council was encouraged to review the draft budget when posted online on October 8, attend the board budget workshop on October 16 and submit feedback.

4. 2020 Measure and Cost-Effectiveness Exceptions

Topic summary

Planning and Program staff discussed the major and minor cost-effectiveness exceptions requests submitted to the Oregon Public Utility Commission with impact on 2020 measure offerings. Staff provided details on the measure exception requests and the impact of each measure on their respective program savings portfolio. Staff also described changes to some measures to ensure cost-effectiveness. The presentation focused on requests related to ductless heat pumps and insulation in the Residential and Existing Multifamily programs, hydronic heat circulators and Existing Multifamily in-unit installation of lighting.

Discussion

Conservation Advisory Council members discussed and asked questions about measure exceptions.

Members discussed the ductless heat pump cost-effectiveness exceptions including requirements that could bring savings back up to expectations (Dave Moody), potential Wi-Fi capabilities and controls integrations (Anna Kim), alignment with Bonneville Power Administration offerings (Dave Moody) and alternative equipment options (Holly Braun). Holly Braun noted that ductless heat pumps have been under exception for several years.

Members discussed insulation exceptions, including the history of exceptions (Julia Harper) and consideration of additional non-energy benefits, such as comfort (Holly Braun) and noise reduction (Jason Klotz), and impact on multifamily and low- and moderate-income customers (Alan Meyer). Jason Klotz expressed interest in PGE collaborating with Energy Trust to quantify the value of insulation upgrades at peak times and incent insulation as part of PGE's demand response efforts.

Members asked about Energy Trust's planned collaboration with Community Action Partnership agencies to increase energy savings for low- and moderate-income customers, including about additional benefits expected from collaboration (Holly Braun) and how savings will be claimed by Energy Trust and Oregon Housing and Community Services (Alan Meyer). Lisa McGarity suggested Energy Trust consider a bulk-buying strategy to reach underserved rural customers.

Members asked about potential impact that discontinuing LED incentives could have on the Existing Multifamily offering of in-unit installation of lighting, showerheads and faucet aerators and distribution of advanced power strips (Alan Meyer). If the cost-effectiveness exception request is not approved, Energy Trust staff will look at options to redesign the offering to continue other cost-effective measures, which would likely be a leave-behind kit for maintenance staff to install. Savings and participation rates are expected to decline with a leave-behind offering.

Next Steps

Staff will provide an update on the status of the cost-effectiveness exception requests at the September meeting. Anna Kim expects that two of the major exceptions will be presented to the commission in early September for approval.

Marshall Johnson will reach out to the gas utilities to discuss possibilities regarding collaboration with low-income programs.

5. Eastern Oregon Program Outreach Strategy

Topic summary

Staff provided an update on a program outreach strategy to better reach and serve customers in Eastern Oregon, including enhanced program offers and targeted marketing and outreach efforts to reach residential and business customers in Pendleton, Hermiston and Ontario.

Discussion

Conservation Advisory Council discussed barriers to participation for rural customers, such as lower wages, higher energy burdens (Lisa McGarity) and long drives for trade allies to serve customers (Tim Hendricks).

Holly Braun and Alan Meyer commended staff for pursuing enhanced offerings and outreach efforts to serve Eastern Oregon communities.

Lisa McGarity suggested Energy Trust consider collaborating with Idaho Power for Eastern Oregon outreach efforts, and Julia Harper suggested a contact at Idaho Power.

Anna Kim wondered if incentives for companies in rural areas translate into financial benefits for the community. Staff noted efforts are focused largely on small and medium businesses and explained that siting large national businesses in rural communities has a positive local economic impact.

Alan Meyer suggested Energy Trust consider additional grassroots outreach to residents of rural communities.

Next Steps

Hannah Cruz will email members a link to a video featuring an Eastern Oregon project with Yellowhawk Tribal Health Center.

6. Commercial Pay for Performance Design Update*Topic summary*

Staff provided an update on a design revision being considered for the commercial Pay for Performance offer for 2020. Pay for Performance is a way of paying for validated energy savings at the meter. Energy Trust's Pay for Performance pilot is a transactional approach to achieving savings, as opposed to its commercial Strategic Energy Management offering, which is an organizational approach to achieving savings.

Discussion

Tim Hendricks shared that he worked on the 1000 Broadway building that participated in the Pay for Performance pilot in 2016, and he noted several challenges: the contract, the limited timespan to sign up projects and the time to wait for incentives.

Members discussed the timing of incentive payments (Tim Hendricks and Holly Braun), which would change from three years to one year. Tim suggested that a one-year payment schedule would help the offering be more successful.

Holly Braun asked about the persistence of savings from Pay for Performance projects and wondered if some incentives should be reserved for payment after one year. Tim Hendricks explained that from his experience managing buildings, changes implemented in one year would persist over the next several years.

Alan Meyer asked if customers could change rate schedules as a result of participation in a Pay for Performance offering, and staff explained that this is prohibited.

Kerry Meade asked if a project must be cost-effective overall or if all individual measures must also be cost-effective. Staff responded that projects are only required to be cost-effective overall.

Julia Harper offered that Northwest Energy Efficiency Alliance is interested in collaborating with Energy Trust to overcome common Pay for Performance barriers.

Alan Meyer asked if Pay for Performance reaches customers that are not currently being served by Energy Trust's Strategic Energy Management, and staff said yes. Some companies don't have the infrastructure needed to participate in Strategic Energy Management. Pay for Performance helps these customers achieve operations and maintenance savings in addition to capital improvements.

Next Steps

Staff will provide future Pay for Performance updates if requested by Conservation Advisory Council.

7. Public Comment

There was no public comment.

8. Meeting Adjournment

The meeting adjourned at 4:45 p.m. The next meeting is September 18, 2019.

