



Energy Trust of Oregon

2020 Annual Budget and 2020-2021 Action Plan

DRAFT

**Presented to the Board of Directors
October 16, 2019**

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

DRAFT 2020 Annual Budget and 2020-2021 Action Plan

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MEMO

Date: October 9, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Draft 2020 Budget and 2020-2021 Action Plan

I am pleased to present to you Energy Trust of Oregon's Draft 2020 Budget and 2020-2021 Action Plan, which will be the focus of our public budget workshop on October 16.

In the materials that follow, a handout and presentation summarize the draft budget and action plan. Individual action plans are provided for general management, including diversity, equity and inclusion; energy efficiency and renewable energy programs; and program support groups. The draft budget also includes memos with additional details on staffing, administrative costs and levelized costs, as well as four memos requested by the Oregon Public Utility Commission. These materials show links between the 2020-2024 Strategic Plan and this year's organizational goals and activities.

Unless otherwise noted, the draft budget reflects all revenues and expenditures, including Oregon public purpose charge funds; NW Natural industrial demand-side management funds; NW Natural Washington funds; Community Solar Program funds and business development funds. Some draft budget materials, such as calculations regarding OPUC performance measures, reference a subset of the budget and will be clearly marked.

Beginning in 2020, all Energy Trust budgets and reports use gross savings, which are savings without certain adjustment factors applied. In the following materials, all savings and levelized costs are shown in gross, unless otherwise noted.

These documents guide Energy Trust in delivering the lowest-cost energy resources available and diversifying Oregon's energy resource mix with small-scale renewable energy generation. Outcomes and benefits of our investments reduce participant utility bills, deliver system benefits to all customers, avoid carbon dioxide emissions and strengthen our economy.

The draft budget and action plan are available for public comment from October 9 through October 30, 2019. We will also provide information on the draft budget to our five affiliated utilities and the OPUC. All materials are available at www.energytrust.org/budget.

Feedback and comments received through these presentations will be incorporated into a Final Proposed 2020 Budget and 2020-2021 Action Plan to be reviewed by the board at the December 13 board meeting.

Thank you,



Michael T. Colgrove, Executive Director

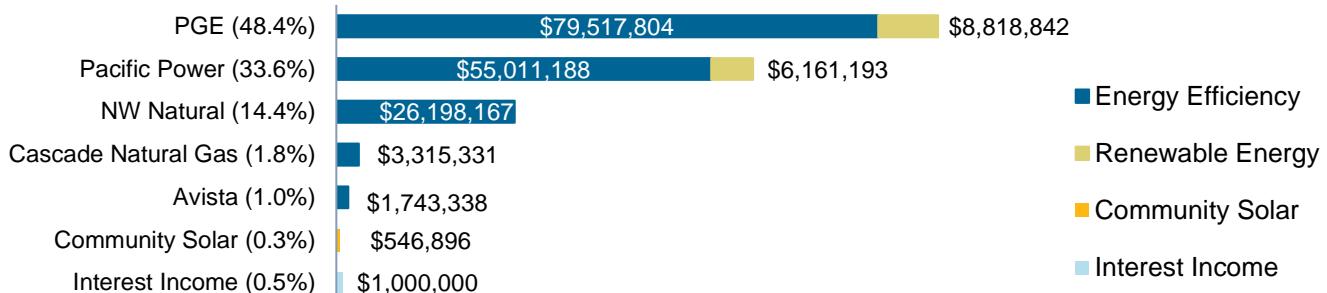
2020 Draft Budget Overview

Investing \$202.5 Million to Deliver Significant Benefits

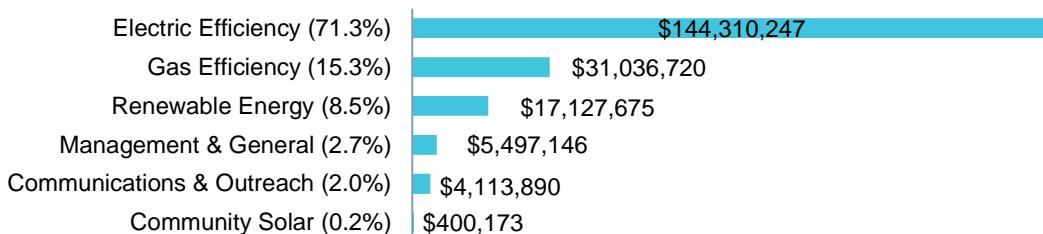
- Participants save \$593 million on their utility bills over time from projects completed in 2020
- Energy saved at a cost of 3.6 cents/kWh and 37.9 cents/therm, a fraction of the cost of supply side resources
- Jobs, wages and business income added to the local economy
- Air quality improvements by avoiding 4.2 million tons of carbon dioxide
- Training and support for 2,300 local businesses, particularly women- and minority-owned

Revenue and Expenses (Oregon and Southwest Washington)^{1,2}

Annual Revenue: \$182.3 million

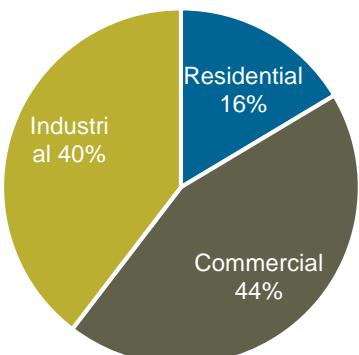


Annual Expenses: \$202.5 million



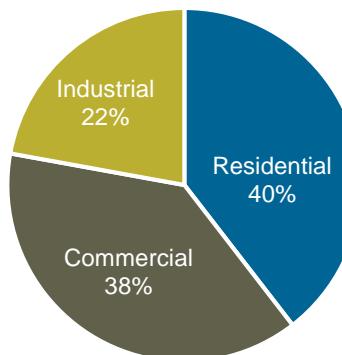
Energy Efficiency and Generation Goals (Oregon and Southwest Washington)³

**Electric savings
45.6 aMW**



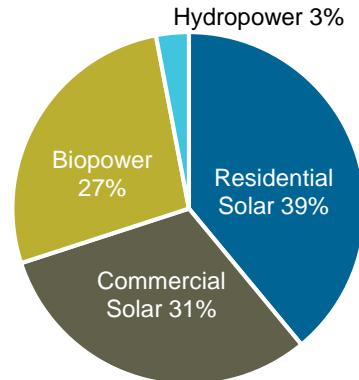
Residential: 7.5 aMW; 5.6 cents/kWh
Commercial: 20.1 aMW; 3.8 cents/kWh
Industrial: 18.1 aMW; 2.5 cents/kWh

**Natural gas savings
6.8 MMTh**



Residential: 2.70 MMTh; 39.2 cents/therm
Commercial: 2.62 MMTh; 44.8 cents/therm
Industrial: 1.51 MMTh; 23.2 cents/therm

**Renewable generation
3.36 aMW**



Solar: 2.4 aMW
Biopower: 0.9 aMW
Hydropower: 0.1 aMW

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

² Community Solar Program expenses include a share of Management & General and Communications & Outreach costs.

³ Notes: MMTh (million annual therms), aMW (average megawatt); all savings are in gross. Costs/kWh or therm are levelized.

2020 Organizational Goals

Energy Trust determined five organizational goals to guide the organization in prioritizing new and existing work during its annual business planning process. These goals ensure alignment of activities across the organization.

1. Meet savings and generation targets and create future opportunities

Focus areas include:

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

2. Use guidelines to determine resource investments in community efforts

Focus areas include:

- Coordinating with utility efforts in communities
- Building community-based organization capacity
- Building community capacity
- Developing toolkits and templates

3. Provide information to policymakers, agencies and implementers

Focus areas include:

- Oregon Public Utility Commission requests
- Portland's Clean Energy Fund
- State carbon policy development
- Communities forming clean energy objectives

4. Strengthen internal innovation capabilities and develop new proposals

Focus areas include:

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

5. Make operational improvements

Focus areas include:

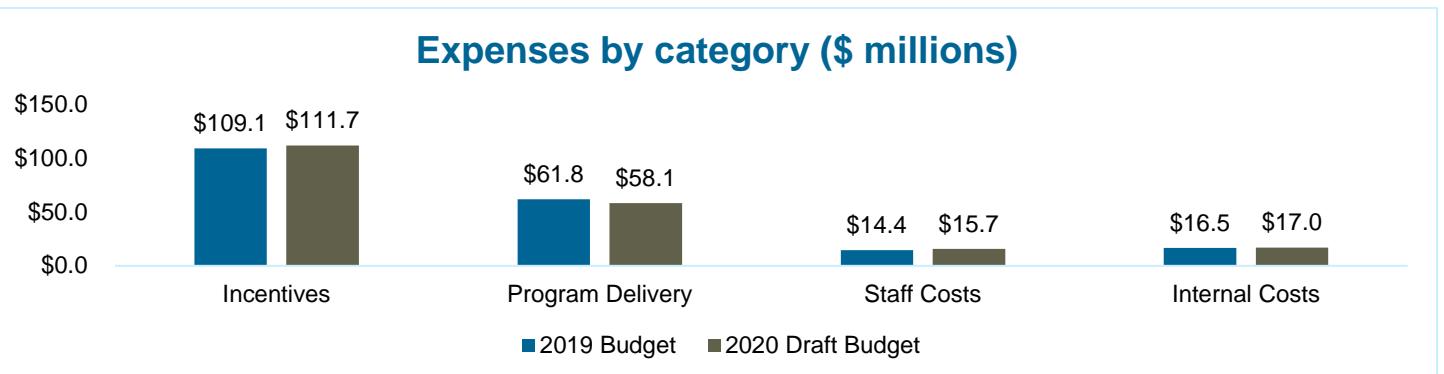
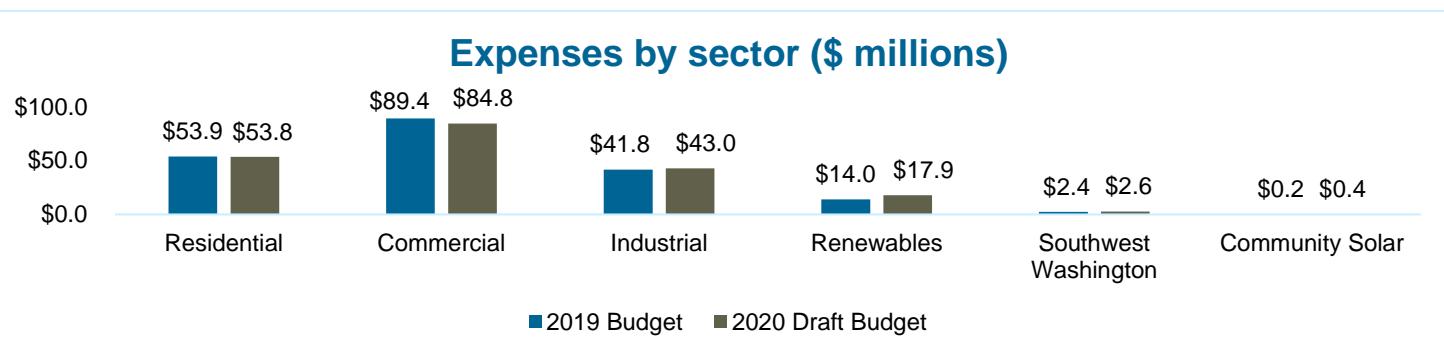
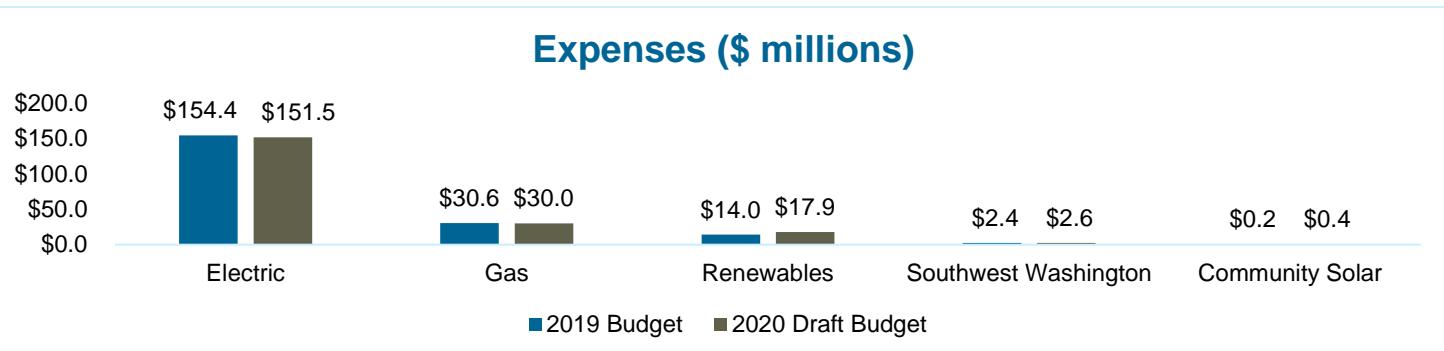
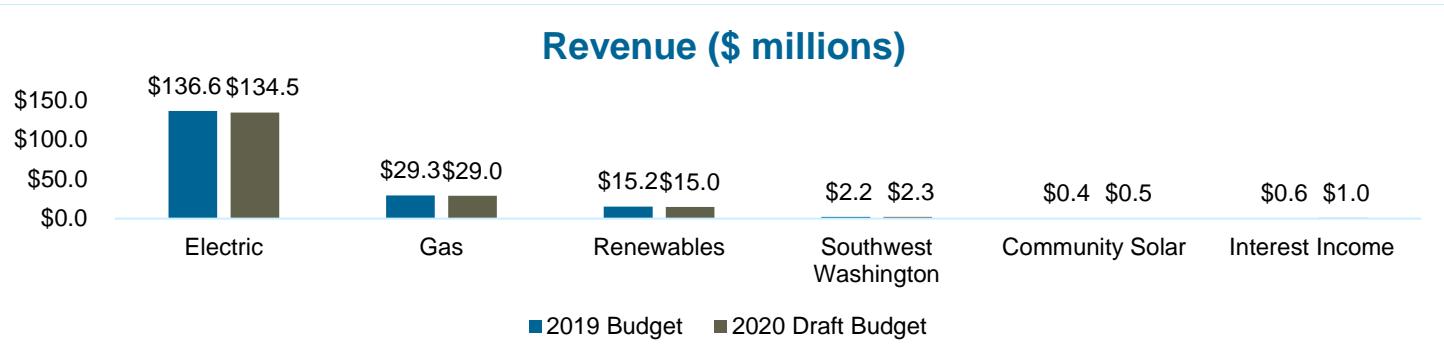
- Budgeting tools
- Forecasting
- Staff development
- Alignment of systems, data and reporting
- Collaborations

Budget Process and Public Engagement

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

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

- Revenues down slightly, decreasing 1.0% compared to the 2019 budget
- Expenses up slightly, increasing 0.4% over the 2019 budget
- Compared to 2019, staffing and internal costs are up slightly. Both remain low compared to the overall budget.



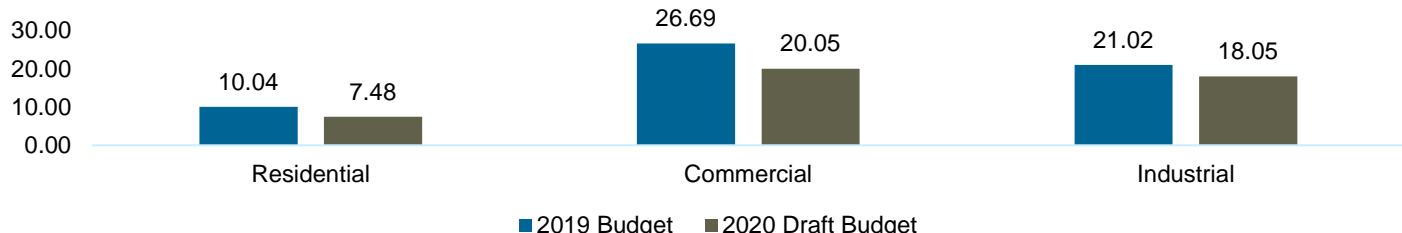
Staffing costs and internal costs include a portion of Community Solar Program expenses.

Year-to-year Comparison of Budgeted Savings, Generation, Levelized Costs (Oregon and Washington)⁴

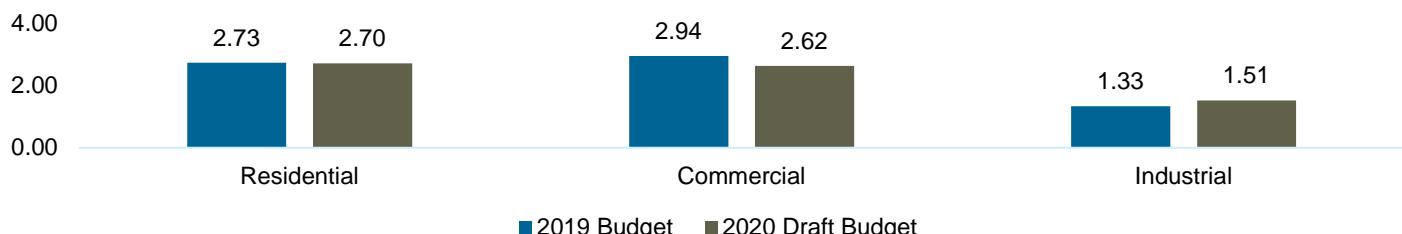
	Electric Savings (aMW)	Gas Savings (MMTh)	Electric Generation (aMW)
2019 Budget	57.7	7.0	2.25
2020 Draft Budget	45.6	6.8	3.36
% change	-21%	-2%	49%

	Electric Levelized Cost (cents/kWh)	Gas Levelized Cost (cents/therm)
2019 Budget	2.9	35.3
2020 Draft Budget	3.6	37.9

Electric Savings by Sector (aMW)



Gas Savings by Sector (MMTh)



Administrative and Program Support Costs, and Staffing Costs, Subject to OPUC Performance Measures

- In 2020, Energy Trust projects to meet OPUC performance measure for administration and program support costs and staffing costs.
- Staffing costs are increasing due to healthcare costs, compensation adjustments and growing resource demands.

2020 Administrative and Program Support Costs	Current OPUC Performance Measure Compliance
✓ 7.7% of annual revenues	<8% of annual revenues
✓ 3.5% year-over-year increase	<10% year-over-year increase
2020 Staffing Costs	Current OPUC Performance Measure Compliance
✓ 7.1% year-over-year increase	<9% year-over-year increase

⁴ All savings are in gross.

Energy Trust Budget Frequently Asked Questions

How is your budget and action plan developed?

Our annual budget and two-year action plan are developed through a transparent, public process that includes stakeholder review and input. Our five-year strategic plan and each utility's Integrated Resource Plan serve as primary building blocks for the budget.

Annually starting in July and continuing through December, we identify the amount of energy efficiency that can be cost-effectively acquired in the coming year and develop action plans with the strategies and activities to do so. We also determine planned renewable energy generation and project development within PGE and Pacific Power territories. In October, we post our draft budget online and present it publicly to our board of directors, stakeholders and Oregon Public Utility Commission. In December, after revisions are made, we post a final proposed budget online and present it for board approval.



How can I participate?

Public comments are actively solicited and help shape our final proposed budget and action plan presented to the board of directors. Public notices and materials for board, Conservation Advisory Council, Renewable Energy Advisory Council and Diversity Advisory Council meetings are posted on our website in advance of each meeting. We also present at a public OPUC meeting in November.

Written public comments are due to Energy Trust by 5 p.m., Wednesday, October 30. Comments may be emailed to info@energytrust.org, or mailed to Energy Trust of Oregon, 421 SW Oak St., Suite 300, Portland, Oregon 97204.

Who reviews and approves the budget and action plan?

Budget goals and action plans are reviewed by our board of directors, Conservation Advisory Council, Renewable Energy Advisory Council, Diversity Advisory Council, OPUC, PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista. We also engage the public, community organizations and a variety of stakeholders.

Comments received during the outreach period are summarized, with many incorporated into a final proposed budget and action plan presented to the board at its public meeting in December. The board approves the final proposed budget and action plan.

Where can I find more information about the 2020 budget and action plan?

Visit our website at www.energytrust.org/budget to find the draft budget and action plan, view the budget schedule and view an on-demand presentation by Executive Director Michael Colgrove. Budget presentations and materials delivered at board and advisory council meetings are available at www.energytrust.org/about/public-meetings.

What do you consider when setting the budget?

We work closely with all five utilities to update their plans to meet future energy needs for their customers with the goal of acquiring all available cost-effective energy efficiency. Additional information is drawn from renewable resource assessments. These resources inform our five-year strategic plan and guide our annual budget and two-year action plan.

Annual activities are guided by third-party program evaluations, market research, our experience delivering programs, feedback from contractors and customers, and input from our partner utilities, three advisory councils, the OPUC and the board of directors.

What benefits will the budget provide?

Our budget and action plan are designed to serve a range of customers—from homeowners and renters to large businesses around the state. We deliver the low-cost energy efficiency utilities rely on to meet their customers' energy needs, and add clean, renewable power to the electric grid. Projects and actions resulting from our budget reduce participating customer utility bills, help keep energy costs lower than they otherwise would be for all utility customers, avoid carbon emissions and strengthen local economies.

How are programs and services funded?

Funding for our energy efficiency and renewable energy programs comes exclusively from customers of PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista in Oregon, and NW Natural customers in Washington. We also receive funds through a subcontract for Oregon's Community Solar program.

What happens when funds are not spent by the end of the year?

At year-end, any unspent funds are carried over into the following year's budget and offset future revenue needs. Carryover of unspent funds can be a result of many factors, including meeting our savings goals at lower than expected costs or revenue forecasts being higher than projected due to unexpected weather changes. Renewable energy project development often occurs over multiple years and requires an upfront funding commitment. Some carryover funds are dedicated for those project commitments.

What accountability measures are in place to ensure funds are spent wisely?

All expenditures must comply with legal requirements and meet minimum annual performance measures established by the OPUC. OPUC oversight are for OPUC Grant Agreement activities funded by Oregon customers of PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista. For instance, administrative and program support costs subject to an annual OPUC performance measure must be below 8 percent of annual revenues. In addition, all energy-efficiency investments, excluding pilots and limited activities exempted by the OPUC, are required to be cost effective, meaning that long-term project savings must exceed related costs and be of net financial benefit to the customer. The board of directors reviews monthly financial statements, program impact evaluations and program process evaluations.

How do you report on expenditures and progress to goals and performance measures?

We report quarterly and annually to the board and OPUC on progress to goals, revenues and expenditures, and program and operations activities. We also provide information for a public purpose charge report submitted to the Oregon Legislature every two years by the OPUC.

2020 Budget Outreach and Schedule

Outreach and Schedule

Key dates for the public noted in bold text

August	Discuss significant changes and new activities for 2020 with each utility
September 17	Review budget process and schedule with the Diversity Advisory Council
September 18	Preview in-progress energy efficiency and renewable energy action plans with the Renewable Energy Advisory Council and Conservation Advisory Council
September, October	Meet with each utility and the OPUC staff individually to review budget information, and discuss and determine funding levels for 2020 and 2021, including any related rate adjustments needed to reach savings targets
October 9	Post the draft budget and action plan online, and open the public comment period
October 16	Present the draft budget and action plan to the board of directors at a public budget workshop, which includes a participatory activity with the board, advisory councils, community organizations, the public and staff to review and invite input on program and support group activities
October 16	Post a recorded presentation online with Executive Director Michael Colgrove highlighting the draft budget and action plan
October 30	Close the public comment period
November 7	Present the draft budget and action plan at a public work session of the Oregon Public Utility Commission, held at the OPUC Main Hearing Room, 201 High Street SE, Suite 100, Salem, Oregon
November 20	Review any changes to the draft materials with the Renewable Energy Advisory Council and Conservation Advisory Council
December 5	Post the final proposed budget and action plan online
December 13	Present the final proposed budget and action plan to the board of directors, presentation includes a summary of public comments; after making any final changes, the board votes on the budget

Submitting comments, attending public meetings

Written public comments are due to Energy Trust by 5 p.m., Wednesday, October 30, 2019. Comments may be emailed to info@energytrust.org, or mailed or submitted in person to Energy Trust of Oregon, 421 SW Oak St., Suite 300, Portland, Oregon 97204.

Energy Trust Board of Directors, Conservation Advisory Council, Renewable Energy Advisory Council and Diversity Advisory Council meetings are open to the public and held at Energy Trust of Oregon, 421 SW Oak St., Suite 300, Portland, Oregon 97204.

Resources

Visit the Energy Trust website at www.energytrust.org/budget for links to the draft budget and action plan, to view the most up-to-date budget schedule and to watch a recorded presentation with highlights of the draft budget.

All Energy Trust board and advisory council meeting agendas, packet materials and meeting notes are online at www.energytrust.org/about/public-meetings.



Draft 2020 Annual Budget & 2020-21 Action Plan

October 28, 2019

A photograph of a young woman with short brown hair smiling. She is holding a large, fluffy gray cat with yellow eyes. The background is slightly blurred, showing what appears to be an indoor setting.

Outline

- Draft 2020 budget summary
- Developing the budget and action plan
- Draft 2020 budget
- Action plan highlights
- Summary and next steps
- Discussion

Unless Otherwise Noted

**The budget reflects
all revenues and
expenditures**

- ✓ Oregon public purpose charge funds for PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista
- ✓ NW Natural industrial demand-side management funds
- ✓ NW Natural Washington funds
- ✓ Oregon Community Solar Program funds
- ✓ Business Development funds

**All savings and
levelized costs are in
gross**

- ✓ As opposed to net, gross savings do not have certain adjustments factors applied (free ridership, spillover)
- ✓ Aligns with regional and national reporting



Draft 2020 Budget Summary

- Investing \$202.5 million of utility customer funds
- Saving 45.6 aMW and 6.8 MMTh
- Delivering highly cost-effective energy
 - 3.6 cents/kWh leveled
 - 37.9 cents/therm leveled
- Generating 3.36 aMW
- Distributing \$111.7 million in incentives; 55% of total expenditures
- Administrative costs at 7.8%

aMW: average megawatts (of electricity)

MMTh: million annual therms (of natural gas)



Customer Benefits from 2020 Investments

- \$593 million in future bill savings
- Expanded access and participation in diverse and rural communities
- Opportunities for 2,300 local businesses, particularly minority- and women-owned
- Improved air quality by avoiding 4.2 million tons of carbon dioxide
- Continued high customer satisfaction
- Enough energy to power 41,700 homes and heat 13,490 homes

Developing the Budget & Action Plan

Building Our Budget and Action Plan

1

2020-2024
Strategic Plan
focus areas
and
strategies

2

Energy
efficiency and
renewable
energy
resource
planning

3

Business
planning,
prioritization
and goal
setting

4

Market knowledge and context

Market Knowledge

Oregon's economic expansion continues, but growth has slowed and stabilized:

- **Pace of economic growth of last few years is unusual and not sustainable.**
- Supply-side constraints weigh on growth: tighter labor market, **limited high-skilled labor supply, increased construction and contracting costs**
- Rate of growth in new construction starts and industrial production slowing: increases in product, labor and land cost
- Increased uncertainty about economic outlook may have firms wary of investing

Highlights

- Businesses are busy and wary of downturn, limited time for energy efficiency as it competes with other motivators and constraints
- Compared to last year, more uncertainty and slower pace in rate of growth in commercial and residential new construction

Budgeting Context

1. Changes in program activity from specific economic conditions

- Fewer commercial retrofits due to construction labor shortages and materials and project cost increases
- Uncertain multifamily and industrial investment
- Economics remain challenging for renewable generation projects, requiring project development assistance



~15% increase in
lighting prices



4-7% increase in
Portland commercial
construction costs



20-30% increase in
non-urban commercial
construction costs

Budgeting Context, continued

2. Programs maturing

- Savings opportunities shifting to small projects from repeat customers and from those we have not previously served
- Higher costs due to incentive increases and development of new measures and program approaches
- Markets transforming with less savings for the same measures (e.g., lighting in all sectors, construction codes)

3. External programs and policies present new opportunities

- New programs (e.g., Community Solar Program, Portland Clean Energy Fund, utility-led peak load management programs)
- Climate change, resiliency and sustainability planning
- Co-funding possibilities



Custom incentive increases to improve payback periods to 2-4 years



Lighting incentive increases to counter savings decline and other impacts

Draft 2020 Budget

2020 Annual Goals

1 Meet savings targets of 45.6 aMW and 6.8 million annual therms, meet the generation target of 3.4 aMW, and create future opportunities

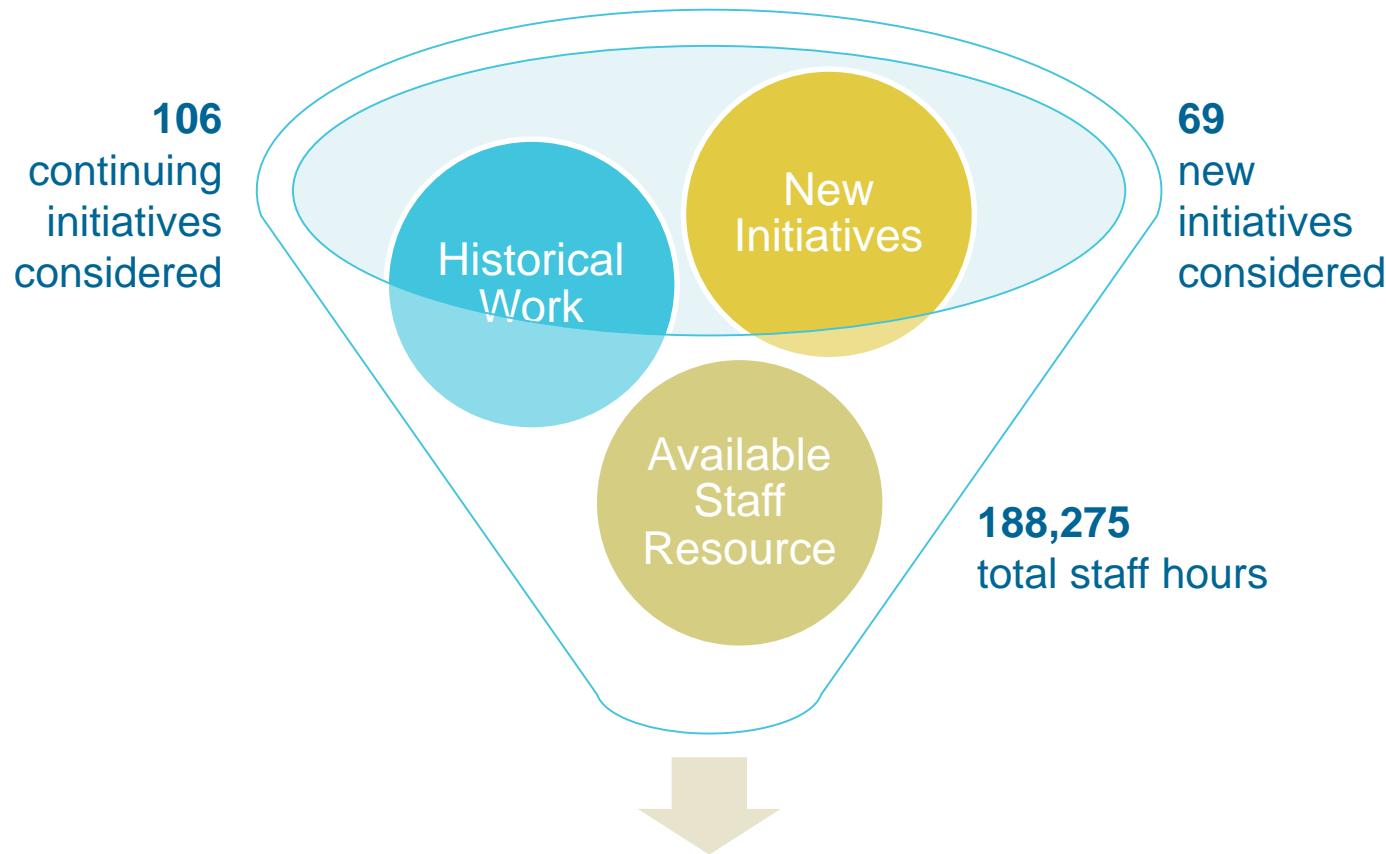
2 Use guidelines to determine resource investments in community efforts

3 Provide information to policymakers, agencies and implementers

4 Strengthen internal innovation capabilities and develop new proposals

5 Make operational improvements

Business Planning Process

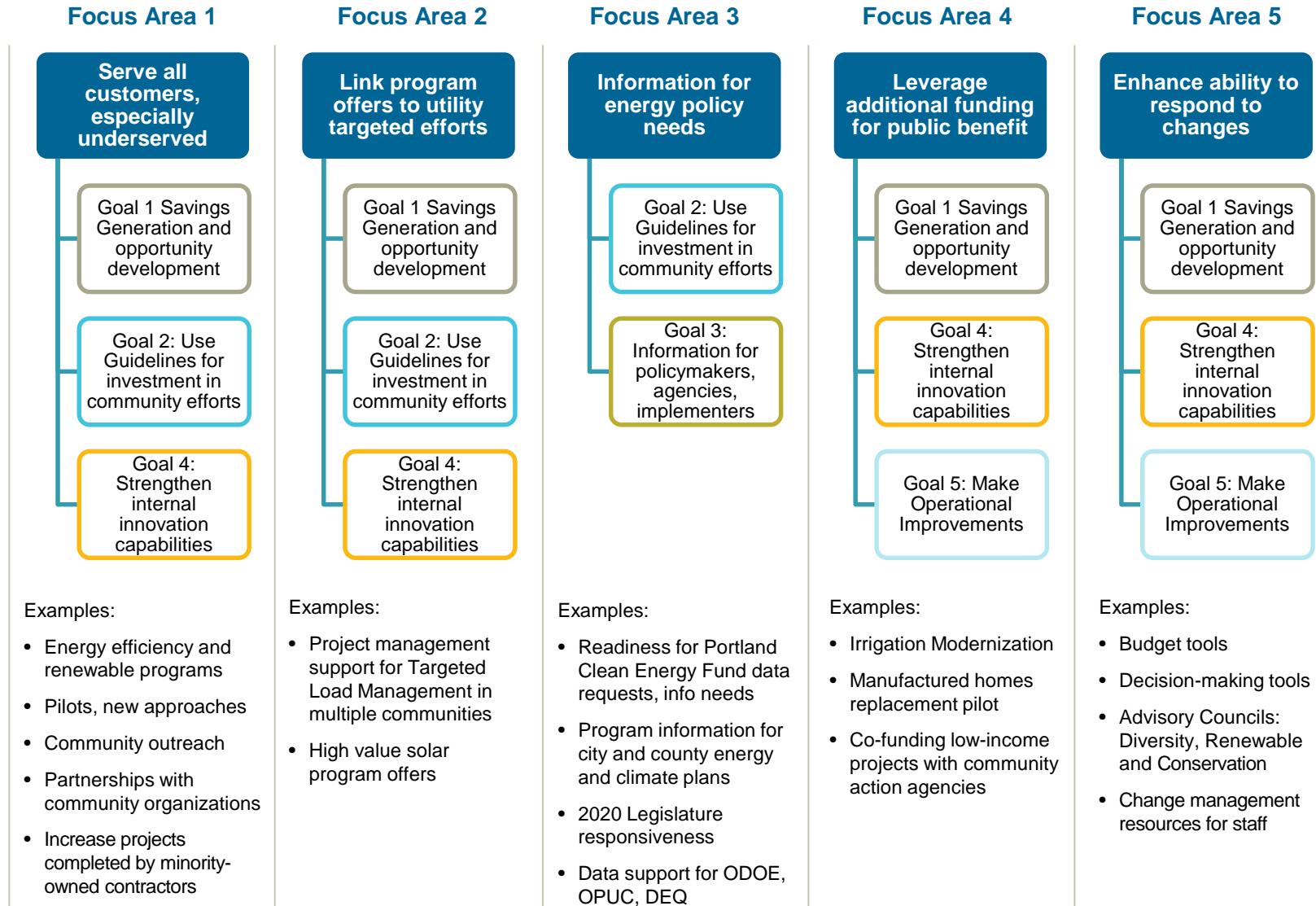


2020 Business Plan Activities

187,994 staff hours allocated (99%)

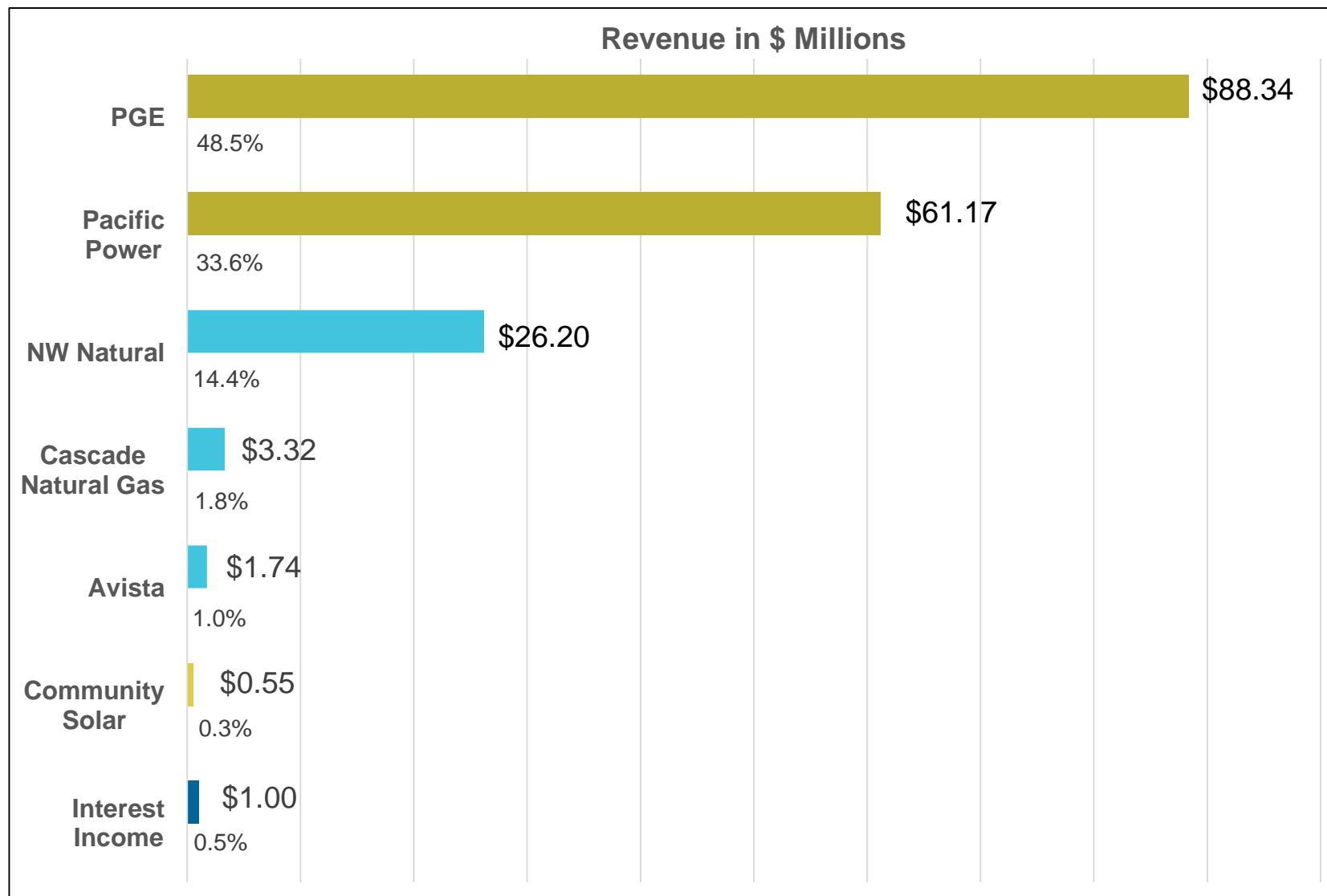
152 initiatives approved: 49 new (17%) and 103 continuing (82%)

2020-2024 Strategic Plan: Year 1



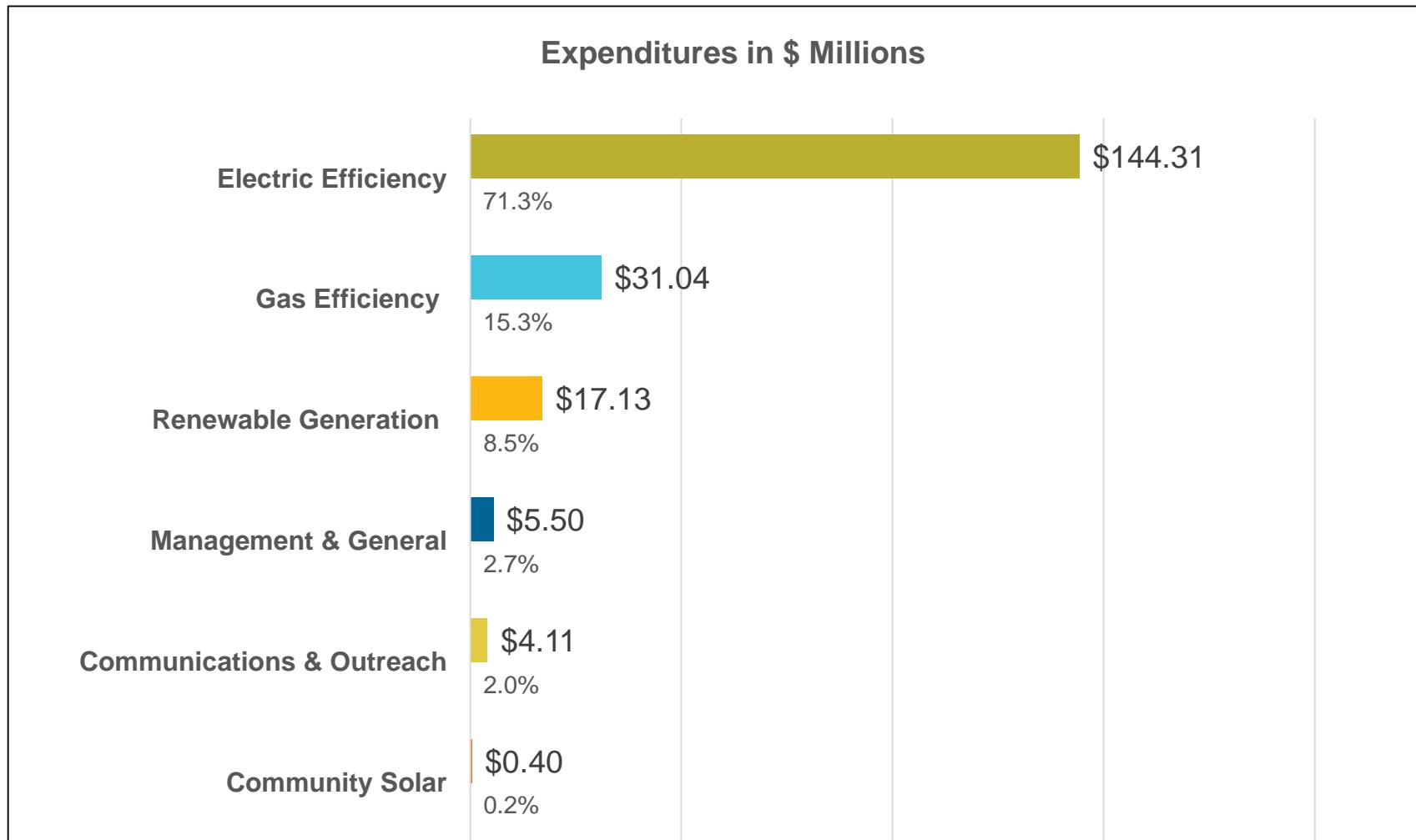
2020 Draft Budget Revenue

\$182.3 million, down 1% from 2019 budget

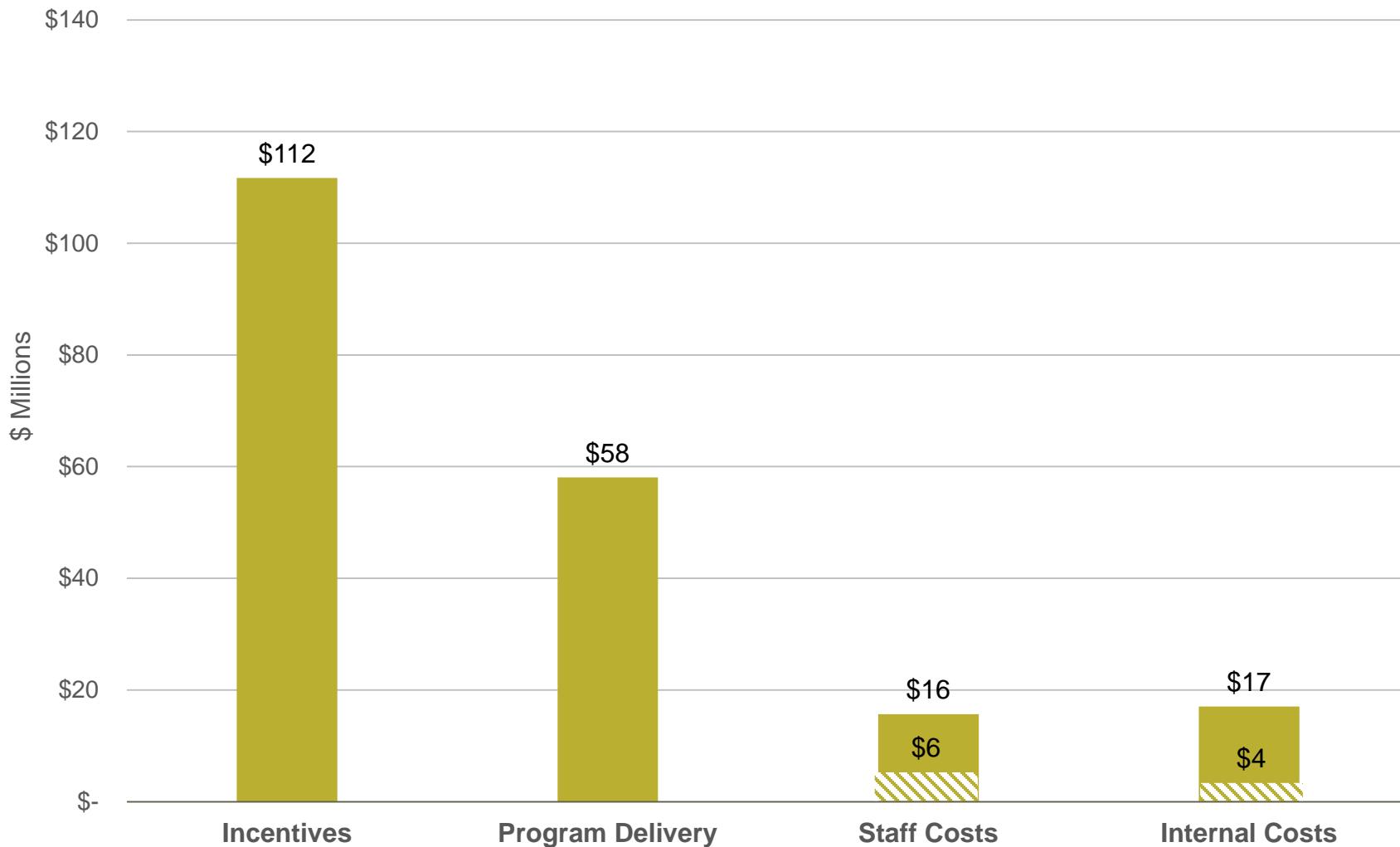


2020 Draft Budget Expenditures

\$202.5 million, up 0.4% from 2019 budget



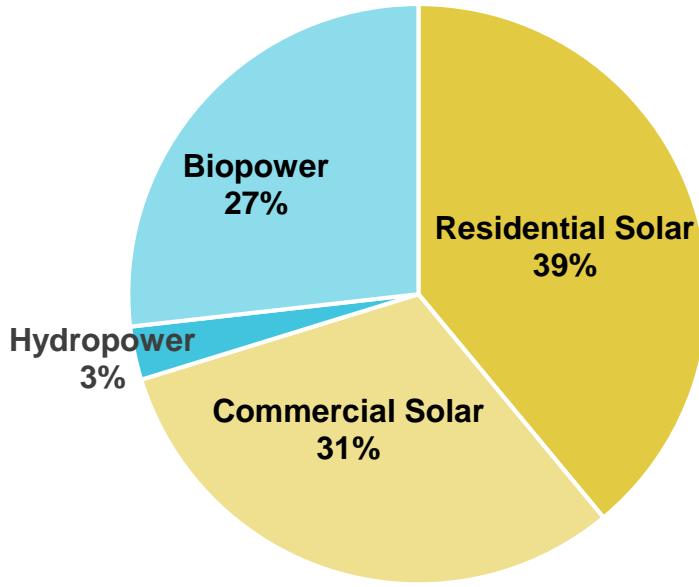
2020 Draft Budget Expenses by Category



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

2020 Draft Renewable Generation

- Generation up 49%
- \$17.93 million in total costs, including customer incentives, services and delivery
- Investing in project pipeline and underserved markets
- Solar policies shifting
- 2 Other Renewables projects completing
- Launching incentives for Community Solar projects



