



# Energy Trust of Oregon

## 2020 Annual Budget and 2020-2021 Action Plan

### FINAL PROPOSED

**Presented to the Board of Directors  
December 13, 2019**

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# **FINAL PROPOSED 2020 Annual Budget and 2020-2021 Action Plan**

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# MEMO

**Date:** December 6, 2019  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Final Proposed 2020 Budget and 2020-2021 Action Plan

I am pleased to present to you Energy Trust of Oregon's Final Proposed 2020 Budget and 2020-2021 Action Plan, which will be the focus of our December 13 board meeting.

In the materials that follow, a handout and presentation summarize the 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 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 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 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.

After board consideration on December 13, 2019, a Final 2020 Annual Budget and 2020-2021 Action Plan will be submitted to the OPUC by year-end and posted online at [www.energytrust.org/budget](http://www.energytrust.org/budget).

I look forward to our discussion next week and welcome your comments and questions.

Thank you,



Michael T. Colgrove, Executive Director

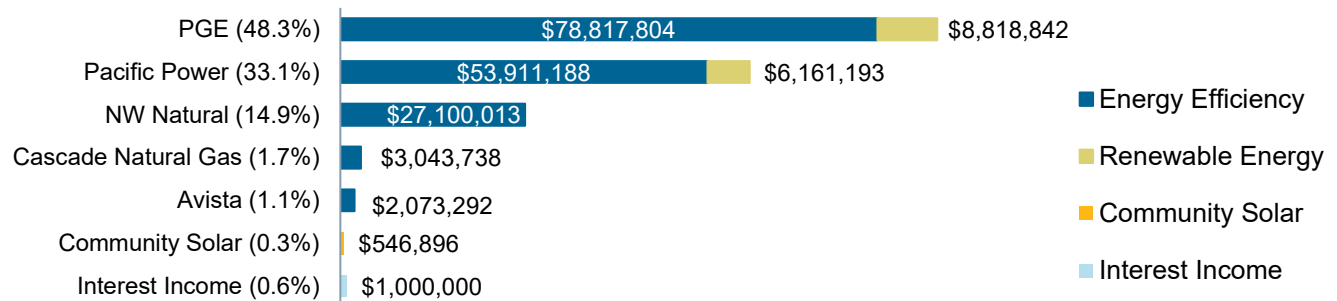
## 2020 Budget Overview

### Investing \$204.6 Million to Deliver Significant Benefits

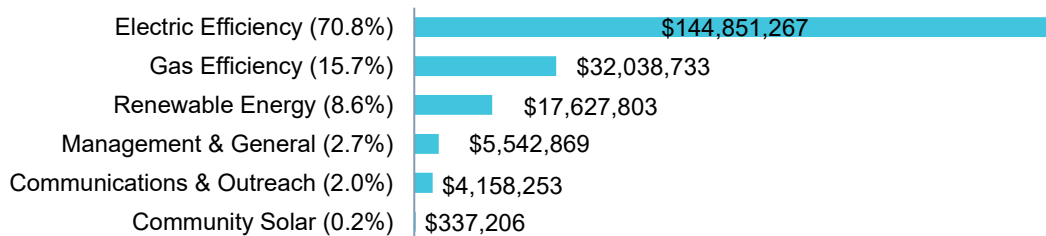
- Participants save \$591 million on their utility bills over time from projects completed in 2020
- Energy saved at a cost of 3.6 cents/kWh and 39 cents/therm, a fraction of the cost of supply side resources
- Jobs, wages and business income added to the local economy
- Air quality improvements from 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)<sup>1,2</sup>

#### Annual Revenue: \$181.5 Million

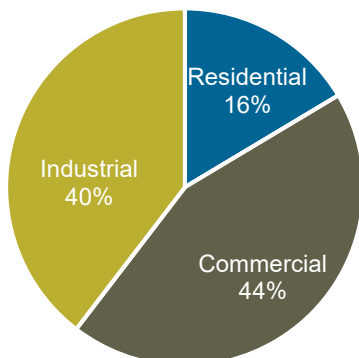


#### Annual Expenses: \$204.6 Million



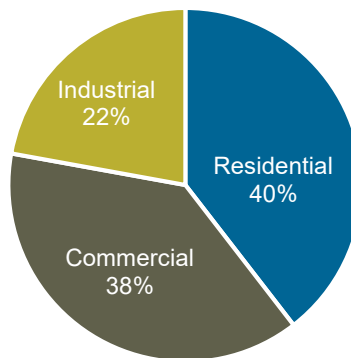
### Energy Efficiency and Generation Targets (Oregon and Southwest Washington)<sup>3</sup>