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Conservation Advisory Council Meeting Notes

September 18, 2019

Attending from the council:

Warren Cook, Oregon Department of Energy
Kari Greer, Pacific Power
Julia Harper, Northwest Energy Efficiency Alliance
Tim Hendricks, Building Owners and Managers Association (phone)
Anna Kim, Oregon Public Utility Commission

Jason Klotz, Portland General Electric
Lisa McGarity, Avista (phone)
Kerry Meade, Northwest Energy Efficiency Council
Dave Moody, Bonneville Power Administration
Alyn Spector, Cascade Natural Gas
Danny Grady, City of Portland
Rick Hodges, NW Natural (for Holly Braun)

Attending from Energy Trust:

Caryn Appler
Kathleen Belkhatat
Melanie Bissonnette
Quinn Cherf
Amber Cole
Ryan Crews
Hannah Cruz
Becky Engel
Sue Fletcher
Fred Gordon
Jackie Goss
Jack Cullen
Ronald Haynes
Marshall Johnson
Steve Lacey

Oliver Kesting
Jessica Kramer
Scott Leonard
Spencer Moersfelder
Nancy Morales
Jay Olson
Amanda Potter
Eric Sayre
Kenji Spielman
Cameron Starr
Thaddeus Steerman
Greg Stokes
Jay Ward
Kate Wellington
Peter West

Others attending:

Shelly Beaulieu, TRC
Rachel Dawson, Cascade Policy Institute
Jon Eichler, ICF
Lindsey Hardy, Energy Trust board (phone)
Karla Hendrickson, ICF
Jacob Jones, Nexant
Debbie Kitchin, Energy Trust board
Brian Lynch, AESC

Don MacOdrum, TRC
Joe Marcotte, LM Energy
Alan Meyer, Energy Trust board
John Molnar, Rogers Machinery
Stephanie Petit, CLEAResult
Whitney Rideout, Evergreen
Rory Schmick, Stillwater Energy
Ryan Shanahan, Earth Advantage

1. Welcome, old business and short takes

Hannah Cruz convened the meeting at 1:35 p.m. The agenda, notes and presentation materials are available on Energy Trust's website at www.energytrust.org/about/public-meetings/conservation-advisory-council-meetings/. The meeting was recorded on GoToMeeting. If you'd like to refer to the meeting recording for further detail on any of these topics, email info@energytrust.org.

Hannah introduced the agenda. The July meeting minutes were approved with no changes.

Hannah provided an overview of the strategic planning process. Energy Trust received comments from 27 organizations around the state. Feedback about the five focus areas was generally positive, and organizations generally indicated agreement that focus area one is the priority for Energy Trust. Comment responses will be handled differently this year due to the high volume of comments. Energy Trust will present to the board comments organized by theme for review and discussion. The final proposed strategic plan will be presented at the October 16 board meeting for board consideration, and the plan will be shared with council members at the November meeting.

Hannah informed members that all advisory council members are invited to a social hour on October 15 to allow members of the board and three advisory councils to network and get to know one another.

2. Year-end forecast

Topic summary

Director of Energy Programs Peter West highlighted Energy Trust's progress to achieving its 2019 annual energy efficiency goals, including current savings and generation by utility as well as 2019 forecast for each. Energy Trust expects to fall short of 2019 goals for some gas and electric utilities due to construction equipment and labor price increases, and shortages in labor that can delay or reduce the size of projects. Lighting participation also is down due to tariffs and a decrease in Energy Trust's incentive amounts.

Areas that are performing better than expected include new homes, residential retail and midstream offerings, Existing Multifamily, commercial/industrial Strategic Energy Management, prescriptive industrial and agriculture incentives, and Existing Buildings offerings for Avista and Cascade Natural Gas.

Energy Trust has begun looking at increasing custom and prescriptive incentives for gas territories. Incentives have been increased for PGE and Pacific Power customers for lighting, including for direct installation for commercial customers. Energy Trust has increased outreach for residential lighting and Energy Saver Kits for PGE and NW Natural customers and has begun a smart thermostat marketing campaign.

Discussion

Anna Kim asked how savings compare to last year at this time. Staff will check and follow up.

Next Steps

Energy Trust will continue to update council members about progress to goals and efforts to increase participation and savings.

3. 2020 action plans preview

Topic summary

Members received an overview of in-progress 2020 action plans for each sector, including context, new strategies for 2020 and any significant changes from 2019. Presenters included Residential Program Manager Marshall Johnson, Commercial Sector Lead Oliver Kesting and Industrial and Agriculture Sector Lead Amanda Potter.

Among the factors influencing Residential program action plans, Marshall Johnson explained that the federal Energy Independence and Security Act (EISA) standards for incandescent bulbs will not go into effect in 2020. As a result, Energy Trust will maintain a retail lighting presence in 2019 and 2020. Other factors impacting the Residential program include declines in new construction savings and a decline in savings from ductless heat pumps and gas furnaces in

rental properties. In the future, the Residential program will make strategic changes to improve savings and outreach, including expanding participation, expanding utility-driven programs, making shifts to reflect new building code in 2021, and launching new measures and new pilot offerings.

Oliver Kesting noted commercial sector savings decreases and described key activities in 2019, including marketing campaigns in outlying areas and working with utilities and many partner organizations to expand Energy Trust's reach. New activities include more efforts with schools; new pilots that will launch this year through 2020; location-specific incentives; and releasing a request for proposals for program management and delivery services for the Existing Multifamily program, Existing Buildings program, and commercial and industrial lighting.