3.36 aMW generation

Renewable Energy Pipeline Building Process



Education and Relationship Building



Project Development Assistance



Application Expected

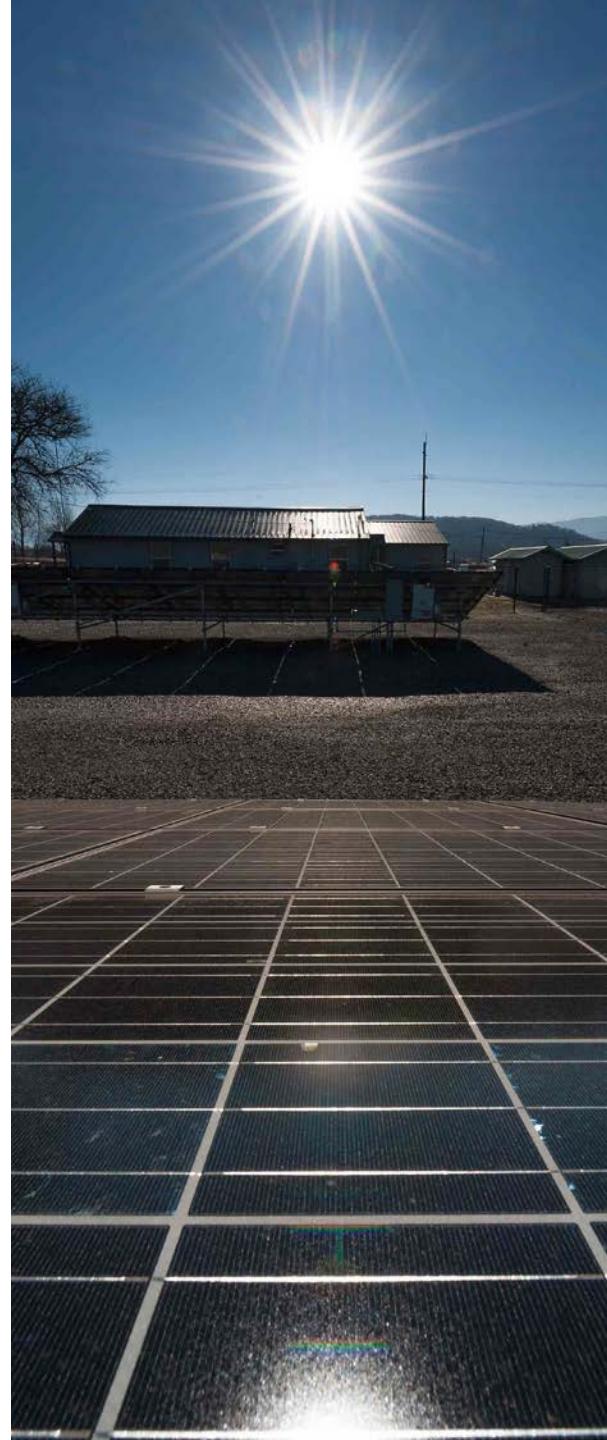


Contracted

Community Solar Program

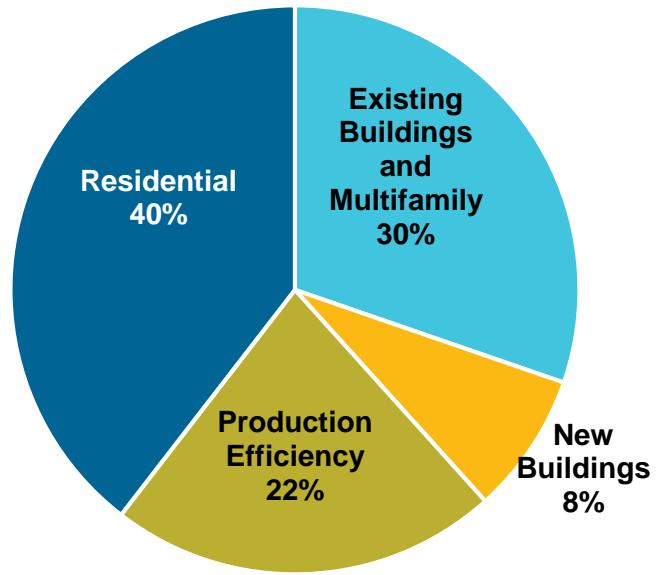
- First full year after launching in Q4 2019
- Subcontract to Energy Solutions for program development and delivery
 - Work is funded by new revenue separate from the public purpose charge
 - Results in small increase in net assets

No generation yet
\$418,014 in total costs



2020 Draft Natural Gas Savings by Program

- Savings down 2%
- \$32.59 million in total costs, including customer incentives, services and delivery
- Savings impacted by baseline changes, code changes
- Increasing some incentives to drive savings
- Reach new customers through new partnerships and utility collaborations



6.8 MMTh savings
37.9 cents/therm

MMTh: million annual therms

Cost per therm is leveled

Comparisons are draft 2020 budget to 2019 budget

Gas Savings and Cost Trends by Sector

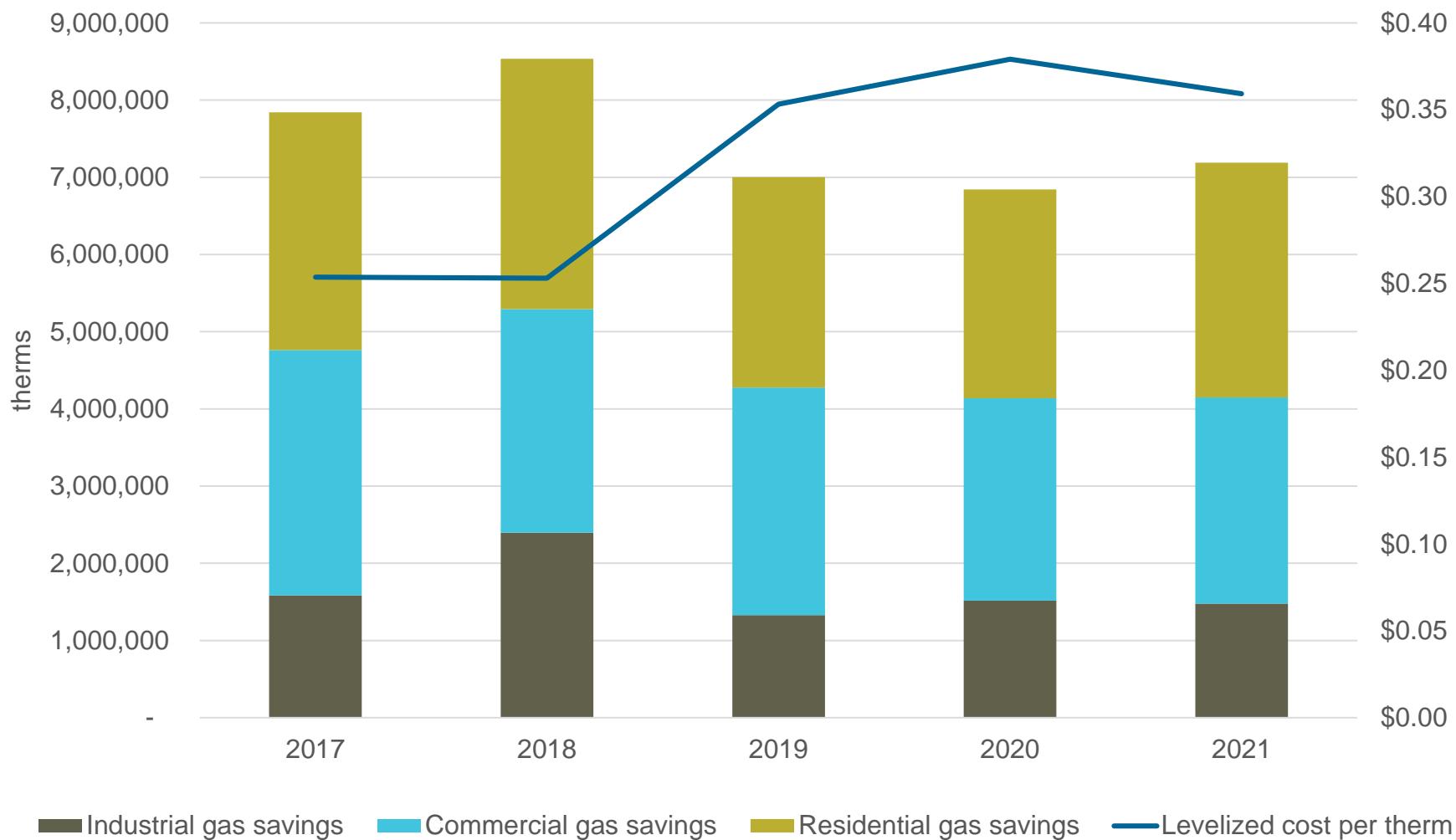
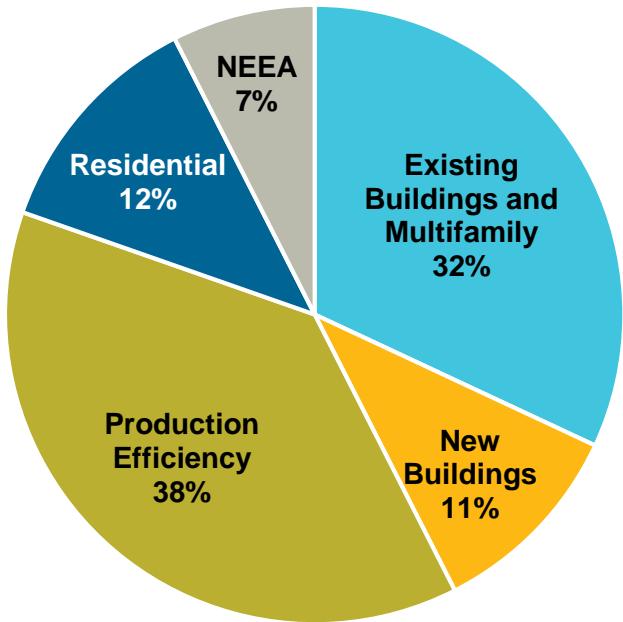


Chart shows 2017-2018 actuals, 2019 budget and draft 2020 and 2021 budget

2020 Draft Electric Savings by Program



45.6 aMW savings
3.6 cents/kWh

- Savings down 21%
- \$151.5 million in total costs, including customer incentives, services and delivery
- Savings impacted by baseline changes, code changes and sources of very low-cost savings shrinking
- Increasing incentives to drive savings
- Reach customers through new partnerships and utility collaborations

aMW: average megawatts

Cost per kWh is levelized

Comparisons are draft 2020 budget to 2019 budget

Electric Savings and Cost Trends by Sector

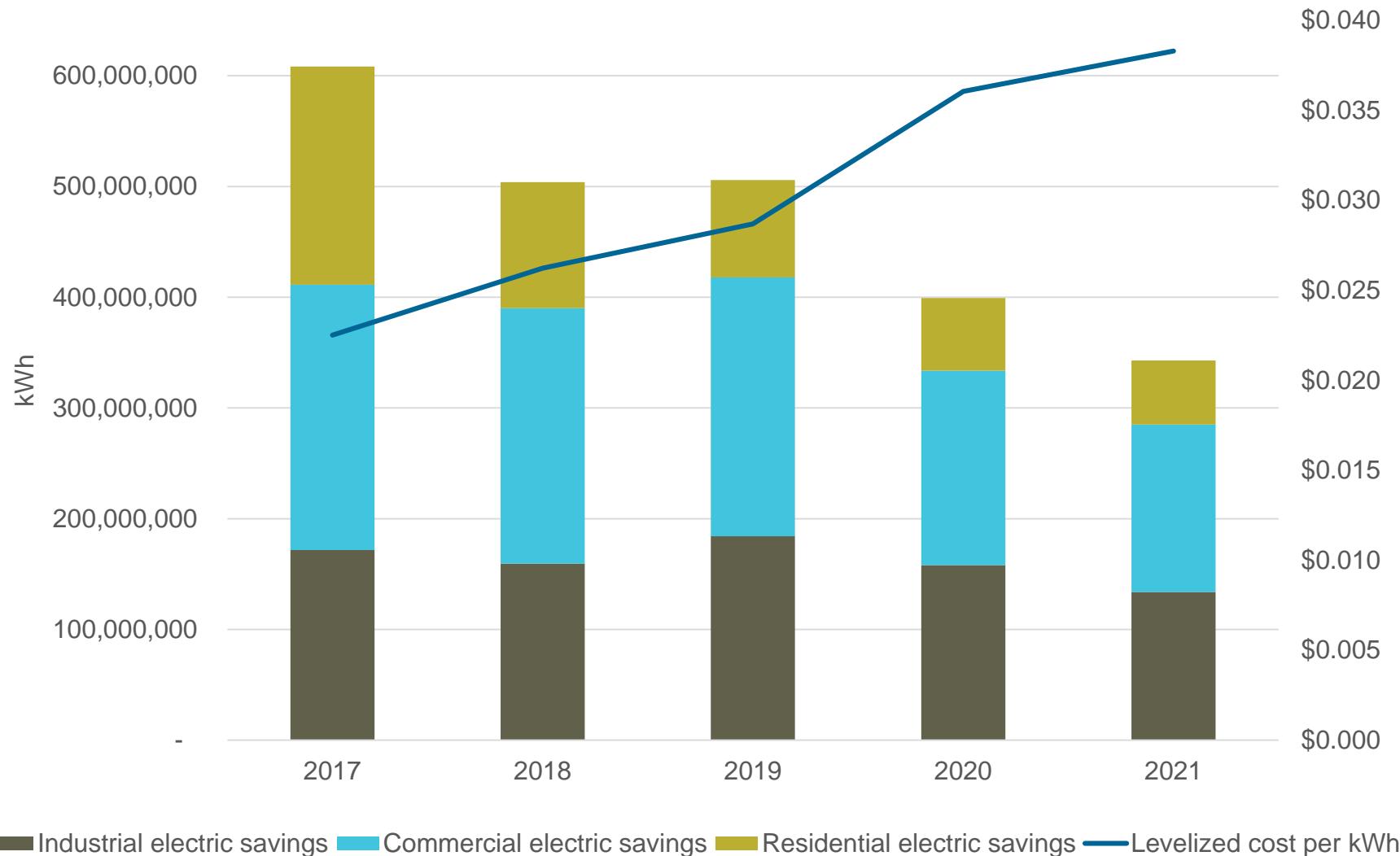
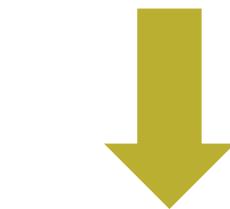
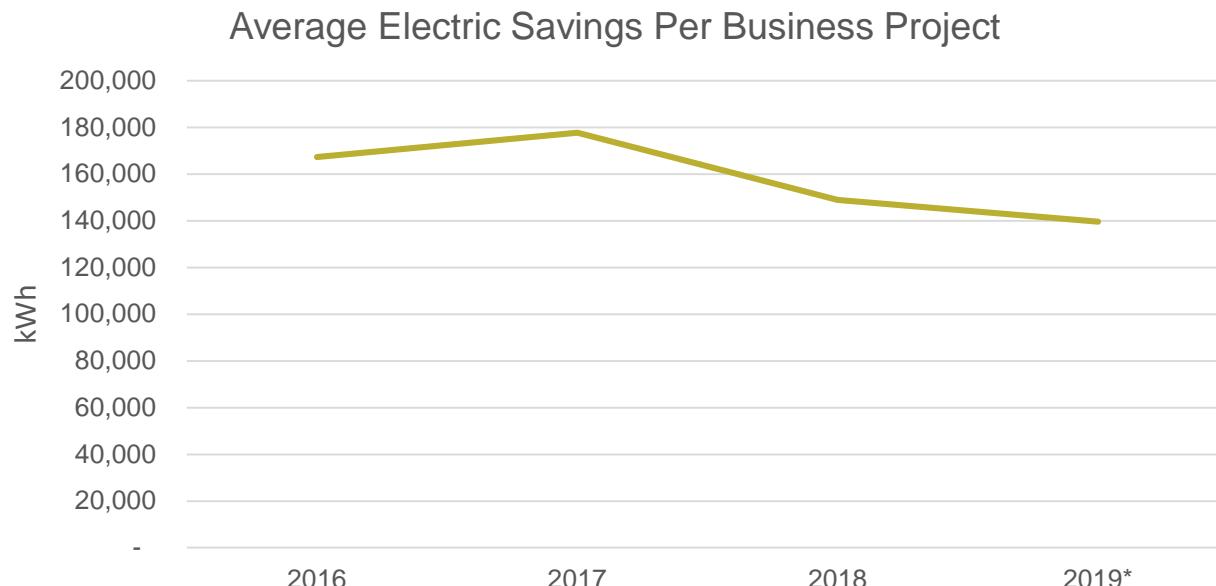


Chart shows 2017-2018 actuals, 2019 budget and draft 2020 and 2021 budget

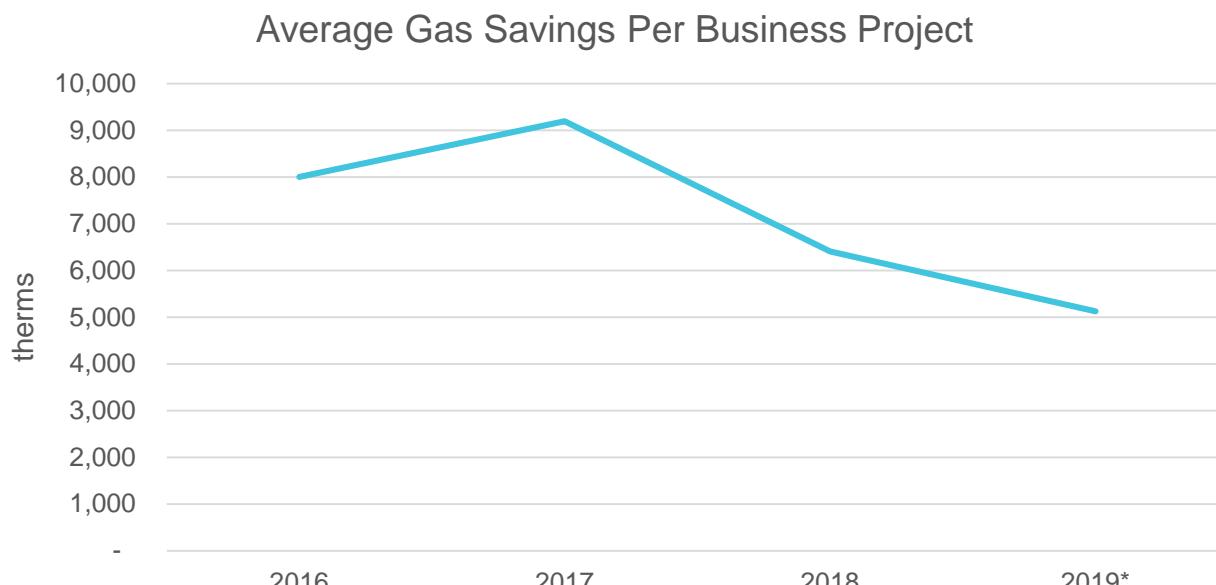
Average Savings Per Custom Business Project



21% decrease
from peak
savings/project



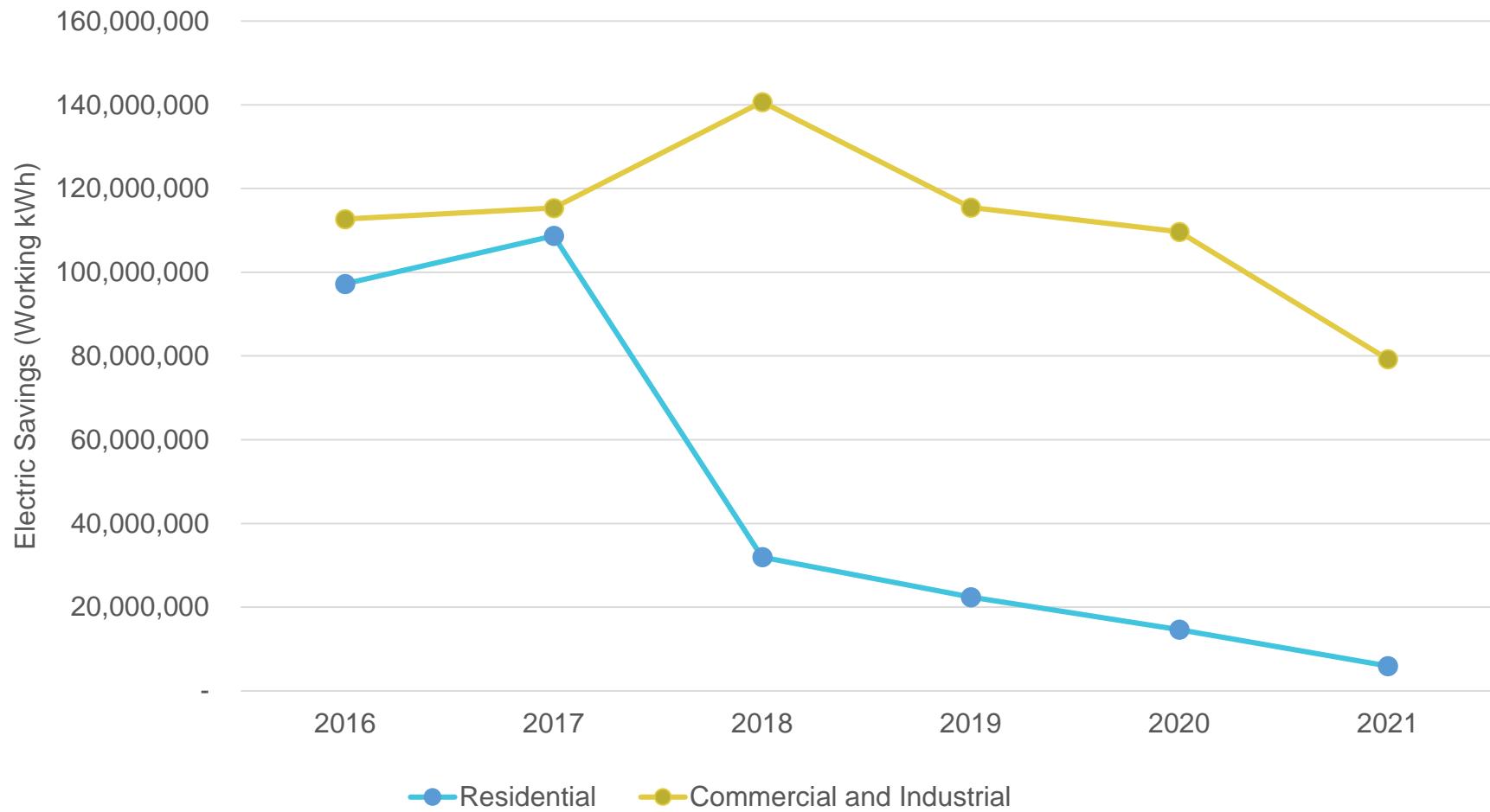
44% decrease
from peak
savings/project



* Forecasted activity for 2019

Transforming Lighting Market

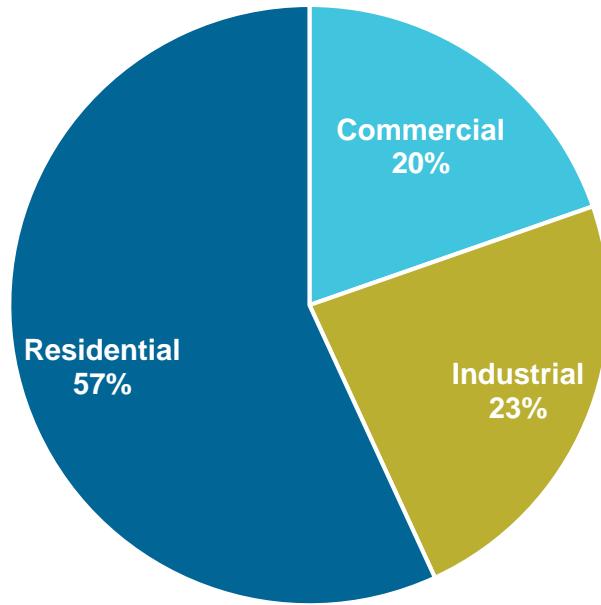
Commercial, Industrial and Residential
Lighting Savings 2016-2021



Forecasted activity for 2019-2021

2020 Draft NEEA Electric and Gas Activities

- Savings down 40%
- \$8.2 million in total costs for market transformation
- NEEA entering first phase of new business planning cycle
- Savings from prior codes and standards initiatives no longer available
- Continue to identify and assess new emerging technologies

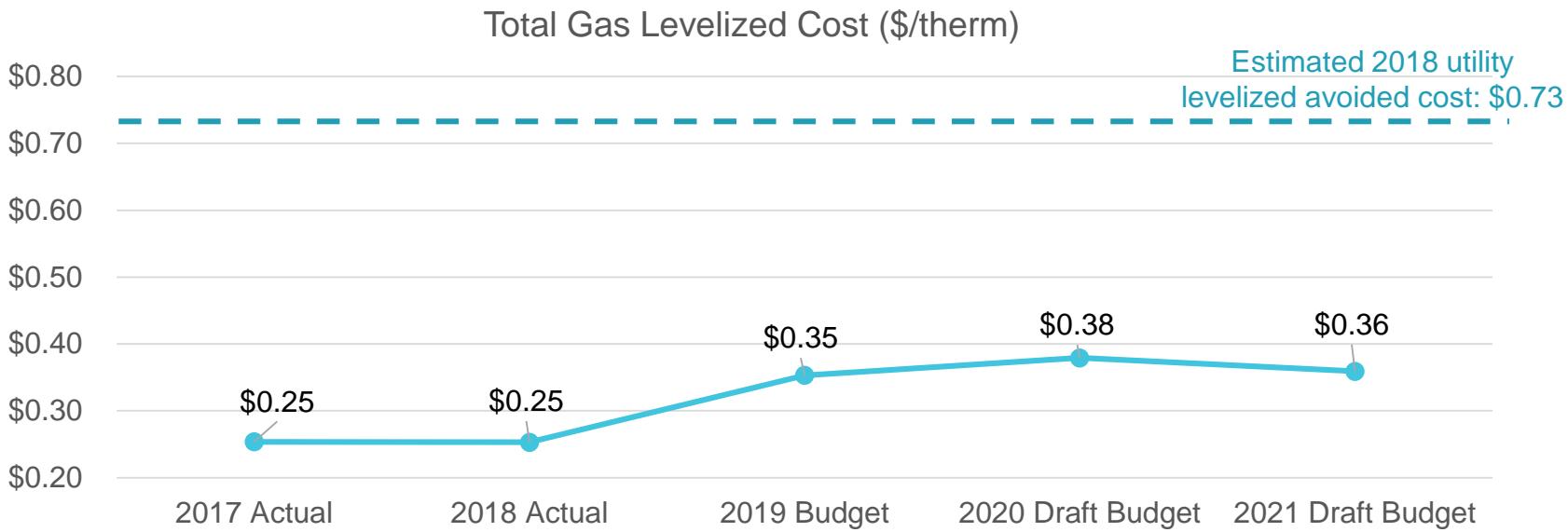
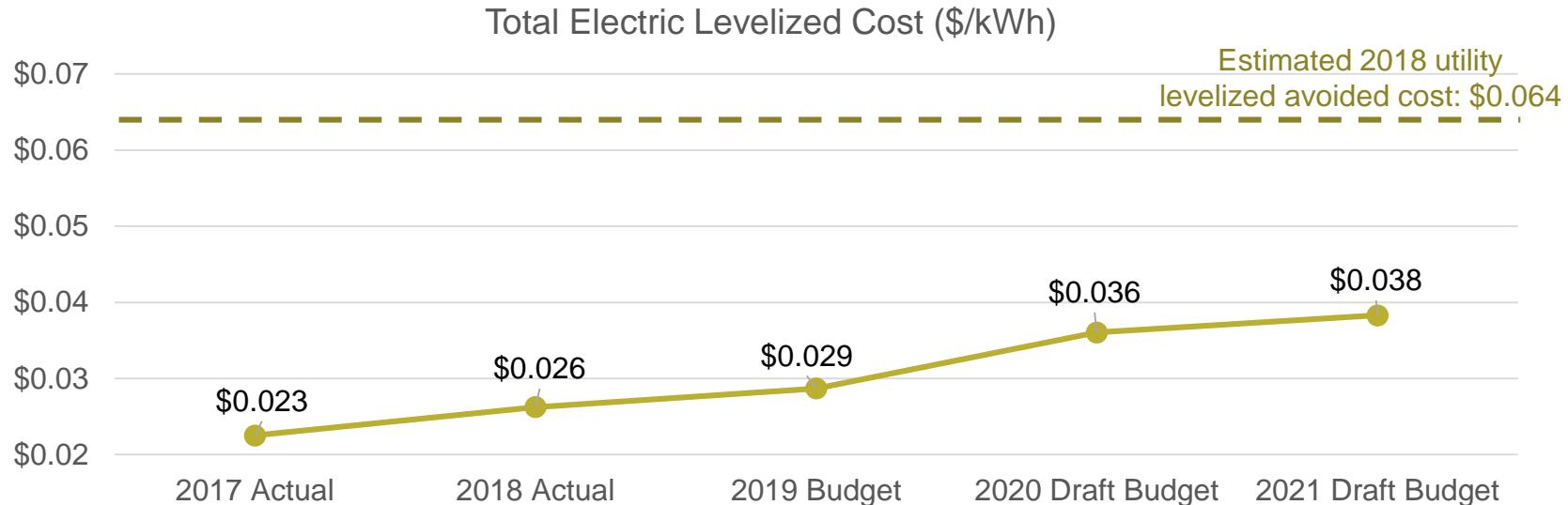


3.4 aMW savings
2.7 cents/kWh

*Cost per kWh is leveled
Comparisons are draft 2020 budget to 2019 budget*

*A small amount of gas savings are expected in 2020
and will be reflected in the final proposed budget*

Levelized Cost Trends



Organization-wide Focus

30+

New Measures Launching or Under Consideration

Examples:

- Automatic conveyer broilers
- Residential air conditioners
- Municipal water leak repair
- Evaporative coolers for home
- Industrial pipe insulation direct install
- Valuing peak savings

30+

New Program Pilots and Delivery Approaches

Examples:

- Targeted load management
- Low-income co-funding
- Multifamily on-bill repayment
- High-value solar
- Manufactured home replacement
- Network lighting controls pilot

25

System and Process Improvement Initiatives

Examples:

- New budget tools
- Measure development streamlining
- Expand use of DocuSign e-signature forms
- Business Planning
- Innovation
- Decision-making
- Automated finance workflows

Acquire more energy ● Manage costs through improved, efficient operations

Draft 2020 Action Plan Highlights

Action Plan Overview

- All program and support strategies link to 2020 goals; highlighted in action plan document
- Some continued common themes:
 - Engaging new and underserved customers with focus on small businesses, affordable housing, low- and moderate-income, renters, rural areas and communities of color
 - Evolving lighting strategies to respond to quickly changing market
 - Developing new sources of savings, adapting to code changes and measure exits, and valuing peak savings
 - Focusing on diversity, equity and inclusion operations goals
 - Implementing operational improvements to streamline processes, automate data collection, improve forecasting
 - Continuing organizational development activities to support efficient, flexible and adaptable organization

Action Plan Highlights

- Budget tools implementation
- Multiple utility collaborations to deliver additional system benefits
- Market research to enhance customer insights, adjust brand, and improve marketing strategies and tactics
- Rural workshop to understand rural needs, improve strategies
- Relationship development and contracts with community-based organizations to support outreach and program delivery
- Expanded minority- and women-owned contractor recruitment
- Data, analysis and information for city, county and state efforts leading to energy savings and generation



Summary



Key Takeaways

1. 2020 organizational goals position us to accomplish new strategic plan
2. Portfolio of cost-effective programs remains a strength
3. As forecasted, electric savings declining and costs increasing; remains least-cost resource for customers
4. Developing insights, program enhancements and data to better reach underserved customers
5. Piloting approaches to deliver more value to utility systems

Budget Outreach Schedule

October & November

Draft budget online and public comment period open, Oct. 9

Recorded presentation online, Oct. 16

Budget workshop, Oct. 16

Board meeting, Oct. 28

Public comments due, Oct. 30

OPUC public meeting, Nov. 7

December

Final proposed budget online, Dec. 5

Board action on final proposed budget, Dec. 13

www.energytrust.org/budget

**Comments due October 30; send to
info@energytrust.org**

Public Budget Workshop Feedback

- High level of support for the budget
- Appreciative of the shorter action plans and poster time with staff
- Discussion topics included
 - Purpose and intent of 2020 Annual Goal 2
 - Whether increasing efficiency baselines for measures excludes any segments of populations
 - How do we integrate energy efficiency and solar activities when designing programs and serving customers





Q&A

- Do the trends we are presenting make sense?
- Do you see higher priority opportunities than what we reflect in the budget and action plan?
- What other information do you need?

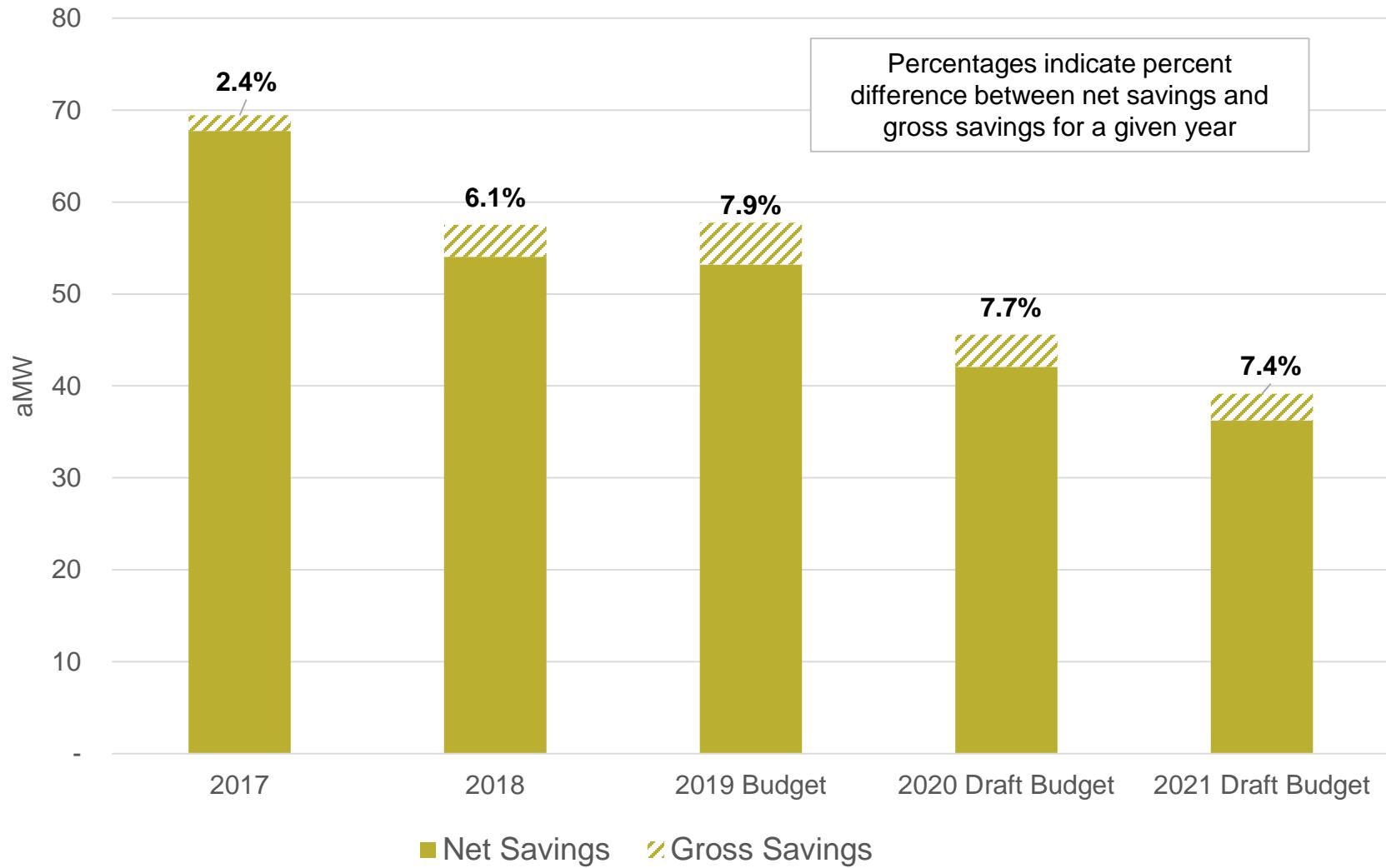


Thank You

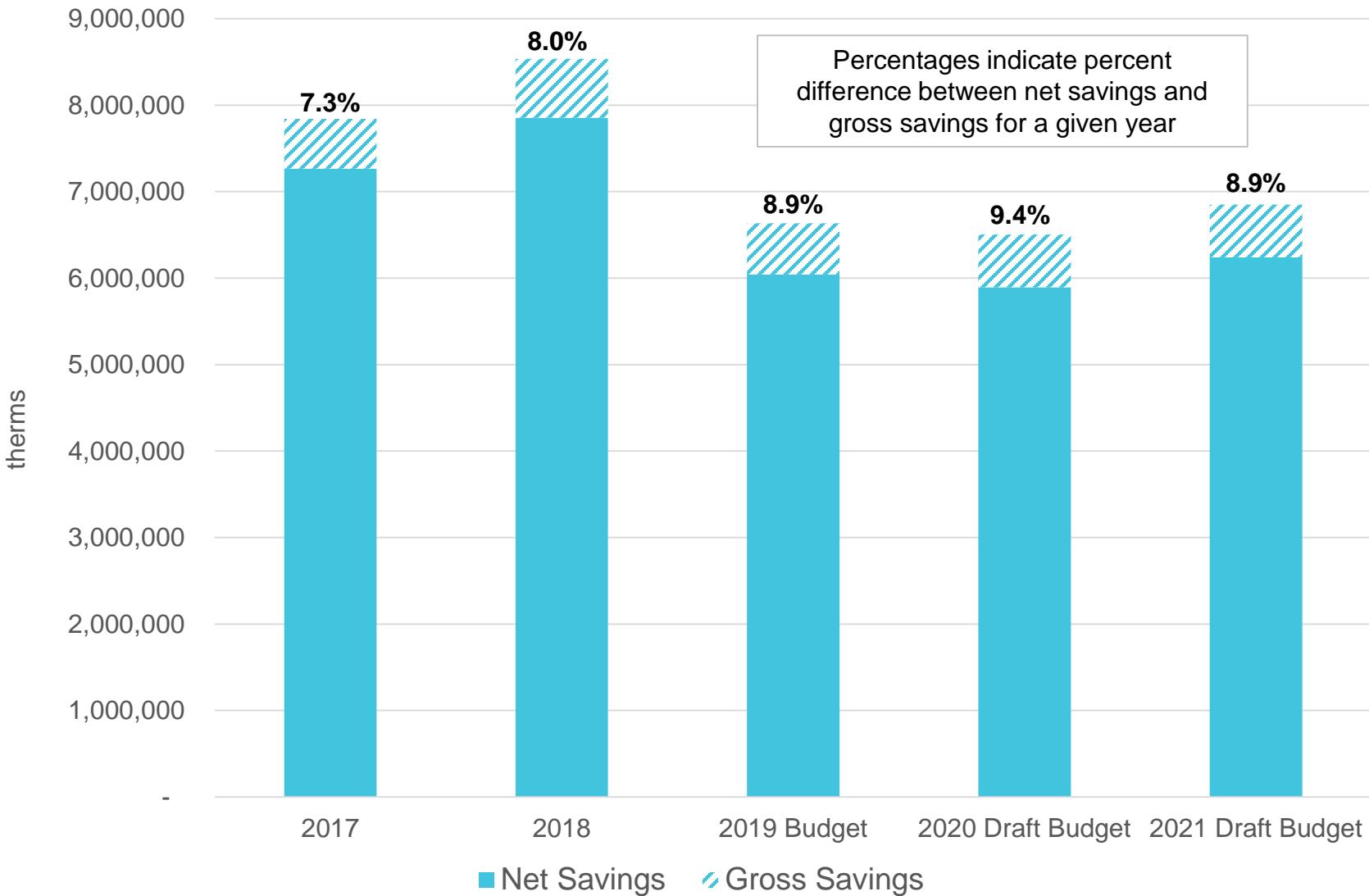
www.energytrust.org/budget
1.866.368.7878