#### Electric savings 45.4 aMW



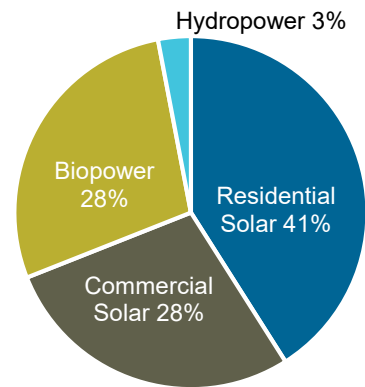
**Residential:** 7.4 aMW; 5.6 cents/kWh  
**Commercial:** 20.0 aMW; 3.9 cents/kWh  
**Industrial:** 17.9 aMW; 2.5 cents/kWh

#### Natural gas savings 6.9 MMTh



**Residential:** 2.73 MMTh; 41.5 cents/therm  
**Commercial:** 2.62 MMTh; 44.9 cents/therm  
**Industrial:** 1.51 MMTh; 23.3 cents/therm

#### Renewable generation 3.27 aMW



**Solar:** 2.2 aMW  
**Biopower:** 0.9 aMW  
**Hydropower:** 0.1 aMW

<sup>1</sup> Reserve funds will be used where planned expenses exceed anticipated revenue.

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

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

## 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 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. Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input

Focus areas include:

- Coordinating with utility efforts in communities
- Building communities and community-based organization capacity
- Strengthening internal capabilities to support community efforts
- 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 approach
- 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