Amanda Potter explained that savings in the industrial and agriculture sector are decreasing because of fewer custom opportunities with larger customers, less lighting savings and the impact of the strong economy and tariffs on available labor and project costs. Future program efforts to mitigate the effects of these market conditions, including an request for proposals for delivery of commercial and industrial lighting offerings, a lighting pilot, new measures and an evolution of the industrial Strategic Energy Management offering to support smaller customers. Changes in 2020 include increasing in custom and lighting incentives, reaching small- to medium-sized customers and launching new standard measures.

Discussion

Members asked questions about the causes for declines in Residential program participation (Julia Harper) and the timing for code changes (Warren Cook). Julia Harper also asked if Energy Trust would extend the successful industrial and agriculture network pilot to the commercial sector.

Next Steps

Peter West encouraged council members to attend the October 16 budget workshop for more information about Energy Trust's draft 2020 budget and action plans.

4. 2020 program and measure changes

Topic summary

Staff provided further details on measure and program changes in development for 2020, including a status on measures with OPUC cost-effectiveness exception requests. Scott Leonard, senior residential project manager, described Residential program measure changes and new measures for 2020. Kate Wellington, Existing Multifamily program manager, provided an overview of Existing Multifamily program changes and new measures for 2020. Jay Olson, Existing Buildings program manager, provided an overview of Existing Buildings measure changes and new measures, including new pilot programs and targeted load management support.

Jessica Kramer, industrial and agriculture program manager, Kate Wellington and Jay Olson shared an update about future lighting strategies to support commercial and industrial sector customers, including how the changes in lighting may influence projected savings. This discussion provided more detail about the forthcoming competitive solicitation for delivery of commercial and industrial lighting offerings, which will be issued in 2020.

Discussion

During the discussion about residential measure changes, members asked about who receives the incentives for new central air conditioning measures (Alan Meyer), requirements around baseboard removals for ductless heat pump incentives (Danny Grady) and how many products are qualified for smart thermostat incentives (Warren Cook).

Marshall Johnson also explained NEEA's incentives for smart thermostats, and Julia Harper mentioned NEEA's instant coupons for smart thermostats. Members asked questions about the air exchange data cited in the meeting (Anna Kim and Warren Cook), the definition of fireplace savings and whether Energy Trust would pursue incentives for wood-burning fireplaces (Julia Harper and Jason Klotz).

Jason Klotz also asked question about net zero and smart grid incentives and whether there is a renewable component to the smart grid incentives.

Members asked about the impact on cost-effectiveness for expanding Savings Within Reach (Anna Kim) and about water heating savings (Alan Meyer). Members asked questions about air conditioner incentives and the potential impacts on peak (Jason Klotz). Fred explained that the purpose of Energy Trust's air conditioner incentives is to encourage people to invest in a more efficient model. The existing incentive amount is not enough to catalyze someone not already considering a purchase to consider purchasing one. Jason Klotz encouraged Energy Trust to be sensitive to the impact of these incentives on peak demand.

During the discussion about Existing Multifamily, members asked if Energy Trust has trends about air conditioners (Anna Kim) and whether air conditioner incentives are only for homes with natural gas or if they will apply to electric customers (Alyn Spector). Questions were also asked about potential incentive changes for custom offerings (Dave Moody), the ability to change the pool size requirements for pool heater incentives (Jason Klotz) and if the clothes dryer incentive was for electric customers only (Lisa McGarity).

During the discussion about Existing Buildings, members asked if Energy Trust offers pool cover incentives and whether chemicals and other savings were measured as part of the non-energy benefits (Lisa McGarity). Members also asked how many sites Energy Trust will target for the network lighting controls pilot (Anna Kim).

During the discussion about commercial and industrial sector measure changes, members asked how long the program management and delivery competitive solicitation process will take (Anna Kim). Peter West explained that the decision of the selected Program Management Contractor will be recommended to the board at the July 2020 board meeting. Julia Harper offered NEEA's support to Energy Trust to leverage its data and insights from other NEEA relationships and programs.

Next Steps

More details about program and measure changes will be shared at the November meeting. Members are encouraged to attend. Jason Klotz requested more data about the market size for pool pumps.

5. Board nominating committee

Topic summary

Debbie Kitchin, board member and chair of the board's nominating committee, presented an overview of the current member composition of the board and the board's functions and responsibilities. Energy Trust will begin recruiting two new board members in late 2019 to fill the positions of existing board members who will step down in February 2020.

Debbie described the recruitment process, including methods to recruit more members who bring broad perspectives, skills and experiences that complement those of existing board members. Debbie shared feedback from past recruitment efforts that could improve future

recruiting efforts. The timeline for the board recruitment process will be determined soon. Nominations will go to the board for approval.

She then invited council input about the skills, experience and perspectives the nominating committee should consider when recruiting for board members.

Discussion

Members asked how many positions need to be outside Portland (Anna Kim) and whether someone living in Vancouver but working in Portland could be considered (Alyn Spector).

Council members provided suggestions to the nominating committee about relevant skills to consider in future candidates, including climate experience (Warren Cook) and someone with background in finance, trading markets and commodities (Kerry Meade).

Next Steps

Alyn Spector suggested Energy Trust determine if a potential candidate living in Vancouver with professional experience in Portland could apply to serve on the board. An announcement about the recruitment process will go out this fall, with selection of new members by February 2020.

6. Public comment

There was no public comment.

7. Meeting adjournment

The meeting adjourned at 4:10 p.m.

Council members are invited to attend the social hour on Tuesday, October 15 to meet other advisory council members and the board of directors.

The next meeting is the budget workshop with the board and other advisory councils on Wednesday, October 16, 2019. The last Conservation Advisory Council meeting of the year is Wednesday, November 20. Meeting dates for 2020 are forthcoming.