Supplemental Information

Gross and Net Comparison—Electric



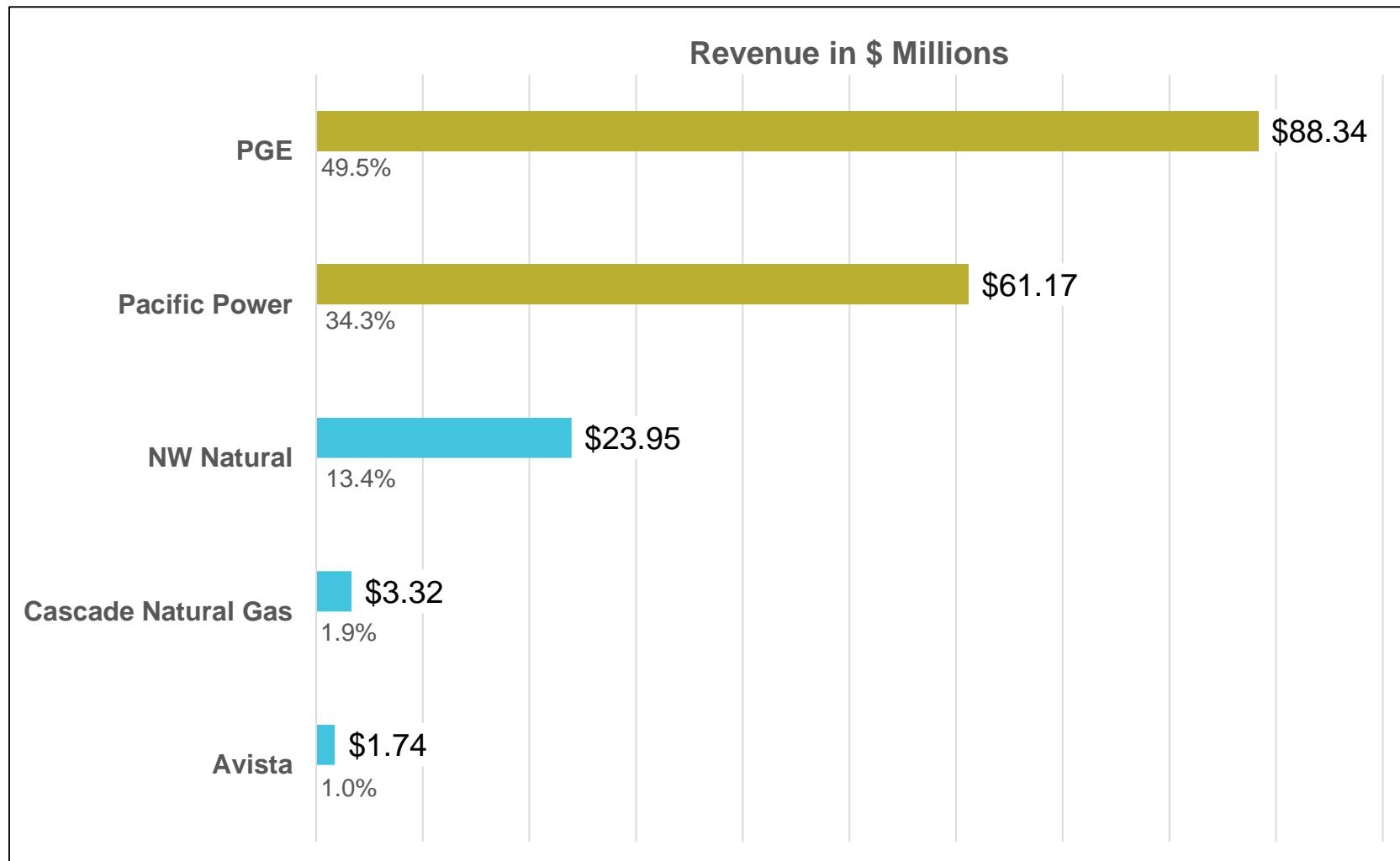
Gross and Net Comparison—Gas



Oregon Utility Ratepayer Programs Only: Revenues, Expenditures and OPUC Performance Measures

2020 Draft Budget Revenue (Oregon only)

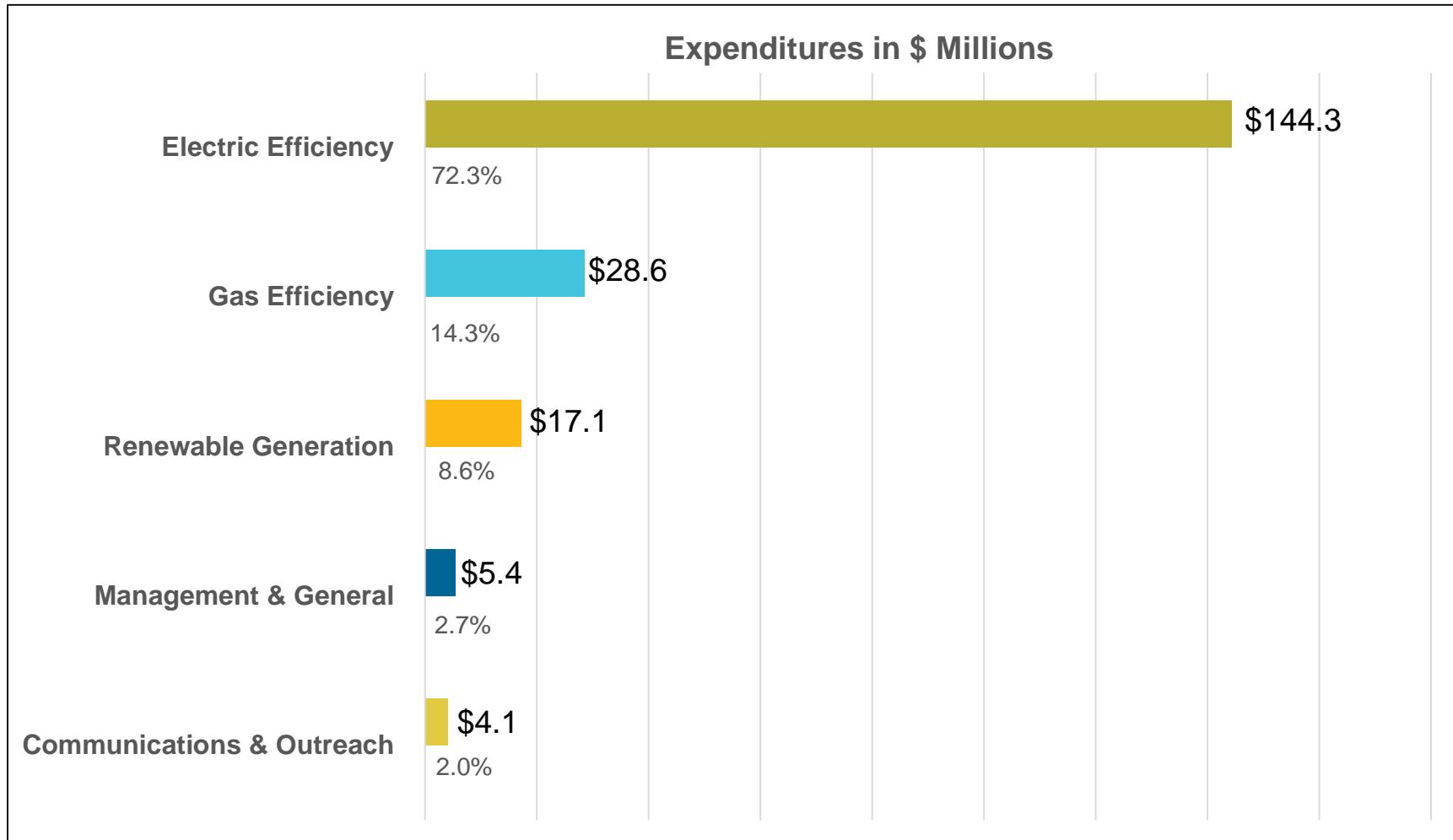
\$178.5 million, down 1.4% from 2019 Oregon budget



Figures exclude NW Natural Washington, Community Solar Program and Development funds

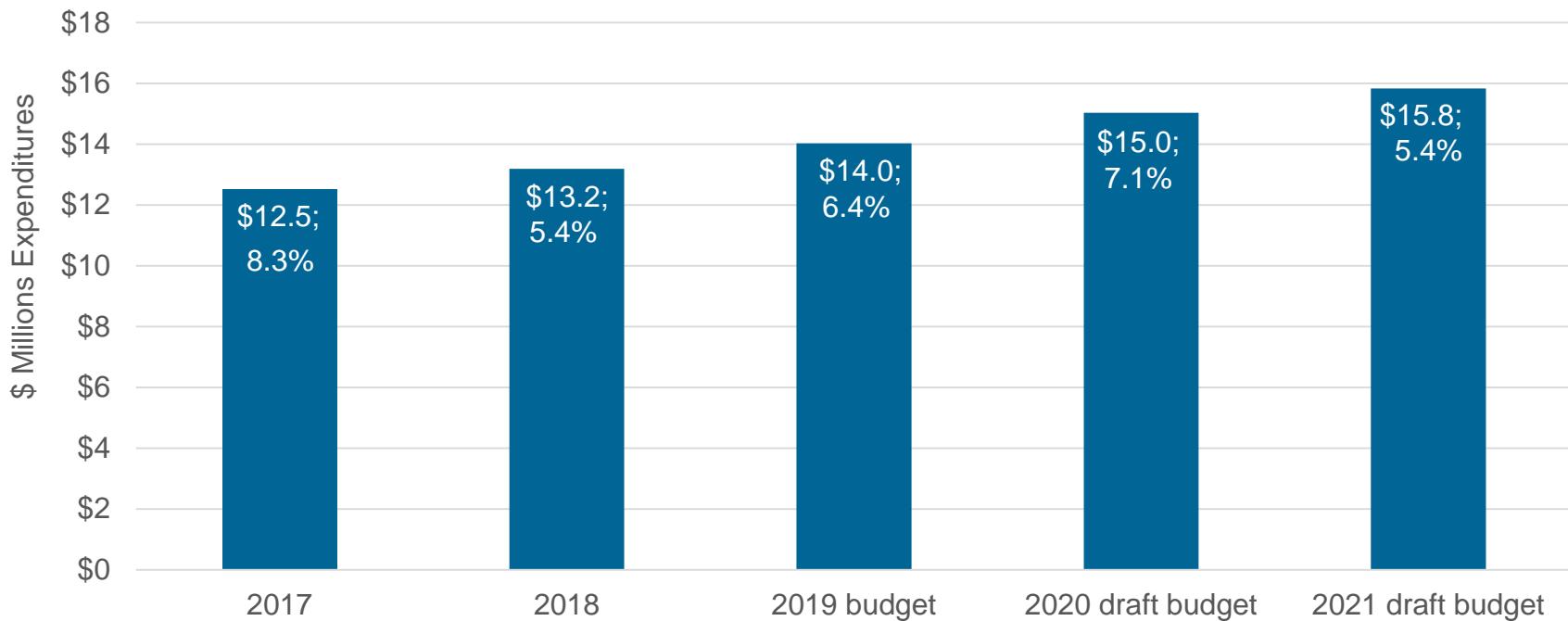
2020 Draft Budget Expenditures (Oregon only)

\$199.5 million, up 0.2% from 2019 Oregon budget



Staffing Costs Subject to OPUC Performance Measure

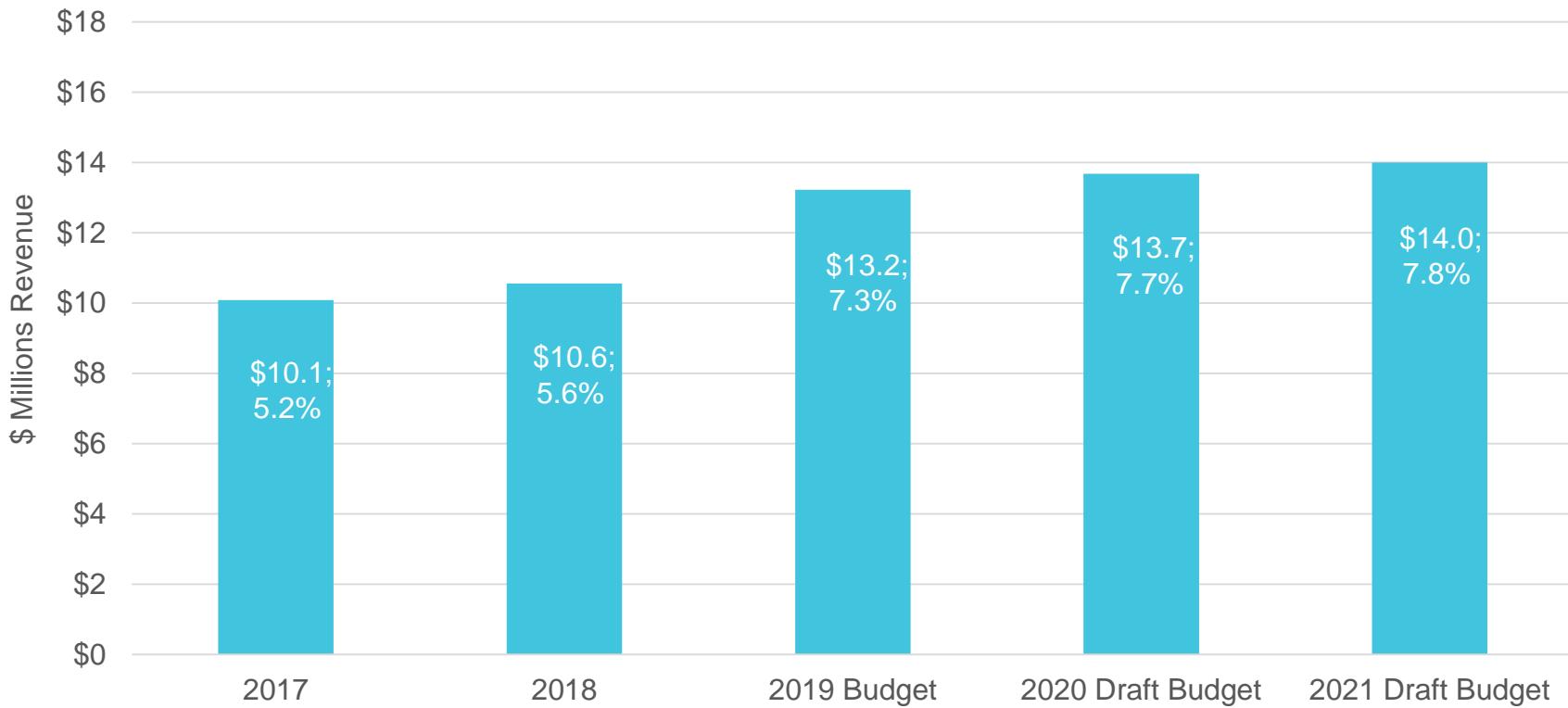
- Staffing costs below current OPUC performance measure (annual increase limited to 9%; costs as percentage of expenditures)
- Increases due to healthcare costs, compensation adjustments, a new DEI Lead and a part-time project manager
- Chart shows staffing costs and percent increase over prior year



Staffing costs are embedded in internal program delivery, general communications & outreach, and management & general. Figures exclude NW Natural Washington, Community Solar Program and Development funds

Administrative and Program Support Costs Subject to OPUC Performance Measure

- Administrative and program support costs below current OPUC performance measure (cap of 8% of revenue; annual increase limited to 10%)
- Costs increasing 3.5% from 2019 budget
- Chart shows costs and costs as percentage of revenue



Figures exclude NW Natural Washington, Community Solar Program and Development funds

OPUC Performance Measure: Diversity, Equity and Inclusion

First year with performance measures regarding diversity, equity and inclusion:

1. Implement the 2020 data enhancement project and report at least 4 times to the Diversity Advisory Council
2. Publish and implement the DEI lens, after Diversity Advisory Council approval
3. Complete 1,000 projects with minority-owned trade ally contractors
4. Implement a rural-focused workshop



Draft 2021 Budget

A photograph of a young boy wearing a cowboy hat, a blue and white plaid shirt, and jeans, riding a light brown horse in a dirt arena. He is holding the reins and looking towards the left. In the background, there is a wooden fence and some trees under a clear sky.

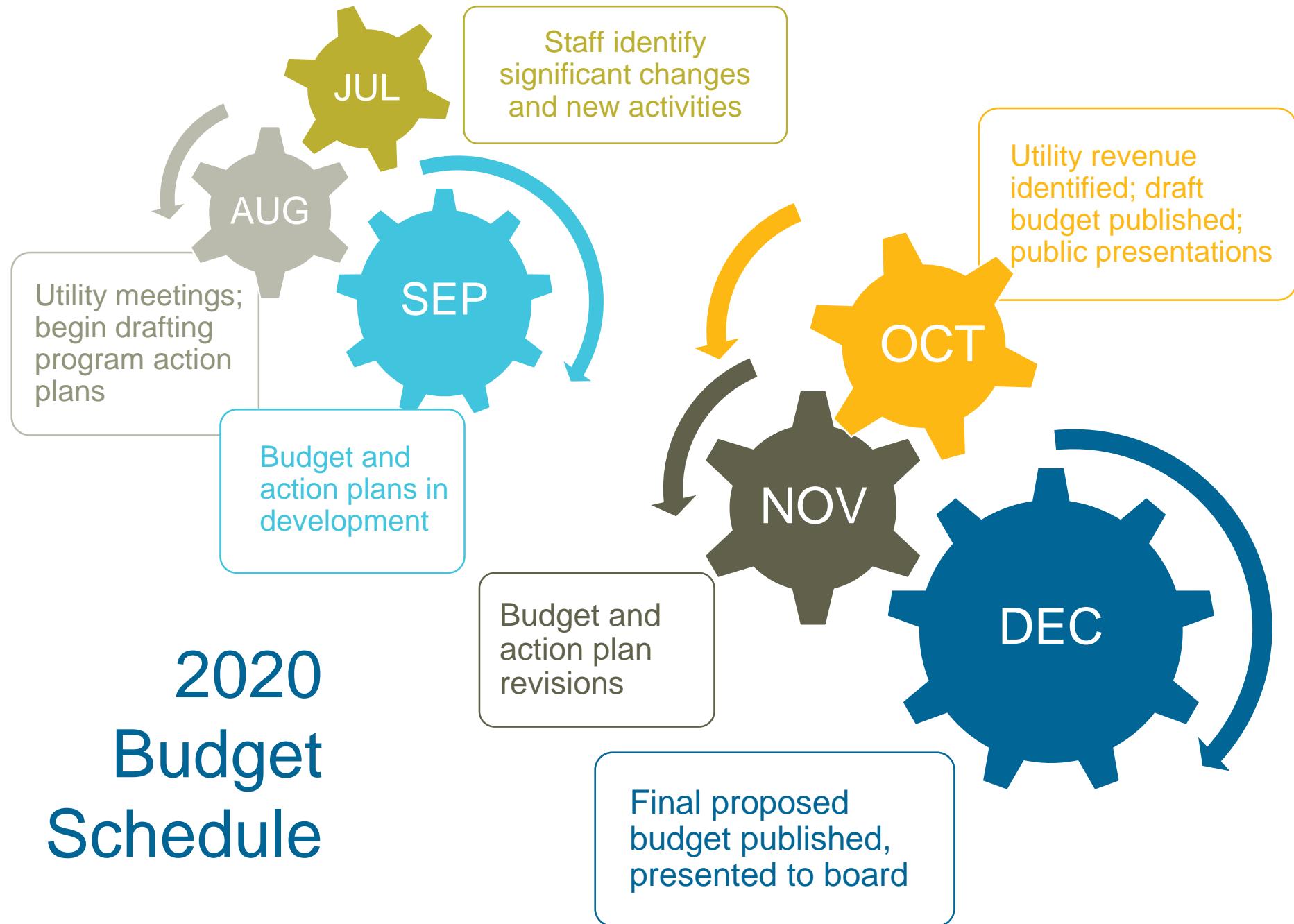
2021 Draft Budget Projection

- Expenditures to decrease 7.7%
- Electric savings to decrease 14.1%
 - Levelized costs to increase by 6.2%; from 3.6¢/kWh to 3.8¢/kWh
- Gas savings to increase 5%
 - Levelized costs to decrease by 5.2%; from 37.9¢/therm to 35.9¢/therm
- Renewable generation to decrease 22.2%

Comparisons are draft 2020 budget to draft 2021 budget

Developing the Budget and Action Plan

2020 Budget Schedule



Building Our Budget and Action Plan

1

2020-2024
Strategic Plan
focus areas
and
strategies

2

Energy
efficiency and
renewable
energy
resource
planning

3

Business
planning,
prioritization
and goal
setting

4

Market knowledge and context

2020-2024 Strategic Plan Focus Areas

1

Engage customers with relevant programs, information and services, especially underserved customers

2

Strengthen the value we deliver by linking clean energy to approaches utilities are using to respond to customer energy needs

3

Provide objective information and analyses to support energy policies

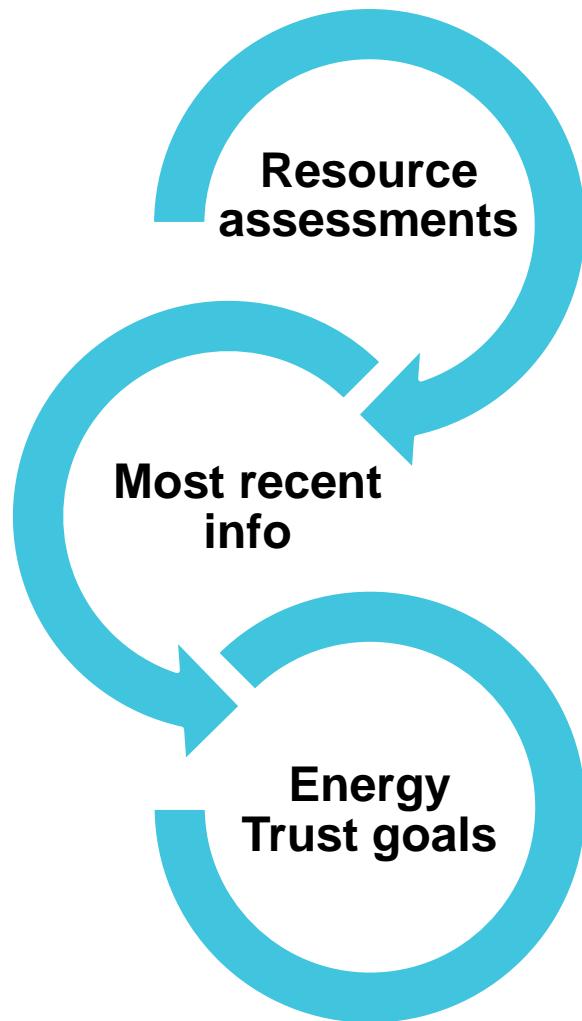
4

Maximize public benefits by leveraging additional funding

5

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

Annual Target Setting



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

2020 Annual Goals

1 Meet savings targets of 45.6 aMW and 6.8 million annual therms, meet the generation target of 3.4 aMW, 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

5 Make operational improvements

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

We will meet 2020 savings of 45.6 aMW and 6.8 million annual therms, the 2020 generation target of 3.4 aMW and create future savings and generation opportunities with a particular focus on:

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

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

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

- Coordinating with utility efforts in communities
- Building community-based organization capacity
- Building community capacity
- Developing toolkits and templates

Goal 3: Provide information to policymakers, agencies and implementers

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

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

Goal 4: Strengthen internal innovation capabilities and develop new proposals

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

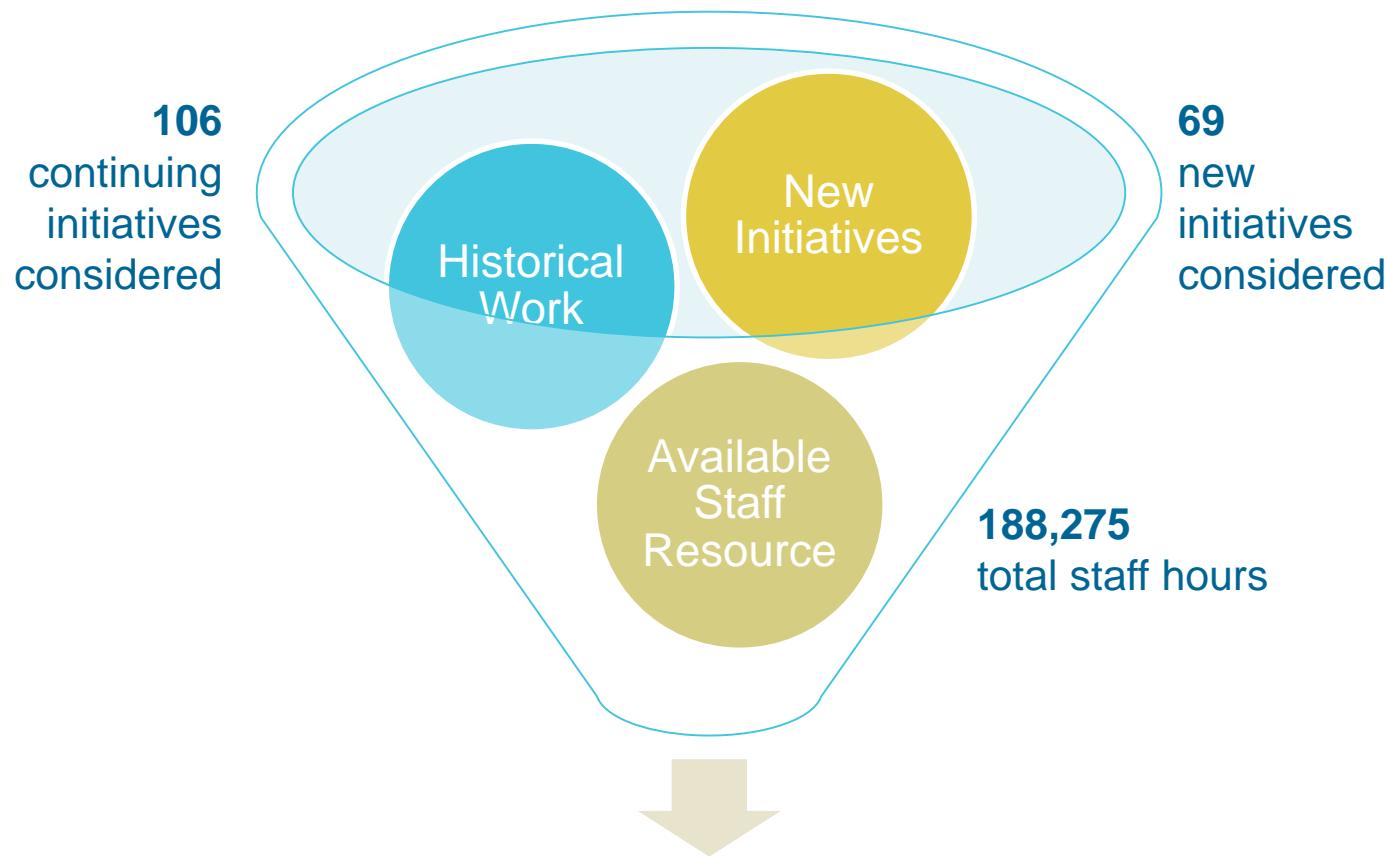
- Establishing an Innovation Team and resourcing initiatives
- Developing an Innovation Roadmap
- Adopting a framework, processes and tools

Goal 5: Make operational improvements

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

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

Business Planning Process



2020 Business Plan Activities

187,994 staff hours allocated (99%)

152 initiatives approved: **49** new (17%) and **103** continuing (82%)

Savings and Generation Detail

2020 Utility Savings & Generation Summary

	2019 Budget Savings & Generation (aMW or MMTh)	2019 Budget (\$ Million)	2020 Budget Savings & Generation (aMW or MMTh)	2020 IRP Target (aMW or MMTh)	2020 Budget (\$ Million)	2020 Budget Levelized Cost (per kWh or therm)
PGE (Efficiency)	36.35	\$96.09	27.53	30.40*	\$89.61	3.5¢
Pacific Power (Efficiency)	21.40	\$58.29	18.06	19.00	\$61.93	3.8¢
NW Natural (OR)	5.68	\$26.05	5.57	6.02	\$24.97	36.4¢
NW Natural (WA)	0.37	\$2.43	0.34	0.38	\$2.58	54.4¢
Cascade Natural Gas	0.55	\$2.74	0.55	0.62	\$3.33	46.9¢
Avista	0.39	\$1.87	0.38	0.31	\$1.70	32.8¢
PGE (Renewable)	1.22	\$6.61	2.32	n/a	\$10.31	N/A
Pacific Power (Renewable)	1.03	\$7.44	1.04	n/a	\$7.62	N/A

MMTh: million annual therms

aMW: average megawatts

Gross savings

*Pending OPUC acknowledgement

2020 Electric Savings, Budget by Program

	2019 Budget Savings Goal (aMW)	2019 Cost (\$ Million)	2020 Budget Savings Goal (aMW)	2020 Cost (\$ Million)	2020 Levelized Cost/kWh	% 2020 Savings
Existing Buildings	16.38	\$47.73	13.10	\$44.17	3.6¢	28.7%
Existing Multifamily	1.80	\$8.71	1.47	\$8.18	5.5¢	3.2%
New Buildings	6.10	\$18.71	4.82	\$16.95	3.7¢	10.6%
Production Efficiency	20.95	\$38.69	17.25	\$39.03	2.5¢	37.8%
Residential	6.83	\$33.37	5.55	\$36.47	6.5¢	12.2%
NEEA combined	5.69	\$7.18	3.41	\$6.74	2.7¢	7.5%
TOTAL	57.75	\$154.38	45.59	\$151.54	3.6¢	

aMW: average megawatts

Columns may not total due to rounding

Gross savings

2020 Natural Gas Savings, Budget by Program

	2019 Budget Savings (MMTh)	2019 Cost (\$ Million)	2020 Budget Savings (MMTh)	2020 Cost (\$ Million)	2020 Levelized Cost/therm	% 2020 Savings
Existing Buildings	1.92	\$7.73	1.87	\$9.38	42.7¢	27.3%
Existing Multifamily	0.18	\$1.42	0.20	\$1.54	57.0¢	3.0%
New Buildings	0.84	\$2.46	0.55	\$1.91	30.3¢	8.0%
Production Efficiency	1.33	\$2.96	1.51	\$3.55	23.2¢	22.1%
Residential	2.73	\$17.07	2.70	\$14.79	38.3¢	39.5%
NEEA combined	n/a	\$1.44	0*	\$1.42	0*	0%*
TOTAL	7.00	\$33.09	6.84	\$32.59	37.9¢	

MMTh: million annual therms

Columns may not total due to rounding

Gross savings

*A small amount of gas savings from NEEA gas market transformation activities are expected in 2020 and will be reflected in the final proposed budget

2020 Renewable Energy, Budget by Utility

	2019 Generation (aMW)	2019 Budget (\$ Million)	2020 Generation (aMW)	2020 Budget (\$ Million)
PGE				
Solar	1.22	\$5.83	1.42	\$6.6
Other Renewables	0.00	\$0.78	0.89	\$3.7
TOTAL	1.22	\$6.61	2.32	\$10.3
Pacific Power				
Solar	0.79	\$3.74	0.94	\$3.8
Other Renewables	0.24	\$3.70	0.11	\$3.8
TOTAL	1.03	\$7.44	1.04	\$7.6

Energy Efficiency Detail by Utility

Energy Efficiency Summary by Utility

	2020 Budget Savings Goal (aMW or MMTh)	2020 Levelized Cost (per kWh or therm)	2020 Budget (\$ Million)
PGE (Efficiency)	27.53	3.5¢	\$89.61
Pacific Power (Efficiency)	18.06	3.8¢	\$61.93
NW Natural (OR)	5.57	36.4¢	\$24.97
NW Natural (WA)	0.34	54.4¢	\$2.58
Cascade Natural Gas	0.55	46.9¢	\$3.33
Avista	0.38	32.8¢	\$1.70

PGE: 2020 Savings, Budget by Program

	2019 Savings Goal (aMW)	2019 Savings Forecast (aMW)	2020 Savings Goal (aMW)	2020 Budget (\$ Million)	2020 Levelized Cost/kWh	% of 2020 Savings
Existing Buildings	10.34	9.43	7.88	\$25.3	3.4¢	29%
Existing Multifamily	1.36	1.33	1.08	\$5.7	5.2¢	4%
New Buildings	4.31	3.79	3.28	\$12.4	3.9¢	12%
Production Efficiency	13.28	11.22	10.21	\$21.4	2.3¢	37%
Residential	3.81	4.11	3.14	\$20.9	6.7¢	11%
NEEA Combined	3.25	3.12	1.94	\$3.9	2.7¢	7%
Total	36.35	33.00	27.53	\$89.6	3.5¢	

Pacific Power: 2020 Savings, Budget by Program

	2019 Savings Goal (aMW)	2019 Savings Forecast (aMW)	2020 Savings Goal (aMW)	2020 Budget (\$ Million)	2020 Levelized Cost/kWh	% of 2020 Savings
Existing Buildings	6.04	5.82	5.22	\$18.9	4.0¢	29%
Existing Multifamily	0.44	0.44	0.39	\$2.5	6.1¢	2%
New Buildings	1.79	1.69	1.54	\$4.6	3.2¢	9%
Production Efficiency	7.67	7.95	7.04	\$17.6	2.8¢	39%
Residential	3.02	3.01	2.41	\$15.5	6.3¢	13%
NEEA Combined	2.44	2.35	1.47	\$2.9	2.7¢	8%
Total	21.40	21.27	18.06	\$61.9	3.8¢	

Gross savings

NW Natural: 2020 Savings, Budget for Oregon (excludes Industrial DSM)

	2019 Savings Goal (MMTh)	2019 Savings Forecast (MMTh)	2020 Savings Goal (MMTh)	2020 Budget (\$ Million)	2020 Levelized Cost/therm	% of 2020 Savings
Existing Buildings	0.81	0.59	0.77	\$3.9	43.7¢	20%
Existing Multifamily	0.15	0.18	0.18	\$1.4	56.8¢	5%
New Buildings	0.70	0.61	0.44	\$1.5	29.4¢	11%
Production Efficiency	0.30	0.27	0.40	\$0.8	21.9¢	10%
Residential	2.18	2.22	2.14	\$11.5	38.1¢	55%
NEEA Combined	-	-	0*	\$1.1	0*	0%
Total	4.14	3.87	3.93	\$20.3	39.8¢	

*Gas savings from NEEA gas market transformation activities are expected in 2020 and will be reflected in the final proposed budget

NW Natural: 2020 Savings, Budget for Oregon (only Industrial DSM)

	2019 Savings Goal (MMTh)	2019 Savings Forecast (MMTh)	2020 Savings Goal (MMTh)	2020 Budget (\$ Million)	2020 Levelized Cost/therm	% of 2020 Savings
Existing Buildings	0.58	0.66	0.57	\$2.20	33.9¢	35%
New Buildings	0.02	0.01	0.01	\$0.04	26.0¢	1%
Production Efficiency	0.95	0.73	1.05	\$2.47	22.9¢	64%
Total	1.55	1.40	1.63	\$4.72	27.0¢	

NW Natural: 2020 Savings, Budget by Program (Washington)

	2019 Savings Goal (MMTh)	2019 Savings Forecast (MMTh)	2020 Savings Goal (MMTh)	2020 Budget (\$ Million)	2020 Levelized Cost/therm	% of 2020 Savings
Existing Buildings	0.15	0.14	0.11	\$0.90	47.3¢	33%
Residential	0.22	0.23	0.23	\$1.68	48.8¢	67%
Total	0.37	0.37	0.34	\$2.58	48.2¢	

NW Natural: 2020 Savings, Budget by Program (All Programs, Both States)

	2019 Savings Goal (MMTh)	2019 Savings Forecast (MMTh)	2020 Savings Goal (MMTh)	2020 Budget (\$ Million)	2020 Levelized Cost/therm	% of 2020 Savings
Existing Buildings	1.54	1.39	1.45	\$7.0	41.3¢	25%
Multifamily	0.15	0.18	0.18	\$1.4	56.8¢	3%
New Buildings	0.71	0.62	0.46	\$1.5	29.3¢	8%
Production Efficiency	1.24	0.99	1.45	\$3.3	22.6¢	25%
Residential	2.40	2.45	2.37	\$13.2	39.4¢	40%
NEEA Combined	-	-	0*	\$1.1	0.0¢*	0%*
Total	6.05	5.64	5.91	\$27.6	37.4¢	

*Gas savings from NEEA gas market transformation activities are expected in 2020 and will be reflected in the final proposed budget

Cascade Natural Gas: 2020 Savings, Budget by Program

	2019 Savings Goal MMTh	2019 Savings Forecast MMTh	2020 Savings Goal MMTh	2020 Budget (\$ Million)	2020 Levelized Cost/therm	% of 2020 Savings
Existing Buildings	0.24	0.28	0.27	\$1.6	52.0¢	49%
Existing Multifamily	0.01	0.01	0.01	\$0.0	54.1¢	1%
New Buildings	0.08	0.08	0.05	\$0.2	39.8¢	10%
Production Efficiency	0.06	0.05	0.06	\$0.2	36.3¢	10%
Residential	0.17	0.17	0.17	\$1.1	42.1¢	30%
NEEA Combined	-	-	-	\$0.1	0.0¢	0%
Total	0.55	0.59	0.55	\$3.3	46.9¢	

*Gas savings from NEEA gas market transformation activities are expected in 2020 and will be reflected in the final proposed budget

Avista: 2020 Savings, Budget by Program

	2019 Savings Goal (MMTh)	2019 Savings Forecast (MMTh)	2020 Savings Goal (MMTh)	2020 Budget (\$ Million)	2020 Levelized Cost/therm	% of 2020 Savings
Existing Buildings	0.14	0.16	0.14	\$0.8	40.1¢	38%
Existing Multifamily	0.02	0.02	0.02	\$0.1	60.0¢	5%
New Buildings	0.05	0.04	0.04	\$0.1	30.0¢	11%
Production Efficiency	0.02	0.02	0.01	\$0.0	34.2¢	3%
Residential	0.16	0.17	0.17	\$0.5	20.2¢	44%
NEEA Combined	-	-	0*	\$0.1	0.0¢	0%
Total	0.39	0.41	0.38	\$1.7	32.8¢	

*Gas savings from NEEA gas market transformation activities are expected in 2020 and will be reflected in the final proposed budget

MEMO

Date: October 9, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Planning Assumptions for the Draft 2020 Budget and 2020-2021 Action Plan

In response to the OPUC's request, this memo includes a list of major planning assumptions that shape the direction and content of Energy Trust's Draft 2020 Budget and 2020-2021 Action Plan. Program-specific key assumptions, risks and challenges are also included in program action plans.

- **Oregon has experienced robust economic growth** for the last few years. However, the continuation of growth seems more tenuous as the probability of a recession increases. According to the State of Oregon Economic and Revenue Forecast prepared by the Office of Economic Analysis for the Oregon Department of Administrative Services (DAS):

"The current expansion [of economic growth in Oregon and the United States] is now the longest on record, celebrating its tenth birthday over the summer. The economic data flow remains solid overall and classic recession catalysts like an overheating economy are not rearing their heads. The good news is that expansion do not die of old age and the outlook calls for ongoing growth. However, expansion do tend to die due to bad behavior and policy mistakes. As such, the risk of recession is clearly rising in recent months. Revisions to both GDP and employment reveal a weaker and slower-growing economy than previously believed. The trade war escalation is spilling over and weighing on the economy to a larger degree as well. Businesses are wary as they delay investments and slow their pace of hiring. All of this has financial markets on edge and the Federal Reserve taking out insurance rate cuts in hopes of heading off a recession. Time will tell whether this is the top of the cycle or just a rough patch."

Oregon continues to see healthy rates of economic growth; however, the state is no longer outpacing the rest of the country to the same degree as earlier in the expansion. The state is not immune to national and international developments. While topline manufacturing indicators in the state look good, cracks may be forming due to the trade war. All told, Oregon continues to hit the sweet spot for now. Growth is strong enough to keep up with an increasing population and deliver economic and income gains to Oregonians. The share of working-age residents with a job is higher than the [national average] and both wages and overall household incomes continue to rise at a faster rate."¹

According to DAS, the total percent change in nonfarm employment in Oregon was higher than the national average in the last five years, at one point approaching 4% for Oregon

¹ Oregon Economic and Revenue Forecast, September 2019, Page 5/68
<https://www.oregon.gov/das/OEA/Documents/forecast0919.pdf>

compared to the national average of 2%. However, more recently the Oregon percent change in nonfarm employment has converged with the national average at just under 2%.²

According to the most recent statistics from DAS, the percent share of 25- to 54-year-old residents with a job in Oregon is just over 80%, compared with the national average of just under 80%.

Program representatives and trade ally contractors working in the market report that the trade war is already impacting energy-efficiency project sales due to increased prices on equipment components and price volatility from unknown tariff adjustments resulting in short-lived price bids and constraining customer decision-making timelines. Moreover, the booming economy has created additional demand for products and services resulting in a labor shortage to install projects, which has also driven up the price on projects.

- **Oregon's population will continue to expand and diversify.** According to DAS, Oregon's population will grow from 4.3 million in 2020 to 4.5 million in 2025³. Also according to DAS, 87% of population growth in Oregon is attributed to net in-migration,⁴ and "with increasing population mainly due to in-migration, Oregon's population is getting increasing[ly] diverse in terms of race and ethnicity."⁵ Energy Trust will strive through its diversity, equity and inclusion initiative to engage a broader and more diverse set of customers to ensure that all customers are able to directly benefit from Energy Trust's programs.
- **Avoided costs for Oregon energy efficiency measures** were updated in 2019 for 2020 measure and program planning. On average, avoided cost forecasts increased for both electric and gas measures. This means that, on average, electric and gas savings will have more value per kilowatt hour and therm, which will help to offset increasing savings baselines for some measures and will keep measures cost-effective.

Energy Trust is participating in an ongoing OPUC docket to update Oregon avoided cost forecasts each year. Outcomes for use in 2021 measure and program planning are expected to be available in January 2020, after the completion of Energy Trust's 2020 Budget and 2020-2021 Action Plan. Energy Trust's 2020 budget assumes that avoided costs will remain constant with those used for 2020 budgeting.

- **Avoided costs for Washington energy efficiency measures** were updated in 2018 for 2019 measure and program planning, and these avoided costs have remained static for 2020 measure and program planning. Energy Trust expects to update Washington avoided costs for use in 2020 for 2021 program planning. Washington avoided costs may increase significantly in relation to Washington state policies, which include the value of the social cost of carbon and an increased emphasis on utilities acquiring all efficiency measures that are available and cost-effective.
- **Prescriptive measure baselines for many residential and commercial measures have been updated** to reflect changes in federal minimum equipment efficiency standards, state

² Oregon Economic and Revenue Forecast, September 2019, "Total Nonfarm Employment" chart Page 8/68
<https://www.oregon.gov/das/OEA/Documents/forecast0919.pdf>

³ Oregon Department of Administrative Services Short-term state forecast , Page 61
<https://www.oregon.gov/das/OEA/Documents/appendixc.pdf>

⁴ "Oregon's Demographic Trends", Office of Economic Analysis, Department of Administrative Services, State of Oregon, July 2019, Page 6/13 https://www.oregon.gov/das/OEA/Documents/OR_pop_trend2019.pdf

⁵ "Oregon's Demographic Trends", Office of Economic Analysis, Department of Administrative Services, State of Oregon, July 2019, Page 7/13 https://www.oregon.gov/das/OEA/Documents/OR_pop_trend2019.pdf

energy building codes and market preferences, and new information from evaluations and field tests.

- Gas savings from boilers have decreased due to an updated modeling methodology that resulted in reduced savings estimates.
- Staff anticipate that the Oregon commercial building code will have a significant impact on savings from commercial new construction projects. Savings are expected to decline due to higher baseline standards.
- Increasing adoption of LED products in the commercial and industrial lighting markets has resulted in increasing market baselines for these products and reduced per unit savings. This trend is resulting in a re-examination of how Energy Trust takes these products to market.
- Energy Trust will continue to track equipment standards and market trends, and these may result in additional adjustments for Energy Trust's 2021 programs in the next budget cycle in 2020.

- **Energy efficiency program savings realization rates will:**

- Remain the same for Existing Buildings program electric and gas savings, including Strategic Energy Management and Existing Multifamily
- Increase for New Buildings program electric and gas savings
- Decrease for Production Efficiency program electric savings and increase for Production Efficiency program gas savings
- Vary by measure for Residential program electric and gas savings

- **Participation in the Solar program will be influenced by:**

- Dynamic policy changes, including the new state Rooftop Solar Incentive Fund, the Oregon Community Solar Program and the Portland Clean Energy Fund. The net effect of these new programs is unclear. They will likely drive interest in solar but could also reduce market share for the program.
- Moderate declines in solar costs. Module costs are expected to decline and import tariffs for modules will step down from 25 percent in 2019 to 20 percent in 2020.
- An assumption of no significant changes to the net metering policy in 2020.
- The reductions of the 30 percent Investment Tax Credit that is lowering to 26 percent on January 1, 2020, and to 22 percent on January 1, 2021.