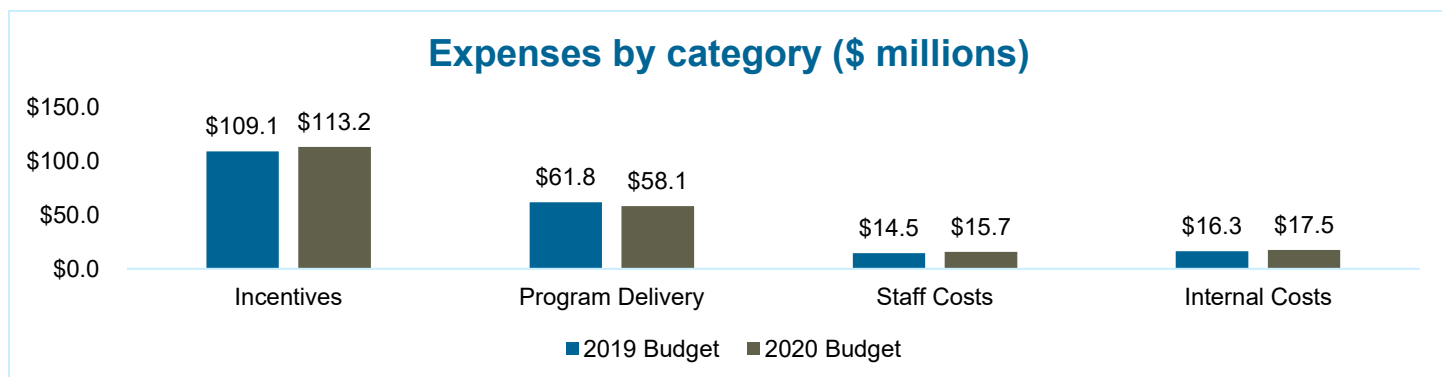
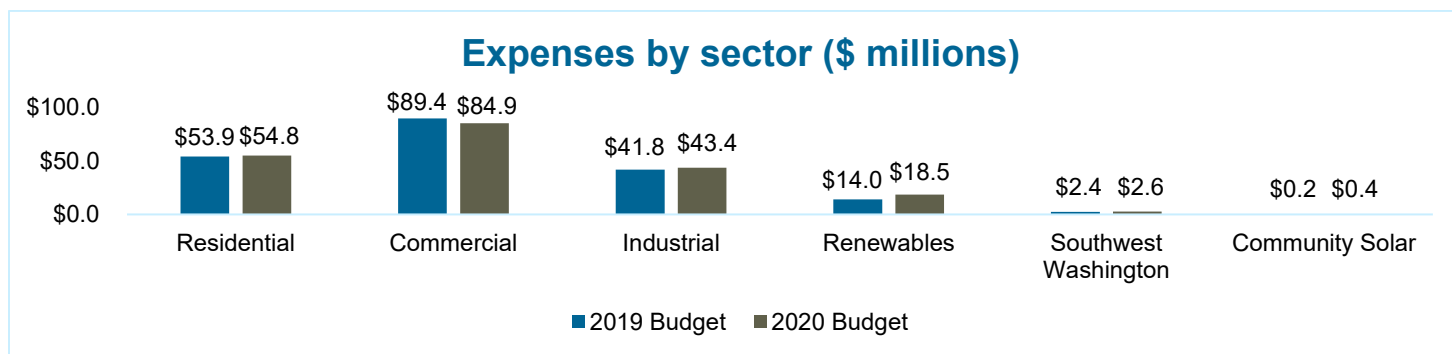
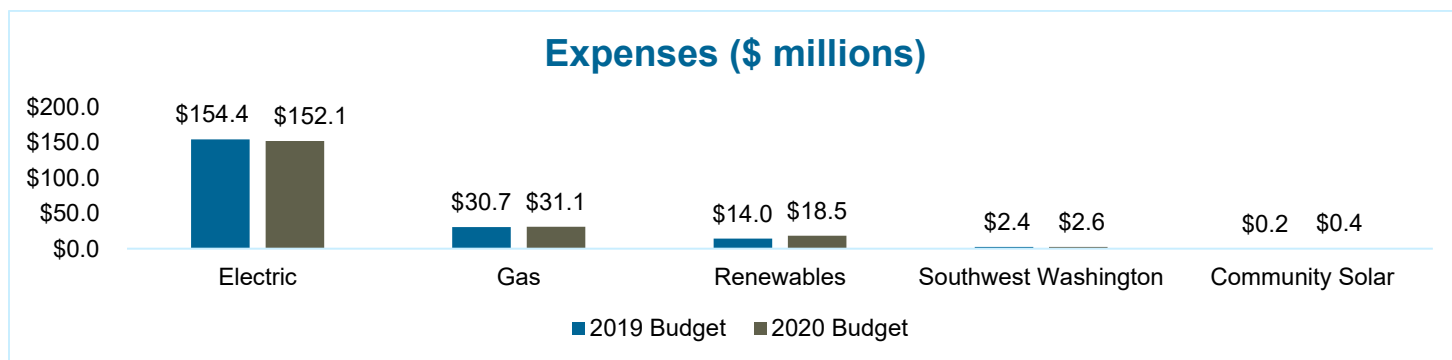
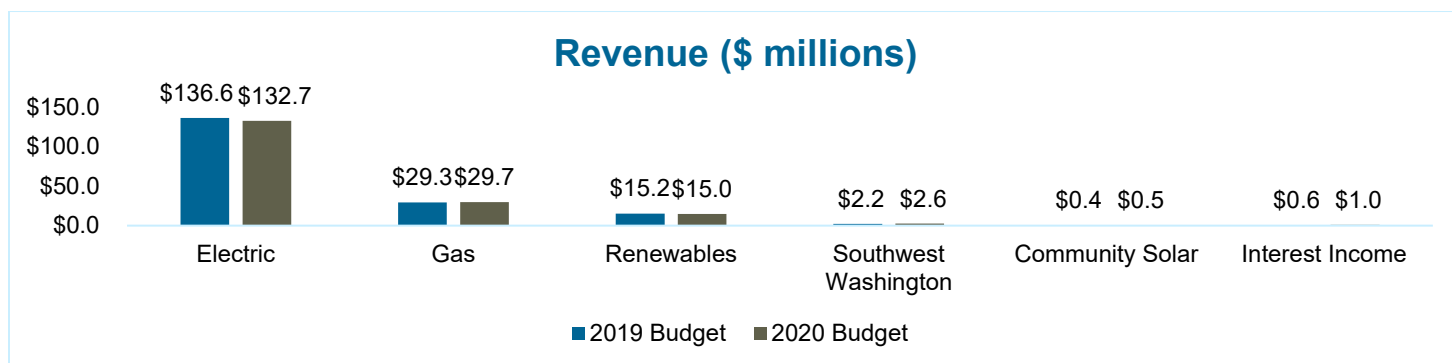
## Budget Process and Public Engagement

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](http://www.energytrust.org/budget).