Tab 9

Diversity Advisory Council Meeting Notes

September 17, 2019

Attending from the council:

Oswaldo Bernal, OBL Media LLC
Charity Fain, Community Energy Project
Kaeti Namba, Native American Youth and
Family Center

Kheoshi Owens, Empress Rules
Cheryl Roberts, African American Alliance
for Homeownership

Attending from Energy Trust:

Caryn Appler
Ashley Bartels
Wendy Bredemeyer
Justin Buttles
Karen Chase (phone)
Amber Cole
Michael Colgrove
Ryan Crews
Phil Degens
Cheryle Easton
Sue Fletcher
Matt Getchell
Andy Griguhn

Susan Jowaiszas
Jessica Kramer
Steve Lacey
Debbie Menashe
Nancy Morales
Dan Rubado
Art Sousa
Kenji Spielman
Cameron Star
Greg Stokes
Thaddeus Steerman
Zabyn Towner
Mark Wyman

Others attending:

Shelley Beaulien, TRC Solutions
Susan Brodahl, Energy Trust Board
Emma Cisneros, Empress Rules
Ernesto Fonseca, Energy Trust Board
Eric Hayes, Energy Trust Board
Lindsey Hardy, Energy Trust Board (phone)

Debbie Kitchin Energy Trust Board
Mark Kendall, Energy Trust Board
Anna Kim, OPUC (phone)
Whitney Miller, CLEAResult
Commissioner Letha Tawney, OPUC

1. Welcome and Orientation

Art Sousa, senior operations program manager, convened the meeting at 9:03 a.m. The agenda, notes and presentation materials are available on Energy Trust's website at www.energytrust.org/about/public-meetings/diversity-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.

Art Sousa introduced the agenda, read the mission statement for the Diversity Advisory Council and led introductions.

Debbie Menashe, director of legal and HR, described the origin and development of the Diversity Advisory Council. On Sept 5, five members were appointed to the Diversity Advisory Council by Energy Trust's board policy committee. The council charter calls for 11 members, and the council will nominate more members to policy committee in the coming months.

Debbie Menashe noted the board policy committee meeting on September 5 included a difficult conversation with two Diversity Advisory Council members, Kheoshi Owens and Oswaldo Bernal. She apologized for not stepping in to be a voice in the conversation.

Kheoshi Owens said it was a difficult conversation, and she doesn't want to dwell on the details. A ground rule of respect was broken at the meeting, and people in the room didn't step in to interrupt. Education is needed about the history that enables these breakdowns and about how to interrupt conversations and speak up. She recommended a responsibility process where people involved identify three things they could do differently. She spoke to a need for creating processes and feedback loops.

Oswaldo Bernal said people need to step up for one another and are still learning to do that. Diversity Advisory Council is where these issues can be surfaced and solutions can be identified.

Michael Colgrove apologized and said he will learn how to interrupt. He expressed interest in the responsibility path.

Diversity Advisory Council members thanked Kheoshi Owens for voicing the issue and discussed steps to create learning, reflection and change. Members asked if Energy Trust has a formal process for following up with board members. Michael Colgrove responded there is not a process in place now.

Council members asked if resources could be developed on how to interrupt conversations when there are power dynamics, inquired about what may change based on the discussion today, and thanked Kheoshi Owens for her commitment to Energy Trust.

Board members thanked council members for their time and for helping Energy Trust reach its diversity, equity and inclusion goals. Board Member Lindsey Hardy noted that diversity, equity and inclusion is highlighted in Energy Trust's five-year strategic plan. She commented that we need to hold each other accountable and call out insensitive comments and provide feedback, even though it may be hard. We need to acknowledge that dominant culture exists and comes into play in conversations.

Debbie Menashe thanked members for the discussion and offered to return to this topic in future Diversity Advisory Council meetings if desired.

2. Board Nominees

Topic summary

Debbie Kitchin, board member and chair of the board's nominating committee, provided an overview of the current board structure and composition. Energy Trust will begin recruiting two new board members in late 2019 to fill the positions of existing board members who will step down in February 2020. She asked about roles that Diversity Advisory Council members could play in the board nomination and review process.

Discussion

Members suggested tying the search to the focus areas in the new strategic plan (Charity Fain) and being clear about the intentions of the board (Kheoshi Owens). Members asked how prospective candidates are approached and if Energy Trust notifies diverse groups or communities of opportunities (Kheoshi Owens). Kaeti Namba expressed that engaging with other cultures and the problems they face is uplifting and empowering. Oswaldo Bernal said

there is a lack of knowledge about Energy Trust in communities, and Diversity Advisory Council provides a network of people to spread the word. Building on and developing relationships will be key to recruiting new board members. Kaeti Namba suggested convening of a focus group to identify barriers to serving on the board.

Debbie Kitchin thanked members for suggestions and feedback, and emphasized that the board is committed to improving the board recruit process. Cheryle Roberts asked if the board recruitment process will be delayed to allow time to incorporate Diversity Advisory Council member suggestions.

Michael Colgrove identified Greg Stokes, organizational development manager, as point of contact for board recruitment. Consultants are conducting a review of board structures, policies and procedures, which could include board nominating process. Recommendations are expected to be shared at the board meeting in December.

Next Steps

The board nominating committee will consider Diversity Advisory Council member suggestions.

3. Customer Insights Study

Topic summary

Dan Rubado , evaluation project manager, presented the results of the 2018 Customer Insights Study and plans, goals and proposed methods for a 2020 Customer Insights Study. He also described the 2018 Diversity, Equity and Inclusion Data and Baseline Analysis.

Discussion

Diversity Advisory Council members asked how the 2018 survey was conducted, how many people responded, what survey questions were asked, how survey responses were weighted, if surveys were conducted solely by phone, and if the survey was offered in multiple languages (Kheoshi Owens, Oswaldo Bernal).