- **Participation in the Other Renewables program will be influenced by:**

- Flat or declining avoided-cost rates available for renewable projects that sell power on the wholesale energy market, potentially leading to higher above-market costs.
- Higher average project costs given increased labor and materials costs and the reduction of available grants, including the recent expiration of Oregon's Renewable Energy Development Grants.
- Continued demand from the nascent clean fuels marketplace for sources of biogas to be processed into renewable natural gas for vehicle fueling and pipeline injection. The market value of converting biogas to renewable natural gas for vehicle fuel far exceeds using biogas for renewable electricity generation.

- **Energy Trust anticipates continued engagement in all major efficiency market sectors.** Programs will continue as in 2019 with the possible exception of New Buildings, which will adapt to evolving baselines from the new Oregon commercial building code.
- **Based on a regulatory agreement in 2017 that increased the PGE large customer incentive spending cap, Energy Trust will not exceed the incentive spending caps for large energy-using customers in PGE or Pacific Power territory.** Energy Trust will continue to track SB 838 spending for large energy-using customers. If a 2020 analysis indicates that 2019 spending on large energy using customers exceeded the cap, commercial and industrial programs will act to reduce spending on these customers.
- **Lighting activity is expected to remain relatively strong for commercial and industrial sectors through 2019** with customer investment in LED projects. However, per unit savings are decreasing as baselines for LED products evolve with increased market uptake of LED lamps.
- **Increased LED market share and reduced incremental costs for the residential sector will result in a reduction of the savings that Energy Trust claims for lighting,** continuing a decline that began in 2018. Energy Trust continues to monitor baselines for LED lamps. Recently, the federal government eliminated light bulb standards on specialty consumer lamps that were slated to take effect in 2020 per the Energy Independence and Securities Act and forestalled enforcement of efficiency minimums for standard lamps. These changes, combined with decelerated rates of market adoption of LEDs, has resulted in a continued need for Energy Trust incentives to influence the retail lighting market in 2020.
- **Existing Multifamily program will save less energy from measures directly installed in dwelling units,** including LEDs, showerheads and faucet aerators. This is a result of the program's success saturating the market and the increasing efficiency of market baselines.⁶
- **Successful market penetration and evolving market conditions lead to a continued focus on midstream approaches** in residential and commercial sectors in 2020-2021.
- **Interest in peak load management continues to grow** as utilities anticipate more load constraints. Energy Trust will continue to engage with Pacific Power, NW Natural, PGE and other stakeholders to design and deliver demand reduction activities that are linked to energy efficiency and renewable generation objectives.
- **Energy Trust will continue to fund Northwest Energy Efficiency Alliance in Oregon,** and NEEA will continue to collaborate with other funding partners in pursuit of electric and gas market transformation.
- **The budget accounts for coordination with a variety of community-based organizations** to reach underserved markets in alignment with Energy Trust's diversity, equity and inclusion goals.
- **Energy Trust has included funds to facilitate coordination and project development with the City of Portland as the city implements the Portland Clean Energy Community Benefits Fund.**
- **The current budget accounts for Energy Trust serving as a subcontractor to support delivery of the Oregon Community Solar Program.**

⁶ This assumes that the Oregon Public Utility Commission approves a proposed cost-effectiveness exception that allows direct installation of LED lamps to continue.

MEMO

Date: October 9, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Measure Cost-Effectiveness Exceptions Status as of September 15, 2019

In response to the OPUC's request to provide the status of Energy Trust requests for cost-effectiveness exceptions, this memo summarizes energy efficiency measures that have received or are pending exception approval from the OPUC so that it is readily available to OPUC staff, stakeholders and the public.

Background

Commission Order No. 94-590 in Docket UM 551 specifies that the total resource cost test (TRC) must be used to determine if energy efficiency measures and programs are cost-effective. The same order allows for measures that are not cost-effective to be included in utility programs if it is demonstrated that at least one of the following conditions is met:

- A. The measure produces significant non-quantifiable, non-energy benefits. In this case, the incentive payment should be set at no greater than the cost-effective limit (defined as present value of avoided costs plus 10 percent) less the perceived value of bill savings, e.g., two years of bill savings.
- B. Inclusion of the measure will increase market acceptance and is expected to lead to reduced cost of the measure.
- C. The measure is included for consistency with other demand-side management programs in the region.
- D. Inclusion of the measure helps to increase participation in a cost-effective program.
- E. The package of measures cannot be changed frequently, and the measure will be cost-effective during the period the program is offered.
- F. The measure or package of measures is included in a pilot or research project intended to be offered to a limited number of customers.
- G. The measure is required by law or is consistent with commission policy and/or direction.

Summary of Measures with Exceptions that Will Be Offered in 2020

Several measures are pending cost-effectiveness exceptions by the OPUC. This document is written as if exception requests will be granted according to OPUC staff recommendations. The OPUC has granted or is expected to grant exceptions on 27 measures that were offered in 2019 in five programs, including:

- Existing Buildings
- Existing Multifamily
- New Buildings
- Residential (single-family and manufactured homes, products, new construction)
- Production Efficiency

The following tables represent the portion of total Energy Trust savings from measures with exceptions for 2018 and 2019 (year-to-date through September 15, 2019). Some of the excepted measures are part of whole-building or whole-home packages, which are groups of measures

commonly applied to a single project. These are not tracked independently in Energy Trust's databases, and as a result, their savings cannot be reported accurately. The rows in the tables below list packages that include both cost-effective and non-cost-effective savings.

Portion of Energy Trust Savings from Measures with Exceptions in 2018 and 2019

2018 Measures	kWh	kWh % of total	Therms	Therms % of total
Savings from measures with cost-effectiveness exceptions	4,732,020	0.99%	61,283	0.77%
Savings from packages that contain measures with cost-effectiveness exceptions	3,086,296	0.65%	36,092	0.45%
Other savings	468,476,050	98.36%	7,868,006	98.78%
Total	476,294,366	100.00%	7,965,382	100.00%

2019 Measures (year-to-date through 9/15/2019)	kWh	kWh % of total	Therms	Therms % of total
Savings from measures with cost-effectiveness exceptions	2,697,589	1.53%	37,559	1.52%
Savings from packages that contain measures with cost-effectiveness exceptions	2,812,560	1.60%	41,058	1.66%
Other savings	170,353,297	96.87%	2,391,137	96.82%
Total	175,863,446	100.00%	2,469,754	100.00%

There are 95 exceptions on record granted or pending from the OPUC:

- 9 are pending approval by the OPUC.
- 12 will be offered by programs in 2020 under exceptions.
- 39 are considered “minor exceptions.” A “minor exception” is one where the total dollars and savings associated with the measure are less than 5 percent of total annual program activity or the total resource cost (TRC) for the measure is greater than 0.8. As such, these measures do not require commission approval and are typically approved via email from OPUC staff.

Measure exceptions were approved by the OPUC according to the criteria outlined in the “Background” section above. The following table identifies how many exceptions were granted based on each criterion listed above. *Note some measures meet multiple criteria.*

Number of Exceptions Granted Based on Measure Exception Criteria

Exception Criteria	Number of Instances
A	34
B	21
C	40
D	40
E	8
F	6
G	2

Complete List of 2020 Energy Trust Measures with Cost-effectiveness Exceptions

Program(s)	Measure	Exception Criteria	Date Granted	Expiration Date	Cost-Effective with 2020 avoided costs	Comments
Existing Multifamily	Direct installation lighting	D	Pending	Pending	No	
Existing Multifamily	Flat roof insulation (gas or heat pump)	A	Pending	Pending	No	
Residential	Floor insulation (electric)	A	Pending	Pending	No	
Existing Multifamily	Floor insulation (electric)	A	Pending	Pending	No	
Residential	Floor insulation incentive cap (gas)	A	Pending	Pending	No	
Existing Multifamily	Floor insulation incentive cap (gas)	A	Pending	Pending	No	
Existing Multifamily	Hydronic pumps less than 1/2 heat pump	C, F	Pending	Pending	No	
Residential	Wall insulation (including knee wall) incentive cap (gas)	A	Pending	Pending	No	
Existing Multifamily	Wall insulation (including knee wall) incentive cap (gas)	A	Pending	Pending	No	
Residential	Ductless heat pumps—various scenarios	C, B, G	9/10/2019	3/31/2022	N/A	Measure redesigned for 2020, new exception granted 9/10/19
Existing Multifamily	Ductless heat pumps	C, B, G	9/10/2019	3/31/2022	N/A	Measure redesigned for 2020, new exception granted 9/10/19
Production Efficiency	Irrigation—new or rebuilt brass impact sprinkler	A, C, D	11/21/18	12/30/2021	No	
Residential	NEEM 2.0 gas homes	C,E	11/21/18	12/31/2020	No	
Existing Buildings, Existing Multifamily, Production Efficiency	Various T8 lamps	D	11/21/18	12/31/2021	No	Savings revised for 2020, still under exception

Program(s)	Measure	Exception Criteria	Date Granted	Expiration Date	Cost-Effective with 2020 avoided costs	Comments
Residential	Smart thermostats direct installation gas with PGE co-funding	F	8/31/2018	12/31/2021	partial	Now cost-effective in single family. Only multifamily needs the exception
Production Efficiency	Irrigation—drop tubes	A, C, D	8/3/2018	12/31/2021	No	
Residential	EPS Path 1	B, C, D	5/22/2018	12/31/2019	N/A	Savings revised for 2020, now cost-effective
Residential	Heat pump water heaters direct installation pilot	F	4/27/2018	N/A	No	
Existing Buildings, Existing Multifamily, Residential	Gas storage water heaters: ENERGY STAR®	B	11/8/2017	12/31/2020	No	
Residential	Manufactured homes (gas)	C, D	11/8/2017	12/31/2020	No	
Residential	Ductless heat pumps in manufactured homes replacing electric zonal heat	A, B, C	11/7/2017	12/31/2019	N/A	Revised for 2020, now cost-effective
Existing Buildings, Existing Multifamily	Ductless heat pumps in multifamily	A, B, C	11/7/2017	12/31/2019	N/A	Replaced with new exception 9/10/21
Residential	Ductless heat pumps in single family replacing electric zonal heat	A, B, C	11/7/2017	12/31/2019	N/A	Replaced with new exception 9/10/20
Residential	EPS Path 1 (electric)	B, C, D	11/7/2017	12/31/2018	N/A	Exception extended on 5/22/18
Residential	EPS Path 2 (electric)	B, C, D	11/7/2017	12/31/2019	N/A	Measure revised for 2020, now cost-effective
Residential	EPS Path 4 (gas)	B, D	11/7/2017	12/31/2019	N/A	Measure revised for 2020, now cost-effective
Production Efficiency	Irrigation—drain replacement	A, C, D	11/7/2017	12/31/2019	N/A	Savings revised for 2019
Production Efficiency	Irrigation—drop tube or hose extension	A, C, D	11/7/2017	12/31/2018	N/A	Savings revised for 2019

Program(s)	Measure	Exception Criteria	Date Granted	Expiration Date	Cost-Effective with 2020 avoided costs	Comments
Production Efficiency	Irrigation—flow control nozzle for impact sprinkler	A, C, D	11/7/2017	12/31/2019	N/A	Savings revised for 2019
Production Efficiency	Irrigation—goose necks	A, C, D	11/7/2017	12/31/2019	N/A	Savings revised for 2019
Production Efficiency	Irrigation—multi-trajectory low pressure sprinkler replacement	A, C, D	11/7/2017	12/31/2019	N/A	Savings revised for 2019
Production Efficiency	Irrigation—new or rebuilt brass impact sprinkler	A, C, D	11/7/2017	12/31/2018	N/A	Savings revised for 2019
Production Efficiency	Irrigation—rotating impact sprinkler	A, C, D	11/7/2017	12/31/2019	N/A	Savings revised for 2019
Production Efficiency	Irrigation—rotating sprinkler for low-pressure	A, C, D	11/7/2017	12/31/2018	N/A	Savings revised for 2019
Existing Buildings, Existing Multifamily	Single pane windows electric	A	11/7/2017	12/31/2019	N/A	Measure revised for 2020, now cost-effective
Existing Buildings, Existing Multifamily	Ceiling insulation (gas) UCT	C	05/25/17	N/A	N/A	Measure revised for 2020, now cost-effective
Existing Buildings, Existing Multifamily, Residential	Gas storage water heaters: ENERGY STAR	B	12/29/16	12/31/17	N/A	Measure redesigned for 2018 new exception granted 11/8/17
Existing Buildings, Existing Multifamily	Ductless heat pump in Existing Multifamily (Portland) 3/4 ton	D	10/19/2016	12/30/2017	N/A	Measure redesigned for 2018 new exception granted 11/7/17
Existing Buildings, Existing Multifamily (≤ 4 units or side-by-side)	Ceiling insulation incentive cap (gas)	A	9/8/2016	N/A	N/A	Measure revised for 2020, now cost-effective
Existing Buildings, Existing Multifamily (≤ 4 units or side-by-side)	Floor insulation incentive cap (Gas)	A	9/8/2016	N/A	N/A	Measure revised for 2020, now cost-effective
Existing Buildings, Existing Multifamily (≤ 4 units or side-by-side)	Wall insulation (including knee wall) incentive cap (gas)	A	9/8/2016	N/A	N/A	Measure revised for 2020 included pending exception request

Program(s)	Measure	Exception Criteria	Date Granted	Expiration Date	Cost-Effective with 2020 avoided costs	Comments
Residential	Path 4 (EPS) advanced whole home subtype weighted	B, C, D	8/18/2016	N/A	N/A	Measure redesigned for 2020, now cost effective
Existing Buildings, Existing Multifamily (> 4 units)	Windows (electric)	A	4/29/2016	12/31/2017	N/A	Measure redesigned for 2018 new exception granted 11/7/17
New Buildings	Market Solutions— retail building type good-to-better (incremental)	D	11/2/2015	N/A	Yes	Measure development pending. Unclear if we will need to continue to use this exception in 2020.
New Buildings	Market Solutions— schools lighting reduction	D, E	11/2/2015	N/A	No	Measure development pending. Unclear if we will need to continue to use this exception in 2020.
Existing Buildings, \New Buildings	Oversized air-cooled condenser with VFD compared to VFD on standard (CZ2) per ton	D	10/28/2015	N/A	N/A	Measure removed for 2020
Residential	Ductless heat pumps	B, C	9/2/2015	N/A	N/A	Measure redesigned for 2018 new exception granted 11/7/17
Existing Buildings Existing Multifamily, Residential	Gas storage water heaters: 0.67, 0.70	B	9/2/2015	12/31/2016	N/A	Measure redesigned for 2018 new exception granted 11/8/17
Residential	Clothes washers (gas only)	C	9/2/2015	N/A	No	
Existing Buildings Existing Multifamily (\leq 4 units), Residential	Ceiling insulation incentive cap (gas)	A	4/30/2015	N/A	N/A	Measure revised for 2020, now cost-effective
Existing Buildings, Existing Multifamily (\leq 4 units), Residential	Floor insulation incentive cap (gas)	A	4/30/2015	N/A	N/A	Measure revised for 2020, now cost-effective
Existing Buildings, Existing Multifamily (\leq 4 units), Residential	Wall (including knee wall) insulation incentive cap (gas)	A	4/30/2015	N/A	N/A	Measure redesigned for 2020 included pending exception request
Existing Buildings, New Buildings	LED refrigeration case lighting (T12 to LED low power)	D	3/12/2015	N/A	N/A	Measure was redesigned in 2016; equivalent measures are cost-effective

Program(s)	Measure	Exception Criteria	Date Granted	Expiration Date	Cost-Effective with 2020 avoided costs	Comments
Existing Buildings, Existing Multifamily	Ceiling insulation (electric)	A, C	1/29/2015	N/A	N/A	Now cost-effective, exception no longer needed
Existing Buildings, Existing Multifamily	Floor Insulation (electric)	A	1/29/2015	N/A	N/A	Now cost-effective, exception no longer needed
New Buildings, Existing Multifamily	Pilot—gas condo pack	F	1/29/2015	N/A	N/A	Measure never offered publicly
Existing Buildings, New Buildings, Production Efficiency	Receiver capacity addition (retrofit)	C	1/15/2015	N/A	N/A	Measure canceled for 2020
Existing Buildings, New Buildings, Production Efficiency	Zero loss drains	C	1/15/2015	N/A	N/A	Measure canceled for 2020
Existing Buildings	2 lamp 4 foot T8 to 25W LED	E	11/10/2014	N/A	N/A	Measure redesigned; now cost-effective
Existing Buildings, Existing Multifamily (stacked)	Ceiling insulation (gas)	A	10/1/2014	N/A	N/A	measure redesigned for 2020 included pending exception request
New Buildings, Existing Multifamily	Market Solutions—good-to-better and better-to-best (gas)	A, B, D, E	10/1/2014	N/A	N/A	Multifamily Market Solutions revised in 2015
New Buildings	Market Solutions—tankless water heat in offices	A, B, D, E	10/1/2014	N/A	N/A	Office Market Solutions revised in 2016
New Buildings	New commercial buildings condensing tank water heater—schools	B	10/1/2014	N/A	N/A	Measure redesigned for 2019
Residential	New homes builder option package with 0.67 water heater	B, C	10/1/2014	N/A	N/A	Measure redesigned to EPS
Residential	Pilot—air sealing as added requirement for ceiling insulation	F	10/1/2014	N/A	N/A	Measure canceled for 2016
Existing Buildings, Residential	Spa covers (gas)	C	10/1/2014	N/A	N/A	Measure canceled for 2019
Residential	Manufactured home duct and air sealing (gas)	C	10/1/2014	N/A	No	Measure canceled for 2016

Program(s)	Measure	Exception Criteria	Date Granted	Expiration Date	Cost-Effective with 2020 avoided costs	Comments
Existing Buildings, Existing Multifamily (≤ 4 units), Residential	Pilot—condensing gas furnace (rental)	F	8/20/2014	N/A	N/A	Pilot revised into a cost-effective measure in 2017
Existing Buildings, New Buildings	Commercial vent hoods with VFD $< 2\text{HP}$ (electric)	D	7/22/2014	N/A	N/A	Now cost-effective, exception no longer needed
Existing Buildings Existing Multifamily, Residential	Duct insulation (electric)	A, D	7/22/2014	N/A	N/A	Measure canceled for 2019
New Buildings, New Buildings, Existing Multifamily	HVAC—AAHP 5 ton	D	7/22/2014	N/A	N/A	Measure canceled for 2018
New Buildings, New Buildings, Existing Multifamily	HVAC—AC Unit 12.5 ton	D	7/22/2014	N/A	N/A	Measure canceled for 2018
New Buildings, New Buildings, Existing Multifamily	HVAC—GSHP 2 ton	D	7/22/2014	N/A	N/A	Measure canceled for 2018
New Buildings, New Buildings, Existing Multifamily	HVAC—WSHP 2 ton	D	7/22/2014	N/A	N/A	Measure canceled for 2018
Production Efficiency	Irrigation—drain replacement	C, D	7/22/2014	N/A	N/A	Measure canceled for 2020
Production Efficiency	Irrigation—drop tube or hose extension	C, D	7/22/2014	N/A	N/A	Measure redesigned for 2018; new exception granted 11/7/17
Production Efficiency	Irrigation—new or rebuilt brass impact sprinkler	C, D	7/22/2014	N/A	N/A	Measure redesigned for 2018; new exception granted 11/7/17
Production Efficiency	Irrigation—rotating sprinkler for low-pressure	C, D	7/22/2014	N/A	N/A	Measure redesigned for 2018; new exception granted 11/7/17

MEMO

Date: October 9, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Levelized Cost Trends and Managing Future Costs

As discussed and forecasted last year, Energy Trust's Draft 2020 Budget and 2020-2021 Action Plan shows that levelized costs are increasing over the next two years as the lowest-cost sources of savings in the program portfolio continue to shrink. This is largely due to Energy Trust's successful savings acquisition strategies and results in prior years.

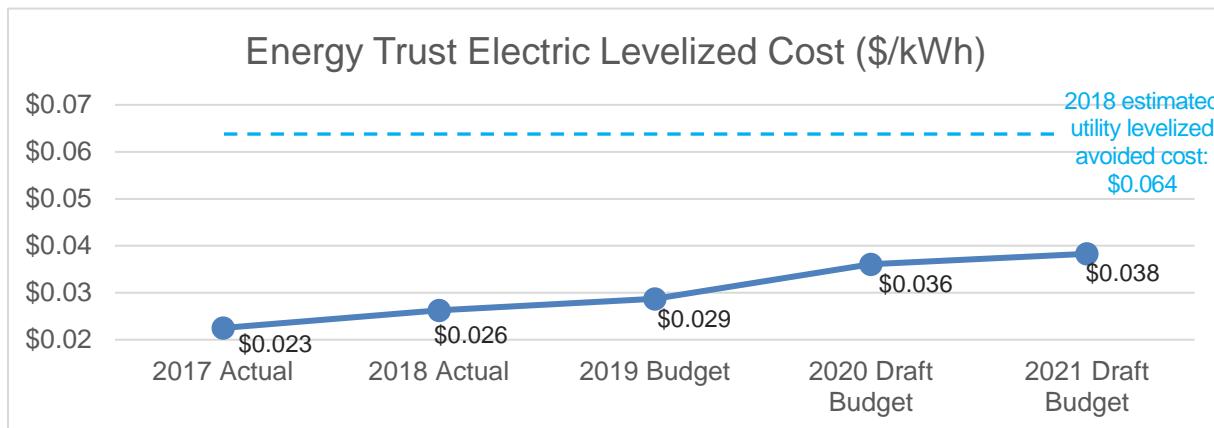
We understand the trend of increasing levelized costs is of interest to stakeholders, and we will highlight it for discussion at the October 16 budget workshop with our board of directors and conservation, renewable and diversity advisory council members. To further supplement the discussion, this memo supplies detail on the reasons levelized costs are increasing and identifies actions underway to manage levelized costs over time.

Levelized Costs in Draft 2020 Budget and Comparison to Levelized Avoided Cost

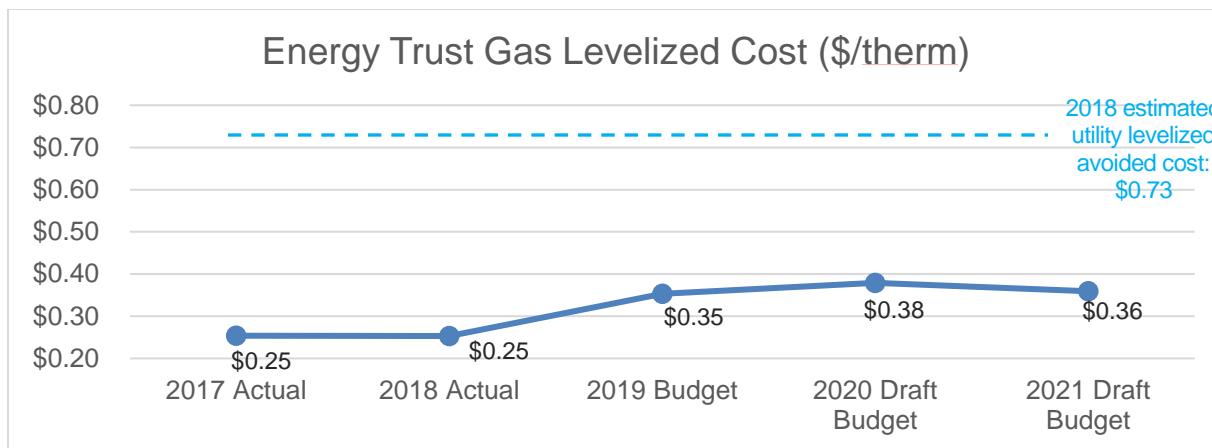
The draft 2020 budget delivers electric savings at a cost of 3.6 cents per kilowatt hour (kWh) and 37.9 cents per therm (Oregon and NW Washington combined), leveled. This is a 26 percent increase over 2019 electric levelized costs and a 7 percent increase over 2019 gas levelized costs.

The 2021 budget projection shows electric levelized costs rising to 3.8 cents per kWh. Gas levelized costs are projected to drop to 35.9 cents per therm in 2021, a slight increase over the 2019 budgeted levelized cost.

The savings Energy Trust acquires for utility customers remain the lowest-cost resource. We estimate utility levelized avoided cost at 6.4 cents for electricity and 73 cents for gas.¹ For comparison we included these values as the blue lines on the two charts below.



¹ For comparison purposes, Energy Trust calculated utility avoided costs for its completed portfolio of 2018 measures and leveled those costs.



Levelized Cost Drivers

There are a number of drivers contributing to increasing leveled costs. We identify and describe them below.

- In 2020, Energy Trust will report fewer savings for some measures than what we are reporting for the same measures in 2019. This is because we are using updated evaluation information about how some measures actually perform in homes and businesses, or our studies indicate market transformation is at work and fewer customers need our support to install the energy-efficient option.
 - In particular, high-efficiency, low-cost LEDs are becoming standard in the residential market and most segments of this market no longer need our support. Therefore, we will claim significantly less savings for these measures in 2020. These were some of the lowest cost savings in our portfolio.
- We are claiming fewer savings on average per project in business programs. This trend arises from prior success at completing large savings projects and the intentional drive to increase participation from more small- to medium-sized customers, where project opportunities are smaller scale and yield lower savings.
- The majority of savings from a very large multi-year industrial project were acquired from 2017-2019, with the remainder expected in 2020.
- Northwest Energy Efficiency Alliance (NEEA) savings in 2020 are decreasing by 40 percent compared to 2019. One of our low-cost sources of savings, NEEA is in the first year of a new five-year business cycle. In the last business cycle NEEA's electric savings were very inexpensive due to large amounts of savings from early iterations of codes and standards for new construction and battery chargers, and from NEEA's TV and lighting initiatives. The savings forecast for 2020 and 2021 is lower for NEEA than from previous years due to many of these mature savings streams reducing or phasing out while the portfolio is now more heavily weighted toward products in early product development. NEEA's electric savings for years 2022-2024 are expected to increase year-over-year as these products mature.
- New code changes with more stringent efficiency requirements will be in effect for new home and new commercial building construction. Therefore, we no longer need to provide incentives for some measures, and we will claim fewer savings for pushing customers above code than we did before the code change.

- We are increasing electric and gas incentives for custom measures in our Production Efficiency programs, electric incentives in our Existing Buildings program, and lighting incentives in the Existing Buildings, Production Efficiency and Existing Multifamily programs to lower the project payback time and move more projects forward. Energy Trust analysis has found that these customers require a two-year payback or less to prioritize energy efficiency projects in business decision-making. Our analysis showed that our incentive levels have not kept pace with project costs for these types of projects and payback time had increased to well over three years. Projects have been stalling as a result.
- We are also raising incentives for specific measures in residential programs to reach underserved customer segments.

Managing Levelized Costs

Managing leveled costs over time requires that we continuously work to find new sources of savings, adjust program design and delivery methods, and ensure efficient and effective operations. These activities have been embedded in our budgets and action plans for years.

- 1) **Finding new sources of savings**—by conducting and evaluating pilots, participating in the Northwest Power and Conservation Council's Regional Technical Forum and investing in emerging technology efforts through NEEA—may add cost per unit of savings in the short-term but helps us manage leveled costs in the long-term. We make these investments to fill the pipeline for future program savings measures, and the expectation is that some of these future measures will contribute to a portfolio of reasonably priced, cost-effective savings over time.

In 2019, we completed measure development work resulting in the following new measures for 2020:

- Agriculture—cannabis dehumidifier
- Municipal water leak repair
- Residential central air conditioning
- Residential grow lights
- Commercial pool pumps
- Commercial condensing pool heaters
- Commercial direct install refrigeration
- Commercial automatic conveyor broilers
- Commercial on-demand (food) overwrappers
- Commercial heat pump retrofit calculator
- Multifamily hydronic heating circulators
- Multifamily direct hot water recirculation controls

At last count, Energy Trust program and planning staff have identified at least 18 additional new measures to explore in 2020 for potential implementation in 2021, including the following examples:

- Evaporative coolers for homes
- Residential window coverings with automated operation
- Large multifamily central heat pump water heaters
- Multifamily retrofit advanced rooftop controls
- Residential and multifamily room air conditioners
- Industrial pipe insulation direct install

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

We are always looking for ways to better reach our customers. In 2019, we developed more than 30 new program approaches and pilots for implementation in 2020, including the following examples:

- Test streamlined industrial Strategic Energy Management
- Commercial and industrial network lighting controls pilot
- Commercial Direct Install Smart Thermostats pilot
- Residential heat pump replacement at time of failure
- Residential heat pump water heater for coordinated implementation with PGE
- Smart thermostats in new home construction
- Standalone heat pump water heater for new home construction
- Higher efficiency tier for windows in existing homes
- Targeted Load Management pilots
- Using home heating and cooling tune up to install thermostats or efficient motors
- Ductless heat pump controls
- Net zero new home construction
- Residential new construction grid harmonization
- Explore multiple funding sources for direct installation of heat pump water heaters
- Multifamily central heat pump water heaters
- Multifamily line voltage thermostat
- Windows in stacked multifamily properties
- New Buildings updated lighting calculator for 2019 Oregon energy code projects
- New Buildings updated offerings to meet the 2019 Oregon energy code

Additionally, Energy Trust is focusing on reaching underserved low-income, rural and racially and ethnically diverse customers. By designing measures and programs to reach and serve customers we have not previously served, perhaps because our programs have not been effectively designed to reach them, we will create new sources of savings in the future. Some examples of measures and approaches developed in 2019 that will be implemented in 2020 are:

- Co-funding low-income projects with community action agencies funded through Oregon Housing and Community Services Low-Income Weatherization Program
- Energy Saver Kits customized for low-income customers
- Coordinated energy audits with low-income agencies and community organizations
- Ductless heat pump initiative for limited income housing with Verde
- Multifamily Savings Within Reach for moderate-income customers
- Multifamily do-it-yourself cooling workshops
- Multifamily on-bill repayment
- Multifamily fixed price ductless heat pump
- Additional channels for home thermostat direct installation
- Umatilla new home construction development planning
- Tubular LEDs in targeted rural areas

- 3) **Ensuring efficient and effective operations** enables us to continue serving high volumes of transactions, maintain strong customer service standards, and meet high standards for accountability and public reporting. Every year we identify system and process enhancements that reduce manual data entry, avoid time consuming steps for customers and staff, and streamline administrative processing.

In 2019, we developed systems and processes to enable electronic signatures on customer and vendor forms using DocuSign. We also completed project processing improvements to automate and speed transaction reversals.

In 2020, we will continue to apply DocuSign to more customer and internal forms. We will also continue multi-year efforts to invest in a more efficient budget system, streamline and improve measure development, and further refine our forecasting capabilities. The Information Technology and Operations Analysis action plans in this budget identify additional activities to improve staff productivity and systems efficiency.

We will also continue to invest in the adoption of improved organizational processes for business planning, budgeting, decision-making and innovation, all driven by the organizational review project completed in 2018. These changes will help us make decisions, explore new ideas and develop new program approaches more efficiently. They will also ensure we apply limited staff resources to highest priority work.

MEMO

Date: October 9, 2019

To: Board of Directors

From: Michael Colgrove, Executive Director

Subject: Long-Range Forecast for Contracted Other Renewables Projects

Energy Trust's Other Renewables program provides incentives to projects utilizing non-solar renewable generation technologies, primarily focusing on hydropower and biopower. These projects often have long construction timelines requiring Energy Trust to commit and set aside funding several years before projects are completed and begin generating electricity. Incentive payments are usually partially paid upon the projects successfully reaching generation milestones, with the rest of a committed incentive paid over the first several years of commercial operation. This results in incentive funds being held in reserve over a period that may last as long as five years from incentive commitment to final incentive payment.

To provide visibility into contracted payments, following is a list of existing contractual commitments of incentive funds.

In Portland General Electric service territory, Energy Trust has existing commitments of incentives for two generation projects under construction.

Installation Incentive Funding Commitments in PGE Territory

Project	Generation	Expected payments	Scheduled payment dates
City of Salem—Willow Lake Wastewater Treatment Facility (biopower)	0.9 aMW	\$500,000 upon completion \$900,000 based on reaching milestones \$1,600,000 based on reaching milestones	March 2020 December 2020 December 2021
Water Environment Services—Tri-City Wastewater Treatment Facility (biopower)	0.5 aMW	\$1,000,000 upon completion \$800,000 based on reaching milestones	January 2021 January 2022
TOTAL		\$4,800,000	

In Pacific Power service territory, Energy Trust has existing commitments of incentives to four generation projects. One has completed and three are under construction.

Installation Incentive Funding Commitments in Pacific Power Territory

Project	Generation	Expected payments	Scheduled payment dates
Wallowa Lake County Service District (hydropower)	0.02 aMW	\$80,000 upon completion	October 2019
Deschutes Valley Water District—Opal Springs (hydropower)	0.1 aMW	\$225,000 upon completion \$225,000 based on reaching milestones	December 2019 December 2020
Three Sisters Irrigation District—Watson (hydropower)	0.1 aMW (project completed earlier this year)	\$100,000 based on reaching milestones <i>(completion incentive of \$300,000 paid December 2018)</i>	December 2019
Three Sisters Irrigation District—McKenzie (hydropower)	0.1 aMW	\$465,000 upon completion \$100,000 based on reaching milestones \$100,000 based on reaching milestones \$100,000 based on reaching milestones \$100,000 based on reaching milestones	March 2020 December 2020 December 2021 December 2022 December 2023
TOTAL		\$1,495,000	

In addition to contractual commitments of installation incentives, Energy Trust has existing commitments of project development assistance incentives. Project development assistance incentives are used for technical studies, feasibility studies and other kinds of pre-development work that helps projects mature to the point where they are ready to apply for an installation incentive.

Project Development Assistance Incentive Commitments in PGE, Pacific Power territories

	Q4 2019	2020	2021 and beyond
Portland General Electric	3 projects \$152,564	1 project \$161,493	
Pacific Power	11 projects \$311,475	8 projects \$333,185	1 project \$200,000
TOTAL	14 projects \$464,039	9 projects \$494,678	1 project \$200,000

MEMO

Date: October 9, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Energy Trust's Subcontract to Support Oregon Community Solar Program Delivery

Energy Trust's Role in the Oregon Community Solar Program

The Oregon Community Solar Program was developed in response to Senate Bill 1547 (Oregon's Clean Electricity and Coal Transition Plan) in 2016, which directed the Oregon Public Utility Commission to establish an Oregon Community Solar Program for customers of Portland General Electric, Pacific Power and Idaho Power.

The Community Solar Program is managed by the OPUC and administered through a contract with the primary program administrator, Energy Solutions. Energy Trust has a three-year subcontract (March 2019 through March 2022) with Energy Solutions to support certain aspects of program development and delivery, including project manager registration, project certification, customer service and consumer protection. This work is funded by new revenue that is separate from public purpose funding directed to Energy Trust for energy efficiency and renewable energy programs. Energy Trust's services under the subcontract result in a small increase in the organization's net assets.

As a subcontractor, Energy Trust will lead Community Solar Program project certification activities, including project review and registration and oversight of project managers. Energy Trust will also lead the customer service and consumer protection aspects of the program and advise on program design and continuous improvement. Energy Trust's role as a subcontractor leverages Energy Trust's expertise in program development, solar project review and verification, consumer protection and customer service while minimizing investment in and potential risk associated with developing a new delivery model.

Energy Trust revenues are not directly tied to the number of projects enrolled in the Community Solar Program. Energy Trust revenues from the Community Solar Program subcontract delivery are determined by a time and material professional services agreement and are based on negotiated rates for each staff position, plus reimbursement of direct costs.

Energy Trust revenues from the Community Solar Program subcontract are budgeted to be \$546,896 for 2020 and are expected to produce an increase in net assets of \$128,882.

Separation of Funds

All public purpose charge, Community Solar Program and other funds are tracked in Energy Trust's enterprise accounting system, Dynamics GP. Cost centers in the accounting system allow costs to be aggregated for each program or support function. A program may have a single funding source or multiple funding sources.

Cost centers are a central feature of Energy Trust's accounting system. A cost center is the representation of any program or support group that has unique activities and needs to be accounted for distinctly from other activities. The use of cost centers supports the creation of funder-specific

reports, helps to manage costs and allows for accurate reporting of leveled costs. One or more cost centers may be aggregated to a major program, programs may be aggregated to sectors, and sectors may be aggregated to a division.

The Community Solar Program cost center has a single funding source. Staff working on the Community Solar Program track their time to the Community Solar Program cost center in 15-minute increments on their electronic timesheets. Other costs that may be incurred, such as travel, meetings or professional services, are tracked and coded to the Community Solar Program cost center.

This method of tracking and reporting has been in place since the inception of Energy Trust and has supported consistent reporting of segregated costs for Oregon public purpose charge funding sources (efficiency and renewable energy) and for services to NW Natural customers in Washington.

Energy Trust captures all time spent on the program, even if that time exceeds the limits agreed upon in the contract. Time spent on the Community Solar Program will not be charged to other funding sources.

Cost Sharing

Costs include direct as well as indirect costs. Direct costs are readily identifiable to the program or functional area. When employees submit vendor invoices and payroll timesheets they code direct costs to cost centers based on their firsthand knowledge of the purpose of the invoiced expense or time spent.

Indirect costs reflect costs that are shared and managed centrally and where a direct charge is not practical. An example of a shared cost is everything needed to run an IT department.

Allocation is the method by which shared costs are distributed to cost centers. An allocation model includes an input of costs to be allocated, a basis for allocating and the allocation target. Each allocation basis is a reasonable estimate of effort or value. A good allocation makes intuitive sense and shows a natural relationship between the cost and targets of the allocation.

Energy Trust's Shared Cost Categories and Shares Allocated to Community Solar Program

Share Cost Category	Description	2020 Share of Resources Allocated to Community Solar Program
Shared facility costs (Occupancy costs, including rent, copiers, furniture, movers, repairs, utilities, depreciation)	The sum of activity in this cost center is allocated to programs proportionally based on payroll hours per cost center from timesheets, or in the budget, based on the budgeted time distribution.	2.09%
Information Technology (IT) costs (Staffing, professional services, hardware, software, telephone system, depreciation)	The sum of activity in this cost center is composed of three areas—infrastructure, development and reporting. These costs are allocated to organizational cost centers based on an estimate of	1.03%

	users who are supported by each of the three IT areas.	
Administration, including executive office, legal, DEI, project management, organization development, finance, HR, office management (Staffing, professional services, conferences, board services)	Charged to programs proportionally based on year-to-date total costs.	0.21%
Communications and Outreach, including communications, outreach, marketing and web support (Staffing, website maintenance, marketing, stakeholder relations, outreach)	Charged to programs proportionally based on year-to-date total costs.	0.16%
Planning and Evaluation (Staffing, conferences, training, travel, statistical and other special software, memberships, professional services not targeted to specific programs)	The sum of activity in this cost center is allocated to programs proportionally based on predetermined usage, developed during the annual budget process.	
Customer Service (Staffing, call center)	The sum of activity in this cost center is allocated to programs proportionally based on the number of customer service calls reported monthly by the call center.	
Trade Ally Support (Staffing, conferences, meetings)	The sum of activity in this cost center is allocated to programs proportionally based on the number of trade ally relationships reported annually by the trade ally support group.	
Targeted Load Management planning—Pacific Power (Staffing time spent on targeted load management programs)	The sum of activity in this cost center is allocated to programs participating in targeted load management.	
Targeted Load Management planning—NW Natural (Staffing time spent on targeted load management programs)	The sum of activity in this cost center is allocated to programs participating in targeted load management.	
Targeted Load Management planning—PGE Test Bed (Staffing time spent on targeted load management programs)	The sum of activity in this cost center is allocated to programs participating in targeted load management.	

MEMO

Date: October 9, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Staffing for the Draft 2020 Budget and 2020-2021 Action Plan

Energy Trust's proposed staffing budget balances the cost of the staffing resources needed to accomplish 2020 goals and compliance with Oregon Public Utility Commission performance measures.

This memo provides background and information about staffing planning and considerations in 2020, staffing cost drivers, and compliance with the OPUC minimum performance measure for applicable staffing costs.

1. 2020 Staffing Planning

Energy Trust employees are the basis of the organization's strategic and operations management and accountability. As Energy Trust looks ahead to 2020 and beyond, it is guided by its proposed 2020-2024 Strategic Plan. Expected to be formally approved by the board of directors in October 2019, the new plan envisions a future for Energy Trust that furthers its core mission of energy efficiency and renewable energy resource acquisition through continued innovation and expanded program participation to reach all eligible customers, particularly underserved customers. The plan also describes how Energy Trust will support customers, utilities, OPUC and policymakers in new ways and enhance its capacity to quickly and effectively respond to opportunities.

As a result, in addition to planning and staffing for annual business goals as described more specifically below, Energy Trust's staffing planning is future-focused and considers the skills needed to support the strategic plan focus areas for the next five years. Even with this future focus, management and human resources staff are committed to compliance with the OPUC's minimum performance measure for year-over-year staffing cost increases, which caps increases for portions of the budget overseen by the OPUC¹ at 9% over the next two budget years.

In planning for the 2020 budget, Energy Trust management undertook an extensive business and staffing planning exercise that began by setting five 2020 organizational goals based on the draft 2020-2024 Strategic Plan. The 2020 organizational goals are to:

- Meet savings and generation targets and create future opportunities
- Use guidelines to determine resource investments in community efforts
- Provide information to policymakers, agencies and implementers
- Strengthen internal innovation capabilities and develop new proposals
- Make operational improvements

Energy Trust's proposed 2020 staffing budget is based on identifying priority work to support its 2020 goals, including acknowledgment of future opportunities, and matching staffing capacity to

¹ The OPUC oversees the largest portion of Energy Trust expenditures under a grant agreement. That includes all expenditures for programs funded by Oregon customers of PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista. NW Natural Washington and Oregon Community Solar Program expenditures are not overseen by the OPUC.

that prioritized work. This plan provides for all program, support and administrative functions for programs and services delivered in Oregon and Southwest Washington, and for the Oregon Community Solar Program subcontract with Energy Solutions.

To minimize staffing cost growth, Energy Trust has taken every opportunity to examine needs across the organization using the business plan as the primary reference. When needed, Energy Trust has and will continue to change staffing positions to different roles and responsibilities consistent with organization needs and priorities. This process occurs during staffing planning and when any vacant position arises throughout the year. Energy Trust will continue to use this approach as openings arise in 2020.

2. Total Staffing Costs and Cost Drivers for the Draft 2020 Budget

In the draft 2020 budget, total staffing costs across all major funding sources represent 7.7% of total costs. The increase in total staffing costs from 2019 to 2020 is 7.9%. Factors contributing to this increase in staffing costs include rising health insurance costs, staff compensation, and the addition of staffing resources described below.

The three major funding sources are: Oregon ratepayers under the OPUC grant agreement, Washington programs funded by NW Natural under oversight by the Washington Utilities and Transportation Commission, and the Oregon Community Solar Program sub-contract through Energy Solutions. The following table provides a breakout of staffing costs by major funding source. Staff costs in administrative and other shared services have been allocated across funding sources.

Staffing Costs By Major Source	2017	2018	2019	2020	2021
	Actual	Actual	Budget	Budget	Budget
Oregon PUC Grant	12,508,690	13,185,215	14,026,974	15,028,985	15,834,799
Washington	310,393	289,586	331,337	355,583	382,085
Community Solar	-	-	188,293	304,250	326,885
LMI Federal grant and other	17,429	27,354	-	-	-
Total	12,836,512	13,502,155	14,546,604	15,688,818	16,543,769

The 2020 staffing costs under the OPUC grant increase 7.1% increase over 2019 costs under the OPUC grant.

Healthcare Costs

While employee healthcare premium increases for 2020 were not as high as the insurer predicted in 2018, healthcare benefits continue to be the largest cost driver in Energy Trust's benefit package. The 2019 rate increase of 24% will be offset by a much lower increase in 2020 at 5%. Energy Trust's projects a 15% increase in healthcare premiums for 2021 based on discussions with its insurer.

Staff Compensation

The draft budget includes 5% for staff compensation adjustments, which allows for annual increases in line with regional averages of 3.1% and provides remaining dollars to support promotions and other pay adjustments as needed to retain talented staff in a competitive job market.

Diversity Lead

The 2020 staffing budget includes a Diversity Lead position to support Energy Trust's focus on expanding program participation in underserved communities. By hiring and onboarding a senior-level Diversity Lead, Energy Trust will be better able to:

- Continue integration of diversity, equity and inclusion principles into programs, customer services and operations
- Support recruitment and retention of diverse staff, advisory council members, board members and contractors.
- Support and lead ongoing activities and training to improve organizational cultural responsiveness.