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

- Revenues down slightly, decreasing 1.5% compared to the 2019 budget
- Expenses up slightly, increasing 1.4% over the 2019 budget
- Compared to 2019, staffing and internal costs are up slightly. Both remain low compared to the overall budget.



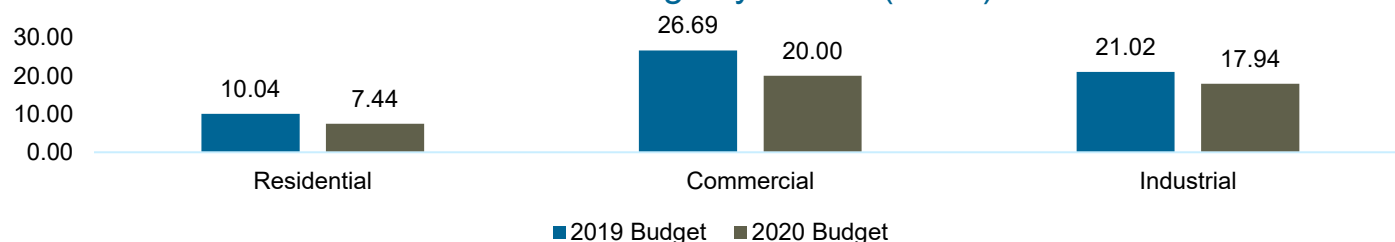
Staffing costs and internal costs include a portion of Community Solar Program expenses.

## Year-to-year Comparison of Budgeted Savings, Generation, Levelized Costs (Oregon and Washington)<sup>4</sup>

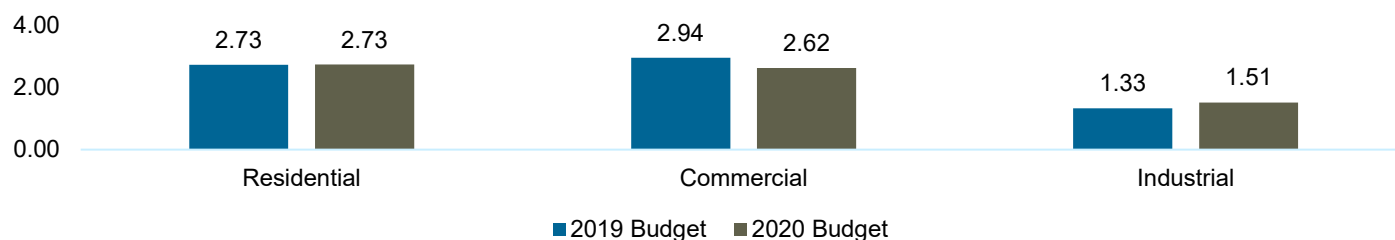
	Electric Savings (aMW)	Gas Savings (MMTh)	Electric Generation (aMW)
2019 Budget	57.7	7.0	2.25
2020 Budget	45.4	6.9	3.27
% change	-21%	-2%	45%

	Electric Levelized Cost (cents/kWh)	Gas Levelized Cost (cents/therm)
2019 Budget	2.9	35.3
2020 Budget	3.6	39.0

### 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 resource demands for diversity, equity and inclusion initiatives and project management.

2020 Administrative and Program Support Costs (\$13.8 million)	Current OPUC Performance Measure Compliance
✓7.8% of annual revenues	<8% of annual revenues
✓4.6% year-over-year increase	<10% year-over-year increase

2020 Staffing Costs (\$15.0 million)	Current OPUC Performance Measure Compliance
✓7.3% year-over-year increase	<9% year-over-year increase

<sup>4</sup> All savings are in gross.