For the 2020 study, members suggested being more involved in communities to increase awareness of Energy Trust, offering incentives for taking the survey, conducting surveys through door-to-door direct outreach, getting the word out through community events and social media, sending surveys with utility bills and conducting small focus groups. Sampling is just one method of learning, and the goal is to learn who Energy Trust is and is not helping. Building trust is important.

Cheryl Roberts expressed concern about Illume Advising, the consultant selected to manage the 2020 survey, because it is based out of state. Members recommended that Energy Trust find consultants based in Oregon or that represent or work within the communities served.

Next Steps

Dan Rubado will incorporate feedback into the 2020 Customer Insight Study scope. A request for proposals will be released this fall to select a survey administrator.

4. Public Comment

There was no public comment.

5. Meeting Adjournment

The meeting adjourned at 11:04 p.m. The next meeting is Wednesday, October 16, 2019.

Tab 10

Renewable Energy Advisory Council Meeting Notes

Wednesday, June 26, 2019

Attending from the council:

Alexia Kelly, Electric Capital Management
Anna Kim, Oregon Public Utility Commission
April Snell, Oregon Water Resources Congress
Dick Wanderscheid, Bonneville Environmental Foundation
Jaimes Valdez, City of Portland
Kendra Hubbard, Solar Energy Industries Association (phone)
Les Perkins, Farmers Irrigation District
Michael O'Brien, Renewable Northwest
Rebecca Smith, Oregon Department of Energy (phone)
Susanne Leta, SunPower

Attending from Energy Trust:

Betsy Kauffman
Dave McClelland
Jed Jorgensen
Lily Xu
Dave Moldal
Hannah Cruz
Jay Ward
Jeni Hall
John Volkman
Joshua Reed
Kate Hanson

Lizzie Rubado
Matt Getchell
Mike Colgrove
Nancy Morales
Peter West
Samuel Girma
Shelly Carlton
Thaddeus Steerman
Zach Sippel

Others attending:

Nate Larsen, Pacific Power
Angela Crowley-Koch, Oregon Solar Energy
Industries Association
Natasha Smith, OPUC
Kate Hawley, TRC

Josh Halley, Portland General Electric
Brendan McCarthy, Portland General
Electric

1. Welcome, Introductions, Announcements

Jed Jorgensen called the meeting to order at 9:00 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:

- This meeting will be the final Renewable Energy Advisory Council meeting led by Jed Jorgensen. Continuing to work in the irrigation modernization sector, Jed will be moving to a position with Farmers Conservation Alliance starting in September.
- The senior program manager position for the Other Renewables program will be posted online and open until filled.
- All future council meetings will be led by Lily Xu.
- The next council meeting on July 31, 2019 will be an offsite tour of the Clean Water Services-Durham water resource recovery facility in Tigard.

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

Betsy Kauffman gave an update on the formation of the Diversity Advisory Council

- Energy Trust tapped seven community leaders to help shape the direction and vision for a new Diversity Advisory Council.
- On a volunteer basis, these leaders have helped shape the foundational components of the council's charter, goals and focus. This charter will be presented to the board of directors at the next board meeting on July 24.
- The draft Diversity Advisory Council charter includes procedures for recruiting members and developing agendas which may be beneficial to the other councils. More information will be shared in January 2020.

Betsy Kauffman gave an update on the Community Solar Program:

- At the May Renewable Energy Advisory Council meeting, it was discussed whether Energy Trust will provide incentives to the Community Solar Program. Opinions from the Renewable Energy Advisory Council were largely positive.
- Energy Trust will now consider how incentives might be structured and any potential trade-offs with providing funding. This will be discussed during the budget process this fall 2019.

3. Draft 2020-2024 Strategic Plan

Topic summary

Michael Colgrove and Energy Trust staff presented and sought feedback on the Draft 2020-2024 Strategic Plan. A facilitated discussion centered around the plan's five focus areas and their strategies and progress indicators. Renewable Energy Advisory Council members were invited to provide feedback on the plan, particularly on how well it reflects Energy Trust's role.

Discussion

High-level feedback included:

- Focus area one will be where Energy Trust focuses the majority of investments. Energy Trust is not looking to invest exclusively in locations that benefit utilities, but also identify areas that meet other needs and bring co-benefits to communities.
- The Diversity Advisory Council will be a vital asset for weighing-in on Energy Trust's practices and future strategic plan priorities moving forward.
- Energy Trust is working with the OPUC to discuss additional sources of funding beyond SB 838 and SB 1149.

Suzanne Leta: How do you prioritize these focus areas from a budget standpoint? Will Energy Trust be working with the Oregon Public Utility Commission (OPUC) to change the nature of the lines between energy efficiency and renewable energy? Does focus area two—which mentions Distributed Energy Resources such as solar and storage—open up any additional flexibility? What focus area is the highest level of priority when developing the budget? Would it be locational value or underserved communities?

Anna Kim: There is a technical delineation between storage and the work that Energy Trust does. The OPUC is looking at storage in a docket. It is not opposed to considering how storage might fit into above-market costs, but the path toward this connection is not clear.

Michael Colgrove: Energy Trust is having conversations with the OPUC about the broader view of our work and exploring how it might impact the current work and how the OPUC is integrated into that work, and whether public purpose charge funding has a part of it. As for prioritization, focus area one will be where the majority of the investment goes. Energy Trust is not looking to exclusively invest in locations that benefit the utilities, but also how to meet other needs and bring co-benefits to communities.

Michael O'Brien: The Diversity Advisory Council should weigh-in on how to prioritize these focus areas.

Michael Colgrove: Yes. We are hoping to engage the council.