Additional Project Management Support

Energy Trust's strategic plan asks the organization to quickly and effectively respond to changes, needs and opportunities. In 2020, Energy Trust will continue to develop business planning as a core competency while providing project management support for complex cross-organizational projects in budget tools implementation, annual budget development, utility and community initiatives leveraging multiple programs, operations improvements, innovation, decision-making and other change efforts. In 2021, Energy Trust will develop a three-year business planning cycle that will further leverage project management resources to launch planning in 2022 for future years.

The 2020 staffing budget increases a half-time project manager to full-time to support these efforts. The additional half-time resource will be dedicated to business planning support, budget project management and operations improvement projects.

Community Solar Positions

Energy Trust's proposed 2020 staffing budget also includes additional staff hired for services under Energy Trust's contract with Energy Solutions, the Oregon Community Solar Program administrator. Direct and indirect costs attributed to these positions are set forth in separate Community Solar Program budget. These staffing costs are not included in the calculation of staffing costs for the OPUC staffing performance measure.

Total Staffing Costs Detail by Year

The following table provides (i) employee cost drivers in the preceding three years for the total company and (ii) further detail of costs specific to the OPUC grant and the OPUC staffing cost performance measure.

	2017 Actual	2018 Actual	2019 Budget	2020 Budget	2021 Budget
Total Company Employee Cost	12,853,105	13,502,155	14,546,604	15,688,818	16,543,769
Drivers					
Employee Count (FTE)	108.5	108.5	108.5	112.0	112.0
Interns (FTE)	4.0	7.5	6.0	4.4	4.4
Compensation Adjustment Pool	8%	4%	5%	5%	5%
Benefit rate increase	0%	11%	24%	5%	15%
Oregon PUC Grant Funded Employee Cost and Performance Metric					
Employee Cost	12,508,690	13,185,215	14,026,974	15,028,985	15,834,799
Employee Count (FTE)	107.5	107.5	107.5	109.0	109.0
Year over year \$ change	959,463	676,525	841,759	1,002,011	805,814
Year over year % change	8%	5%	6%	7%	5%
Maximum % Increase Allowed by Performance					
Measure	10%	10%	10%	9%	9%
Maximum Increase Allowed by Performance					
Measure	1,154,923	1,250,869	1,318,522	1,262,428	1,352,609

3. Compliance with OPUC Staffing Cost Performance Measure

Energy Trust and OPUC staff worked together closely beginning in early 2019 to examine the reasonableness of Energy Trust's staffing costs and to determine an appropriate indicator of reasonable management costs. As a result of those conversations and through public comments and a public workshop discussion in July 2019, the OPUC adopted a single revised measure for 2020 focusing on year-over-year cost increases. Under the newly adopted staffing performance measure for 2020, Energy Trust must limit staff cost growth to 9% annually. This measure is intended to remain in place for two years while Energy Trust and OPUC staff continue to work collaboratively to review staffing costs and trends to consider potential new staffing metrics for the future.

Staffing costs in Energy Trust's proposed 2020-2021 Budget and 2021 Action Plan comply with the new single staffing cost year-over-year percentage cap performance measure.

MEMO

Date: October 9, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Administrative and Program Support Costs for the Draft 2020 Budget and 2020-2021 Action Plan

Energy Trust's Draft 2020 Budget and 2020-2021 Action includes administrative and program support costs that provide a necessary foundation for enabling high-performing programs and organizational accountability. Detailed descriptions of activities charged as administrative and program support costs can be found in the draft 2020-2021 action plans included in the budget under cost categories described in the definition section below.

The administrative and program support costs in the draft 2020 budget are 7.7% of total revenue, which is compliant with the Oregon Public Utility Commission performance measure capping administrative and program support costs at 8% of total revenue.

This memo provides information about the nature and purpose of administrative costs to support stakeholder review of the budget.

Administrative Costs Defined

All organizations, no matter the size or purpose, have administrative costs. Administrative costs are necessary to lead the organization, support the board of directors, execute strategic direction, engage with stakeholders, manage risk, comply with laws and regulations, manage funds responsibly, and manage employees, among other things.

Nonprofit entities are required to categorize costs by function, as Program, Management and General or Fundraising. These functional costs are reported in a nonprofit's financial statements and Form 990 tax return. According to generally accepted accounting standards, shared costs such as building rent and technology can be allocated among programs and administration.

What is considered reasonable administrative costs varies by industry, organization size, complexity and development stage. While there is no one right answer, there are benchmarks published by nonprofit watchdog organizations. An example is Charity Navigator's 15 percent cap, which, if met, qualifies an organization for its highest rating. Charity Navigator uses the Management and General and Fundraising totals on an organization's 990 tax return to calculate the administrative cost.

Energy Trust Administrative and Program Support Activities and Cost Oversight

Energy Trust administrative and program support activities include:

- **Management and General:** Providing core finance, legal, human resources, office administration and board of directors administration to ensure general management and operations of the organization. This year we've added a new cost center for diversity, equity and inclusion and plan to hire a Diversity Lead staff position. These 2020 and 2021 costs are detailed in the management and general action plan.
- **General Communications and Outreach:** Ensuring the organization's accountability, accessibility and responsiveness through general communications, quarterly and annual reporting to the board and OPUC, public and stakeholder relations, website management

and content, and general outreach and marketing functions. These 2020 and 2021 costs are detailed in the general communications and outreach action plan.

- **Shared Office Space and Equipment:** Providing general services such as office space rent, furniture, maintenance and copy machines to provide an efficient work space for staff and to support board and stakeholder meetings. These 2020 and 2021 costs are detailed in each of the program and support group action plans.
- **Information Technology:** Development and maintenance of information systems software and hardware to enable efficient functioning of the organization and its programs, as well as data capture necessary for business planning and public accountability reporting. These 2020 and 2021 costs are detailed in the IT action plan.
- **Program Support:** Program indirect costs include travel, meetings, conferences, dues and general materials managed and used by programs to perform effectively. These 2020 and 2021 costs are detailed in each of the program and support group action plans.

The OPUC, in its oversight role of Energy Trust, established a performance measure for administrative cost that is even more stringent than the general nonprofit benchmarks described above. The OPUC performance measure includes both administrative cost and program support costs and limits this total to no more than 8 percent of utility revenue. The performance measure also caps administrative and program support cost increases of no more than 10% from year to year.

Historical View of Administrative and Program Support Costs Subject to the OPUC Performance Measure¹

	2016	2017	2018	2019 Budget	2020 Draft Budget	2021 Draft Projection
Annual Revenue	148,853,640	194,236,916	188,075,428	181,132,028	184,642,400	187,442,984
Performance measure	8%	8%	8%	8%	8%	8%
Maximum cost allowed per measure at 8%	11,908,291	15,538,953	15,046,034	14,490,562	14,771,392	14,995,439
Administrative and Program Support Costs	9,184,424	10,081,863	10,558,826	13,225,417	13,685,595	13,999,165
Actual % of revenue	6.2%	5.2%	5.6%	7.3%	7.4%	7.5%
Increase from prior year		897,439	476,963	2,666,591	460,178	313,570
Increase percentage		9.8%	4.7%	25.3%	3.5%	2.3%

note: 2019 25.3% increase is due to a change in classifying certain costs in response to SOS audit recommendation for transparency

¹ The 2019 increase of 25.3% was due to a change in classifying certain costs in response to Oregon Secretary of State audit recommendations for transparency.

Detail of Administrative and Program Support Costs Subject to the OPUC performance Measure in Draft 2020 Budget

	Oregon PUC Grant Funded Expenditure		
	OPUC Grant Funded Total	Program Costs	Administrative and Program Support
Incentives	110,379,767	110,379,767	
Program Delivery Subcontracts	57,360,484	57,360,484	
Employee Salaries & Fringe Benefits	15,027,545	7,417,419	7,610,126
Agency Contractor Services	1,710,483	858,794	851,689
Planning and Evaluation Services	3,321,757	3,193,782	127,975
Advertising and Marketing Services	3,288,238	2,202,344	1,085,894
Other Professional Services	5,523,167	4,392,780	1,130,387
Travel, Meetings, Trainings & Conferences	553,055		553,055
Dues, Licenses and Fees	237,239		237,239
Software and Hardware	662,053		662,053
Depreciation & Amortization	231,947		231,947
Office Rent and Equipment	1,041,182		1,041,182
Materials Postage and Telephone	148,862		148,862
Miscellaneous Expenses	5,186		5,186
TOTAL FUNCTIONAL EXPENSE	199,490,965	185,805,370	13,685,595

Administrative and program support costs in the draft 2020 budget increased 3.5% over 2019, which is below the 10% annual increase cap set by the OPUC. Some administrative costs increased, most significantly those related to additional diversity, equity and inclusion initiative activities such as supporting a new Diversity Advisory Council, adding a Diversity Lead staff position, new diversity, equity and inclusion-specific evaluation and market research projects, and additional staff travel and training. Other costs decreased, such as professional services related to 2019 projects including the management review, implementation planning for future budget process development and new budget tools development, and implementation planning for organizational development initiatives recommended in the 2018 Organization Review.

Administrative Cost Management

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

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

To manage administrative costs in the future, Energy Trust is continuing to prioritize systems and process enhancements for 2020 that will enable us to process high volumes of transactions, serve customers more efficiently and continue maintaining high customer satisfaction in future years. Some specific projects identified in draft 2020 action plans include enabling more electronic signatures in customer and vendor forms using DocuSign and implementing new budget tools.

Energy Trust of Oregon
Income Statement
Budgets 2019 to 2021

	Budget 2019	Forecast 2019	Budget 2020	Projection 2021
<u>REVENUES</u>				
Public Purpose Funds-PGE	38,961,842	38,869,876	38,961,842	38,961,842
Incremental Funds - PGE	51,874,804	53,897,212	49,374,804	49,374,804
Public Purpose Funds-PacificCorp	28,848,138	28,625,759	27,771,831	28,848,138
Incremental Funds - PacifiCorp	32,112,130	32,153,710	33,400,550	32,590,874
Public Purpose Funds-NW Natural	20,558,144	20,415,328	19,784,818	19,758,144
NW Natural - Industrial DSM	3,769,769	3,769,658	4,161,467	4,808,452
Public Purpose Funds-Cascade	2,915,331	3,135,491	3,315,331	3,315,331
Public Purpose Funds-Avista	2,091,870	2,091,870	1,743,338	1,741,870
Total Oregon PPC Revenue	181,132,028	182,958,904	178,513,981	179,399,455
 NW Natural - Washington	 2,194,160	 2,430,921	 2,251,882	 2,503,644
Community Solar Revenue	355,063	355,063	546,896	552,000
Revenue from Investments	600,000	1,300,000	1,000,000	900,000
Total Other Sources of Revenue	3,149,223	4,085,984	3,798,777	3,955,644
 TOTAL REVENUE	 184,281,251	 187,044,889	 182,312,758	 183,355,099
 <u>EXPENSES</u>				
Incentives	109,121,220	103,438,292	111,692,836	99,660,913
Program Delivery Subcontracts	61,771,050	61,704,448	58,074,623	56,926,836
Employee Salaries & Fringe Benefits	14,546,604	14,094,049	15,688,818	16,543,769
Agency Contractor Services	1,927,964	1,661,415	1,730,794	1,424,280
Planning and Evaluation Services	3,702,872	3,162,267	3,336,148	2,687,930
Advertising and Marketing Services	3,195,450	3,194,950	3,304,550	3,031,050
Other Professional Services	4,771,018	4,024,481	5,640,978	4,747,063
Travel, Meetings, Trainings & Conferences	470,440	416,000	572,760	557,640
Dues, Licenses and Fees	253,683	297,749	280,501	276,063
Software and Hardware	526,989	479,685	676,221	717,800
Depreciation & Amortization	264,647	223,380	240,287	240,943
Office Rent and Equipment	1,059,933	1,059,933	1,087,933	1,064,933
Materials Postage and Telephone	137,450	132,950	154,050	159,750
Miscellaneous Expenses	4,500	5,225	5,350	5,650
 TOTAL EXPENSES	 201,753,819	 193,894,824	 202,485,849	 188,044,621
 TOTAL REVENUE LESS EXPENSES	 (17,472,568)	 (6,849,935)	 (20,173,091)	 (4,689,522)

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	44.2	8.5	52.7	13.10	3.6	1,757,530	41.44
Business Energy Solutions – Multifamily	8.2	1.5	9.7	1.47	5.5	202,983	56.98
Business Energy Solutions – New Buildings	17.0	1.9	18.9	4.82	3.7	550,177	30.32
Mkt Transformation (Alliance)	2.5	1.0	3.5	0.67	7.2		
Total Commercial	71.8	13.0	84.8	20.05	3.8	2,510,690	43.98
Industrial							
Production Efficiency	39.0	3.5	42.6	17.25	2.5	1,514,938	23.24
Mkt Transformation (Alliance)	0.4	0.0	0.4	0.80	1.0		
Total Industrial	39.5	3.5	43.0	18.05	2.5	1,514,938	23.24
Residential							
Home Energy Solutions – Residential	36.5	13.1	49.6	5.55	6.5	2,476,919	37.12
Mkt Transformation (Alliance)	3.8	0.4	4.2	1.94	2.3		
Total Residential	40.3	13.5	53.8	7.48	5.6	2,476,919	38.19
Washington							
Business Energy Solutions – Existing Buildings		0.9	0.9			111,413	62.96
Home Energy Solutions – Residential		1.7	1.7			227,449	50.94
Total Washington		2.6	2.6			338,862	54.42
Total Energy Efficiency	\$151.5	\$32.6	\$184.1	45.59	3.6	6,841,408	37.91

RENEWABLE RESOURCES

	ACTIVITY BASIS		ACCOUNTING BASIS	ACTIVITY BASIS		ACCOUNTING BASIS	
	BUDGET (\$M)		BUDGET (\$M)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)
Other Renewables	7.1		7.5	0.70	10.10	1.00	7.49
Solar Electric	12.6		10.4	2.18	5.76	2.36	4.43
Total Renewable Resources	\$19.6		\$17.9	2.88	6.82	3.36	5.34

TOTAL BUDGET - ALL**\$202.1**

some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2020 Draft Annual Budget

ENERGY EFFICIENCY							
	PGE	PacifiCorp	NWN Industrial	NW Natural	Cascade	Avista	Total
REVENUES							
Public Purpose Funding	30,143,000	21,610,638		19,784,818	3,315,331	1,743,338	76,597,125
Incremental Funding	49,374,804	33,400,550	4,161,467				86,936,821
Community Solar Revenue							
Revenue from Investments							
TOTAL PROGRAM REVENUE	79,517,804	55,011,188	4,161,467	19,784,818	3,315,331	1,743,338	163,533,946
EXPENSES							
Incentives	48,137,971	34,014,441	3,052,638	10,419,803	1,857,336	851,671	98,333,860
Program Delivery Subcontracts	28,491,444	19,039,636	1,047,544	6,734,439	1,008,124	623,906	56,945,092
Employee Salaries and Fringe Benefits	1,855,501	1,281,575	99,129	432,960	58,433	30,042	3,757,639
Agency Contractor Services	327,408	239,711	24,365	59,566	12,325	6,092	669,465
Planning and Evaluation Services	1,494,930	1,018,112	71,334	276,405	56,090	13,276	2,930,148
Advertising and Marketing Services	884,822	618,092	40,889	251,458	35,387	16,853	1,847,500
Other Professional Services	1,292,319	871,612	44,303	345,669	46,972	26,726	2,627,600
Travel, Meetings, Trainings and Conferences	71,394	49,566	3,686	17,824	2,729	1,304	146,500
Dues, Licenses and fees	32,255	22,408	2,359	5,369	1,790	874	65,057
Software and Hardware	-	-	-	-	-	-	-
Materials Postage and Telephone	5,167	4,059	533	481	182	78	10,500
Shared Office Space	273,113	186,763	14,371	63,437	9,154	4,721	551,560
Shared Information Technology	1,110,193	735,834	46,849	290,554	38,457	20,166	2,242,051
Customer Service Management	156,580	106,141	5,891	48,084	6,748	3,418	326,863
Trade Ally Management	144,793	103,072	815	72,393	7,030	3,461	331,562
Planning & Evaluation Management	1,051,941	689,395	41,108	269,430	34,796	18,776	2,105,446
TOTAL PROGRAM EXPENSES	85,329,831	58,980,417	4,495,814	19,287,872	3,175,553	1,621,364	172,890,843
ADMINISTRATIVE COSTS							
Management & General (Notes 1 & 2)	2,431,995	1,681,006	128,136	549,726	90,508	46,210	4,927,581
Communications & Customer Svc (Notes 1 & 2)	1,849,847	1,271,813	96,438	415,818	68,809	35,266	3,737,992
Total Administrative Costs	4,281,842	2,952,819	224,574	965,544	159,317	81,476	8,665,573
TOTAL PROG & ADMIN EXPENSES	89,611,673	61,933,236	4,720,388	20,253,416	3,334,870	1,702,840	181,556,416
TOTAL REVENUE LESS EXPENSES	(10,093,869)	(6,922,048)	(558,921)	(468,598)	(19,539)	40,498	(18,022,470)
NET ASSETS - RESERVES							
Cumulative Carryover from 2019 Forecast	16,401,986	7,014,041	769,685	2,711,427	359,871	101,476	27,358,486
Change in Net Assets This year	(10,093,869)	(6,922,048)	(558,921)	(468,598)	(19,539)	40,498	(18,022,477)
Distribution of Interest Income to Reserves -2020	263,652	82,497	11,382	57,516	8,129	2,826	426,002
ENDING NET ASSETS / RESERVES	6,571,769	174,490	222,146	2,300,345	348,461	144,800	9,762,011
ENDING NET ASSETS / RESERVE BY TYPE							
Program Reserves (Efficiency and Renewables)	6,571,769	174,490	222,146	2,300,345	348,461	144,800	9,762,011
Reserves (Community Solar)							
Reserves (Development)							
Net Assets Loaned through Craft3 Program							
Operational Contingency Pool							
Emergency Contingency Pool							
TOTAL NET ASSETS CUMULATIVE	6,571,769	174,490	222,146	2,300,345	348,461	144,800	9,762,011

Note 1) Management & General and Communications & Customer Service Expenses (Admin)
have been allocated based on total expenses.

Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not
allow allocation of admin costs to program expenses.

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2020 Draft Annual Budget

	RENEWABLE ENERGY			OPUC Grant Funded Total	OTHER FUNDING SOURCES			TOTAL	
	PGE	PacifiCorp	Total		NWN WA	Community Solar Operations	Fund Development		
REVENUES									
Public Purpose Funding	8,818,842	6,161,193	14,980,035	91,577,160				91,577,160	
Incremental Funding				86,936,821	2,251,882			89,188,702	
Community Solar Revenue						546,896		546,896	
Revenue from Investments							1,000,000	1,000,000	
TOTAL PROGRAM REVENUE	8,818,842	6,161,193	14,980,035	178,513,981	2,251,882	546,896	1,000,000	182,312,758	
EXPENSES									
Incentives	6,978,399	5,067,509	12,045,908	110,379,768	1,313,069	-		111,692,837	
Program Delivery Subcontracts	239,174	176,217	415,391	57,360,483	714,139	-		58,074,622	
Employee Salaries and Fringe Benefits	836,553	639,681	1,476,235	5,233,874	121,906	271,180		5,626,960	
Agency Contractor Services	119,662	69,667	189,329	858,794	-	-		858,794	
Planning and Evaluation Services	12,641	13,359	26,000	2,956,148	-	-		2,956,148	
Advertising and Marketing Services	215,909	132,091	348,000	2,195,500	-	-		2,195,500	
Other Professional Services	734,740	696,509	1,431,249	4,058,849	21,550	64,006		4,144,405	
Travel, Meetings, Trainings and Conferences	26,551	19,949	46,500	193,000	5,250	3,410		201,660	
Dues, Licenses and fees	9,930	7,620	17,550	82,607	38,137	-		120,744	
Software and Hardware	151,116	87,979	239,095	239,095	-	-		239,095	
Materials Postage and Telephone	3,194	2,006	5,200	15,700	-	-		15,700	
Shared Office Space	105,280	77,490	182,770	734,330	20,970	26,304		781,604	
Shared Information Technology	315,032	234,666	549,698	2,791,749	66,016	35,274		2,893,039	
Customer Service Management	11,878	6,915	18,793	345,656	50,830	-		396,486	
Trade Ally Management	24,393	14,222	38,615	370,177	-	-		370,177	
Planning & Evaluation Management	59,158	38,186	97,344	2,202,790	104,256	-	-	2,307,046	
TOTAL PROGRAM EXPENSES	9,843,610	7,284,066	17,127,677	190,018,520	2,456,123	400,174	-	192,874,817	
ADMINISTRATIVE COSTS									
Management & General (Notes 1 & 2)	280,553	207,604	488,158	5,415,739	70,002	11,405		5,497,146	
Communications & Customer Svc (Notes 1 & 2)	185,486	133,231	318,717	4,056,709	50,747	6,436		4,113,892	
Total Administrative Costs	466,039	340,835	806,875	9,472,448	120,749	17,841	-	9,611,038	
TOTAL PROG & ADMIN EXPENSES	10,309,649	7,624,901	17,934,552	199,490,968	2,576,872	418,015	-	202,485,849	
TOTAL REVENUE LESS EXPENSES	(1,490,807)	(1,463,708)	(2,954,517)	(20,976,987)	(324,990)	128,881	1,000,000	(20,173,091)	
NET ASSETS - RESERVES									
Cumulative Carryover from 2019 Forecast	11,646,067	5,695,769	17,341,836	44,700,322	532,197	151,767	18,951	10,551,647	
Change in Net Assets This year	(1,490,807)	(1,463,708)	(2,954,515)	(20,976,992)	(324,990)	128,881	1,000,000	(20,173,101)	
Distribution of Interest Income to Reserves -2020	253,102	115,257	368,359	794,361	8,584	5,020	440	(808,405)	
ENDING NET ASSETS / RESERVES	10,408,362	4,347,318	14,755,680	24,517,691	215,791	285,668	19,391	10,743,242	
ENDING NET ASSETS / RESERVE BY TYPE									
Program Reserves (Efficiency and Renewables)	10,408,362	4,347,318	14,755,680	24,517,691	215,791			24,733,482	
Reserves (Community Solar)						285,668		285,668	
Reserves (Development)							19,391	19,391	
Net Assets Loaned through Craft3 Program							2,300,000	2,300,000	
Operational Contingency Pool							3,443,242	3,443,242	
Emergency Contingency Pool							5,000,000	5,000,000	
TOTAL NET ASSETS CUMULATIVE	10,408,362	4,347,318	14,755,680	24,517,691	215,791	285,668	19,391	10,743,242	
								35,781,783	

Note 1) Management & General and Communications & Customer Service Expenses (Admin) have been allocated based on total expenses.

Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not allow allocation of admin costs to program expenses.

Energy Trust of Oregon
Administrative and Program Support Subject to OPUC Performance Measure
Draft Annual Budget 2020

	PUC Grant Funded Expenditure		
	PUC Grant Funded Total	Program Costs	Administrative and Program Support
Incentives	110,379,767	110,379,767	
Program Delivery Subcontracts	57,360,484	57,360,484	
Employee Salaries & Fringe Benefits	15,027,545	7,417,419	7,610,126
Agency Contractor Services	1,710,483	858,794	851,689
Planning and Evaluation Services	3,321,757	3,193,782	127,975
Advertising and Marketing Services	3,288,238	2,202,344	1,085,894
Other Professional Services	5,523,167	4,392,780	1,130,387
Travel, Meetings, Trainings & Conferences	553,055		553,055
Dues, Licenses and Fees	237,239		237,239
Software and Hardware	662,053		662,053
Depreciation & Amortization	231,947		231,947
Office Rent and Equipment	1,041,182		1,041,182
Materials Postage and Telephone	148,862		148,862
Miscellaneous Expenses	5,186		5,186
TOTAL FUNCTIONAL EXPENSE	199,490,965	185,805,370	13,685,595

OPUC Grant / Utility Funded Revenue 178,513,981

Performance against OPUC Measure

Program support and administrative cost may not exceed 8% of Revenue

Maximum allowed under the performance measure	8%	14,281,118
Actual program support and administrative cost	7.7%	13,685,595
Unspent below the maximum allowed		595,523

Energy Trust of Oregon
Summary by Service Territory and Program
2020 Draft Annual Budget

	PGE	Pacific Power	NWN	Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon PUC Grant Funded	NWN WA	ETO Total
									Total		
Energy Efficiency											
Commercial											
Existing Buildings	31,011,459	21,342,694	2,203,768	5,271,242	1,652,440	892,741	10,020,191	62,374,344		899,419	63,273,763
New Buildings	12,365,724	4,586,912	43,602	1,503,181	230,296	133,991	1,911,071	18,863,707			18,863,707
NEEA	1,431,512	1,068,059		833,497	104,187	104,187	1,041,871	3,541,442			3,541,442
Total Commercial	44,808,695	26,997,665	2,247,370	7,607,920	1,986,923	1,130,919	12,973,133	84,779,493		899,419	85,678,912
Industrial											
Production Efficiency	21,436,161	17,591,394	2,473,016	829,876	209,846	34,761	3,547,499	42,575,055			42,575,055
NEEA	256,183	191,140						447,323			447,323
Total Industrial	21,692,345	17,782,534	2,473,016	829,876	209,846	34,761	3,547,499	43,022,378			43,022,378
Residential											
Residential Combined	20,936,725	15,531,070		11,513,901	1,100,384	499,444	13,113,730	49,581,524		1,677,450	51,258,974
NEEA	2,173,907	1,621,964		301,717	37,715	37,715	377,146	4,173,018			4,173,018
Total Residential	23,110,632	17,153,034		11,815,618	1,138,099	537,159	13,490,876	53,754,542		1,677,450	55,431,992
Energy Efficiency Program Costs	89,611,673	61,933,236	4,720,388	20,253,416	3,334,870	1,702,840	30,011,508	181,556,416		2,576,872	184,133,288
Renewables											
Solar Electric (Photovoltaic)	6,600,359	3,842,719						10,443,078			10,443,078
Other Renewable	3,709,290	3,782,183						7,491,473			7,491,473
Renewables Program Costs	10,309,649	7,624,901						17,934,552			17,934,552
Community Solar											418,015
Cost Grand Total	99,921,322	69,558,137	4,720,388	20,253,416	3,334,870	1,702,840	30,011,508	199,490,968		2,576,872	202,485,849

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Draft Annual Budget

COMPANY TOTAL BUDGET BY PROGRAM

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Solar Washington	Solar Renewables	Custom Renewables	Community Solar	ETO Total
Incentives	31,181,647	2,991,926	10,247,257	-	25,980,050	-	27,932,980	-	1,313,069	6,726,000	5,319,908	-	111,692,837
Program Delivery Subcontracts	14,789,263	4,687,993	5,904,384	3,348,645	10,668,865	418,641	13,185,864	3,941,438	714,139	415,391	-	-	58,074,623
Employee Salaries and Fringe Benefits	646,596	365,682	322,636	-	1,215,880	-	1,206,846	-	121,906	771,517	704,717	271,180	5,626,960
Agency Contractor Services	270,655	55,126	10,125	-	221,031	-	112,530	-	-	189,329	-	-	858,796
Planning and Evaluation Services	860,208	80,000	499,417	-	583,211	-	907,311	-	-	26,000	-	-	2,956,147
Advertising and Marketing Services	430,500	75,000	143,001	-	383,000	-	816,000	-	-	297,000	51,000	-	2,195,501
Other Professional Services	707,500	430,001	120,101	-	442,499	-	927,500	-	21,550	707,249	724,000	64,006	4,144,406
Travel, Meetings, Trainings and Conferences	38,002	6,000	15,500	-	35,001	-	52,000	-	5,250	25,000	21,500	3,410	201,663
Dues, Licenses and fees	53,557	2,500	5,000	-	1,499	-	2,499	-	38,137	8,750	8,800	-	120,742
Software and Hardware	-	-	-	-	-	-	-	-	-	239,095	-	-	239,095
Materials Postage and Telephone	5,000	-	-	-	5,500	-	-	-	-	4,500	700	-	15,700
Shared Office Space	121,588	53,528	51,843	-	155,983	-	168,617	-	20,970	107,991	74,779	26,304	781,603
Shared Information Technology	426,966	227,660	274,140	-	482,265	-	831,022	-	66,016	313,064	236,634	35,274	2,893,041
Customer Service Management	91,350	25,970	28,110	-	33,741	-	147,691	-	50,830	18,793	-	-	396,485
Trade Ally Management	12,610	22,020	2,418	-	4,738	-	289,778	-	-	38,517	98	-	370,179
Planning and Evaluation Management	497,621	228,850	316,873	23,695	349,888	11,058	652,186	25,275	104,256	68,911	28,433	-	2,307,046
TOTAL PROGRAM EXPENSES	50,133,063	9,252,256	17,940,805	3,372,340	40,563,151	429,699	47,232,824	3,966,713	2,456,123	9,957,107	7,170,569	400,174	192,874,824
ADMINISTRATIVE COSTS													
Management & General	1,428,848	263,700	511,333	96,115	1,156,094	12,247	1,346,188	113,056	70,002	283,788	204,369	11,405	5,497,145
Communications & Customer Svc	1,093,737	202,745	411,571	72,987	855,813	5,378	1,002,509	93,251	50,747	202,183	116,534	6,436	4,113,891
Total Administrative Costs	2,522,585	466,445	922,904	169,102	2,011,907	17,625	2,348,697	206,307	120,749	485,971	320,903	17,841	9,611,036
Total Program & Admin Expenses	52,655,648	9,718,701	18,863,709	3,541,442	42,575,058	447,324	49,581,521	4,173,020	2,576,872	10,443,078	7,491,472	418,015	202,485,849
Energy Savings (kwh)	114,752,033	12,861,971	42,186,493	5,870,653	151,121,956	7,005,720	48,575,548	16,975,118					399,349,492
Energy Savings (therms)	1,757,530	202,983	550,177	-	1,514,938	-	2,476,919	-	338,862				6,841,408
Energy Generation (kwh)										20,649,200	8,760,300		29,409,500

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Draft Annual Budget

ENERGY EFFICIENCY

PGE

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
EXPENSES									
Incentives	14,791,103	1,753,936	6,671,209		13,196,960		11,724,763		48,137,971
Program Delivery Subcontracts	7,303,982	2,748,209	3,947,938	1,349,588	5,253,966	239,757	5,596,045	2,051,959	28,491,444
Employee Salaries and Fringe Benefits	310,360	214,399	211,418		611,804		507,520		1,855,501
Agency Contractor Services	129,912	32,320	6,635		111,218		47,323		327,408
Planning and Evaluation Services	419,690	48,008	299,471		289,724		438,037		1,494,930
Advertising and Marketing Services	206,636	43,972	93,705		192,717		347,792		884,822
Other Professional Services	339,594	252,108	78,699		231,872		390,046		1,292,319
Travel, Meetings, Trainings and Conference	18,240	3,518	10,157		17,611		21,868		71,394
Dues, Licenses and fees	25,707	1,466	3,276		755		1,051		32,255
Software and Hardware									-
Materials Postage and Telephone		2,400			2,767				5,167
Shared Office Space		58,361	31,383	33,972	78,488		70,909		273,113
Shared Information Technology		204,940	133,476	179,638	242,666		349,473		1,110,193
Customer Service Management		43,847	15,226	18,420	16,978		62,109		156,580
Trade Ally Management		6,053	12,910	1,584	2,384		121,862		144,793
Planning and Evaluation Management		238,788	134,746	204,610	13,570	173,275	6,333	266,144	14,475
TOTAL PROGRAM EXPENSES	24,099,613	5,425,677	11,760,732	1,363,158	20,423,185	246,090	19,944,942	2,066,434	85,329,831
ADMINISTRATIVE COSTS									
Management & General	686,866	154,638	335,194	38,851	582,083	7,014	568,453	58,896	2,431,995
Communications & Customer Svc	525,773	118,893	269,797	29,503	430,894	3,080	423,329	48,578	1,849,847
Total Administrative Costs	1,212,639	273,531	604,991	68,354	1,012,977	10,094	991,782	107,474	4,281,842
Total Program & Admin Expenses	25,312,252	5,699,208	12,365,723	1,431,512	21,436,162	256,184	20,936,724	2,173,908	89,611,673
Energy Savings (kwh)	69,013,572	9,455,845	28,719,389	3,346,272	89,448,196	3,993,261	27,502,997	9,675,817	241,155,349

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Draft Annual Budget

ENERGY EFFICIENCY

Pacific Power

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
EXPENSES									
Incentives	11,016,418	763,711	2,583,135		10,806,408		8,844,769		34,014,441
Program Delivery Subcontracts	5,440,008	1,196,644	1,352,786	1,006,935	4,330,961	178,884	4,002,440	1,530,978	19,039,636
Employee Salaries and Fringe Benefits	231,270	93,326	78,423		502,072		376,484		1,281,575
Agency Contractor Services	96,806	14,069	2,461		91,270		35,105		239,711
Planning and Evaluation Services	318,739	20,898	111,085		236,450		330,940		1,018,112
Advertising and Marketing Services	153,979	19,141	34,759		158,152		252,061		618,092
Other Professional Services	253,054	109,741	29,193		190,284		289,340		871,612
Travel, Meetings, Trainings and Conference	13,592	1,531	3,768		14,453		16,222		49,566
Dues, Licenses and fees	19,156	638	1,215		619		780		22,408
Software and Hardware									-
Materials Postage and Telephone	1,788				2,271				4,059
Shared Office Space	43,489	13,661	12,602		64,410		52,601		186,763
Shared Information Technology	152,714	58,101	66,635		199,141		259,243		735,834
Customer Service Management	32,674	6,628	6,833		13,933		46,073		106,141
Trade Ally Management	4,510	5,620	588		1,956		90,398		103,072
Planning and Evaluation Management	180,050	58,052	79,018	10,125	147,724	4,725	198,901	10,800	689,395
TOTAL PROGRAM EXPENSES	17,958,247	2,361,761	4,362,501	1,017,060	16,760,104	183,609	14,795,357	1,541,778	58,980,417
ADMINISTRATIVE COSTS									
Management & General	511,830	67,313	124,336	28,987	477,681	5,233	421,684	43,942	1,681,006
Communications & Customer Svc	391,789	51,753	100,078	22,012	353,609	2,298	314,029	36,245	1,271,813
Total Administrative Costs	903,619	119,066	224,414	50,999	831,290	7,531	735,713	80,187	2,952,819
Total Program & Admin Expenses	18,861,866	2,480,827	4,586,915	1,068,059	17,591,394	191,140	15,531,070	1,621,965	61,933,235
Energy Savings (kwh)	45,738,461	3,406,126	13,467,105	2,524,381	61,673,759	3,012,460	21,072,550	7,299,301	158,194,143

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Draft Annual Budget

ENERGY EFFICIENCY

NW Natural Industrial

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
EXPENSES									
Incentives	1,696,584		29,697		1,326,357				3,052,638
Program Delivery Subcontracts	229,269		6,800		811,475				1,047,544
Employee Salaries and Fringe Benefits	27,273		748		71,108				99,129
Agency Contractor Services	11,416		23		12,926				24,365
Planning and Evaluation Services	33,798		2,002		35,534				71,334
Advertising and Marketing Services	18,158		332		22,399				40,889
Other Professional Services	29,842		279		14,182				44,303
Travel, Meetings, Trainings and Conferences	1,603		36		2,047				3,686
Dues, Licenses and fees	2,259		12		88				2,359
Software and Hardware									-
Materials Postage and Telephone	211				322				533
Shared Office Space	5,129		120		9,122				14,371
Shared Information Technology	18,009		636		28,204				46,849
Customer Service Management	3,853		65		1,973				5,891
Trade Ally Management	532		6		277				815
Planning and Evaluation Management	20,255		714		20,139				41,108
TOTAL PROGRAM EXPENSES	2,098,191	-	41,470	-	2,356,153	-	-	-	4,495,814
ADMINISTRATIVE COSTS									
Management & General	59,801		1,182		67,153				128,136
Communications & Customer Svc	45,776		951		49,711				96,438
Total Administrative Costs	105,577	-	2,133	-	116,864	-	-	-	224,574
Total Program & Admin Expenses	2,203,768	-	43,603	-	2,473,017	-	-	-	4,720,389
Energy Savings (therms)	568,981	-	14,447	-	1,050,863	-	-	-	1,634,291

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
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ENERGY EFFICIENCY

NW Natural Gas

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
EXPENSES									
Incentives	2,284,548	421,816	775,095		510,000		6,428,344		10,419,803
Program Delivery Subcontracts	1,128,131	660,936	480,290	793,698	201,421		3,183,162	286,801	6,734,439
Employee Salaries and Fringe Benefits	48,300	51,546	25,796		23,862		283,456		432,960
Agency Contractor Services	20,218	7,770	810		4,338		26,430		59,566
Planning and Evaluation Services	56,950	9,867	69,905		17,900		121,783		276,405
Advertising and Marketing Services	32,158	10,572	11,434		7,516		189,778		251,458
Other Professional Services	52,849	60,613	9,603		4,759		217,845		345,669
Travel, Meetings, Trainings and Conference	2,839	846	1,239		687		12,213		17,824
Dues, Licenses and fees	4,001	352	400		29		587		5,369
Software and Hardware									-
Materials Postage and Telephone	373				108				481
Shared Office Space	9,082	7,545	4,145		3,061		39,604		63,437
Shared Information Technology	31,894	32,091	21,919		9,465		195,185		290,554
Customer Service Management	6,824	3,661	2,248		662		34,689		48,084
Trade Ally Management	942	3,104	193		93		68,061		72,393
Planning and Evaluation Management	36,700	32,064	26,563		6,758		167,345		269,430
TOTAL PROGRAM EXPENSES	3,715,809	1,302,783	1,429,640	793,698	790,659	-	10,968,482	286,801	19,287,872
ADMINISTRATIVE COSTS									
Management & General	105,905	37,131	40,746	22,621	22,535		312,614	8,174	549,726
Communications & Customer Svc	81,067	28,548	32,797	17,178	16,682		232,804	6,742	415,818
Total Administrative Costs	186,972	65,679	73,543	39,799	39,217	-	545,418	14,916	965,544
Total Program & Admin Expenses	3,902,781	1,368,462	1,503,183	833,497	829,876	-	11,513,900	301,717	20,253,416
Energy Savings (therms)	771,717	179,645	440,597	-	397,808	-	2,144,345	-	3,934,111

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Draft Annual Budget

ENERGY EFFICIENCY

Cascade Natural Gas

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
EXPENSES									
Incentives	945,529	11,050	116,793		119,160		664,804		1,857,336
Program Delivery Subcontracts	466,911	17,314	72,371	99,212	62,039		254,427	35,850	1,008,124
Employee Salaries and Fringe Benefits	20,007	1,350	3,952		6,034		27,090		58,433
Agency Contractor Services	8,374	204	124		1,097		2,526		12,325
Planning and Evaluation Services	25,080	258	14,174		3,222		13,356		56,090
Advertising and Marketing Services	13,320	277	1,752		1,901		18,137		35,387
Other Professional Services	21,891	1,588	1,471		1,203		20,819		46,972
Travel, Meetings, Trainings and Conference	1,176	22	190		174		1,167		2,729
Dues, Licenses and fees	1,657	9	61		7		56		1,790
Software and Hardware									-
Materials Postage and Telephone	155				27				182
Shared Office Space	3,762	198	635		774		3,785		9,154
Shared Information Technology	13,211	841	3,358		2,393		18,654		38,457
Customer Service Management	2,826	96	344		167		3,315		6,748
Trade Ally Management	390	81	30		24		6,505		7,030
Planning and Evaluation Management	14,858	840	3,773		1,709		13,616		34,796
TOTAL PROGRAM EXPENSES	1,539,147	34,128	219,028	99,212	199,931	-	1,048,257	35,850	3,175,553
ADMINISTRATIVE COSTS									
Management & General	43,867	973	6,243	2,828	5,698		29,877	1,022	90,508
Communications & Customer Svc	33,579	748	5,025	2,147	4,218		22,249	843	68,809
Total Administrative Costs	77,446	1,721	11,268	4,975	9,916	-	52,126	1,865	159,317
Total Program & Admin Expenses	1,616,593	35,849	230,296	104,187	209,847	-	1,100,383	37,715	3,334,870
Energy Savings (therms)	273,709	5,362	54,014	-	55,338	-	165,287	-	553,711

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Draft Annual Budget

ENERGY EFFICIENCY

Avista

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
EXPENSES									
Incentives	447,465	41,413	71,328		21,165		270,300		851,671
Program Delivery Subcontracts	220,962	64,890	44,199	99,212	9,003		149,790	35,850	623,906
Employee Salaries and Fringe Benefits	9,386	5,061	2,299		1,000		12,296		30,042
Agency Contractor Services	3,929	763	72		182		1,146		6,092
Planning and Evaluation Services	5,951	969	2,780		381		3,195		13,276
Advertising and Marketing Services	6,249	1,038	1,019		315		8,232		16,853
Other Professional Services	10,270	5,951	856		199		9,450		26,726
Travel, Meetings, Trainings and Conferences	552	83	110		29		530		1,304
Dues, Licenses and fees	777	35	36		1		25		874
Software and Hardware									-
Materials Postage and Telephone	73				5				78
Shared Office Space	1,765	741	369		128		1,718		4,721
Shared Information Technology	6,198	3,151	1,954		396		8,467		20,166
Customer Service Management	1,326	359	200		28		1,505		3,418
Trade Ally Management	183	305	17		4		2,952		3,461
Planning and Evaluation Management	6,970	3,148	2,195		283		6,180		18,776
TOTAL PROGRAM EXPENSES	722,056	127,907	127,434	99,212	33,119	-	475,786	35,850	1,621,364
ADMINISTRATIVE COSTS									
Management & General	20,579	3,645	3,632	2,828	944		13,560	1,022	46,210
Communications & Customer Svc	15,753	2,803	2,923	2,147	699		10,098	843	35,266
Total Administrative Costs	36,332	6,448	6,555	4,975	1,643	-	23,658	1,865	81,476
Total Program & Admin Expenses	758,388	134,355	133,989	104,187	34,762	-	499,444	37,715	1,702,840
Energy Savings (therms)	143,123	17,976	41,119	-	10,929	-	167,287	-	380,433

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Draft Annual Budget

RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Incentives	4,348,000	2,630,399	6,978,399
Program Delivery Subcontracts	239,174		239,174
Employee Salaries and Fringe Benefits	487,623	348,930	836,553
Agency Contractor Services	119,662		119,662
Planning and Evaluation Services	12,641		12,641
Advertising and Marketing Services	190,657	25,252	215,909
Other Professional Services	372,740	362,000	734,740
Travel, Meetings, Trainings and Conferences	15,801	10,750	26,551
Dues, Licenses and fees	5,530	4,400	9,930
Software and Hardware	151,116		151,116
Materials Postage and Telephone	2,844	350	3,194
Shared Office Space	68,254	37,026	105,280
Shared Information Technology	197,866	117,166	315,032
Customer Service Management	11,878		11,878
Trade Ally Management	24,344	49	24,393
Planning and Evaluation Management	45,080	14,078	59,158
TOTAL PROGRAM EXPENSES	6,293,210	3,550,400	9,843,610
ADMINISTRATIVE COSTS			
Management & General	179,363	101,190	280,553
Communications & Customer Svc	127,786	57,700	185,486
Total Administrative Costs	307,149	158,890	466,039
Total Program & Admin Expenses	6,600,359	3,709,290	10,309,650
Energy Generation (kwh)	12,443,200	7,838,300	20,281,500

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Draft Annual Budget

RENEWABLE PROGRAMS

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Incentives	2,378,000	2,689,509	5,067,509
Program Delivery Subcontracts	176,217		176,217
Employee Salaries and Fringe Benefits	283,894	355,787	639,681
Agency Contractor Services	69,667		69,667
Planning and Evaluation Services	13,359		13,359
Advertising and Marketing Services	106,343	25,748	132,091
Other Professional Services	334,509	362,000	696,509
Travel, Meetings, Trainings and Conferences	9,199	10,750	19,949
Dues, Licenses and fees	3,220	4,400	7,620
Software and Hardware	87,979		87,979
Materials Postage and Telephone	1,656	350	2,006
Shared Office Space	39,737	37,753	77,490
Shared Information Technology	115,198	119,468	234,666
Customer Service Management	6,915		6,915
Trade Ally Management	14,173	49	14,222
Planning and Evaluation Management	23,831	14,355	38,186
TOTAL PROGRAM EXPENSES	3,663,897	3,620,169	7,284,066
ADMINISTRATIVE COSTS			
Management & General	104,425	103,179	207,604
Communications & Customer Svc	74,397	58,834	133,231
Total Administrative Costs	178,822	162,013	340,835
Total Program & Admin Expenses	3,842,719	3,782,182	7,624,902
Energy Generation (kwh)	8,206,000	922,000	9,128,000

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Draft Annual Budget

ENERGY EFFICIENCY

NW Natural Washington

EXPENSES	Existing	NEEA	NEEA	Efficiency
	Buildings	Commercial	Residential	Total
Incentives	410,902		902,167	1,313,069
Program Delivery Subcontracts	270,876		443,263	714,139
Employee Salaries and Fringe Benefits	52,224		69,682	121,906
Agency Contractor Services				-
Planning and Evaluation Services				-
Advertising and Marketing Services				-
Other Professional Services	1,000		20,550	21,550
Travel, Meetings, Trainings and Conferences	1,750		3,500	5,250
Dues, Licenses and fees	10,053		28,084	38,137
Software and Hardware				-
Materials Postage and Telephone				-
Shared Office Space	9,214		11,756	20,970
Shared Information Technology	30,223		35,793	66,016
Customer Service Management	25,177		25,653	50,830
Trade Ally Management				-
Planning and Evaluation Management	44,230		60,026	104,256
TOTAL PROGRAM EXPENSES	855,649	-	1,600,474	-
ADMINISTRATIVE COSTS				
Management & General	24,387		45,615	70,002
Communications & Customer Svc	19,385		31,362	50,747
Total Administrative Costs	43,772	-	76,977	-
Total Program & Admin Expenses	899,421	-	1,677,451	-
Energy Savings (therms)	111,413	-	227,449	338,862

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Draft Annual Budget

Community Solar Program

Community Solar

EXPENSES	Community Solar
Incentives	
Program Delivery Subcontracts	
Employee Salaries and Fringe Benefits	271,180
Agency Contractor Services	
Planning and Evaluation Services	
Advertising and Marketing Services	
Other Professional Services	64,006
Travel, Meetings, Trainings and Conferences	3,410
Dues, Licenses and fees	
Software and Hardware	
Materials Postage and Telephone	
Shared Office Space	26,304
Shared Information Technology	35,274
Customer Service Management	
Trade Ally Management	
Planning and Evaluation Management	
TOTAL PROGRAM EXPENSES	400,174
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ADMINISTRATIVE COSTS	
Management & General	11,405
Communications & Customer Svc	6,436
Total Administrative Costs	17,841
Total Program & Admin Expenses	418,015

**Energy Trust of Oregon
Capital Expenditure Budget
Budget 2020 and Projection 2021**

<u>Description</u>	Useful Lives / Depreciation Policy		
		2020	2021
Information Systems			
Budget Software	3 years	294,750	
Servers and Storage	3 years	25,000	61,000
TOTAL CAPITAL PURCHASES		319,750	61,000

Executive Summary

Energy Trust's Draft 2020-2021 Action Plan highlights strategies and activities for all major programs, program support functions and general management. Throughout the action plan we highlight each program or function's strategic focus in relation to 2020 goals. We also provide relevant context, key activities and summary expenditures with savings and generation, where applicable.