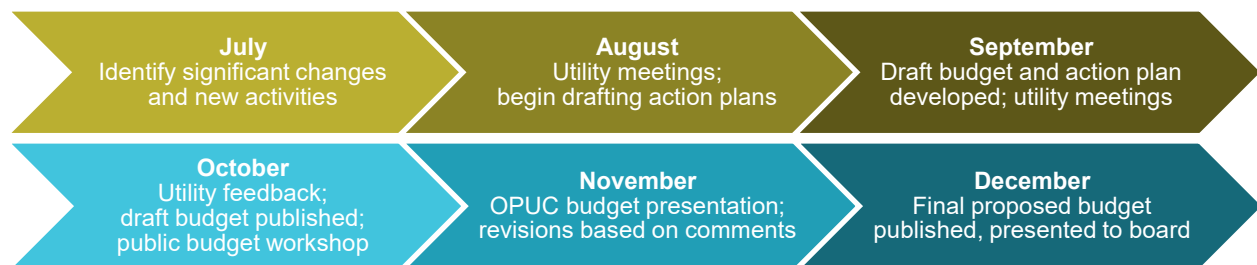
## Frequently Asked Questions: Energy Trust Annual Budget and Two-Year Action Plan

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### 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 (IRP) serve as primary building blocks for the budget.

Annually starting in July and continuing through December, we work with Portland General Electric (PGE), Pacific Power, NW Natural, Cascade Natural Gas, Avista and our Conservation Advisory Council to build action plans and identify the amount of energy efficiency that can be cost-effectively acquired in the coming year. We also work to determine planned renewable energy generation and project development within PGE and Pacific Power territories and obtain input from our Renewable Energy Advisory Council. In October and November, we post our draft budget online and present it publicly to our board of directors, stakeholders and OPUC. 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 and Renewable Energy Advisory Council meetings are posted on our website in advance of each meeting and every meeting invites public comment. The OPUC hearing is also open to the public.

Written public comments were due to Energy Trust on Wednesday, October 30. Comments were invited by email at [info@energytrust.org](mailto:info@energytrust.org), and by mail or in person at 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 and a variety of stakeholders and utility customers. Public comment was actively sought through our website and public meetings.

Comments received during the outreach period were summarized, with many incorporated into the 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](http://www.energytrust.org/budget) to find the final proposed budget and action plans. Budget presentations and materials delivered at board and advisory council meetings are available at [www.energytrust.org/about/public-meetings](http://www.energytrust.org/about/public-meetings).

**What do you take into account 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 and the most recent studies produced by the Northwest Power and Conservation Council, which identify energy efficiency and renewable energy potential throughout the Pacific Northwest. These resources drive 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 on-the-ground contractors and customers, and input from our partner utilities, two 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.

**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. For instance, administrative and program support costs must be below 8 percent of annual revenues, and we must receive an unmodified financial opinion on annual, independently audited financial statements. 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, and updated evaluation factors are applied to our results during an annual true-up process.

**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.



# Final Proposed 2020 Annual Budget and 2020-2021 Action Plan

December 13, 2019





# Presentation Outline

- Forecasted 2019 results
- Final proposed 2020 budget
- Public comments summary
- Final proposed 2020 budget and metrics detail
- Summary
- Budget resolution

# Projected 2019 Results

- Forecasting to fall short of electric and gas savings goals
  - Will exceed OPUC minimum performance metrics for savings
- Renewable generation will exceed goals
- Expenditures below budget, matching savings trend
- On track for exceeding all 5-year strategic plan goals
- Reserves above targets; planned 2020 revenue reductions will correct



# 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





# Final Proposed 2020 Budget Summary

- Investing \$204.6 million of utility customer funds
- Saving 45.4 aMW and 6.9 MMTh
- Delivering highly cost-effective energy
  - 3.6 cents/kWh levelized
  - 39 cents/therm levelized
- Generating 3.27 aMW
- Distributing \$113.2 million in incentives; 55% of total expenditures
- Administrative costs at 4.7%\*

*aMW: average megawatts (of electricity)*

*MMTh: million annual therms (of natural gas)*

*\*Costs for Management and General, Communications and Outreach*

# Adjustments from Draft to Final Proposed Budget

- Revisions to Goal 2 to reflect stakeholder engagement
- Revenue updated to reflect funding agreements
- Action plans largely the same; we will keep comments in mind as we proceed
- Programs made minor budget adjustments, corrections
- NEEA gas savings incorporated
- Savings decreased 0.5% for electric; increased 0.4% for gas
- Generation decreased 2.6%
- Expenditures increased 1%, overall
- Revenue adjusted and finalized with each utility based on updated forecast and reserves