Alexia Kelly: In light of recently announced emergency response policies and outages to prevent wildfires, and as communities start looking at energy resilience, it is important that Energy Trust think about how resilience can be integrated into Energy Trust's future role. Communities are looking at prolonged periods of no energy.

Les Perkins: Yes, for local communities it is vital that they get storage.

Anna Kim: The OPUC has worked with Oregon Housing and Community Services and Energy Trust to develop an agreement that would allow public purpose charge money from Energy Trust to be combined with low income weatherization money. That agreement will be presented at the July 2 public meeting and is one example of how the OPUC is trying to formalize where to combine different types of funding.

Alexia Kelly: What about Energy Trust providing the service of loan guarantees for loans from other sources? With thin margins for energy efficiency and renewable energy in Oregon, Energy Trust will need to leverage outside funding.

Michael Colgrove: We are looking for a range of different funding from the government, philanthropies and other industries.

Michael O'Brien: In terms of cultivating diversity on the board of directors and advisory councils, will there be term limits for members?

Michael Colgrove: The Diversity Advisory Council has recommended three-year term limits for itself, with an option for one additional three-year term. Currently the Renewable Energy Advisory Council and the Conservation Advisory Council do not have term limits. We will discuss this at the start of 2020.

Suzanne Leta: Energy Trust has not provided analysis on what more the organization could do with an expansion of funding for the renewable energy programs. Can Energy Trust provide this type of analysis or does the request need to come from the OPUC?

Michael Colgrove: Technically, we can provide that research, however what is done with that research has restrictions as it cannot be used to shape or inform public policy.

Betsy Kauffman: Energy Trust's Renewable Energy program is funded through SB 1149. Energy Trust's energy efficiency programs are funded from SB 838 which fluctuates annually. Funds from SB 1149 do not. SB 1149 has a sunset date of 2025.

Jaimes Valdez: The percent of allocated funds were established in the past when energy efficiency and renewable energy were in very different places and renewable energy did not exist like it does now in the current market.

Suzanne Leta: It is not about Energy Trust using this research for policy advocacy but rather recognizing that we are not meeting all of the market needs with the current budget and should identify what more the organization can do if it were granted more funding.

Michael Colgrove: Energy Trust is not the only entity to answer these questions and it is important to make sure that the right people are part of this conversation. The original grant policy did not say that we must meet all market demand, but rather support utility customers with the specific amount of funding.

Anna Kim: The OPUC is open to talking about this with Energy Trust and the Oregon Department of Energy.

Alexia Kelly: It would be good to leverage existing state level perspectives to help identify sources of funding.

Jaimes Valdez: For focus area five, I recommend adding community resiliency and how direct policy changes are impacting customers.

Dick Wanderscheid: Bonneville Environmental Foundation is interested in electric vehicles. This is a space that is moving quickly and there are so many benefits to electric vehicles, including vehicle-to-grid technology and energy resilience. It is hard for Energy Trust to transition into the transportation sector, but it is emerging, and it will impact the energy space.

Les Perkins: Electric mobility is a key component of the rural community energy landscape. The reality is that a lot of these communities are situated on prime transportation corridors and it is important to have electric vehicle infrastructure. From a rural perspective, electric vehicles are a key component to energy resiliency and need to be part of the conversation.

Jaimes Valdez: Are the advisory council comments today tracked?

Hannah Cruz: We will take all of these comments and roll them up into themes of what was discussed and recommended from the advisory council as a group. These will then be presented at the staff strategic planning meeting. You can submit feedback on behalf of your specific organization as a letter that goes verbatim—versus the summary tracked here—and it will be reviewed by the board.

Michael Colgrove: We take these comments very seriously and consider these questions as still outstanding.

Anna Kim: The OPUC is working with utilities on electric vehicle projects. However, one of the complications is that, per the grant agreement, Energy Trust must be fuel neutral and cannot promote fuel switching. Transportation electrification suggests fuel switching so the OPUC is cautious to engage. If there are ways that Energy Trust can help the energy resiliency market, within the boundaries of renewable energy or energy efficiency, then the OPUC would be open to suggestions. It would be great to have Energy Trust be part of dockets if there is opportunity for them to provide support.

Suzanne Leta: Is there a bill that states Energy Trust must be fuel neutral?

Anna Kim: The OPUC requires it because Energy Trust is receiving funding from natural gas and electric utilities and the OPUC does not want Energy Trust to be caught in the middle. The OPUC is cautious for fuel switching sensitives overall.

Jaimes Valdez: Even for unregulated industries like petroleum?

Anna Kim: The OPUC would want to think about.

Alexia Kelly: Electric vehicles are significantly more energy efficient and therefore can be seen as specific to energy.

Next steps

Staff will provide this feedback to the board Strategic Planning Committee as it considers any revisions to the draft plan in August and September. The final plan will be presented to the board for adoption at its October public meeting. The current draft is available on the Energy Trust website. Comments may be emailed to info@energytrust.org or mailed or submitted in person by August 2 to: Energy Trust of Oregon, Attention: Strategic Plan, 421 SW Oak St., Suite 300, Portland, OR 97204. Energy Trust expects to finalize its 2020-2024 Strategic Plan for board adoption on October 16, 2019. A final version will be posted on the Energy Trust website.

4. Business planning: draft 2020 organizational goals follow-up

Topic summary

Staff provided an update on the final 2020 organizational goals and how feedback from the Renewable Energy Advisory Council and Conservation Advisory Council was considered and incorporated. These final goals will guide the organization in developing the 2020 budget and action plan this fall.

Discussion

Kate Hawley: How will these organizational goals be reflected in the budget?

Michael Colgrove: These are goals are providing staff focus and guidance as they prepare for work in 2020. All work flows down from the strategic plan at the end of 2024—what does Energy Trust need to have accomplished?

Next steps

No next steps.