2020 Goal Alignment

Five 2020 goals were established early in the organization's annual business planning process. To draft the goals, staff looked to Energy Trust's draft 2020-2024 strategic plan and identified what would be most important to accomplish in the plan's first year to fully realize the plan by 2024. Conservation and Renewable Energy Advisory Councils, along with several foundational Diversity Advisory Council members, reviewed the draft goals and provided input to inform our revisions. The resulting five 2020 goals provide detail specifying where Energy Trust will focus efforts.

1 Meet savings and generation targets and create future opportunities

Energy Trust will meet 2020 savings targets of 45.6 aMW and 6.8 million annual therms, meet the 2020 generation target of 3.4 aMW **and create future savings and generation opportunities with a particular focus on:**

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

2 Use guidelines to determine resource investments in community efforts

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

- Coordinating with utility efforts in communities
- Building community-based organization capacity
- Building community capacity
- Developing toolkits and templates

3 Provide information to policymakers, agencies and implementers

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

- Oregon Public Utility Commission requests
- Portland's Clean Energy Fund
- Potential state carbon policy development
- Communities forming clean energy objectives

4 Strengthen internal innovation capabilities and develop new proposals

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

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

5 Make operational improvements

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

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

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Key Contacts: Steve Lacey, Director of Operations

Debbie Menashe, Director of Legal and Human Resources

Pati Presnail, Director of Finance

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Key Contact: Debbie Menashe, Director of Legal and Human Resources

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Key Contact: Amber Cole, Director of Communications and Customer Service

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Key Contact: Fred Gordon, Director of Planning and Evaluation

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Key Contact: Scott Clark, Director of Information Technology

General Management

The Management and General group represents the executive, board relations, organizational development, legal, finance, human resource, project management and operations functions. It provides leadership to support Energy Trust strategic goals and operations.

Context

There are a number of significant milestones in 2020: it is the first year of Energy Trust's next five-year strategic plan, several organizational development projects will be completed, the new Diversity Advisory Council will fully engage with the organization, and staff will implement the recommendations of the five-year Management Review completed in 2019.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Engage the OPUC, utilities and stakeholders to ensure support for and alignment with savings and generation goals.
 - Support Energy Trust program management contract solicitations, including support for engagement of minority- and women-owned subcontracting opportunities.
 - Strengthen relationships with community-based organizations to better reach and engage underserved customers.
 - Expand the contractor and supplier pool with the intent to increase the diversity of these pools.
 - Ensure staffing needs are met to all achieve organizational goals.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Track policy activities within the OPUC, Oregon Legislature, state agencies and municipalities and provide objective information and data to inform decisions.
 - Monitor regulatory and legislative policy development and provide relevant legal and policy advice to Energy Trust.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Develop new structures, tools and approaches to accelerate the development of innovative ideas.
- ▶ **Goal 5: Make operational improvements**
 - Direct resources to ensure the successful adoption of a new budgeting software system.
 - Begin developing a new three-year planning process.
 - Ensure that HR processes support employees and are efficiently and effectively delivered.
 - Implement changes to the board, including its practices, policies and decision-making authority, based on recommendations from the 2019 board review project.
 - Improve organizational capacity to track resource allocation by specific initiatives.

2020 Key Activities

- a. Develop metrics, a dashboard and a reporting cadence to monitor performance toward the 2020-2024 Strategic Plan progress indicators.
- b. Meet regularly with the OPUC, utilities and other stakeholders to remain aware of emerging policy, funding and alignment opportunities.
- c. Provide support to the board of directors to enable them to perform their fiduciary responsibilities by preparing and providing information for their committee and board meetings and by responding to their requests for information.

- d. Continue to make progress on diversity, equity and inclusion goals as described in the diversity, equity and inclusion action plan.
- e. Test approaches and tools to support staff in developing innovative ideas.
- f. Develop tools to facilitate effective decision-making and invest in change management to promote strong adoption of these tools.
- g. Complete the installation, testing and training for the new budget software, and utilize the software in 2021 budgeting.
- h. Review, draft and negotiate contracts to support organizational goals, manage organizational legal risk and ensure efficient and effective operations.
- i. Provide informed legal advice and services to program and other legal staff.
- j. Monitor and manage legal and policy developments that may impact Energy Trust; provide information and training as needed.
- k. Continue integration of DocuSign in contract finalization and tracking processes.
- l. Support the organization with accurate and efficient payment processing, financial operations, auditing and reporting activities.
- m. Implement recommendations from the five-year Management Review completed in 2019.
- n. Employ more intentional and focused diversity strategies when recruiting for open staff positions.
- o. Provide enhanced manager training to support managers and supervisors.
- p. Support staff development and engagement with attention to market drivers, compensation and career opportunities.
- q. Provide project management support for a large portfolio of projects across the organization.
- r. Provide project and change management resources for staff.
- s. Oversee the management and mentoring of the De LaSalle interns to provide exposure to the clean energy industry to this diverse group of high school students.

2021 Expected Changes

- Finalize the development of a new three-year planning process.
- Realize the value of improved forecasting over a longer time horizon enabled by the new budget software.
- Support diversification of program management contract subcontractor pools.
- Begin implementation of Oregon's paid family leave law.

Budgeted Expenditures

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$5.4	\$5.5	\$5.8

*Expenditure detail is provided under budget details tab in the budget binder.

Diversity, Equity and Inclusion

Energy Trust's strategic goals recognize the diversity of eligible customers and the obligation to ensure all customers benefit equitably from services and investments. This action plan is provided as a summary of activities to support organization-wide efforts to promote diversity, equity and inclusion. **The information provided below is not a comprehensive accounting of all diversity, equity and inclusion activities or investments.** Specific program and support group activities supported and implemented throughout the organization are integrated into program and support group action plans and are not called out separately here.

Context

2020 will be a significant year for Energy Trust's diversity, equity and inclusion activities. For the first time, the Oregon Public Utility Commission's annual minimum performance measures for Energy Trust will include a set of measures pertaining to diversity, equity and inclusion. At the end of 2020, Energy Trust will measure its progress to the goals set in Energy Trust's 2018 initial Diversity, Equity and Inclusion Operations Plan, and staff will look ahead to the next set of plans and goals to address and enhance work in diversity, equity and inclusion through all parts of the organization. Staff and board will be supported by a new Diversity, Equity and Inclusion Lead staff member who will bring expertise and leadership on diversity, equity and inclusion concepts to help the organization build on past work.

Staff and board will also be advised by a new Diversity Advisory Council, a group of 11 community members helping Energy Trust's board and staff enhance programs and activities to meet the needs of all eligible customers, wherever and whomever they may be. The Diversity Advisory Council will provide guidance similar to Energy Trust's existing Conservation Advisory Council and Renewable Energy Advisory Council.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Provide guidance and insights to help ensure that Energy Trust programs are geographically and culturally focused to reach all eligible customers who have not previously participated.
 - Support development of the Diversity Advisory Council and bring program, marketing, research and data questions to the council for input.
- ▶ **Goal 2: Use guidelines to determine resource investments in community efforts**
 - Work closely with communities to understand needs and interests in Energy Trust programs.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Prioritize activities to meet OPUC diversity, equity and inclusion performance measures and report on activities and results.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Support efforts to make staff and board more closely reflect the diversity of customers we seek to serve. Diverse perspectives will help the organization innovate to support its core work of energy savings and generation.
- ▶ **Goal 5: Make operational improvements**
 - Support new Diversity, Equity and Inclusion Lead staff member's leadership to continue and build on diversity, equity and inclusion activities across the organization.
 - Learn from the first year with a Diversity Advisory Council and adjust stakeholder processes as needed.
 - Enhance data collection and analysis to gain deeper and more granular understanding of customers who are and are not being served by Energy Trust programs.

2020 Key Activities

- a. Convene Diversity Advisory Council meetings and work with staff to identify agenda items for council discussion.
- b. Continue and build on thought leadership activities through the internal diversity, equity and inclusion committee.
- c. Continue to use the diversity, equity and inclusion lens to inform organizational strategies and activities. Engage Diversity Advisory Council for feedback on the lens and implement improvements.
- d. Build an ongoing plan of organizational and individual cultural responsiveness training and understanding to ensure Energy Trust is a supportive culture where diverse employees can thrive.
- e. Implement the customer insights survey, tapping into community-based organizations to ensure the sample includes specific demographic targets. Continue collecting data and analyzing methods to identify demographics of customers served.
- f. Report transparently to the Oregon Public Utility Commission to support its oversight and monitoring of Energy Trust's diversity, equity and inclusion activities. Prepare two biannual Diversity, Equity and Inclusion Operations Plans updates and report on performance against 2020 OPUC performance measures.

2021 Expected Changes

- As the Diversity, Equity and Inclusion Operations Plan goals are measured at the end of 2020, staff expect to set new diversity, equity and inclusion activities and goals in 2021, informed by the Diversity Advisory Council, the Diversity, Equity and Inclusion Lead staff member and staff on the internal diversity, equity and inclusion committee.
- Further development of cultural responsiveness training and focus for staff and the board.

General Communications and Outreach

The Communications and Customer Service (CCS) group engages customers, stakeholders and the public through general marketing, communications, results reporting, public relations, outreach, education initiatives, online resources and social media. The General Communications and Outreach budget provides staff and resources to create and strengthen public awareness of the value of energy efficiency and renewable energy; support customer access to information and cash incentives; position Energy Trust as a credible expert resource; expand the organization's reach to new customers, communities and stakeholders; and support organizational transparency and accountability.

Context

As programs conduct more targeted outreach and marketing, general communications and outreach functions need to continue supporting broad customer awareness of programs, services and benefits. The need is greater in underserved communities that are less aware of Energy Trust. Enhancing web, customer service, marketing and communications to better reach non-English speakers, communities of color and rural customers, *and* responding to growing interest from communities in how Energy Trust programs can support their unique needs, will require prioritization to assess and respond to opportunities. The energy industry is highly dynamic right now, and Energy Trust is receiving more requests for information to support policy and regulatory discussions.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Promote awareness of Energy Trust programs and benefits among stakeholders and customers.
 - Develop new relationships and facilitate connections to program offers.
 - Provide leadership on market research, strategies and tactics that allow Energy Trust to reach new market segments and increase awareness in diverse and underserved customer groups.
 - Continue development and enhancement of online channels and web-based forms that programs rely on to cost-effectively reach and serve customers.
- ▶ **Goal 2: Use guidelines to determine resource investments in community efforts**
 - Develop a community engagement planning strategy to assess, prioritize and support engagement in communities to increase participation in Energy Trust programs.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Inform energy-related policy discussions, regulatory proceedings and government program implementation with Energy Trust data and expertise.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Provide staff expertise and resources for the innovation team.
- ▶ **Goal 5: Make operational improvements**
 - Drive innovation online to reduce costs and better serve customers and stakeholders with targeted marketing resources and easier online transactions using digital tools.
 - Develop a holistic marketing plan that reflects and guides promotional strategies and establishes multi-year objectives across all programs and general marketing, communications and outreach functions.
 - Bring communications and leadership skills to ensure an informed and engaged staff and stakeholders. Support change management initiatives related to internal operations.

2020 Key Activities

- a. Deliver quarterly and annual public reports, strategic plan dashboard, utility reports and data analysis as requested. Communicate progress toward diversity, equity and inclusion objectives to stakeholders and the public.
- b. Support increased engagement with community-based organizations to gain knowledge of underserved customers and establish delivery partnerships. Increase staff awareness by holding internal forums to share insights.
- c. Increase customer and stakeholder awareness of offers, services and benefits through additional resources for public relations, outreach, sponsorships and events support. Sustain and refine advertising and adapt marketing approaches based on research and analytics.
- d. Maintain and enhance the website, campaign microsites, social media accounts and bulk email platform using best practices to ensure positive digital customer experiences and support outreach to underserved populations.
- e. Considering the focus areas of the 2020-2024 Strategic Plan, deliver a brand audit report and marketing plan that provide guidance on marketing and communications tools and a roadmap that aligns and fully leverages all channels.
- f. Identify opportunities to be an information resource for state agencies, local governments and community groups on energy efficiency and renewable generation. Respond to information requests.
- g. Develop tools to assess opportunities and identify resources to support community efforts that result in increased participation in programs.
- h. Be a resource to the City of Portland by providing program information and participation data to support the development of the Portland Clean Energy Community Benefits Fund grant program.
- i. Organize a workshop in a rural community to identify needs and opportunities to better serve rural customers.
- j. Research participation results to date and opportunities for future savings and engagement with tribal governments and Native Americans.
- k. Continue to expand the use of DocuSign to deliver digital signature solutions and pilot the integration of DocuSign form data with business systems to reduce data entry and processing time and enhance customer experience.
- l. Provide general program support as needed, utilizing marketing, communications and outreach expertise and services to support emerging program approaches. Support collaboration with utilities, communities, state agencies and others.

2021 Expected Changes

- Make further adjustments to brand tools and Energy Trust's marketing plan based on 2020 brand audit findings and 2020 marketing results.
- Implement new approaches for working with communities and community-based organizations based on 2020 projects and activities.

Budgeted Expenditures

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$4.2	\$4.1	\$4.0

*Expenditure detail is provided under budget details tab in the budget binder.

Existing Buildings Program

The Existing Buildings program offers incentives, tools, training and technical assistance to customers who complete energy efficiency, behavioral and operational improvements in existing commercial buildings of all sizes. Incentives are available for standard and custom projects, including capital upgrades and operations and maintenance improvements; direct installation offerings; lighting upgrades; and energy performance management offerings, including Strategic Energy Management (SEM) and Pay for Performance.

Context

The strong economy coupled with ongoing labor shortages continue to divert customers' attention away from energy efficiency projects, and tariffs are increasing costs and risk to customers. Competition for contractor resources from outside Energy Trust's territory require a review of incentive rates to influence both customers and trade allies. Even with competition for contractor resources, the program is finding success in schools, particularly in gas territories, as a result of increased coordination with the Oregon Department of Energy and intensive outreach to school districts.

The program is losing measures due to product baseline changes, which puts downward pressure on savings for historically large savings generators like boilers and lighting.

Energy performance management offerings that create long-term savings at a site or organization are challenged to uncover deeper cost-effective savings. This is due to customers needing a higher level of technical assistance to achieve savings as they re-enroll for these offerings.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Engage new and underserved customers.
 - Develop new calculated and standard measures and investigate new pilot opportunities.
 - Expand SEM customer participation and improve customer performance and tracking.
 - Improve data collection in energy performance management offerings to inform long-term delivery strategies.
- ▶ **Goal 5: Make operational improvements**
 - Streamline calculations of custom measures.

2020 Key Activities

- a. Continue collaborating with ODOE and the OPUC to improve support of public and K-12 schools.
- b. Focus community outreach activities on assisting Energy Trust-led, outreach-focused efforts for diversity, equity and inclusion, Targeted Load Management, PropertyFit/CPACE financing, ODOE asset scores and Energy Performance Reporting in Portland.
- c. Expand direct installation efforts with new offerings to target new and underserved customers.
- d. Expand tubular LED (TLED) promotion to Southern Oregon based on the results of the Eastern Oregon promotion in 2019.
- e. Launch the network lighting controls pilot, and look to better understand implementation and cost-effectiveness challenges with network lighting controls for future program offerings.
- f. Launch new marketing efforts targeted to smaller, more rural and more diverse customers.
- g. Focus engineering and measure development efforts on new calculated and standard measures to serve smaller customers. Review NEEA window film pilot findings for applicability and investigate a boiler calculator tool.
- h. Rebid delivery contracts for Existing Multifamily, Existing Buildings and commercial and industrial lighting to better align program strategies and encourage new, innovative approaches to delivery in 2021.

- i. Increase lighting incentives to counter the lighting savings declines the program is experiencing. Incentive increases are focused on measures that have longevity in the program. Incentives will be aligned with Production Efficiency and Existing Multifamily programs.
- j. Increase the incentive rate for custom electric projects to provide an improved payback for customers, influencing them to opt for efficiency over standard measures and systems.
- k. Select a performance tracking tool platform with the industrial energy performance management team that will improve the customer experience and streamline delivery in SEM and Pay for Performance offerings.
- l. Develop an SEM cost optimization model and centralize data for streamlined delivery and reporting.
- m. Promote re-tooled Pay for Performance pilot to test a new delivery and acquisition strategy.
- n. Provide new intern and fellowship incentives to support customers' energy management strategies.
- o. Expand trade ally outreach and development efforts to recruit more rural, and women- and minority-owned contractors.

2021 Expected Changes

- Transition to new program design, informed by the 2020 request for proposals to deliver Existing Multifamily, Existing Buildings and commercial and industrial lighting.
- More cost-effectiveness challenges, particularly in lighting, direct installation offerings, boilers and foodservice measures.
- Move toward more streamlined delivery mechanisms that will reduce operational costs, such as midstream offerings.
- Move toward more whole-buildings and system-based offerings to increase cost-effectiveness of offerings.
- Expand behavioral offerings and market transformation efforts.

Budgeted Expenditures and Savings

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$54.5	\$52.7	\$49.4
Gas Savings (therms)	1,775,800	1,757,530	1,811,584
Electric Savings (aMW)	16.4	13.1	11.2

*Expenditure detail is provided under budget details tab in the budget binder.

New Buildings Program

The New Buildings program supports design and construction of high-performance commercial buildings and major renovations of all sizes and building types. Staff engage with building owners, developers and design professionals to provide standard incentives, Market Solutions incentive packages and custom incentives. Market Solutions incentives help businesses make quick decisions and achieve deeper energy savings when constructing small restaurant, grocery, multifamily, office, school or retail buildings.

Context

Oregon is adopting two new energy codes, the first goes into effect October 2019 and a second in October 2020; this is driving the need to redesign offers for 2020 and 2021. In addition to these code changes, 2020 savings are negatively impacted by market dynamics—increasing construction costs in every region of the state, and a constrained skilled labor market that's pushing construction timelines to extend past expected completion dates. Further baseline changes along with degradation of savings within available measures shifted savings in 2020 and 2021 away from Market Solutions to focus on implementing the remaining standard track options.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Guide all projects on the path to higher performance. Build broader market demand for high-performance buildings in Oregon.
 - Increase overall market capacity and help the market adapt to the new energy code.
- ▶ **Goal 5: Make operational improvements**
 - Refine processes and automate data entry and data transfer to reduce costs.
 - Improve customer experience by creating online forms.

2020 Key Activities

- a. Revise the modeled savings (custom path and Market Solutions multifamily and schools) to update program methodology to adjust to Oregon's new code, for projects enrolling in 2020.
- b. Launch a revised Market Solutions offering limited to just two custom building types, multifamily and K-12 schools (pending OPUC approval); serve restaurant, grocery and retail customers with standard incentives.
- c. Increase technical project delivery to support customers adjusting to new requirements for Energy Trust incentives under the new code.
- d. Expand the use of target-setting as a strategy to holistically address total building energy use, aligning with the state's new code that focuses on whole-building energy consumption and better enables market transformation.
- e. Develop system-level water heating savings strategies for low-income and affordable housing developments.
- f. Improve delivery of lighting design opportunities by simplifying the lighting calculator for early project engagement and streamlining outreach to lighting trade allies.
- g. Develop, launch and promote new program offerings, including lighting design offers. Enhance marketing of program offers with regional messaging to reach rural customers.
- h. Deliver solar as part of the design and construction of a building, leveraging the solar add-on incentive and coordinating with customers and solar trade allies.
- i. Coordinate with NEEA on complex emerging technologies including very high-efficiency dedicated outdoor air systems.
- j. Administer grants to support net zero focused research, the emerging leader's initiative and internships for emerging professionals working at architecture firms to support commitment to aggressive energy goals.

- k. Work with customers to evaluate the energy performance of buildings and provide final estimates of energy saved.

2021 Expected Changes

- Anticipating a second Oregon energy code update in 2020 in addition to the Oregon energy code update in 2019. This code will be the fourth code change since 2010 and comes ahead of any foreseeable changes to utility avoided costs, creating uncertainties with determining the next increment of cost-effective prescriptive measure savings.
- Expecting to see further signs of the market slowing, with fewer enrollments and more field effort required to engage projects. Further measure changes will impact potential to generate savings.
- Anticipating a continued strong, but flat, new construction market in 2021 with affordable housing and commercial office projects leading the market.

Budgeted Expenditures and Savings

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$21.2	\$18.9	\$17.5
Gas Savings (therms)	837,152	550,177	537,790
Electric Savings (aMW)	6.1	4.8	4.0

*Expenditure detail is provided under budget details tab in the budget binder.

Existing Multifamily Program

The Existing Multifamily program serves structures with two or more dwelling units, including market-rate and affordable housing, assisted living facilities, campus housing facilities, homeowners' associations and individual unit owners. Offerings include in-unit installations of free energy-efficient products; incentives for common-area lighting; incentives for standard measures including HVAC equipment, water heaters, weatherization, appliances and foodservice equipment; midstream incentives provided to distributors for qualifying equipment; and incentives for custom projects. The program is delivered through energy advisors across the state. The program also offers technical and educational services and support for technical studies.

Context

Market conditions with low vacancy and high demand are beginning to soften, creating a situation where owners and managers are no longer as confident in occupancy, revenue and valuation. This could make owners and managers reluctant to invest in capital improvements. Alternatively, this may lead to a more competitive market for renters, and owners and managers may focus more on tenant retention. In general, the program expects the changing market will likely result in more small projects at smaller properties in rural regions and market segments with less appetite for spending capital for improvements. Cost-effectiveness challenges driven by changing baselines and other market adoption factors are also impacting the program.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Expand participation in market segments and regions where participation has historically been lower, using data analytics and targeted marketing tactics.
 - Evolve lighting strategies to respond to a quickly changing market and future challenges.
 - Pursue new technologies and savings opportunities.
 - Expand engagement with distributors and retailers to increase savings through midstream and buy-down channels.
 - Expand engagement and offerings for affordable housing and low- and moderate-income customers.
 - Explore opportunities to engage with and serve renters.
- ▶ **Goal 5: Make operational improvements**
 - Identify opportunities to streamline program participation.
 - Expand cross-program operations to increase processing efficiencies for shared incentive offerings.

2020 Key Activities

- a. Advance efforts to serve low- to moderate-income customers, including getting to full scale with Oregon Housing and Community Services on affordable housing collaboration and potential co-funding opportunities.
- b. Support Community Energy Project's delivery of do-it-yourself energy savings workshops for residents of affordable housing properties.
- c. Assess savings opportunities from new technologies such as line-voltage smart thermostats, window air conditioners and emerging water heating technologies.
- d. Develop strategies to deliver ductless heat pumps to multifamily customers, such as refining eligibility requirements and pursuing fixed-price offerings in coordination with the Residential program.
- e. Launch a simplified incentive request process allowing multifamily portfolio managers to submit applications for multiple properties.

- f. Participate in cross-program midstream incentive offerings, shifting the delivery of select incentives to distributors and retailers (measures include residential water heaters, clothes washers and dryers and emergency generator block heaters).
- g. Increase collaboration with other programs on promotions, such as smart thermostat coupons and direct installation of heat pump water heaters. Expand tubular LED (TLED) promotion to Southern Oregon based on the results of the Eastern Oregon promotion in 2019.
- h. Expand trade ally outreach and development efforts to recruit more rural, and women- and minority-owned contractors.
- i. Rebid commercial sector delivery contracts for Existing Multifamily, Existing Buildings and commercial and industrial lighting to better align program strategies and encourage new, innovative approaches to delivery in 2021.
- j. Increase lighting incentives to counter the lighting savings declines the program is experiencing. Incentive increases are focused on measures that have longevity in the program. Incentives will be aligned with Production Efficiency and Existing Buildings programs.
- k. Support Targeted Load Management efforts.
- l. Continue to provide technical assistance to customers through free walkthrough surveys, technical analysis studies and site evaluations, and support for capital planning.

2021 Expected Changes

- Transition to new program design, informed by the 2020 request for proposals to deliver Existing Multifamily, Existing Buildings and commercial and industrial lighting.
- Expect continued declines in common-area lighting savings.

Budgeted Expenditures and Savings

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$10.1	\$9.7	\$8.9
Gas Savings (therms)	184,558	202,983	214,747
Electric Savings (aMW)	1.8	1.5	1.3

*Expenditure detail is provided under budget details tab in the budget binder.

Southwest Washington Commercial Program

Energy Trust provides standard and custom capital, operations and maintenance and retrocommissioning incentives for Washington State business customers on qualifying NW Natural commercial firm or interruptible rate schedules. These include upgrades and retrofits for existing buildings; energy-efficient equipment for new construction; energy-efficient equipment and retrofits at existing and new multifamily properties with two or more units; and measures for natural gas-heated production greenhouses.

Context

The strong economy coupled with ongoing construction labor shortages continue to divert commercial customers' attention away from energy efficiency projects, and tariffs are increasing costs and risk to customers. Recently passed Washington school bond measures have led to significant retrofit and new construction activity that is expected to continue for the next few years. Working with design and construction teams has allowed the program to explore custom modeled savings approaches to ensure no savings opportunities are left behind. Savings from boilers, which have been a key contributor of commercial savings for both new and existing buildings, will be about 64% lower per boiler as a result of a new evaluation.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Influence design and construction of new school construction and major renovations.
 - Focus on building awareness and providing training to the design community, including general contractors, engineering firms and architects.
 - Investigate new calculated and standard measures.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Ensure NW Natural has all needed information requested by the Washington Utilities and Transportation Commission.
- ▶ **Goal 5: Make operational improvements**
 - Revamp application processes to help reduce incomplete customer information and streamline calculations of custom measures to improve operational efficiency for these offers.

2020 Key Activities

- a. Offer a range of standard measures, including restaurant equipment, insulation, water heaters and boilers.
- b. Continue to focus outreach activities on low-income housing through the Vancouver Housing Authority and other local agencies.
- c. Increase outreach and promotion of Building Operator Certification to capital improvement project teams.
- d. Participate in local, community-focused events, including chambers and business associations.
- e. Expand regional involvement and cross program collaboration in outlying rural areas, support Clark County's Green Business program activities, seek out sponsorships, training and outreach with local chambers and business organizations, and increase collaboration with the Washington Green Schools program.
- f. Review NEEA window film pilot findings for applicability to Existing Buildings.
- g. Launch new marketing campaigns targeted to smaller, rural and minority-owned businesses.
- h. Investigate a new boiler calculator tool.
- i. Ensure that NW Natural objectives for Washington are addressed through the process of rebidding Existing Buildings and Existing Multifamily contracts.

-
- j. Collaborate with Clark Public Utility District and NW Natural to explore offering Strategic Energy Management.

2021 Expected Changes

- It may be necessary to reevaluate incentive rates for 2021 to motivate customers to engage with the program. Economic and technical factors are expected to continue and could erode the influence of incentives with customers and trade allies. These factors include cost pressures from labor and equipment constraints and trade tariffs, and changes to cost-effectiveness that reduce the scale of projects.
- Washington passed WA HB 1444 “Concerning Appliance Efficiency Standards” and HB 1257 “Concerning Energy Efficiency” to establish efficiency standards for equipment such as foodservice and showerheads that are slated to take effect in 2021. As a result, these products will no longer be able to receive Energy Trust incentives, beginning in 2021.
- Transition to new program design, informed by the 2020 request for proposals for the Existing Buildings, Existing Multifamily and commercial and industrial lighting to deliver commercial, multifamily and new construction offers in Southwest Washington.

Budgeted Expenditures and Savings

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$1.0	\$0.9	\$0.9
Gas Savings (therms)	147,481	111,413	105,344

*Expenditure detail is provided under budget details tab in the budget binder.

Production Efficiency Program

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

Context

The Production Efficiency program has worked successfully with large customers for many years and now sees fewer new, large custom project opportunities. Additionally, lighting savings are expected to decrease due to changing baselines, a decrease in cannabis projects due to the freeze in Oregon Liquor Control Commission licenses and economic factors. The strong economy coupled with ongoing construction labor shortages continue to divert industrial customers' attention away from energy efficiency projects, and tariffs are increasing costs and risk to customers. The program is seeing success in working with more small- to medium-sized customers, and has been developing a lighting strategy with measures, delivery channels and better design options to address the lighting market changes. Overall, the program expects lower savings in the custom and lighting tracks.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Improve custom and standard prescriptive offerings, and continue to introduce new measures.
 - Increase incentives to drive energy savings.
 - Continue to evolve Strategic Energy Management (SEM).
 - Increase marketing and outreach, technical services and other support to small- to medium-sized and rural industrial and agricultural customers.
 - Complete more gas projects in all tracks to help reduce fluctuations in annual gas savings.
- ▶ **Goal 2: Use guidelines to determine resource investments in community efforts**
 - Support community efforts through current program activities, expanded outreach to industrial and agricultural customers and a targeted lighting direct installation offering.
- ▶ **Goal 5: Make operational improvements**
 - Improve internal processes and systems.

2020 Key Activities

- a. Continue to focus on engaging small- to medium-sized customer sites, in both rural and urban areas, through targeted marketing and outreach. Continue ongoing activities to connect to customers with low or no previous participation with the program.
- b. Continue to support Targeted Load Management pilots, which have limited industrial energy-savings potential, at appropriate levels.
- c. Launch a new marketing campaign targeting smaller, more rural and more diverse customers.
- d. Expand the streamlined technical study process to attract small- to medium-sized customers.
- e. Continue to evolve SEM with the deployment of Continuous SEM cohort workshops and implementation and testing a streamlined approach to First Year SEM. SEM savings from large customers are getting more difficult to achieve, and the program is focusing on expanding offerings to bring in SEM savings over time.
- f. Increase gas and electric custom and calculated incentives to better align payback rates with market expectations and reflect the relative impacts of fixed project costs for small- to medium-sized projects.

- g. Increase lighting incentives to counter declines in lighting savings. Incentive increases are focused on measures that have longevity in the program. Incentives will be aligned with the Existing Buildings and Existing Multifamily programs.
- h. Launch the network lighting controls pilot, which will help staff better understand implementation and cost-effectiveness challenges with network lighting controls for future program offerings.
- i. Expand the tubular LED (TLED) promotion to Southern Oregon based on the results of the Eastern Oregon promotion in 2019.
- j. Launch a direct-install pipe insulation offer in the standard track and develop new measures, including specialized pumps for wastewater treatment and compressed air demand-side measures.
- k. Collaborate with the commercial energy performance management team to select a performance management tool that will improve the customer experience and streamline delivery of SEM offerings.
- l. Assess energy savings opportunities in the emerging hemp market and develop and implement energy savings strategies for hemp production and processing.
- m. Rebid delivery contracts for Existing Multifamily, Existing Buildings and commercial and industrial lighting to better align program strategies and encourage new, innovative approaches to delivery in 2021.

2021 Expected Changes

- Savings levels in the custom and SEM tracks are not expected to change significantly in 2021.
- Transition to the new commercial and industrial lighting program design, informed by the 2020 request for proposals to deliver Existing Multifamily, Existing Buildings and commercial and industrial lighting.
- Savings from the standard track are projected to remain flat in 2021. There will likely be some changes to existing measures due to baseline changes, but the program will continually add new measures to make up the gap.

Budgeted Expenditures and Savings

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$41.7	\$42.6	\$40.4
Gas Savings (therms)	1,329,682	1,514,938	1,478,433
Electric Savings (aMW)	20.9	17.3	14.5

*Expenditure detail is provided under budget details tab in the budget binder.

Residential Program

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

Context

Overall, 2019 market dynamics are expected to continue into 2020. Retail lighting will continue to be cost-effective in 2020 due to slower market share growth and a U.S. Department of Energy determination that pending federal lighting standards through the Energy Independence and Securities Act are not economically justified. Engagement with distributors is leading to growth in sales of heat pump and gas tank water heaters to contractors and builders. While new home construction in Oregon is declining slightly, participation in EPS continues to be strong and market share is expected to remain at 30%. Lower home volume and the impact of higher baselines will reduce savings per home. Market rate ductless heat pumps and heat pump replacement volumes have declined since the state Residential Energy Tax Credit sunset at the end of 2017. Demand for gas furnaces in rental properties and the Savings Within Reach offer continues to grow, but at a slower pace than expected for 2019.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Work with low-income agencies, community-based organizations and utilities to co-fund offerings that benefit low-income customers and funding partners.
 - Support utility-led distributed energy resource programs.
 - Develop new savings opportunities informed by the Manufactured Homes Replacement pilot, Pay for Performance pilot and 2019 extended capacity heat pump pilot.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Work with the Oregon Department of Energy and Oregon Building Codes Division to support development of the 2020 Oregon Residential Specialty Code for 2021.
 - Align program offerings with the Portland Clean Energy Community Benefits Fund grant program in collaboration with community-based organizations, the City of Portland and other actors.
 - Support Oregon Housing and Community Service's implementation of HB 2896 objectives related to manufactured housing.

2020 Key Activities

- a. Work with retailers to drive sales of efficient lighting products, diversify products available at retail and increase savings from water heaters and appliances, as well as lighting products in lagging markets.
- b. Prepare home builders for a 2020 code update and develop new program pathways to support the state's goals to achieve a residential energy code equivalency to U.S. Department of Energy Zero Energy Ready Home by 2023.
- c. Improve alignment with trade allies around Energy Trust program strategies for non-market rate offers, such as Savings Within Reach and fixed-price offers. Provide incentives for efficient gas and electric HVAC equipment.
- d. Adjust ductless heat pump requirements based upon evaluation results and revise quality assurance activities to achieve cost-effective savings.
- e. Expand installation of smart thermostats through instant coupon promotions, downstream incentives and direct installations. Leverage installed smart thermostats to achieve additional savings through control of customer thermostats.

- f. Contract with community-based organizations and low-income service providers to deliver Energy Trust offers and incentives to low- and moderate-income customers and communities of color.
- g. Support Targeted Load Management and utility-led demand response activities.
- h. Expand regionally based staffing to support targeted outreach efforts, including Eastern Oregon, Southern Oregon, Portland and Willamette Valley.
- i. Continue to develop targeted marketing and communications strategies to drive leads to contractors, highlight midstream promotions and expand reach and engagement.
- j. Collaborate with the Solar program to create new offers that combine renewable energy and energy efficiency benefits, including net zero and smart grid interactive offerings as part of the new construction offer.
- k. Leverage a final year of Energy Saver Kits as a tool to engage new participants and explore new approaches to optimize and personalize the customer experience.
- l. Evaluate new measures including room air conditioning, evaporative coolers, advanced windows and smart controls for ductless heat pumps.

2021 Expected Changes

- Significant reductions in savings from changes in market baselines for retail lighting and new construction code updates.
- Reposition lighting offers to focus support on rural and lagging markets.
- Design new EPS pathways reflecting the new baseline code developed in 2020 for implementation in 2021.
- Increase focus on directly connecting customers to the best market offers, as part of a transition away from Energy Saver Kits.

Budgeted Expenditures and Savings

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$49.0	\$49.6	\$42.9
Gas Savings (therms)	2,505,334	2,476,919	2,806,720
Electric Savings (aMW)	6.8	5.5	4.4

*Expenditure detail is provided under budget details tab in the budget binder.

Southwest Washington Residential Program

Energy Trust helps single-family and small multifamily homeowners in NW Natural's Washington territory achieve energy savings by offering cash incentives for efficient space heating and controls, water heating, insulation, windows, water conservation, behavioral actions, education, trade ally support, financing with repayment through utility bills and market interventions. The program also influences new residential construction by engaging with builders to increase energy efficiency of newly constructed homes through incentives, education, trade and program ally support and quality assurance.

Context

Overall, 2019 market dynamics are expected to continue into 2020. The Washington new construction market volume is expected to remain constant in 2020. Builder participation will remain strong, and the program expects to maintain its current market share of 45%. Gas savings are decreasing slightly in new construction due to the impact of the increased air infiltration baseline. The saving acquisition cost for gas homes remains consistent.

As the Southwest Washington housing stock matures, and existing HVAC systems need replacement, gas furnaces are expected to continue as a large savings opportunity. The multifamily market in Southwest Washington continues to be strong, and these properties are considered an opportunity despite low program uptake. Single-family rental homes continue to be challenging to serve due to property management and ownership structures, awareness of Energy Trust offerings and limited financial case for efficiency improvement. A decrease in showerhead unit sales is expected based on year-over-year trends, which creates risk with partners, such as Bonneville Power Administration, that support these promotions.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Support residential customer access and market actor participation with energy efficiency improvements in single-family and multifamily homes.
 - Expand efforts in lagging markets, increase opportunities in emerging markets and test new offerings to grow future savings.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Work with NW Natural and the Washington Utilities and Transportation Commission to ensure programs are properly responding to Washington HB 1444 and HB 1257, which provide direction to utilities and the commission for efficiency investments and set state efficiency standards for products including showerheads.
 - Ensure NW Natural has all needed information requested by the Washington Utilities and Transportation Commission.

2020 Key Activities

- a. Prepare home builders for a 2020 Washington code update to drive 2021 savings through the EPS new construction track.
- b. Continue to engage residential HVAC market actors to align program strategies and provide incentives for efficient gas HVAC equipment. Develop market promotions that drive low-cost installations across customer types.
- c. Continue to develop and expand relationships with distributor partners to expand sales of efficient gas tank water heaters to contractors and builders.
- d. Expand the installed base of smart thermostats, through instant coupon promotions, downstream incentives and direct installations. Leverage installed base of smart thermostats to achieve additional savings through enhanced control of customer thermostats.

- e. Continue to expand participation of multifamily properties to serve lower- and moderate-income customers and communities of color.
- f. Continue to develop targeted marketing and communications strategies to drive leads to contractors, highlight special midstream promotions, and expand reach and engagement with general audiences and in specific regions or communities.
- g. Leverage a final year of Energy Saver Kits as a tool to engage new participants, while developing new approaches to optimize and personalize the customer experience.
- h. Evaluate new measures, including advanced windows.
- i. Assess the multifamily market in Southwest Washington and revise the strategy to gain better market participation.
- j. Expand co-funding of thermostats, water heating and HVAC equipment to include low-income agencies, community-based organizations and partner utilities with a goal of maximizing benefit streams across partners.

2021 Expected Changes

- Implement the new EPS pathways to achieve savings above the revised 2020 code.
- Increase focus on directly connecting customers to the best market offers, as part of a transition away from Energy Saver Kits.
- Respond to potential reductions in savings from changes in market baselines for gas furnaces and tankless water heaters.
- Prepare for discontinuation of retail showerheads.

Budgeted Expenditures and Savings

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$1.4	\$1.7	\$1.6
Gas Savings (therms)	221,714	227,449	234,896

*Expenditure detail is provided under budget details tab in the budget binder. Expenditures includes delivery and incentives

Northwest Energy Efficiency Alliance

Energy Trust has been working with the Northwest Energy Efficiency Alliance (NEEA) since 2002 to increase the availability and adoption of energy-efficient electric products, equipment and practices. In 2015, natural gas equipment was added. By pooling resources at a regional level to work with manufacturers, distributors and retailers, NEEA accelerates the development, testing and distribution of new energy-saving equipment and approaches. NEEA identifies and refines new high-efficiency products, services and practices and helps bring them to market. Once products are ready and available, Energy Trust creates and implements programs to support broad market adoption in Oregon.

Context

NEEA is an entity of regional funders that pools resources and shares risks to transform the market for energy efficiency to the benefit of consumers in Oregon, Washington, Idaho and Montana. Energy Trust is NEEA's second largest funder, based on the size of its service territory. Energy Trust coordinates its program efforts with NEEA through participation on NEEA's board and on advisory groups addressing NEEA's portfolio, specific program areas and savings reporting.

NEEA recently completed a strategic plan and achieved funding for the period 2020-2024. In NEEA's 2020-2024 strategic and business plans, NEEA will expand gas efficiency initiatives and include targets for carbon reduction and capacity savings. In 2020, NEEA will see significant reductions in annual added savings from prior initiatives and will be developing additional initiatives to help meet their five-year savings goals. Thus, annual electric savings will decline modestly. NEEA will be reporting their first savings from their gas initiatives in 2020.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Identify new opportunities through scanning, research and market partner engagement.
 - Assess the potential and confirm the viability of newly identified emerging technologies, including technical analysis and assessment of market barriers.
 - Influence market actors to increase availability of energy-efficient products and services.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Build market knowledge and capability to support new products, services or practices.
 - Support dialogue and coordinate activities among stakeholders interested in accelerating efficiency through market transformation in the Northwest.
 - Influence development and support successful implementation of building codes and equipment efficiency standards and test methods to improve efficiency outcomes.
- ▶ **Goal 5: Make operational improvements**
 - Engage funders and other qualified advisors to identify, develop and sustain a portfolio of efficiency-enabling initiatives and activities that are consistent with NEEA's purpose.

2020 Key Activities

- a. Window attachments: With a national industry group, identify efficient products, encourage product certification, raise awareness and work with funders to achieve commercial building installations.
- b. Consumer products: Deliver project-specific strategies for each product in NEEA's Retail Products Portfolio initiative, including targeted incentive structures, support for highest energy-saving products and an efficiency index for ultra-high definition TVs. Expand to online retailers. Encourage codes and standards.
- c. Motor/pump systems: Work to increase uptake of motor/pump system specifications by increasing the number of distributors engaged and through market research to identify how to maximize their engagement.

- d. HVAC products: Continue advancement of the variable capacity heat pump test procedure to better differentiate top performing equipment in real world conditions. Improve measure cost-effectiveness for ductless heat pumps. Continue progress in market transformation for ductless heat pumps through market research to inform next steps. Gain more experience with very high-efficiency dedicated outside air systems and condensing gas rooftop systems to begin supply chain training, support pilot efforts and begin targeted outreach.
- e. Lighting: Train trade allies, lighting designers and specifiers in promoting and installing luminaire level lighting controls. Enhance market tracking via pricing and sales data dashboard.
- f. Water heating: Increase heat pump water heater adoption to improve positioning for future federal standard passage, including amplifying heat pump water heater impact on carbon goals, addressing challenging installation situations and supporting introduction of a new 120-volt product. Prepare for gas heat pump water heater product launch through collaboration with market actors and utility partners.
- g. New construction: Support and validate technologies and building strategies that may fit in future commercial code cycles. Provide proposals to national code development bodies and perform system efficiency demonstrations. Continue to develop a stable market for an advanced efficiency specification for manufactured homes through retailer support, homebuyer demand generation and utility program support.
- h. Regional infrastructure: Provide and enhance common resources and support for funder Strategic Energy Management programs as engagement opportunities for commercial and industrial customers.