# Highlights of Changes to Draft Budget

	Draft Budget	Final Proposed Budget	Change	% Change
Revenues	\$182.3 million	\$181.5 million	-\$0.8 million	-0.5
Expenditures	\$202.5 million	\$204.6 million	\$2.1 million	1.0
Gas Savings	6.84 MMTh	6.87 MMTh	0.02 MMTh	0.4
Electric Savings	45.6 aMW	45.4 aMW	-0.2 aMW	-0.5
Gas Levelized Costs	37.91 cents/Th	39 cents/Th	1 cents/Th	2.9
Electric Levelized Costs	3.61 cents/kWh	3.64 cents/kWh	0.03 cents/kWh	0.9
Generation	3.4 aMW	3.3 aMW	-0.1 aMW	-2.6
Staffing Costs	\$15.7 million	\$15.7 million	\$3,031	-
Administrative Costs*	\$9.6 million	\$9.7 million	\$90,086	0.9

aMW: average megawatts  
MMTh: million annual therms  
Th: annual therms

\* Costs for Management and General, Communications and Outreach



# 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**



# Customer Benefits from 2020 Investments

- \$591 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 41,560 homes and heat 13,540 homes

# Summary of Public Comments

# Public Budget Workshop Feedback

- High level of support for the budget
- Appreciative of shorter action plans and 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





# OPUC Comments Highlights

- Decrease transaction costs for high-volume activities through employing new technologies and automation
- Continue to work with OPUC on future staffing costs as savings continue to decline
- Prioritize residential and multifamily programs, focusing on pilot studies and program re-design
- Report on DEI initiative progress and co-funding opportunities
- Incorporate a longer-range forecast into reporting on activities for the Community Solar program
- Complete implementation of new budget tool and measure development automation

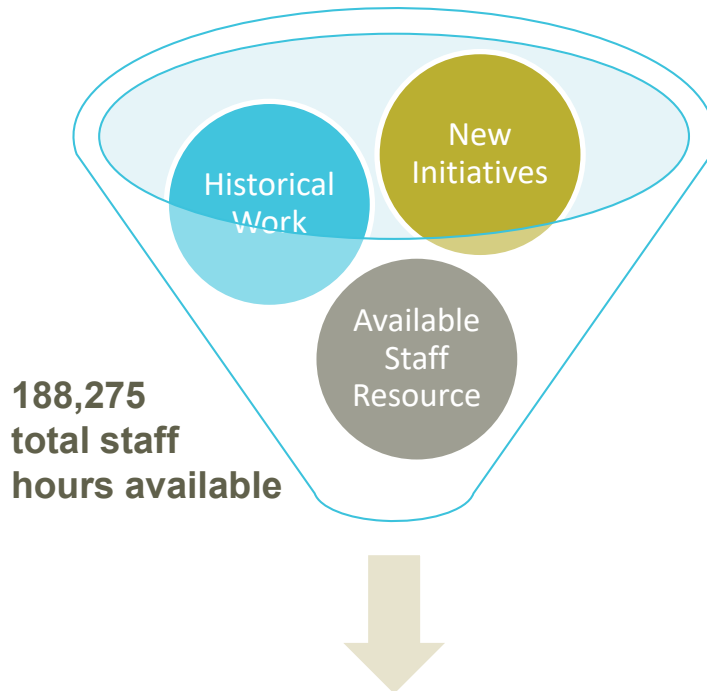
# Utility Comments Summary

- General support
- Support diversity, equity and inclusion initiative and collaboration to deliver benefits to more customers
- Encouraged coordination, alignment with IRPs, and monitoring levelized costs
- Support for prioritizing innovation in areas of specific interest to each utility
- Funding to community energy initiatives should be tied to acquiring savings and renewable energy



# Board Comments – Business Planning

106 continuing and 69 new initiatives considered



## 2020 Business Plan

187,994 staff hours allocated (99%)

152 initiatives approved:

49 new (17%)

103 continuing (82%)

## 2020 Reductions:

Scaled back from prior year:

- CAC and RAC meeting support
- Web tool development
- Business Planning
- Project Tracker, CRM, and data warehouse enhancements
- Strategic Plan dashboard
- Evaluations
- Trade Ally online enrollment enhancements
- Solar Trade Ally star rating updates
- Avoided cost analysis
- Board recruitment support

Delayed:

- Other RE project optimization initiative

Cancelled:

- Staff career development planning tool
- Trade Ally Portal

# Final Proposed 2020 Budget and Metrics Detail



# 2020 Final Proposed Annual Goals

**1** Meet savings targets of 45.4 aMW and 6.9 million annual therms, meet the generation target of 3.3 aMW, and create future opportunities

**2** Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input

**3** Provide information to policymakers, agencies and implementers

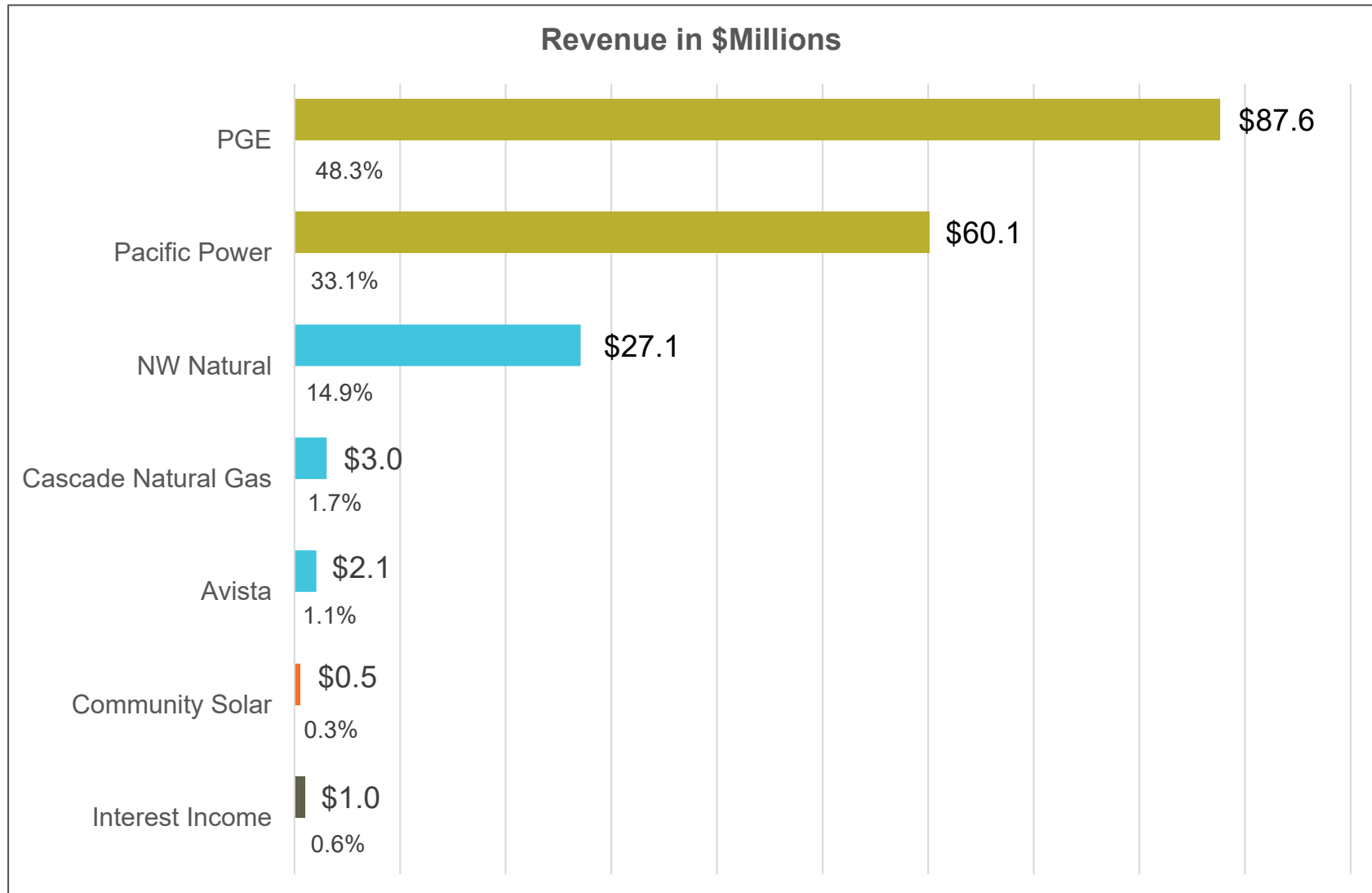
**4** Strengthen internal innovation capabilities and develop new proposals