5. Above-market cost policy and procedures

Topic summary

Betsy Kauffman and staff presented on Energy Trust's above-market cost methodologies. Energy Trust is charged with funding above-market costs of new renewable energy resources. The above-market cost is a comparison between the cost to build and operate a renewable energy project versus the market value of an equivalent amount of power.

Discussion

High-level feedback included:

- Energy Trust uses information provided on applications, including upfront costs and yearly expenses, to build the above-market cost model for projects. Models consider the project's expected yearly revenue, expenses, cash flows and rate of return.
- Energy Trust conducts a unique analysis for specific projects.

Suzanne Leta: A lot of customers are working with energy suppliers that have variable rates. What is the retail rate you work with to determine the above-market cost?

Betsy Kauffman: For commercial solar projects, we look at the average commercial rate for the types of projects currently funded and then collect that information from customers and build that into the financial models.

Jaimes Valdez: Is this related to different rates for coming up with this above-market cost?

Jed Jorgensen: We separate things out for custom projects, conducting a unique analysis for specific projects with specific electricity rates.

Betsy Kauffman: For solar net-metered projects, we look at the average rate for a whole class of projects and determine the above-market cost for the average project. Individual differences get sorted out when trying to set a standard commercial rate.

Jaimes Valdez: If utilities are pushing to reduce the qualifying facility terms, how does that impact the above-market cost calculations?

Betsy Kauffman: Typically, a project life is 20 years. But now that power purchase agreement terms are more often 15 years, this might be something we want to revisit. How we review the costs of projects is an important part of our work. When proposed projects submit their expected costs, staff evaluate what the project should cost. For example, if the operations and maintenance cost estimate is a certain amount, and we feel it is low compared to the industry standard, then staff will adjust the model and give that feedback to the customer.

Brendan McCarthy: How do you integrate profit and financial stability of each entity as reflected in cost of capital in the above-market cost calculations?

Betsy Kauffman: For each entity proposing a project, we evaluate whether the financials make sense and how cashflows are going to work. We also build a certain amount of profit into the model; the amount of return allowed is associated with the risk of the project. The internal rate of return is about 8% or paybacks within 8-10 years, however this varies depending on the project.

Brendan McCarthy: Public entities don't anticipate a rate of return on projects.

Les Perkins: I disagree. Farmers Conservation Alliance expects a return on timber, we aren't cutting timber to breakeven but to fund projects. Governments don't expect a return on mandatory projects like streets, but they do for optional projects such as an electricity generation project.

Suzanne Leta: For solar projects do you have similar assumptions according to rate of return and payback?

Betsy Kauffman: Yes. After the sunset of the Residential Energy Tax Credit, payback for a residential project is 15-17 years, and for a commercial project it's about 8-10 years.

Jed Jorgensen: Depending on the complexity of the project, there might be different inflation rates depending on technology or the people working on the project. We usually model 2% inflation per year.

Suzanne Leta: For solar specifically, rates can go up mid-year. It would be helpful for Energy Trust to refresh these values more than once a year.

Betsy Kauffman: Energy Trust tracks costs all the time. Although the big refresh is once a year.

Alexia Kelly: How are you factoring in the impact of the Administration's tariffs?

Jeni Hall: We get real time feedback—with every signed contract, there is information about project costs. So that when it comes time for the next review, this information helps determine whether to adjust the rate.

Brendan McCarthy: When it comes to a custom project where the above-market cost is high, how does Energy Trust decide when and how much you are going to pay? Also, when projects are generating co-benefits, at what point does Energy Trust decide to request a contribution from another funder?

Jed Jorgensen: To address the first question, there are a lot of factors for determining how we allocate funds to any given project including project timing and whether Energy Trust funding will secure stability for the project.

Betsy Kauffman: We also look at how much is spent per megawatt hour on previous projects and how much money is available. To answer the second question, if the project is selling one of its byproducts, that gets incorporated into lowering the project's expenses. Projects carry a certain amount of risk and we expect that if a community is able to take on that risk, then there should be a certain rate of return for them.

Jed Jorgensen: For projects where rate payers are paying more, typically they are getting things back. For example, for an irrigation modernization project the rate payers are gaining more reliable water supply and the hydrogeneration will pay toward the long-term loan.

Les Perkins: It should be noted that there is a significant amount of risk that these entities take on.

April Snell: It seems like Energy Trust's funding is something that comes in after the point of the project idea and other funding is secured—putting the project at risk for not happening if Energy Trust funding isn't secured. Are there other boundaries in that project development where this could come in as an option?

Lily Xu: Typically, when a project comes in, we consider the information and determine where the project is in the development phase (i.e. 80-90% designed or engineered) and that informs where Energy Trust steps in with an incentive.

Jed Jorgensen: The application is at a point in time and we need to be able to provide the customer with a level of certainty around the incentive amount so the customer can make a final decision about moving forward.

Dick Wanderscheid: Does Energy Trust ever go back and look at the costs and results of a project compared to what was anticipated?

Jed Jorgensen: Yes, we do it on a periodic basis and this informs future projects.

Next steps

No next steps.

6. Public comment

There was no public comment.

7. Adjourn

The meeting adjourned at 12:02 p.m. The next council meeting on July 31, 2019 will be a tour of the Clean Water Services Durham Wastewater Treatment Facility in Tigard.