2021 Expected Changes

- More electric savings are expected from luminaire level lighting controls in commercial and industrial sectors.
- Residential gas and electric savings are expected to increase due to adoption of the 2020 construction code.

Budgeted Expenditures and Savings

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$8.6	\$8.2	\$8.4
Gas Savings (therms)**	--	0**	0**
Electric Savings (aMW)	5.7	3.4	3.7

*Expenditure detail is provided under budget details tab in the budget binder.

**Gas savings from NEEA gas market transformation activities are expected in 2020 and will be reflected in the final proposed budget.

Solar Program

The Solar program aims to create a vigorous and sustainable market for solar in Oregon that will ultimately thrive without incentives. The program offers incentives and support to increase consumer awareness through education and marketing; protect consumers by enforcing business and quality standards; aid the industry to drive down non-hardware soft costs; and ensure a robust, qualified Trade Ally Network. The program offers standard incentives for smaller-scale distributed systems for residential, business, public sector and nonprofit customers. In 2020, the program will focus on developing higher-value applications of solar, which include improving equitable access to solar for low- and moderate-income customers and expanding innovative applications of solar that support community resilience and grid flexibility.

Context

The solar market will be dynamic in 2020 with changes to solar policies and funding sources. These changes include a reduction in the federal Investment Tax Credit, which will decrease from 30% to 26%, and the launch of the state's Rooftop Solar Incentive Fund (HB 2618) administered by the Oregon Department of Energy. The Oregon Community Solar program will also be underway, making solar available to a broader range of customers and providing customers with an alternative to rooftop solar investments.

Advanced solar systems—such as solar installations paired with smart inverters or battery storage—are capable of providing additional value to both the customer and the utility grid. Cost reductions and utility investments focused on energy storage and other smart grid technologies will likely drive adoption of these technologies in 2020. However, customers and trade allies still face many barriers to adoption, including upfront costs, unclear economics and cost savings and a lack of awareness of advanced solar options.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Provide incentives to a more diverse set of customers to make deployment of solar more equitable and inclusive.
- ▶ **Goal 2: Use guidelines to determine resource investments in community efforts**
 - Develop standardized early project assistance offerings for communities interested in resilience and broader access to renewable energy.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Support new energy programs, code officials and policymakers by sharing technical expertise and program experience.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Collaborate with utilities to meet their goals for flexible distributed energy resources by pairing solar with complementary technologies, controls, smart inverters and storage.
 - Develop integrated offerings in collaboration with energy efficiency programs.
- ▶ **Goal 5: Make operational improvements**
 - Streamline the standard solar program to allow more focus on higher-value applications of solar.

2020 Key Activities

- a. Continue to operate a standard solar incentive program for homes and business, automating some aspects of the program's application and verification processes.
- b. Continue to develop offerings for projects that benefit low- and moderate-income customers using learnings from completed low- and moderate-income Solar Innovation grants and the new Solar Within Reach offering rolled out in late 2019.

- c. Provide incentives for small projects (<360 kW-AC) that are participating in the Oregon Community Solar Program, targeting projects that expand access for low-income customers, renters and others that have not traditionally been able to benefit from rooftop solar incentives.
- d. Develop standardized early project assistance offerings with the Other Renewables program for communities pursuing broader access to renewables, engaging in renewable energy planning and interested in installing renewable energy microgrids for resilience.
- e. Collaborate with the Residential program to create new offers that combine renewable energy and energy efficiency benefits, including net zero and smart grid interactive offerings as part of the new construction offer.
- f. Support the New Buildings program to identify and address barriers to incorporating solar and solar plus storage into new commercial construction.
- g. Coordinate and share expertise with new energy programs, including the Oregon Community Solar Program, the state's Rooftop Solar Incentive Fund, Portland General Electric's residential storage pilot and the Portland Clean Energy Fund.
- h. Work with Oregon Department of Energy and Oregon Building Codes Division to support implementation of the Governor's Executive Order 17-20, which requires all new homes and buildings to be constructed solar ready starting in 2020.
- i. Apply the learnings from recent market research with customers and solar trade ally contractors about solar plus storage to develop an educational marketing campaign.
- j. Automate and improve the solar leads referral process to help customers navigate the wider array of rooftop solar, community solar and solar plus storage options.
- k. Continue to support Targeted Load Management and utility-led demand response activities in coordination with participating utilities.
- l. Integrate the program's PowerClerk incentive application software with the utilities' interconnection application and other state incentive programs to streamline the experience for solar trade ally contractors and customers.

2021 Expected Changes

- The commercial and residential federal Investment Tax Credit will drop to 22% on January 1, 2021. In 2022, the commercial tax credit will drop to 10% and the residential tax credit will expire, driving activity ahead of the deadline at the end of 2021.
- Both PGE and Pacific Power are beginning their Integrated Resource Planning processes and have identified capacity shortfalls that may increase the value of flexible, customer-sited distributed energy resources like solar plus storage in 2021.

Budgeted Expenditures and Generation

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$9.6	\$10.4	\$10.3
Generation (aMW)	2.02	2.36	2.10

*Expenditure detail is provided under budget details tab in the budget binder.

Oregon Community Solar Program

The Oregon Community Solar Program gives Oregon customers of Portland General Electric, Pacific Power and Idaho Power the option to buy or lease part of a community solar project and be credited through their electric bills for their portion of the energy generated. Community solar is an option for renters, people who live in multifamily buildings and other customers who want to use solar energy but may not have a sunny roof of their own or are not able to invest in a rooftop system. The Oregon Community Solar Program is currently in development and is expected to launch at the end of 2019. Once the program is launched, project managers can apply to build community solar projects. Customers of PGE, Pacific Power and Idaho Power will then be able to work with a project manager to enroll and invest in a community solar system.

Context

The Oregon Community Solar Program was developed in response to state legislative direction set in SB 1547 in 2016. The program is managed by the Oregon Public Utility Commission and administered through a contract with the primary Program Administrator, Energy Solutions. Energy Trust has a three-year subcontract with Energy Solutions that runs from March 2019 through March 2022 to support certain aspects of program development and delivery, including project manager registration, project certification, customer service and consumer protection. **This work is funded by new revenue that is separate from utility customer public purpose funding directed to Energy Trust for energy efficiency and renewable energy programs.** Energy Trust's services under the subcontract result in a small increase in the organization's net assets. Energy Trust's work on Community Solar will provide underserved customers with access to solar energy; however, Energy Trust will not claim any generation.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Expand opportunities for underserved customers to participate directly in solar, including renters and people with low and moderate incomes, communities of color and rural communities.
- ▶ **Goal 2: Use guidelines to determine resource investments in community efforts**
 - Educate and empower communities and community-based organizations to lead, champion and promote community solar to encourage wide and diverse participation in the Community Solar Program.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Provide impartial advice to the OPUC and other policymakers on policy issues relevant to community solar, including interconnection, permitting, the resource value of solar and low-income access.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Strengthen internal processes and organizational flexibility to support the efficient and successful delivery of this work under a funding and contracting arrangement that is new to Energy Trust.

2020 Key Activities

- a. Deliver services during ongoing operations of the program, including management of the network of project managers, project pre-certification and certification processes, project quality control/assurance and customer service contact center, and implementation of the program's consumer protection plan.
- b. Conduct outreach and education to recruit a diverse pool of project managers and projects, including public entities and community organizations, to encourage wide and diverse participation in the program.
- c. Coordinate with the Program Administrator's low-income facilitator, Community Energy Project, to achieve the program goals specific to low-income participation, and to ensure the program strategy and approach to consumer protection and customer service reflect and consider the needs of low-income participants.

- d. Provide impartial advice to the OPUC on policy issues relevant to the program.
- e. Recommend and implement continuous improvements to the program.
- f. Support a stakeholder engagement process to revise the Program Implementation Manual and make improvements to the program.

2021 Expected Changes

- Same scope of work as 2020.
- Subcontract ends March 4, 2022. In 2021, staff will work with the board of directors and Executive Team, in consultation with Energy Solutions and the OPUC, to evaluate the options for a contract extension, rebid or wind-down.
- If appropriate, support the development of a contract transition plan and begin wind-down.

Budgeted Expenditures

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures*	\$244,039	\$418,014	\$447,034

*Expenditure detail is provided under budget details tab in the budget binder.

Other Renewables Program

The Other Renewables program supports renewable energy projects up to 20 megawatts in nameplate capacity that generate electricity using biopower, hydropower, geothermal and community-scale, municipally owned wind technologies. Most projects are less than two megawatts in size. The goal of the program is to expand Energy Trust's renewable energy portfolio across a range of technologies and improve market conditions to completing projects. The program provides project development assistance incentives and installation incentives. Project development assistance incentives can pay for a portion of the costs of feasibility studies, technical assistance or other non-capital cost assessments to help projects move from concept to construction. Qualified projects may access project development assistance incentives multiple times, up to the limits of funding caps, enabling applicants to move through consecutive development activities. The program also provides installation incentives calculated on a custom basis after a detailed technical and financial review of a project's application. All incentives are paid following successful commercial operation or activity completion.

Context

Interest from irrigation districts in Energy Trust's irrigation modernization offering continues to grow after the awarding of federal and state funds to districts to design and accelerate the replacement of open irrigation district infrastructure with pressurized pipes. Through planning and piping activities, districts can decrease pumping needs and install in-conduit hydropower systems. Emerging opportunities include interest by gas utilities in developing renewable natural gas projects and selling the product to their customers. The Other Renewables program is well-positioned to support the nascent renewable natural gas market. Low wholesale power prices and the reduction in incentive offerings favor distributed renewable energy generation projects that net meter over those that sell electricity wholesale to utilities. Interconnection and wheeling fees continue to create significant challenges for small-scale distributed renewable energy resources.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Maintain incentives and support for a portfolio of technologies to sustain and grow Oregon's vibrant small- and community-scale distributed renewable energy generation markets.
 - Focus development assistance outreach on irrigation hydropower and net-metered biogas projects.
 - Help wastewater treatments plants reduce energy use and generate renewable energy in coordination with energy efficiency programs.
 - Expand the irrigation modernization offering to build a portfolio of small-scale hydropower projects.
- ▶ **Goal 2: Use guidelines to determine resource investments in community efforts**
 - Support communities interested in small hydropower and/or biopower projects for resilience with energy planning and project development.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Provide information to stakeholders about market barriers and opportunities for development of small-scale distributed renewable energy resources.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Explore opportunities to support the renewable natural gas market.

2020 Key Activities

- a. Hold competitive solicitations to identify projects to receive installation incentives.
- b. Use project development assistance to develop a pipeline of hydropower and biogas projects that generate energy in addition to supporting resilience and peak energy management.
- c. Support communities in energy planning and early stages of project development, in collaboration with the Solar program.

- d. Advance irrigation modernization participants to hydropower project design and other project development activities.
- e. Support biopower projects using anaerobic digestion with entities that can benefit operationally and financially from generating electricity from co-digestible materials.
- f. Support Portland metro area wastewater treatment plant efforts to use post-commercial food waste as a biogas feedstock.
- g. Build relationships with utilities and customers to learn about the renewable natural gas market and how it may impact the potential for biogas electricity projects.
- h. Inform renewable natural gas rulemaking at the OPUC and seek opportunities for Energy Trust to share expertise in renewable natural gas project development.
- i. Seek opportunities to help utilities develop small-scale distributed renewable energy resources and identify additional funding to help customers complete projects with both energy and non-energy benefits.
- j. Develop new strategies that reach a broader range of project developers.
- k. Enhance knowledge about the market potential of new biomass waste streams, including hemp.

2021 Expected Changes

- Opportunities will increase for biopower and hydropower projects to be used for county and city resilience planning and peak energy demand management.
- Once rulemaking is complete in July 2020, the renewable natural gas market in Oregon will mature rapidly and opportunities for Energy Trust to support this market will be clear.
- Metro's post-commercial food waste recovery ordinance will present opportunities for Energy Trust to help wastewater treatment plants develop organic waste receiving infrastructure, allowing this material to be anaerobically digested into biogas.

Budgeted Expenditures and Generation

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$4.5	\$7.5	\$7.3
Generation (aMW)	0.236	1.00	0.51

*Expenditure detail is provided under budget details tab in the budget binder.

Planning and Evaluation

The Planning and Evaluation group is comprised of the Planning team and the Evaluation and Engineering team. The Planning team develops estimates of efficiency program costs and savings. The team works with utilities to develop forecasts for long-range savings; updates avoided costs and tools; develops cost-effectiveness tools; and manages savings and cost-effectiveness reporting.

The Evaluation and Engineering team assesses the effectiveness of efficiency and renewable energy program implementation and estimates savings and generation on a retrospective basis. This team performs market research; manages complex datasets for Energy Trust, such as third-party data and utility customer information data; and participates in regional research projects. Additionally, the team assists in and reviews development of proposed new or revised measures and helps Energy Trust incorporate new efficient technologies into programs.

Context

Energy Trust is facing challenges as the pace of electric savings slows as a result of the organization's prior success reaching customers and evolving baselines due to increasing codes and standards. Conversely, there is remaining potential for additional gas efficiency. Electric and gas savings are expected to be more expensive than in the past, and this presents challenges for some programs that are already approaching cost-effectiveness limitations. Additionally, the way efficiency and renewable energy provide value to utility systems is changing. Electric utilities are facing high costs for serving loads at times of peak use for the first time since Energy Trust's inception. Utilities are interested in implementing efficiency and renewable energy on a geographically targeted basis as part of a strategy to limit costs of expanding distribution systems.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Refine forecasting techniques for energy and capacity savings potential.
 - Support program efforts to adapt to market changes, such as new efficiency baselines, market saturation, new codes and new opportunities.
 - Refine how peak savings are quantified and valued.
 - Provide technical support and quality assurance for measure development.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Use standardized analysis and reporting on generation, savings and economics to maintain Energy Trust's transparency and create a framework to respond to a variety of queries.
 - Provide analysis and reports relevant to Energy Trust's activities when requested, including the benefits of efficiency and renewable projects beyond energy (e.g., peak, clean air, health, power system resilience).
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Structure and accelerate the process for refining emerging efficiency technologies and moving them into markets.
 - Explore the most efficient and effective ways to target and track program activities that are focused on high-value and high-priority markets.
- ▶ **Goal 5: Make operational improvements**
 - Work with utilities to improve the data transfer process.
 - Complete an improved measure data maintenance process to reduce paper approvals and records.
 - Streamline and standardize approach to resource analysis in Targeted Load Management areas.

2020 Key Activities

- a. Deliver enhanced energy efficiency supply and cost estimates for use in utility integrated planning processes. Communicate with stakeholders to provide transparency on forecasting modeling and improve methodology based on feedback.
- b. Work with efficiency programs to forecast savings potential and develop programs that are responsive to evolving market conditions and future efficiency opportunities, including fewer remaining standard mass market products, more niche products and limited-scale markets, more controls and behavior dependence.
- c. Continue to enhance benefit/cost sensitivity analysis tools for use in planning and budgeting.
- d. Develop a framework to quantify the value of energy savings in the changing industry landscape. Improve estimates of peak energy use reduction from energy efficiency and renewable generation. Develop improved annual estimates of energy savings and savings shapes for selected measures that reflect summer peak savings.
- e. Provide analysis of savings and generation results and economic impacts for use in Energy Trust annual and quarterly reporting. Ensure accuracy of energy savings and benefits reporting by Energy Trust.
- f. Assist programs in tracking policy changes, assessing new program designs and charting the future course of programs to meet market needs.
- g. Support the regional end use load research project. Use data from an initial sample of metered residential sites to increase understanding of load shapes of energy savings.
- h. Employ a clearer and more coordinated process for approving updated and new efficiency measures. Provide technical information and quality assurance for the measure development process. Obtain data on markets and measure performance that are critical to measure assessment.
- i. Work with IT to create integrated datasets combining Energy Trust data, utility customer information and third-party data in a central location. Train analysts on these datasets and support programs in utilizing the datasets for research and analysis.
- j. Deliver impact evaluations of savings from all major efficiency programs and select renewable energy programs. Adjust methods to reflect increased importance of peak savings and generation.
- k. Conduct periodic process evaluations for all major programs to provide feedback that helps enhance program delivery and market understanding.
- l. Update avoided costs to reflect outcomes from OPUC Docket UM 1893 and incorporate these avoided costs into measure and program planning work in 2020 to prepare for 2021 implementation.
- m. Use evaluation results and other intelligence to revise savings estimates for programs.

2021 Expected Changes

- 2020 may bring significant adjustments to programs due to continued market adoption of efficient technologies and expected federal efficiency standards for lighting.
- There may be further changes to avoided costs as the Oregon regulatory process addresses fundamental changes in power markets and the role and value of efficiency and renewable energy.

Budgeted Expenditures

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$ 5.6	\$5.3	\$4.8

*Expenditure detail is provided under budget details tab in the budget binder.

Program Marketing

The Program Marketing Team develops and delivers marketing that drives participation in Energy Trust efficiency and renewable energy programs, supports savings and generation goals, and consistently aligns with and supports Energy Trust's overall organizational goals. The team manages marketing activities of Program Management Contractors and Program Delivery Contractors and is responsible for setting overarching program marketing strategy to ensure consistency across programs. The team seeks to achieve best practice and improve effectiveness in marketing by helping transfer learnings across sectors.

Context

Energy Trust reorganized its program marketing function in 2018 to be more responsive, resilient and effective in helping efficiency and renewable programs reach their goals. Changes in the economy, as well in the energy industry, have created a need to engage new customers in new ways. This includes customers and communities with little to no prior knowledge of efficiency and renewable energy and low to no awareness of Energy Trust. Reframing what Energy Trust can do to help these customers requires new approaches. New technology to help identify and reach these customers is expanding the reach of program messages, and new ways of thinking about customer needs and motivations are expanding staff views of how marketing can be successful in supporting program goals.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Work with program management and delivery contractors to continuously improve marketing materials and establish clear expectations around marketing results.
 - Develop and launch new integrated marketing campaigns for residential and business customers that demonstrate the relevance and benefits of efficiency and renewable energy.
 - Continue to expand marketing collaborations with trade associations and other organizations that have complementary needs.
 - Apply market intelligence and market research findings to optimize marketing and customer engagement strategies for key residential technologies.
 - Deepen understanding of the needs of smaller business customers to help drive engagement.
- ▶ **Goal 2: Use guidelines to determine resource investments in community efforts**
 - Support community efforts through targeted, direct marketing efforts that address local needs and opportunities.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Initiate market research projects that inform future program design and marketing opportunities.
- ▶ **Goal 5: Make operational improvements**
 - Optimize the structure of the program marketing team to ensure resilience, redundancy and effectiveness in supporting program savings and generation.

2020 Key Activities

- a. Apply findings from campaign monitoring and evaluation activities to refine and optimize the new residential integrated marketing campaign launched in Q4 2019, as well as other ongoing marketing activities.
- b. Identify and implement best practices for collaborating with community-based organizations on marketing activities that streamline communications.
- c. Expand marketing support for diversity, equity and inclusion initiatives, such as manufactured home replacements, incentives for rental properties, direct installation offers with Verde and Community Energy Project, and targeted geographic areas.

- d. Launch a new business customer engagement campaign that creates a strong link between the business needs of smaller and more diverse business customers and Energy Trust's offerings.
- e. Expand use of automated email marketing to support key savings drivers, including smart thermostats, heat pump water heating, commercial and industrial lighting and equipment retrofits.
- f. Identify additional synergies in working with Oregon Manufacturing Extension Partnership; investigate other business/trade organizations that have complementary goals and opportunities for shared communications channels.
- g. Seek out more local and regional business-to-business events to reach more diverse and smaller business customers.
- h. Support a request for proposals for delivery of Existing Multifamily, Existing Buildings and commercial and industrial lighting to ensure that marketing needs are addressed.
- i. Seek out new ways to collaborate with utilities by supporting promotion of offers that provide mutual benefits such as demand response and energy efficiency.
- j. Work with program managers to develop marketing targeting the emerging and fast-growing hemp and CBD extraction businesses in Oregon.
- k. Work with City of Portland on Home Energy Score and energy performance benchmarking efforts that help customers improve scores.
- l. Develop new high-value solar marketing campaign, incorporating new offers.
- m. Develop public relations strategy that will reach a broader range of market actors for renewable programs, including high-value solar, biomass and hydropower.
- n. Support initial scoping, development and launch of an online customer engagement solution to meet customer and savings acquisition goals and address the gap caused by the gradual sunset of Energy Saver Kits.

2021 Expected Changes

- Implement a comprehensive residential customer engagement online platform to scale; plan for how the platform can be extended to serve small business customers. Digital customer engagement solutions enable online program participation by optimizing the user experience and path to participation. They remove common barriers to entry, reduce online drop-off rates and capture customer insights so the program can tailor messages and offers.
- Expand program engagement campaigns for residential and business customers to include new technologies.

Customer Service and Trade Ally

The Communications and Customer Service (CCS) group provides staff, services and resources to administer and manage customer experience and the Trade Ally Network. The Customer Service and Trade Ally budget provides customer access to information, services and cash incentives, supports a consistent and positive customer experience, and ensures contractor access to offers, training and customer leads. This is accomplished by working with programs and support groups on standards, training and planning to support customers and a network of informed contractors with high-quality customer service.

The Customer Service and Trade Ally team manages a call center contract for call-taking and administrative services and a trade ally insurance verification contract. The team coordinates across all Energy Trust business functions. Staff also coordinate with customer service and trade ally specialists at Program Delivery and Management Contractors.

Context

Energy Trust has been effective at capturing low-cost savings across programs. As some energy efficiency offers change or face challenges with cost-effective requirements, the number of available upgrades that qualify for incentives may be reduced and customer and contractor relationships may be impacted. Additionally, programs are developing more offers to expand participation within underserved communities and to acquire cost-effective energy savings. These efforts are changing the way Energy Trust's leverages the Trade Ally Network and how staff communicate and support customers accessing our offers. Staff will work to ensure that trade allies are able to support our offers and serve communities. Our goals to increase the number of minority- and women-owned trade ally contractors and projects submitted by those businesses will require greater outreach and understanding by contractors of the value of participating in Energy Trust's Trade Ally Network.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Ensure that Energy Trust offers are accessible to customers, in collaboration with programs and delivery contractors.
 - Seek out and continue partnerships with trade organizations to help spread awareness of Energy Trust's Trade Ally Network and engage more minority- and women-owned businesses.
 - Reduce participation barriers for trade allies to help drive more project submissions.
 - Explore strategies for supporting trade ally contractors to be successful in completing energy efficiency and renewable energy projects, such as workforce development.

- ▶ **Goal 5: Make operational improvements**
 - Improve Energy Trust's Trade Ally Network data to allow enhanced analysis.
 - Streamline Trade Ally Network administration to eliminate redundancy and improve reporting.
 - Standardize service level agreements, procedures and requirements across call centers to improve customer experience and reporting.

2020 Key Activities

- a. Manage contracted customer service call center and administrative functions. Monitor service levels of program contracted call centers to ensure alignment with quality control standards.
- b. Manage customer complaint resolution and ensure customer service process improvement.
- c. Redesign the Interactive Voice Response phone system to better support Spanish-speaking customers and provide improved service.

- d. Redesign the trade ally data structure in Energy Trust systems to improve network analytics including improved project attribution and program enrollment history.
- e. Develop self-service dashboards for trade ally and customer service data to reduce resources needed to support data requests from staff, Oregon Public Utility Commission staff and other stakeholders.
- f. Conduct research to help identify enrollment and participation barriers for minority- and women-owned and rural contractors in the Trade Ally Network and program offers. Create and implement an action plan to address them.
- g. Conduct analysis of current business development fund offerings to ensure they meet the needs of trade allies and provide value to their businesses.
- h. Increase sponsorships and partnerships with trade and community-based organizations to help spread awareness of the Trade Ally Network and help build connections with diverse contractors.
- i. Implement improvements to the online Find a Contractor tool to allow customers to search for contractors by the languages spoken.
- j. Hold forums for trade ally contractors to provide updates on offers and training, including in rural communities.

2021 Expected Changes

- The Trade Ally Network and customer service approaches will evolve as energy efficiency and renewable energy offers change.
- The Oregon Public Utility Commission diversity, equity, and inclusion performance measure for minority contractor project submittal may evolve for 2021.

Budgeted Expenditures

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$0.6	\$0.8	\$0.7

*Expenditure detail is provided under budget details tab in the budget binder.

Operations Analysts

The Operations Analyst Team provides business system leadership and support, analytic resources and reporting support for Energy Trust. The team is also a forum for shared knowledge, solutions and approaches. The team manages projects across all groups and programs to promote alignment of priorities, standardization, replicability and best practices. The team ensures the data and systems architecture, data quality and analysis capabilities are aligned to plan, forecast and deliver program value to all customer types and markets while also reducing administrative burden on staff and customers alike.

Context

Energy Trust is transitioning to a new five-year strategic plan while facing rapid market and technology changes. This requires a re-evaluation of how the Operations Analyst Team supports emerging delivery strategies, development of new measures and integration of offerings across programs.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Lead efforts to provide measure analysis that informs annual program goals and budgets.
 - Lead data ownership and stewardship to standardize data definitions, content, quality and security throughout the organization.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Provide and ensure quality control of data in organizational reporting.
 - Lead analysis and ongoing tracking and monitoring of the proportion of SB 1149 incentive spending on projects with electric customers exempt from SB 838, as well as self-direct administration.
- ▶ **Goal 5: Make operational improvements**
 - Support efforts to implement the new budget software that support the organization's annual budgeting and quarterly forecasting of expenditures and revenue.
 - Lead efforts to automate parts or all of organizational reporting with the goal of reducing staff resources required.
 - Improve the organization's ability to report on forecasted projects and eliminate duplicative data entry related to project pipeline management.

2020 Key Activities

- a. Lead all quarterly forecasting of savings and incentives for all energy programs, including ongoing improvements in data systems.
- b. Integrate the new Measure Development Manager staff position into the program teams to manage the measure development process and direct the work of analytic contractors to complete reviews and analyses.
- c. Lead the ongoing prioritization of requests for enhancements and upgrades to business systems.
- d. Manage user acceptance testing and change management efforts related to enhancements and upgrades to business systems.
- e. Identify pain points and opportunities for improvement within systems to eliminate administrative overhead and provide more accurate and accessible information to staff.
- f. Lead efforts to develop and utilize self-service reporting tools to enable staff to analyze and use information in day-to-day decision-making.
- g. Support the automation of the solar leads process to more efficiently pair customers with solar trade allies by specialty and service territory.

- h. Investigate and build business requirements to better support location and customer-segment based acquisition efforts to allow for more efficient delivery and processing of targeted offerings.
- i. Investigate and build business requirements for changes to system and data architecture to align and streamline delivery approaches across all programs.
- j. Support the loading of financial data in the data warehouse to support existing public reporting and the budget tools project implementation.
- k. Support new functionality to provide visibility, tracking and approval to the check re-issue process.
- l. Support the implementation, data clean-up and associated process and system changes to address duplicative vendors and accounts in Great Plains and CRM.

2021 Expected Changes

- Changes to program structure, program design, delivery channels or implementation contractors will result in new requirements for systems and reporting.
- Requirements for location and customer segment-based savings and incentives within data systems may require large system enhancement projects in future years.
- Lessons learned from the first year of integrating the Measure Development Manager into programs and changes to program implementation contracts across the business programs may surface a need to contract directly with engineering resources for organizational analytic needs.

Information Technology

The Information Technology (IT) group builds technical mastery and continuously improves and enhances systems to deliver business value in collaboration with engaged product owners and users. The group builds and utilizes professional and technical skills to provide effective and efficient IT resources required by energy programs and operational support groups. IT resources include hardware, infrastructure, information systems, reporting capabilities and technical support.

Context

Program offerings and delivery approaches continue to change at an increasing speed. Efficient operation of changing programs requires information systems acquisition and changes. It also requires ongoing assessment of rapidly advancing systems technology in choosing the best approaches for information systems architecture.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Develop robust systems to efficiently process and track customer projects, including through web applications.
- ▶ **Goal 5: Make operational improvements**
 - Enhance foundational IT systems, including Project Tracking, CRM and web services.
 - Improve data and reporting infrastructure to accommodate changing business needs, including new visual presentation tools for data.
 - Implement new tools to automate processes, improve capabilities and streamline work across the organization.
 - Continue assessment of changing business needs, emerging technologies and new approaches to improve information technology systems.

2020 Key Activities

- a. Rebuild the project forecasting functionality in the Project Tracking system to match business practices, reduce data entry work and provide better visibility to forecasting.
- b. Implement the new budget software to provide a more robust toolset for organizational budgeting, forecasting and budget management.
- c. Analyze systems changes needed for new program delivery approaches, including cross-program and location-based savings and incentives.
- d. Restructure the data warehouse to automate standard quarterly and annual reporting and streamline the production of reports.
- e. Work with programs and Communications and Customer Service staff in analyzing new tools to support customer engagement.
- f. Build integrations between the electronic signature application and Project Tracking and CRM to automate data transfer from electronic forms to internal tracking systems.
- g. Implement additional information security efforts to comply with best practices established by the International Organization for Standardization.
- h. Install video conferencing equipment in all conference rooms and upgrade remote services software to enhance productivity of remote collaboration.

2021 Expected Changes

- Implement systems changes based on new program delivery approaches.

- Greater focus on the backlog of smaller systems enhancements for operational improvements.

Budgeted Expenditures

	2019 Budget	2020 Draft Budget	2021 Projection
Total Expenditures (millions)*	\$3.4	\$3.4	\$3.6

*Expenditure detail is provided under budget details tab in the budget binder.

2019 Budget Recap Spending and Savings Draft Forecast

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	44.1	6.2	50.4	13.1	3.6	1,455,498	39.46
Business Energy Solutions – Multifamily	7.9	1.4	9.3	1.5	4.9	167,949	61.41
Business Energy Solutions – New Buildings	17.7	2.1	19.8	5.5	3.3	754,777	23.69
Mkt Transformation (Alliance)	3.2	0.4	3.6	1.5	4.3		
Total Commercial	72.9	10.1	83.0	21.7	3.7	2,378,223	38.05
Industrial							
Production Efficiency	37.7	3.0	40.7	17.2	2.3	878,215	29.14
Mkt Transformation (Alliance)	0.1	0.0	0.1	0.8	0.3		
Total Industrial	37.9	3.0	40.8	18.0	2.3	878,215	29.57
Residential							
Home Energy Solutions – Residential	32.4	16.1	48.5	7.1	4.6	2,443,897	44.30
Mkt Transformation (Alliance)	3.8	1.1	4.9	3.2	1.4		
Total Residential	36.2	17.1	53.4	10.3	3.7	2,443,897	48.17
Washington							
Business Energy Solutions – Existing Buildings		0.9	0.9			144,513	45.36
Home Energy Solutions – Existing Homes		1.5	1.5			225,313	49.85
Total Washington		2.4	2.4			369,826	47.98
Total Energy Efficiency	147.0	32.6	179.6	50.0	3.2	6,070,161	41.13

RENEWABLE RESOURCES

	ACTIVITY BASIS		ACCOUNTING BASIS	ACTIVITY BASIS		ACCOUNTING BASIS	
	BUDGET (\$M)		BUDGET (\$M)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)
Other Renewables	6.3		7.3	0.40	15.65	0.13	-
Solar Electric	10.4		10.3	1.81	5.74	2.69	3.82
Total Renewable Resources	\$16.7		\$17.6	2.21	7.53	2.83	6.23

TOTAL BUDGET - ALL

Some columns may not add due to rounding

197.2

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2019 Draft Forecast

<u>ENERGY EFFICIENCY</u>							
	PGE	PacifiCorp	NWN Industrial	NW Natural	Cascade	Avista	Total
REVENUES							
Public Purpose Funding	30,066,786	22,259,589		20,415,328	3,135,491	2,091,870	77,969,064
Incremental Funding	53,897,212	32,153,710	3,769,658				89,820,580
Community Solar Revenue							
Revenue from Investments							
TOTAL PROGRAM REVENUE	83,963,998	54,413,299	3,769,658	20,415,328	3,135,491	2,091,870	167,789,644
EXPENSES							
Incentives	47,659,438	28,949,416	2,258,157	11,268,225	1,747,672	981,406	92,864,314
Program Delivery Subcontracts	30,590,077	20,285,512	1,062,024	7,057,949	1,014,464	720,418	60,730,444
Employee Salaries and Fringe Benefits	1,816,114	1,168,605	84,856	462,599	57,098	35,831	3,625,103
Agency Contractor Services	254,980	168,547	17,047	33,672	7,610	4,252	486,108
Planning and Evaluation Services	1,582,714	1,020,214	57,292	144,077	23,385	13,587	2,841,269
Advertising and Marketing Services	840,039	555,954	30,263	294,232	35,754	21,208	1,777,450
Other Professional Services	767,880	464,484	21,547	264,684	31,402	19,752	1,569,749
Travel, Meetings, Trainings and Conferences	51,299	34,876	2,147	17,372	2,060	1,248	109,002
Dues, Licenses and fees	28,463	17,789	1,589	3,502	1,423	793	53,559
Software and Hardware	-	-	-	-	-	-	0
Materials Postage and Telephone	3,771	2,566	309	205	100	50	7,001
Shared Office Space	244,539	158,271	12,026	59,617	7,484	4,599	486,536
Shared Information Technology	947,139	577,821	26,464	316,352	35,291	22,995	1,926,062
Customer Service Management	123,784	78,209	3,802	42,018	5,314	3,324	256,451
Trade Ally Management	121,279	88,682	598	81,970	7,215	4,599	304,343
Planning & Evaluation Management	887,638	588,515	27,623	289,199	29,686	19,469	1,842,130
TOTAL PROGRAM EXPENSES	85,919,154	54,159,461	3,605,744	20,335,673	3,005,958	1,853,531	168,879,521
ADMINISTRATIVE COSTS							
Management & General (Notes 1 & 2)	2,348,735	1,480,535	98,569	555,909	82,172	50,669	4,616,589
Communications & Customer Svc (Notes 1 & 2)	1,892,365	1,192,858	79,417	447,893	66,205	40,824	3,719,562
Total Administrative Costs	4,241,100	2,673,393	177,986	1,003,802	148,377	91,493	8,336,150
TOTAL PROG & ADMIN EXPENSES	90,160,254	56,832,854	3,783,730	21,339,475	3,154,335	1,945,024	177,215,663
TOTAL REVENUE LESS EXPENSES	(6,196,256)	(2,419,555)	(14,072)	(924,147)	(18,844)	146,846	(9,426,019)
NET ASSETS - RESERVES							
Cumulative Carryover at 12/31/2018	22,328,019	9,319,643	772,994	3,591,597	373,597	(45,818)	36,340,032
Change in net assets this year	(6,196,257)	(2,419,555)	(14,072)	(924,147)	(18,844)	146,846	(9,426,029)
Distribution of Interest Income to Reserves - 201	270,226	113,963	10,763	43,977	5,118	388	444,435
ENDING NET ASSETS / RESERVES	16,401,988	7,014,051	769,685	2,711,427	359,871	101,416	27,358,438
END NET ASSETS - RESERVES BY TYPE							
Program Reserves (Efficiency and Renewables)	16,401,988	7,014,051	769,685	2,711,427	359,871	101,416	27,358,438
Reserves (Community Solar)							
Reserves (Development)							
Net Assets Loaned through Craft3 Program							
Operational Contingency Pool							
Emergency Contingency Pool							
ENDING NET ASSETS / RESERVES	16,401,988	7,014,051	769,685	2,711,427	359,871	101,416	27,358,438

Note 1) Management & General and Communications & Customer Service Expenses (Admin)
have been allocated based on total expenses.

Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not
allow allocation of admin costs to program expenses.

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2019 Draft Forecast

	RENEWABLE ENERGY			OTHER FUNDING SOURCES				TOTAL	
	PGE	PacifiCorp	Total	OPUC Grant Funded Total	NWN Washington	Fund Community Solar Development	Other	All Programs	
REVENUES									
Public Purpose Funding	8,803,091	6,366,170	15,169,261	93,138,325				93,138,325	
Incremental Funding				89,820,580	2,430,921			92,251,501	
Community Solar Revenue						355,063		355,063	
Revenue from Investments							1,300,000	1,300,000	
TOTAL PROGRAM REVENUE	8,803,091	6,366,170	15,169,261	182,958,905	2,430,921	355,063	0	1,300,000	187,044,889
EXPENSES									
Incentives	4,434,143	4,868,691	9,302,834	102,167,148	1,271,146			103,438,292	
Program Delivery Subcontracts	210,160	145,703	355,863	61,086,307	618,140			61,704,449	
Employee Salaries and Fringe Benefits	533,450	645,212	1,178,662	4,803,765	106,127	133,770	6,252	5,049,910	
Agency Contractor Services	143,346	102,876	246,222	732,330	-	-		732,332	
Planning and Evaluation Services	33,554	26,446	60,000	2,901,269	-	-		2,901,266	
Advertising and Marketing Services	147,951	112,549	260,500	2,037,950	41,000	-		2,078,950	
Other Professional Services	581,745	583,889	1,165,634	2,735,383	21,550	13,597		2,770,531	
Travel, Meetings, Trainings and Conferences	18,403	16,097	34,500	143,502	5,250	3,550		152,300	
Dues, Licenses and fees	9,109	7,691	16,800	70,359	36,464	-		106,821	
Software and Hardware	95,493	66,725	162,218	162,218	-	-		162,218	
Materials Postage and Telephone	350	350	700	7,701	-	-		7,700	
Shared Office Space	80,057	100,086	180,143	666,679	16,601	21,648		704,927	
Shared Information Technology	131,755	164,719	296,474	2,222,536	52,610	22,177		2,297,319	
Customer Service Management	8,311	5,808	14,119	270,570	38,892	-		309,464	
Trade Ally Management	20,837	14,609	35,445	339,788	-	-		339,790	
Planning & Evaluation Management	46,180	43,805	89,985	1,932,115	86,000	-		2,018,117	
TOTAL PROGRAM EXPENSES	6,494,844	6,905,256	13,400,099	182,279,620	2,293,780	194,742	6,252	0	184,774,386
ADMINISTRATIVE COSTS									
Management & General (Notes 1 & 2)	177,547	188,766	366,313	4,982,902	62,704	5,324		5,050,929	
Communications & Customer Svc (Notes 1 & 2)	143,048	152,088	295,137	4,014,699	50,520	4,289		4,069,508	
Total Administrative Costs	320,595	340,854	661,450	8,997,601	113,224	9,613	-	-	9,120,437
TOTAL PROG & ADMIN EXPENSES	6,815,439	7,246,110	14,061,549	191,277,221	2,407,004	204,355	6,252	-	193,894,823
TOTAL REVENUE LESS EXPENSES	1,987,652	(879,940)	1,107,712	(8,318,316)	23,917	150,708	(6,252)	1,300,000	(6,849,934)
NET ASSETS - RESERVES									
Cumulative Carryover at 12/31/2018	9,510,800	6,490,682	16,001,482	52,341,514	501,072		24,896	9,937,298	62,804,780
Change in net assets this year	1,987,652	(879,940)	1,107,712	(8,318,317)	23,917	150,708	(6,252)	1,300,000	(6,849,944)
Distribution of Interest Income to Reserves - 201	147,615	85,027	232,642	677,077	7,209	1,059	306	(685,651)	0
ENDING NET ASSETS / RESERVES	11,646,067	5,695,769	17,341,836	44,700,274	532,198	151,767	18,950	10,551,647	55,954,836
END NET ASSETS - RESERVES BY TYPE									
Program Reserves (Efficiency and Renewables)	11,646,067	5,695,769	17,341,836	44,700,274	532,198			45,232,472	
Reserves (Community Solar)						151,767		151,767	
Reserves (Development)							18,950		18,950
Net Assets Loaned through Craft3 Program								2,300,000	2,300,000
Operational Contingency Pool								3,251,647	3,251,647
Emergency Contingency Pool								5,000,000	5,000,000
ENDING NET ASSETS / RESERVES	11,646,067	5,695,769	17,341,836	44,700,274	532,198	151,767	18,950	10,551,647	55,954,836

Note 1) Management & General and Communications & Cu:
have been allocated based on total expenses.

Note 2) Admin costs are allocated for mgmt reporting only.
allow allocation of admin costs to program expense

2021 Budget Recap Spending and Savings - Draft Annual Projection

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	40.3	9.0	49.4	11.20	3.9	1,811,584	42.05
Business Energy Solutions – Multifamily	7.3	1.6	8.9	1.26	5.5	214,747	54.96
Business Energy Solutions – New Buildings	15.6	1.9	17.5	4.04	4.0	537,790	30.24
Mkt Transformation (Alliance)	2.9	1.0	3.9	0.76	7.3		
Total Commercial	66.2	13.5	79.7	17.26	4.2	2,564,120	44.22
Industrial							
Production Efficiency	36.8	3.6	40.4	14.51	2.8	1,478,433	23.85
Mkt Transformation (Alliance)	0.5	0.0	0.5	0.77	1.2		
Total Industrial	37.4	3.6	41.0	15.28	2.8	1,478,433	23.85
Residential							
Home Energy Solutions – Residential	30.2	12.7	42.9	4.39	6.6	2,806,720	32.04
Mkt Transformation (Alliance)	3.6	0.4	3.9	2.21	1.9		
Total Residential	33.8	13.1	46.9	6.60	5.2	2,806,720	32.93
Washington							
Business Energy Solutions – Existing Buildings		0.9	0.9			105,344	65.40
Home Energy Solutions – Residential		1.6	1.6			234,896	49.22
Total Washington		2.5	2.5			340,240	54.13
Total Energy Efficiency	\$137.3	\$32.7	\$170.0	39.14	3.8	7,189,512	35.92

RENEWABLE RESOURCES

	ACTIVITY BASIS		ACCOUNTING BASIS	ACTIVITY BASIS		ACCOUNTING BASIS	
	BUDGET (\$M)		BUDGET (\$M)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)
Other Renewables	6.3		7.3	0.40	15.65	0.51	14.38
Solar Electric	10.4		10.3	1.81	5.74	2.10	4.90
Total Renewable Resources	\$16.7		\$17.6	2.21	7.53	2.61	6.75

TOTAL BUDGET - ALL

\$187.6

Some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2021 Projection

ENERGY EFFICIENCY							
	PGE	PacifiCorp	NWN Industrial	NW Natural	Cascade	Avista	Total
REVENUES							
Public Purpose Funding	30,143,000	22,420,314		19,758,144	3,315,331	1,741,870	77,378,659
Incremental Funding	49,374,804	32,590,874	4,808,452				86,774,130
Community Solar Revenue							
Revenue from Investments							
TOTAL PROGRAM REVENUE	79,517,804	55,011,188	4,808,452	19,758,144	3,315,331	1,741,870	164,152,789
EXPENSES							
Incentives	43,403,313	27,160,162	3,079,243	10,112,731	1,707,885	842,687	86,306,021
Program Delivery Subcontracts	28,081,353	18,107,656	1,078,834	6,901,101	1,054,896	664,142	55,887,982
Employee Salaries and Fringe Benefits	1,990,924	1,274,003	113,091	517,008	64,912	35,561	3,995,499
Agency Contractor Services	201,566	129,449	13,671	52,187	10,000	5,092	411,965
Planning and Evaluation Services	1,217,290	755,662	66,435	219,591	44,678	13,273	2,316,929
Advertising and Marketing Services	852,190	553,197	42,375	272,919	35,563	18,255	1,774,499
Other Professional Services	1,042,429	654,250	35,663	333,018	39,168	23,072	2,127,600
Travel, Meetings, Trainings and Conferences	65,538	42,524	3,596	18,994	2,547	1,303	134,502
Dues, Licenses and fees	30,419	18,462	2,569	5,687	1,933	986	60,056
Software and Hardware	-	-	-	-	-	-	0
Materials Postage and Telephone	4,358	2,909	450	502	193	89	8,501
Shared Office Space	269,409	169,778	15,095	69,513	9,386	5,156	538,337
Shared Information Technology	1,174,300	724,958	53,081	343,529	42,071	23,668	2,361,607
Customer Service Management	149,605	93,287	6,072	51,467	6,738	3,661	310,830
Trade Ally Management	133,429	91,157	832	76,739	6,712	3,598	312,467
Planning & Evaluation Management	1,102,907	674,625	46,177	312,171	37,882	21,898	2,195,660
TOTAL PROGRAM EXPENSES	79,719,030	50,452,079	4,557,184	19,287,157	3,064,564	1,662,441	158,742,455
ADMINISTRATIVE COSTS							
Management & General (Notes 1 & 2)	2,589,744	1,638,981	148,044	626,561	99,554	54,006	5,156,890
Communications & Customer Svc (Notes 1 & 2)	1,805,707	1,142,783	103,224	436,872	69,415	37,655	3,595,656
Total Administrative Costs	4,395,451	2,781,764	251,268	1,063,433	168,969	91,661	8,752,546
TOTAL PROG & ADMIN EXPENSES	84,114,481	53,233,843	4,808,452	20,350,590	3,233,533	1,754,102	167,495,001
TOTAL REVENUE LESS EXPENSES	(4,596,677)	1,777,345	0	(592,446)	81,798	(12,232)	(3,342,212)
NET ASSET /RESERVE ROLL FWD							
Cumulative Carryover from 2020 Draft Budget	6,571,769	174,490	222,146	2,300,345	348,460	144,800	9,762,010
Change in Net Assets This year	(4,596,677)	1,777,345	0	(592,446)	81,798	(12,232)	(3,342,212)
Carryover Before Interest Distribution	1,975,092	1,951,835	222,146	1,707,899	430,258	132,568	6,419,798
Distribution of Interest Income to Reserves- 2021	125,333	31,181	6,515	58,778	11,419	4,067	237,293
ENDING NET ASSETS / RESERVE	2,100,425	1,983,016	228,661	1,766,677	441,677	136,635	6,657,091
ENDING NET ASSETS / RESERVE BY TYPE							
Program Reserves (Efficiency and Renewables)	2,100,425	1,983,016	228,661	1,766,677	441,677	136,635	6,657,091
Reserves (Community Solar)							
Reserves (Development)							
Net Assets Loaned through Craft3 Program							
Operational Contingency Pool							
Emergency Contingency Pool							
ENDING NET ASSETS / RESERVE	2,100,425	1,983,016	228,661	1,766,677	441,677	136,635	6,657,091

Note 1) Management & General and Communications & Customer Service Expenses (Admin)
have been allocated based on total expenses.

Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not
allow allocation of admin costs to program expenses.

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2021 Projection

	RENEWABLE ENERGY			OPUC Grant Funded Total	OTHER FUNDING SOURCES				TOTAL
	PGE	PaciCorp	Total		NWN WA	Community Solar Operations	Fund Development	Investment / Other	
REVENUES									
Public Purpose Funding	8,818,842	6,427,824	15,246,666	92,625,325					92,625,325
Incremental Funding				86,774,130	2,503,644				89,277,774
Community Solar Revenue						552,000			552,000
Revenue from Investments							900,000		900,000
TOTAL PROGRAM REVENUE	8,818,842	6,427,824	15,246,666	179,399,455	2,503,644	552,000	0	900,000	183,355,099
EXPENSES									
Incentives	8,350,000	3,760,000	12,110,000	98,416,021	1,244,892				99,660,913
Program Delivery Subcontracts	205,174	145,217	350,391	56,238,373	688,463				56,926,836
Employee Salaries and Fringe Benefits	977,110	474,149	1,451,259	5,446,758	129,234	288,693			5,864,685
Agency Contractor Services	105,369	62,546	167,915	579,880	-	-			579,880
Planning and Evaluation Services	12,550	13,450	26,000	2,342,929	-	-			2,342,929
Advertising and Marketing Services	156,593	86,407	243,000	2,017,499	-	-			2,017,499
Other Professional Services	586,648	520,351	1,106,999	3,234,599	21,550	67,116			3,323,265
Travel, Meetings, Trainings and Conferences	26,438	20,062	46,500	181,002	5,250	4,790			191,042
Dues, Licenses and fees	9,891	7,659	17,550	77,606	36,423	-			114,029
Software and Hardware	150,035	89,060	239,095	239,095	-	-			239,095
Materials Postage and Telephone	3,174	2,026	5,200	13,701	-	-			13,701
Shared Office Space	119,629	58,759	178,388	716,725	20,467	25,673			762,865
Shared Information Technology	390,976	190,240	581,216	2,942,823	69,536	37,402			3,049,761
Customer Service Management	11,215	6,657	17,872	328,702	48,336	-			377,038
Trade Ally Management	22,846	13,546	36,391	348,858	-	-			348,858
Planning & Evaluation Management	68,462	33,061	101,523	2,297,183	108,664	-	-		2,405,847.00
TOTAL PROGRAM EXPENSES	11,196,110	5,483,190	16,679,299	175,421,754	2,372,815	423,674	0	0	178,218,243
ADMINISTRATIVE COSTS									
Management & General (Notes 1 & 2)	363,716	178,126	541,842	5,698,732	77,083	13,763			5,789,578
Communications & Customer Svc (Notes 1 & 2)	253,601	124,199	377,801	3,973,457	53,746	9,597			4,036,800
Total Administrative Costs	617,317	302,325	919,643	9,672,189	130,829	23,360	-	-	9,826,378
TOTAL PROG & ADMIN EXPENSES	11,813,427	5,785,515	17,598,942	185,093,943	2,503,644	447,034	0	0	188,044,621
TOTAL REVENUE LESS EXPENSES	(2,994,585)	642,309	(2,352,276)	(5,694,488)	0	104,966	0	900,000	(4,689,522)
NET ASSET /RESERVE ROLL FWD									
Cumulative Carryover from 2020 Draft Budget	10,408,361	4,347,317	14,755,678	24,517,688	215,791	285,668	19,391	10,743,241	35,781,779
Change in Net Assets This year	(2,994,585)	642,309	(2,352,276)	(5,694,488)	0	104,966	0	900,000	(4,689,522)
Carryover Before Interest Distribution	7,413,776	4,989,626	12,403,402	18,823,200	215,791	390,634	19,391	11,643,241	31,092,257
Distribution of Interest Income to Reserves- 2021	261,347	136,919	398,266	635,559	6,329	9,917	569	(652,374)	0
ENDING NET ASSETS / RESERVE	7,675,123	5,126,545	12,801,668	19,458,759	222,120	400,551	19,960	10,990,867	31,092,257
ENDING NET ASSETS / RESERVE BY TYPE									
Program Reserves (Efficiency and Renewables)	7,675,123	5,126,545	12,801,668	19,458,759	222,120				19,680,879
Reserves (Community Solar)						400,551			400,551
Reserves (Development)							19,960		19,960
Net Assets Loaned through Craft3 Program								2,300,000	2,300,000
Operational Contingency Pool								3,690,867	3,690,867
Emergency Contingency Pool								5,000,000	5,000,000
ENDING NET ASSETS / RESERVE	7,675,123	5,126,545	12,801,668	19,458,759	222,120	400,551	19,960	10,990,867	31,092,257

Note 1) Management & General and Communications & Customer Service Expenses (Admin) have been allocated based on total expenses.

Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not allow allocation of admin costs to program expenses.

Energy Trust of Oregon

Administrative and Program Support Expenses Subject Draft Annual Projection 2021

	PUC Grant Funded		
	PUC Grant Funded Total	Program Costs	Administrative and Program Support
Incentives	\$98,416,021	\$98,416,021	
Program Delivery Subcontracts	56,238,374	56,238,374	
Employee Salaries & Fringe Benefits	15,833,248	7,769,504	8,063,744
Agency Contractor Services	1,403,527	579,880	823,647
Planning and Evaluation Services	2,674,028	2,562,478	111,550
Advertising and Marketing Services	3,014,264	2,024,344	989,920
Other Professional Services	4,630,552	3,504,178	1,126,374
Travel, Meetings, Trainings & Conferences	536,396		536,396
Dues, Licenses and Fees	234,337		234,337
Software and Hardware	702,188		702,188
Depreciation & Amortization	232,669		232,669
Office Rent and Equipment	1,018,661		1,018,661
Materials Postage and Telephone	154,209		154,209
Miscellaneous Expenses	5,470		5,470
TOTAL FUNCTIONAL EXPENSE	185,093,944	171,094,779	13,999,165

OPUC Grant / Utility Funded Revenue 179,399,455

Performance against OPUC Measure

Program support and administrative cost may not exceed 8% of Revenue

Maximum allowed under the performance measure	8%	14,351,956
Actual program support and administrative cost	7.8%	13,999,165
Unspent below the maximum allowed		352,791

Energy Trust of Oregon
Summary by Service Territory and Program
2021 Draft Annual Projection

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency											
Commercial											
Existing Buildings	30,247,093	17,443,463	47,690,556	2,262,184	5,615,671	1,734,462	971,168	10,583,484	58,274,040	919,795	59,193,835
New Buildings	11,209,716	4,400,901	15,610,617	33,583	1,514,109	183,257	133,136	1,864,086	17,474,703		17,474,703
NEEA	1,651,076	1,231,877	2,882,953		824,267	103,033	103,033	1,030,333	3,913,286		3,913,286
Total Commercial	43,107,886	23,076,241	66,184,126	2,295,767	7,954,046	2,020,752	1,207,338	13,477,903	79,662,029	919,795	80,581,824
Industrial											
Production Efficiency	21,053,887	15,769,673	36,823,560	2,512,685	838,282	213,241	31,224	3,595,431	40,418,991		40,418,991
NEEA	309,497	230,917	540,414						540,414		540,414
Total Industrial	21,363,383	16,000,590	37,363,974	2,512,685	838,282	213,241	31,224	3,595,431	40,959,405		40,959,405
Residential											
Residential Combined	17,594,330	12,628,326	30,222,656		11,274,204	964,030	480,036	12,718,270	42,940,926	1,583,848	44,524,774
NEEA	2,048,882	1,528,683	3,577,566		284,057	35,507	35,507	355,071	3,932,637		3,932,637
Total Residential	19,643,212	14,157,010	33,800,222		11,558,260	999,537	515,544	13,073,341	46,873,563	1,583,848	48,457,411
Energy Efficiency Program Costs	84,114,481	53,233,843	137,348,325	4,808,452	20,350,590	3,233,533	1,754,102	30,146,675	167,494,998	2,503,644	169,998,642
Renewables											
Solar Electric (Photovoltaic)	6,457,383	3,833,079	10,290,462						10,290,462		10,290,462
Other Renewable	5,356,045	1,952,434	7,308,479						7,308,479		7,308,479
Renewables Program Costs	11,813,427	5,785,515	17,598,942						17,598,942		17,598,942
Community Solar											447,034
Cost Grand Total	95,927,909	59,019,358	154,947,267	4,808,452	20,350,590	3,233,533	1,754,102	30,146,675	185,093,940	2,503,644	188,044,618

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Draft Annual Projection

COMPANY TOTAL BUDGET BY PROGRAM

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Solar Washington	Solar Renewables	Custom Renewables	Community Solar	Community ETO Total
Incentives	27,369,400	3,051,091	9,128,855	-	24,166,430	-	22,590,245	-	1,244,892	6,960,000	5,150,000	-	99,660,913
Program Delivery Subcontracts	15,470,677	4,017,559	5,710,000	3,684,099	10,423,000	500,649	12,381,206	3,700,792	688,463	350,391	-	-	56,926,836
Employee Salaries and Fringe Benefits	687,646	388,913	342,113	-	1,290,830	-	1,285,997	-	129,234	820,655	630,604	288,693	5,864,685
Agency Contractor Services	198,654	19,124	10,126	-	71,530	-	112,531	-	-	167,915	-	-	579,880
Planning and Evaluation Services	909,651	20,001	406,087	-	500,043	-	481,147	-	-	26,000	-	-	2,342,929
Advertising and Marketing Services	409,499	75,001	139,000	-	371,000	-	779,999	-	-	204,000	39,000	-	2,017,499
Other Professional Services	452,499	300,000	115,099	-	382,501	-	877,501	-	21,550	382,999	724,000	67,116	3,323,265
Travel, Meetings, Trainings and Conferences	30,000	6,000	11,500	-	35,001	-	52,001	-	5,250	25,000	21,500	4,790	191,042
Dues, Licenses and fees	53,557	2,500	-	-	1,500	-	2,499	-	36,423	8,750	8,800	-	114,029
Software and Hardware	-	-	-	-	-	-	-	-	-	239,095	-	-	239,095
Materials Postage and Telephone	5,000	-	-	-	3,501	-	-	-	-	4,500	700	-	13,701
Shared Office Space	118,673	52,244	50,601	-	152,244	-	164,575	-	20,467	105,402	72,986	25,673	762,865
Shared Information Technology	449,734	239,799	288,757	-	507,981	-	875,336	-	69,536	331,964	249,252	37,402	3,049,761
Customer Service Management	86,870	24,695	26,732	-	32,086	-	140,447	-	48,336	17,872	-	-	377,038
Trade Ally Management	11,885	20,751	2,278	-	4,464	-	273,089	-	-	36,299	93	-	348,859
Planning and Evaluation Management	518,925	238,545	330,405	24,697	364,765	11,525	680,456	26,342	108,664	71,888	29,635	-	2,405,847
TOTAL PROGRAM EXPENSES	46,772,670	8,456,223	16,561,553	3,708,796	38,306,876	512,174	40,697,029	3,727,134	2,372,815	9,752,730	6,926,570	423,674	178,218,244
ADMINISTRATIVE COSTS													
Management & General	1,519,452	274,708	538,016	120,483	1,244,432	16,639	1,322,080	121,080	77,083	316,826	225,016	13,763	5,789,578
Communications & Customer Svc	1,059,442	191,541	375,134	84,008	867,684	11,601	921,823	84,423	53,746	220,908	156,892	9,597	4,036,799
Total Administrative Costs	2,578,894	466,249	913,150	204,491	2,112,116	28,240	2,243,903	205,503	130,829	537,734	381,908	23,360	9,826,377
Total Program & Admin Expenses	49,351,564	8,922,472	17,474,703	3,913,287	40,418,992	540,414	42,940,932	3,932,637	2,503,644	10,290,464	7,308,478	447,034	188,044,621
Energy Savings (kwh)	98,071,227	11,050,431	35,407,009	6,693,780	127,122,843	6,756,741	38,419,660	19,386,571					342,908,263
Energy Savings (therms)	1,811,584	214,747	537,790	-	1,478,433	-	2,806,720	-	340,240				7,189,512
Energy Generation (kwh)										18,401,100	4,453,720		22,854,820

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Draft Annual Projection

ENERGY EFFICIENCY

PGE

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
EXPENSES									
Incentives	13,644,944	1,765,972	5,862,279		12,945,905		9,184,213		43,403,313
Program Delivery Subcontracts	8,106,319	2,325,364	3,671,008	1,550,655	5,073,782	286,723	5,140,772	1,926,730	28,081,353
Employee Salaries and Fringe Benefits	348,831	225,137	219,354		672,054		525,548		1,990,924
Agency Contractor Services	100,774	11,071	6,492		37,241		45,988		201,566
Planning and Evaluation Services	487,137	11,578	249,555		254,296		214,724		1,217,290
Advertising and Marketing Services	207,732	43,417	89,123		193,156		318,762		852,190
Other Professional Services	229,545	173,666	73,799		206,811		358,608		1,042,429
Travel, Meetings, Trainings and Conferences	15,218	3,473	7,374		18,222		21,251		65,538
Dues, Licenses and fees	27,169	1,447			781		1,022		30,419
Software and Hardware									-
Materials Postage and Telephone	2,536				1,822				4,358
Shared Office Space	60,201	30,243	32,444		79,264		67,257		269,409
Shared Information Technology	228,142	138,817	185,144		264,474		357,723		1,174,300
Customer Service Management	44,068	14,296	17,140		16,705		57,396		149,605
Trade Ally Management	6,029	12,012	1,461		2,324		111,603		133,429
Planning and Evaluation Management	262,669	138,706	208,773	14,144	186,866	6,600	270,063	15,086	1,102,907
TOTAL PROGRAM EXPENSES	23,771,314	4,895,199	10,623,946	1,564,799	19,953,703	293,323	16,674,930	1,941,816	79,719,030
ADMINISTRATIVE COSTS									
Management & General	772,232	159,025	345,128	50,834	648,214	9,529	541,700	63,082	2,589,744
Communications & Customer Svc	538,441	110,881	240,642	35,444	451,969	6,644	377,702	43,984	1,805,707
Total Administrative Costs	1,310,673	269,906	585,770	86,278	1,100,183	16,173	919,402	107,066	4,395,451
Total Program & Admin Expenses	25,081,987	5,165,105	11,209,716	1,651,077	21,053,886	309,496	17,594,332	2,048,882	84,114,481
Energy Savings (kwh)	60,458,353	8,079,181	23,207,103	3,815,454	72,274,166	3,851,343	22,169,311	11,050,346	204,905,257

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Draft Annual Projection

ENERGY EFFICIENCY

Pacific Power

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
EXPENSES									
Incentives	8,297,715	745,555	2,299,523		9,249,395		6,567,974		27,160,162
Program Delivery Subcontracts	4,929,586	981,718	1,439,980	1,156,952	4,242,007	213,926	3,705,942	1,437,545	18,107,656
Employee Salaries and Fringe Benefits	212,281	95,014	86,118		503,378		377,212		1,274,003
Agency Contractor Services	61,326	4,672	2,549		27,894		33,008		129,449
Planning and Evaluation Services	302,447	4,886	97,975		190,236		160,118		755,662
Advertising and Marketing Services	126,415	18,323	34,990		144,677		228,792		553,197
Other Professional Services	139,690	73,292	28,973		154,904		257,391		654,250
Travel, Meetings, Trainings and Conference	9,261	1,466	2,895		13,649		15,253		42,524
Dues, Licenses and fees	16,533	611			585		733		18,462
Software and Hardware									-
Materials Postage and Telephone	1,544				1,365				2,909
Shared Office Space	36,635	12,763	12,737		59,370		48,273		169,778
Shared Information Technology	138,836	58,584	72,687		198,095		256,756		724,958
Customer Service Management	26,817	6,033	6,729		12,512		41,196		93,287
Trade Ally Management	3,669	5,070	574		1,741		80,103		91,157
Planning and Evaluation Management	163,280	57,921	85,201	10,553	145,812	4,925	195,677	11,256	674,625
TOTAL PROGRAM EXPENSES	14,466,035	2,065,908	4,170,931	1,167,505	14,945,620	218,851	11,968,428	1,448,801	50,452,079
ADMINISTRATIVE COSTS									
Management & General	469,942	67,113	135,496	37,927	485,522	7,110	388,805	47,066	1,638,981
Communications & Customer Svc	327,668	46,795	94,475	26,445	338,531	4,957	271,095	32,817	1,142,783
Total Administrative Costs	797,610	113,908	229,971	64,372	824,053	12,067	659,900	79,883	2,781,764
Total Program & Admin Expenses	15,263,645	2,179,816	4,400,902	1,231,877	15,769,673	230,918	12,628,328	1,528,684	53,233,842
Energy Savings (kwh)	37,612,874	2,971,251	12,199,906	2,878,325	54,848,677	2,905,399	16,250,349	8,336,225	138,003,006

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Draft Annual Projection

ENERGY EFFICIENCY

NW Natural Industrial

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
EXPENSES									
Incentives	1,733,627		21,344		1,324,272				3,079,243
Program Delivery Subcontracts	240,732		6,800		831,302				1,078,834
Employee Salaries and Fringe Benefits	31,784		660		80,647				113,091
Agency Contractor Services	9,182		20		4,469				13,671
Planning and Evaluation Services	30,740		1,161		34,534				66,435
Advertising and Marketing Services	18,928		268		23,179				42,375
Other Professional Services	20,915		222		14,526				35,663
Travel, Meetings, Trainings and Conferences	1,387		22		2,187				3,596
Dues, Licenses and fees	2,475				94				2,569
Software and Hardware									-
Materials Postage and Telephone	231				219				450
Shared Office Space	5,485		98		9,512				15,095
Shared Information Technology	20,787		557		31,737				53,081
Customer Service Management	4,015		52		2,005				6,072
Trade Ally Management	549		4		279				832
Planning and Evaluation Management	23,134		619		22,424				46,177
TOTAL PROGRAM EXPENSES	2,143,971	-	31,827	-	2,381,386	-	-	-	4,557,184
ADMINISTRATIVE COSTS									
Management & General	69,649		1,034		77,361				148,044
Communications & Customer Svc	48,563		721		53,940				103,224
Total Administrative Costs	118,212	-	1,755	-	131,301	-	-	-	251,268
Total Program & Admin Expenses	2,262,183	-	33,582	-	2,512,687	-	-	-	4,808,453
Energy Savings (therms)	587,611	-	15,306	-	1,015,871	-	-	-	1,618,788

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Draft Annual Projection

ENERGY EFFICIENCY

NW Natural Gas

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
EXPENSES									
Incentives	2,300,290	483,057	782,365		510,000		6,037,019		10,112,731
Program Delivery Subcontracts	1,366,578	636,070	489,924	781,194	203,150		3,154,972	269,213	6,901,101
Employee Salaries and Fringe Benefits	59,057	61,561	29,762		26,905		339,723		517,008
Agency Contractor Services	17,061	3,027	881		1,491		29,727		52,187
Planning and Evaluation Services	57,902	3,166	46,931		17,513		94,079		219,591
Advertising and Marketing Services	35,169	11,872	12,092		7,733		206,053		272,919
Other Professional Services	38,862	47,487	10,013		4,846		231,810		333,018
Travel, Meetings, Trainings and Conferences	2,577	950	1,000		730		13,737		18,994
Dues, Licenses and fees	4,600	396			31		660		5,687
Software and Hardware									-
Materials Postage and Telephone	429				73				502
Shared Office Space	10,192	8,270	4,402		3,173		43,476		69,513
Shared Information Technology	38,625	37,958	25,120		10,588		231,238		343,529
Customer Service Management	7,461	3,909	2,326		669		37,102		51,467
Trade Ally Management	1,021	3,285	198		93		72,142		76,739
Planning and Evaluation Management	43,862	37,528	29,976		7,481		193,324		312,171
TOTAL PROGRAM EXPENSES	3,983,686	1,338,536	1,434,990	781,194	794,476	-	10,685,062	269,213	19,287,157
ADMINISTRATIVE COSTS									
Management & General	129,414	43,483	46,617	25,378	25,809		347,114	8,746	626,561
Communications & Customer Svc	90,234	30,319	32,504	17,695	17,996		242,026	6,098	436,872
Total Administrative Costs	219,648	73,802	79,121	43,073	43,805	-	589,140	14,844	1,063,433
Total Program & Admin Expenses	4,203,334	1,412,338	1,514,111	824,267	838,281	-	11,274,202	284,057	20,350,590
Energy Savings (therms)	803,577	191,496	432,172	-	397,808	-	2,442,847	-	4,267,900

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ENERGY EFFICIENCY

Cascade Natural Gas

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	Efficiency Total
EXPENSES								
Incentives	930,200	12,132	93,384		119,160		553,009	1,707,885
Program Delivery Subcontracts	552,622	15,975	58,478	97,649	63,564		232,956	33,652
Employee Salaries and Fringe Benefits	23,871	1,546	3,602		6,844		29,049	64,912
Agency Contractor Services	6,896	76	107		379		2,542	10,000
Planning and Evaluation Services	23,087	80	8,055		3,142		10,314	44,678
Advertising and Marketing Services	14,215	298	1,464		1,967		17,619	35,563
Other Professional Services	15,708	1,193	1,212		1,233		19,822	39,168
Travel, Meetings, Trainings and Conferences	1,041	24	121		186		1,175	2,547
Dues, Licenses and fees	1,859	10			8		56	1,933
Software and Hardware								-
Materials Postage and Telephone	174				19			193
Shared Office Space	4,120	208	533		807		3,718	9,386
Shared Information Technology	15,612	953	3,040		2,693		19,773	42,071
Customer Service Management	3,016	98	281		170		3,173	6,738
Trade Ally Management	413	82	24		24		6,169	6,712
Planning and Evaluation Management	17,375	943	3,380		1,903		14,281	37,882
	<u>36,473</u>	<u>761</u>	<u>3,934</u>	<u>2,212</u>	<u>4,578</u>		<u>20,695</u>	<u>762</u>
TOTAL PROGRAM EXPENSES	52,309	1,092	5,642	3,172	6,565		29,681	1,093
								3,064,564
ADMINISTRATIVE COSTS								
Management & General	52,309	1,092	5,642	3,172	6,565		29,681	1,093
Communications & Customer Svc	36,473	761	3,934	2,212	4,578		20,695	762
Total Administrative Costs	88,782	1,853	9,576	5,384	11,143	-	50,376	1,855
								168,969
Total Program & Admin Expenses	141,091	2,945	15,218	8,556	17,708	-	80,057	2,948
								3,233,533
Energy Savings (therms)	270,469	5,321	51,827	-	55,338	-	178,624	-
								561,579

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ENERGY EFFICIENCY

Avista

	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
EXPENSES									
Incentives	462,624	44,375	69,960		17,698		248,030		842,687
Program Delivery Subcontracts	274,840	58,432	43,810	97,649	9,195		146,564	33,652	664,142
Employee Salaries and Fringe Benefits	11,822	5,655	2,617		1,002		14,465		35,561
Agency Contractor Services	3,415	278	77		56		1,266		5,092
Planning and Evaluation Services	8,338	291	2,410		322		1,912		13,273
Advertising and Marketing Services	7,040	1,091	1,063		288		8,773		18,255
Other Professional Services	7,779	4,362	880		181		9,870		23,072
Travel, Meetings, Trainings and Conferences	516	87	88		27		585		1,303
Dues, Licenses and fees	921	36			1		28		986
Software and Hardware									-
Materials Postage and Telephone	86				3				89
Shared Office Space	2,040	760	387		118		1,851		5,156
Shared Information Technology	7,732	3,487	2,209		394		9,846		23,668
Customer Service Management	1,493	359	204		25		1,580		3,661
Trade Ally Management	204	302	17		3		3,072		3,598
Planning and Evaluation Management	8,605	3,447	2,456		279		7,111		21,898
TOTAL PROGRAM EXPENSES	797,455	122,962	126,178	97,649	29,592	-	454,953	33,652	1,662,441
ADMINISTRATIVE COSTS									
Management & General	25,906	3,995	4,099	3,172	961		14,780	1,093	54,006
Communications & Customer Svc	18,063	2,785	2,858	2,212	670		10,305	762	37,655
Total Administrative Costs	43,969	6,780	6,957	5,384	1,631	-	25,085	1,855	91,661
Total Program & Admin Expenses	841,424	129,742	133,135	103,033	31,223	-	480,038	35,507	1,754,102
Energy Savings (therms)	149,927	17,930	38,485	-	9,416	-	185,248	-	401,005

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ENERGY EFFICIENCY

NW Natural Washington

	Existing Buildings	NEEA Commercial	NEEA Residential	Efficiency Total
EXPENSES				
Incentives	415,322		829,570	1,244,892
Program Delivery Subcontracts	277,398		411,065	688,463
Employee Salaries and Fringe Benefits	55,347		73,887	129,234
Agency Contractor Services				-
Planning and Evaluation Services				-
Advertising and Marketing Services				-
Other Professional Services	1,000		20,550	21,550
Travel, Meetings, Trainings and Conferences	1,750		3,500	5,250
Dues, Licenses and fees	10,045		26,378	36,423
Software and Hardware				-
Materials Postage and Telephone				-
Shared Office Space	8,993		11,474	20,467
Shared Information Technology	31,835		37,701	69,536
Customer Service Management	23,942		24,394	48,336
Trade Ally Management				-
Planning and Evaluation Management	46,100		62,564	108,664
TOTAL PROGRAM EXPENSES	871,732	-	1,501,083	-
ADMINISTRATIVE COSTS				
Management & General	28,319		48,764	77,083
Communications & Customer Svc	19,745		34,001	53,746
Total Administrative Costs	48,064	-	82,765	-
Total Program & Admin Expenses	919,796	-	1,583,848	-
Energy Savings (therms)	105,344	-	234,896	340,240

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RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Incentives	4,400,000	3,950,000	8,350,000
Program Delivery Subcontracts	205,174		205,174
Employee Salaries and Fringe Benefits	514,970	462,140	977,110
Agency Contractor Services	105,369		105,369
Planning and Evaluation Services	12,550		12,550
Advertising and Marketing Services	128,012	28,581	156,593
Other Professional Services	224,648	362,000	586,648
Travel, Meetings, Trainings and Conferences	15,688	10,750	26,438
Dues, Licenses and fees	5,491	4,400	9,891
Software and Hardware	150,035		150,035
Materials Postage and Telephone	2,824	350	3,174
Shared Office Space	66,141	53,488	119,629
Shared Information Technology	208,311	182,665	390,976
Customer Service Management	11,215		11,215
Trade Ally Management	22,778	68	22,846
Planning and Evaluation Management	46,744	21,718	68,462
TOTAL PROGRAM EXPENSES	6,119,950	5,076,160	11,196,110
ADMINISTRATIVE COSTS			
Management & General	198,812	164,904	363,716
Communications & Customer Svc	138,622	114,979	253,601
Total Administrative Costs	337,434	279,883	617,317
Total Program & Admin Expenses	6,457,384	5,356,043	11,813,428
Energy Generation (kwh)	11,025,300	4,453,720	15,479,020

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RENEWABLE PROGRAMS

Pacific Power Renewables

	Standard Solar	Custom Projects	Renewable Total
EXPENSES			
Incentives	2,560,000	1,200,000	3,760,000
Program Delivery Subcontracts	145,217		145,217
Employee Salaries and Fringe Benefits	305,685	168,464	474,149
Agency Contractor Services	62,546		62,546
Planning and Evaluation Services	13,450		13,450
Advertising and Marketing Services	75,988	10,419	86,407
Other Professional Services	158,351	362,000	520,351
Travel, Meetings, Trainings and Conferences	9,312	10,750	20,062
Dues, Licenses and fees	3,259	4,400	7,659
Software and Hardware	89,060		89,060
Materials Postage and Telephone	1,676	350	2,026
Shared Office Space	39,261	19,498	58,759
Shared Information Technology	123,653	66,587	190,240
Customer Service Management	6,657		6,657
Trade Ally Management	13,521	25	13,546
Planning and Evaluation Management	25,144	7,917	33,061
TOTAL PROGRAM EXPENSES	3,632,780	1,850,410	5,483,190
ADMINISTRATIVE COSTS			
Management & General	118,014	60,112	178,126
Communications & Customer Svc	82,286	41,913	124,199
Total Administrative Costs	200,300	102,025	302,325
Total Program & Admin Expenses	3,833,080	1,952,435	5,785,516
Energy Generation (kwh)	7,375,800	-	7,375,800

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Community Solar Program

Community Solar

EXPENSES	Community Solar
Incentives	
Program Delivery Subcontracts	
Employee Salaries and Fringe Benefits	288,693
Agency Contractor Services	
Planning and Evaluation Services	
Advertising and Marketing Services	
Other Professional Services	67,116
Travel, Meetings, Trainings and Conferences	4,790
Dues, Licenses and fees	
Software and Hardware	
Materials Postage and Telephone	
Shared Office Space	25,673
Shared Information Technology	37,402
Customer Service Management	
Trade Ally Management	
Planning and Evaluation Management	
TOTAL PROGRAM EXPENSES	423,674
ADMINISTRATIVE COSTS	
Management & General	13,763
Communications & Customer Svc	9,597
Total Administrative Costs	23,360
Total Program & Admin Expenses	447,034

Financial Glossary

Administrative Costs

Costs that, by nonprofit accounting standards, have general objectives which enable an organization's programs to function. The organization's programs in turn provide direct services to the organization's constituents and fulfill the mission of the organization. Administrative costs fall in the these two categories:

I. **Management and General**

- Includes governance/board activities, interest/financing costs, accounting, payroll, human resources, general legal support and other general organizational management costs.
- Receives an allocated share of indirect costs.

II. **General Communications and Outreach**

- Expenditures of a general nature, conveying the nonprofit mission of the organization and general public awareness.
- Receives an allocated share of indirect costs.

Administrative costs are part of [but not all of] the cost included in an Oregon Public Utility Commission performance measure and the Grant Agreement. The measure is defined alternatively as 'Administrative and Program Support' or its inverse, the Program Delivery Efficiency measure.. See **Program Delivery Efficiency** measure for more detail.

Allocation

- A way of grouping costs together and applying them to a program as one pool based upon an allocation base that most closely represents the activity driver of the costs in the pool.
- Used as an alternative to charging programs on an invoice-by-invoice basis for accounting efficiency purposes.
- An example would be accumulating all of the costs associated with customer management (call center operations, Energy Trust customer service personnel, complaint tracking, etc.). The accumulated costs are then spread to the programs that benefited by using the ratio of calls into the call center by program (i.e. the allocation base).

Allocation Cost Pools

- Employee benefits and taxes.
- Office operations. Includes rent, telephone, utilities, supplies, etc.
- Information Technology (IT) services.
 - Infrastructure
 - Development
 - Reporting and analysis
- Planning and evaluation general costs.
- Customer service and trade ally support costs.
- General communications and outreach costs.
- Management and general costs.
- Shared costs for electric utilities.
- Shared costs for gas utilities.
- Shared costs for all utilities.

Auditor's Opinion

- An accountant's or auditor's opinion is a report by an independent CPA presented to the board of directors describing the scope of the examination of the organization's books, and certifying that the financial statements meet the AICPA (American Institute of Certified Public Accountants) requirements of GAAP (generally accepted accounting principles).
- Depending on the audit findings, the opinion can be unmodified or modified regarding specific items. Energy Trust strives for and has achieved in all its years an unmodified opinion.
- An unmodified opinion indicates agreement by the auditors that the financial statements present an accurate assessment of the organization's financial results.
- The OPUC Grant Agreement requires an unmodified opinion regarding Energy Trust's financial statements.
- Failure to follow generally accepted accounting principles (GAAP) can result in a qualified opinion.

Board-approved Annual Budget

- Funds approved by the board for *expenditures* during the budget year (subject to board approved program funding caps and associated policy) for the stated functions.
- Funds approved for *capital* asset expenditures.
- Approval of the general allocation of funds including commitments and cash outlays.
- Approval of expenditures is based on assumed revenues from utilities as forecasted in their annual projections of public purpose collections and/or contracted revenues.

Committed Funds

- Represents funds obligated to identified efficiency program participants in the form of signed applications or agreements and tracked in the project forecasting system.
- If the project is not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Funds are expensed when the project is completed.
- Funds may be held in the operating cash account, or in escrow accounts.

Contract Obligations

- A signed contract for goods or services that creates a legal obligation.
- Reported in the monthly Contract Status Summary Report.

Cost-Effectiveness Calculation

- Programs and measures are evaluated for cost-effectiveness.
- The cost of program savings must be lower than the cost to produce the energy from both a utility and societal perspective.
- Expressed as a ratio of energy savings cost divided by the presumed avoided utility and societal cost of energy.
- Program cost-effectiveness evaluation is "fully allocated," i.e. includes all of the program costs plus a portion of Energy Trust administrative costs.

Dedicated Funds

- Represents funds obligated to identified renewable program participants in the form of signed applications or agreements and tracked in the project forecasting system.
- May include commitments, escrows, contracts, board designations or master agreements.
- Methodology utilized to develop renewable energy activity-based budgets amounts.

Direct Program Costs

- Can be directly linked to and reflect a causal relationship to one individual program/project; or can easily be allocated to two or more programs based upon usage, cause or benefit.

Direct Program Evaluation and Planning Services

- Evaluation services for a specific program rather than for a group of programs.
- Costs incurred in evaluating programs and projects and included in determining total program funding caps.
- Planning services for a specific program rather than for a group of programs.
- Costs incurred in planning programs and projects and are included in determining program funding expenditures and caps.
- Evaluation and planning services attributable to a number of programs are recorded in a cost pool and are subsequently allocated to individual programs.

Expenditures/Expenses

- Amounts for which there is an obligation for payment of goods and/or services that have been received or earned within the month or year.

Incentives

- I. **Residential Incentives**
 - Incentives paid to a residential program participant (party responsible for payment for utility service in particular dwelling unit) exclusively for energy efficiency and renewable energy measures in the homes or apartments of such residential customers.
- II. **Business Incentives**
 - Incentives paid to a participant other than a residential program participant as defined above following the installation of an energy efficiency or renewable energy measure.
 - Above market cost for a particular renewable energy project if paid directly to the participant.
- III. **Service Incentives**
 - Incentives paid to an installation contractor which serves as a reduction in the final cost to the participant for the installation of an energy efficiency or renewable energy measure.
 - Payment for services delivered to participants by contractors such as home reviews and technical analysis studies.
 - End-user training, enhancing participant technical knowledge or energy efficiency practices proficiency such as Strategic Energy Management programs, where some level of tracking of particular sites and participants is part of the program design.
 - Lighting, water heating and energy control devices through retailer buy down, on line fulfillment and direct installation.

Indirect Costs

- Costs within programs that are not directly associated to delivering to customers or projects, such as travel and supplies.
- Shared costs that are “allocated” for accounting purposes rather than assigning individual charges to programs.
- Allocated to all programs and administration functions based on a standard basis such as hours worked, square footage, customer phone calls, etc.

- Examples include rent/facilities, supplies, computer equipment and support, and depreciation.

IT Support Services

- Information technology costs incurred as a result of supporting all programs.
- Includes energy savings/generation and incentive tracking software, data tracking support of Program Management or Program Delivery Contractors and for the program evaluation functions.
- Includes technical architecture design and physical infrastructure.
- Receives an allocation of indirect shared costs.
- Total costs subsequently allocated to programs and administrative units.

Outsourced Services

- Miscellaneous professional services contracted to third parties rather than performed by internal staff.
- Can be incurred for program or administrative reasons and will be identified as such.

Program Costs

- Expenditures made to fulfill the purposes or mission for which the organization exists and are authorized through the program approval process.
- Includes program management, incentives, program staff salaries, planning, evaluation, quality assurance, program-specific marketing and other costs incurred solely for program purposes.
- Can be direct or indirect (i.e. allocated based on program usage.)

Program Delivery Efficiency Measure

The program delivery efficiency measure is a maximum threshold for administrative and program support costs as a percentage of total annual revenues.

Administrative costs adhere to generally accepted accounting practices for nonprofit organizations. Program support costs were defined in coordination with the Oregon Public Utility Commission to enable comparison with other recipients of public purpose funding. For the purposes of this measure, program support costs are defined as program costs, except for direct program costs, in the following areas: program management, program delivery, program incentives, program payroll and related expenses, outsourced services, planning and evaluation services, customer service management and Trade Ally Network management. [source: OPUC Docket No. UM 1158]

Program Delivery Expense

- This includes all Program Management Contract labor and direct costs associated with incentive processing, program coordination, program support, trade ally communications and program delivery contractors.
- Includes contract payments to Northwest Energy Efficiency Alliance for market transformation efforts.
- Includes performance compensation incentives paid to program management contractors under contract agreement if certain incentive goals are met.
- Includes professional services for items such as solar inspections, anemometer maintenance and general renewable energy consulting.

Program Legal Services

- External legal expenditures and internal legal services utilized in the development of a program-specific contract.

Program Management Expense

- PMC billings associated with program contract oversight, program support, staff management, etc.

Program Marketing/Outreach

- PMC labor and direct costs associated with marketing, outreach and awareness efforts to communicate program opportunities and benefits to utility customers and program participants.
- Awareness campaigns and outreach efforts designed to reach participants of individual programs.
- Co-op advertising with trade allies and vendors to promote a particular program benefit to the public.

Program Quality Assurance

- Independent in-house or outsourced services for the quality assurance efforts of a particular program (distinguished from program quality control).

Program Reserves

- Negotiated with utilities annually, with a goal of providing margin of funds above what is needed to fulfill annual budgeted costs. The reserve percent varies by funder. Management may access up to 50% of annual program reserve without prior board approval (resolution / 800 2017).

Program Support Costs

- Source of information is contained in statement of functional expense report.
- Portion of costs in OPUC performance measure.
 - Includes support expenses incurred directly by the program.
 - Includes allocation of shared and indirect costs incurred in the following categories: supplies; postage and shipping; telephone; printing and publications; occupancy expenses; insurance; equipment; travel; business meetings; conferences and training; depreciation and amortization; dues, licenses, subscriptions and fees; miscellaneous expense; and an allocation of information technology department cost.

Project Specific Costs (for Renewable Energy)

- Expenses directly related to identified projects or identified customers to assist them in constructing or operating renewable projects. Includes services to prospective as well as current customers.
- Must involve direct contact with the project or customer, individually or in groups, and provide a service the customer would otherwise incur at their own expense.
- Does not include general program costs to reach a broad (unidentified) audience such as websites, advertising, program development or program management.
- Project specific costs may be in the categories of incentives, staff salaries, program delivery, legal services, public relations, creative services, professional services, travel, business meetings, telephone or Escrow account bank fees.

Project Tracking Projects Forecasting

Information in the Project Tracker system about the timing of future incentive payments, with the following definitions:

- Estimated: Project data may be inaccurate or incomplete. Rough estimate of energy savings, incentives and completion date by project and by service territory.
- Proposed: Project that has received a written incentive offer but no agreement or application has been signed. Energy savings, incentives and completion date to be

documented by programs using this phase. For Renewable projects, this is a project that has received board approval.

- Accepted: Used for renewable energy projects in second round of application; projects that have reached a stage where approval process can begin.
- Committed: Project that has a signed agreement or application reserving incentive dollars until project completion. Energy savings/generations, incentives and completion date by project and by service territory must be documented in project records and in Project Tracker. If project not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Dedicated: Renewable project that has been committed, has a signed agreement, and if required, has been approved by the board of directors.

Reserves

- In any one year, the amount by which revenues exceed expenses for that year in a designated category that will be added to the cumulative balance and brought forward for expenditure to the next budget year.
- In any one year, if expenditures exceed revenues, the negative difference is applied against the cumulative carryover balance.
- Does not equal the cash on hand due to noncash expense items such as depreciation.
- Tracked by major utility funder and at high level program area (by energy efficiency or renewable energy); not tracked by program.

Savings Types

- **Working Savings/Generation:** The estimate of savings/generation that is used for data entry by program personnel as they approve individual projects. They are based on deemed savings/generation for prescriptive measures and engineering calculations for custom measures. They do not incorporate any evaluation or transmission and distribution line loss factors.
- **Net Savings/Generation:** The estimate of savings/generation that is used for budgeting and reporting through 2019. This includes transmission and distribution line loss factors, and evaluation factors of free riders, spillover and savings realization rates. These values are updated annually and are subject to revision each year during the true-up resulting from new information or identified errors. After 2019, the use of net savings will be retired.
- **Gross Savings/Generation:** The estimate of savings from program participants, irrespective of free riders or spillover. Gross is adopted as the standard method of budgeting and reporting beginning in 2020. Where 2020 is compared to earlier years, those years will likewise be restated from net to gross for comparability. These values are also subject to annual updates during true-up resulting from new information or identified errors.
- **Savings Realization Adjustment Factors (SRAF):** Savings realization adjustment factors are applied to electric and gas working savings measures in order to reflect more accurate savings information through the benefit of evaluation and other studies. These factors are determined by Energy Trust and used for annual contract amendments. The factors are determined based on the best available information from:
 - Program evaluations and/or other research that account for free riders and spillover effects (through 2019 only), and savings realization rates; and
 - Published transmission and distribution line loss information resulting from electric measure savings.

Total Program and Administrative Expenses (line item on income statement)

- Used only for cost-effectiveness calculations, leveled cost calculations and in management reports used to track funds spent/remaining by service territory.

- Includes all costs of the organization--direct, indirect and an allocation of administration costs to programs.
- Should not be used for external financial reporting (not GAAP).

Total Program Expenses (line item on income statement)

- All indirect costs have been allocated to program costs with the exception of administration (management and general costs and communications and outreach).
- Per the requirements of Generally Accepted Accounting Principles (GAAP) for nonprofits, administrative costs should not be allocated to programs.
- There is no causal relationship—costs would not go away if the program did not exist.

Trade Ally Programs and Customer Service Management

- Costs associated with Energy Trust sponsorship of training and development of a Trade Ally Network for a variety of programs.
- Trade ally costs are tracked and allocated to programs based on the number of allies associated with that program.
- Costs in support of assisting customers which benefit all Energy Trust programs such as call center operations, customer service manager, complaint handling, etc.
- Customer service costs are tracked and allocated based on number of calls into the call center per month.

True Up

- True-up is an annual process where we adjust and correct prior years' energy savings and renewable generation to reflect everything we've learned about how much energy programs actually save or generate. This information is used to update our reports of historic performance and our software tools for forecasting and analyzing future savings.
- Information incorporated includes improved engineering estimates of savings , corrections to identified transaction errors, anticipated results of future evaluations based on what prior evaluations of similar programs have shown (anticipated evaluation factor) applied to future or current years savings, and results from actual evaluations of the program and the year of activity in question (evaluation factor).
- Results are incorporated in the annual report (for the year just past) and the true-up report (for prior years).
- Sometimes the best data on program savings or generation is not available for 2-3 years, especially for market transformation programs. So for some programs, the savings are updated through the annual true-up 2 or 3 times.