PINK PAPER

Renewable Energy Advisory Council Meeting Notes

Wednesday, September 18, 2019

Attending from the council

Erik Anderson, Pacific Power
Josh Halley, Portland General Electric
Andria Jacob, City of Portland
Anna Kim, Oregon Public Utility
Commission
Oriana Magnera, Verde

Michael O'Brien, Renewable Northwest
Frank Vignola, University of Oregon
(Phone)
Dick Wanderscheid, Bonneville
Environmental Foundation

Attending from Energy Trust

Caryn Appler
Amber Cole
Ryan Cook
Hannah Cruz
Cheryle Easton
Sue Fletcher
Matt Getchell
Samuel Girma
Fred Gordon

Dave McClelland
Lizzie Rubado
Dave Moldal
Nancy Morales
Joshua Reed
Cameron Starr
Thaddeus Steerman
John Volkman
Peter West

Others attending

Don MacOdrum, TRC
Andrew Ragland, Archipelago Power
Partners

Rachel Dawson, Cascade Policy Institute
Shelley Beaulieu, TRC

1. Welcome, Introductions, Announcements

Dave McClelland called the meeting to order at 9:30 a.m. Council attendance was light due to conflicting scheduling with the Portland Clean Energy Fund meeting. 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 GoToMeeting (a portion of the action plans presentation was missed in the recording). If you'd like to refer to the meeting recording for

further detail on any of these topics, email info@energytrust.org.

Topic Summary

Staff discussed staffing changes and updates to the 2020-2024 strategic planning process, reporting out on the public comment period and themes surfaced from the feedback that will inform the final proposed strategic plan to be presented to the board in October. Staff also shared updates to the council meeting schedule and budget feedback process.

2. 2020 action plans preview

Topic Summary

Staff presented the draft action plans and concepts that will form the foundation of the draft 2020 budget for the renewable energy sector. Staff presented an overview of the Oregon Community Solar Program and Energy Trust's role as a subcontractor.

Discussion

Staff discussed the July 31 Renewable Energy Advisory Council tour at Clean Water Services—Durham and the Wallowa Lake County Service District hydropower project ribbon cutting event on August 23. There were no questions for Solar or Other Renewables programs on draft action plans and concepts.

During the Community Solar Action plan discussion, members asked about Energy Trust staffing for the Community Solar Program and the program administration team's approach to consumer protection (Dick Wanderscheid, Josh Halley). Staff responded that Energy Trust will have 1.75 FTE dedicated to its portion of the program administration role. Consumer protection is one of many topics covered in a draft Program Implementation Manual published by the Oregon Public Utility Commission.

Next Steps

Council members encouraged attend the October 16 budget workshop for more information about Energy Trust's draft 2020 budget and action plans.

3. Incentives for small community solar projects

Topic Summary

Staff summarized feedback from the May discussion about incentives for small community solar projects (<360 kW-AC) and discussed budget considerations and next steps for developing appropriate community solar incentives.

Discussion

Approach: During the discussion, staff presented a proposal to provide early development assistance to some community solar projects, deploying as close to the launch of the Community Solar Program in December 2019 as possible, and delaying a determination on project incentives (rates and eligibility) until Q2 2020. Members were generally supportive of the approach but requested clarification on the amount of 2020 funding allocated to development assistance versus project incentives (Erik Anderson). The proposed incentives will be limited to projects less than <360 kW-AC to be compatible with Energy Trust's policy on Renewable Energy Certificates.

Funding Amounts: Members encouraged staff to consider providing incentives that are larger than the standard solar development assistance offering (\$1,800) to support the more complicated development process of community solar projects (Oriana Magnera). Staff indicated that a larger development assistance incentive may be feasible depending on project demand and prioritization.

Project and Participant Prioritization: Members (Oriana Magnera, Dick Wanderscheid, Josh Halley, Erik Anderson, Andria Jacob) provided feedback on how to allocate development assistance funding and project incentive funding, considering the diversity of project manager expertise and project size. Public entities and community-based organizations are interested in developing projects larger than the proposed 360 kW-AC cap for incentive eligibility. Such projects may take additional funds and time to develop. Members were supportive of providing incentives for select larger projects but expressed reservations about how to determine whether projects are truly community driven.

Timing: Staff requested feedback on when development assistance funding needs to be available to be useful for the new program. Members strongly encouraged Energy Trust to provide development assistance as soon as possible (Oriana Magnera), ideally well before the expected December 2019 launch date for the pre-certification process to build a pipeline of projects (Dick Wanderscheid).

Next Steps

Staff will finalize 2020 allocations set aside for development assistance funding and Community Solar project incentives funding, to be presented at the October Budget Workshop. Staff will evaluate Q4 2019 priorities to determine a possible launch date for a development assistance offering, in conjunction with a proposal for prioritizing projects (including sizes and participants), to be reflected on later in 2020 when evaluating key learnings.

4. New diversity, equity and inclusion OPUC performance measure for Energy Trust

Topic Summary

Staff presented on the new Energy Trust diversity, equity and inclusion metric adopted by the OPUC.

Discussion

Members requested clarification on the number of projects completed by minority-owned trade allies (Erik Anderson). Staff responded that it is a moderate stretch goal but realistic to hit this year. OPUC staff (Anna Kim) indicated that there will be future workshops for stakeholders to weigh in on the diversity, equity and inclusion performance measure.

5. Board of directors recruitment

Topic Summary

Debbie Kitchin, board member and chair of the board's nominating committee, provided an overview of board structure, composition and the process for recruiting new members. Members were asked to provide input on the recruiting process and how they might assist with outreach to potential candidates.

Discussion

Members asked for clarification of board requirements, specifically regarding conflict of interest (Anna Kim). Debbie Kitchin responded that the only firm rule is not being an employee of a utility, but if there is a perceived conflict of interest, board members can abstain from voting on issues.

6. Public comment

There was no public comment.

7. Adjourn

The meeting adjourned at 11:44 a.m.

Renewable Energy Advisory Council members are invited to the budget workshop on October 16, 2019 from 9:00 a.m. to 12:00 p.m. The last council meeting of the year will be held on November 20, 2019.