**5** Make operational improvements

*Additional detail for each 2020 goal is provided in the supplemental section starting on slide 53*

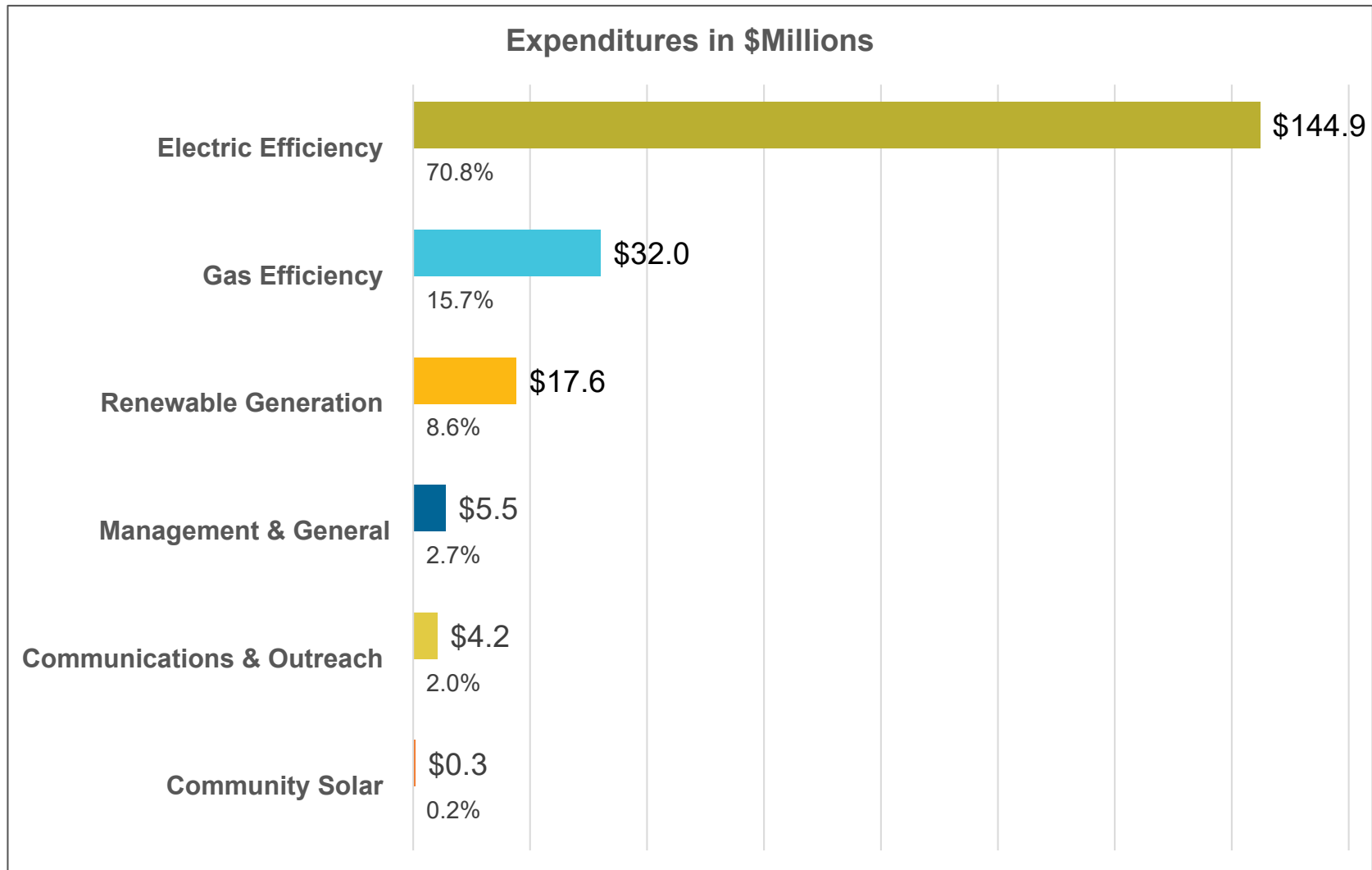
# 2020 Final Proposed Budget Revenue

\$181.5 million, down 1.5% from 2019 budget



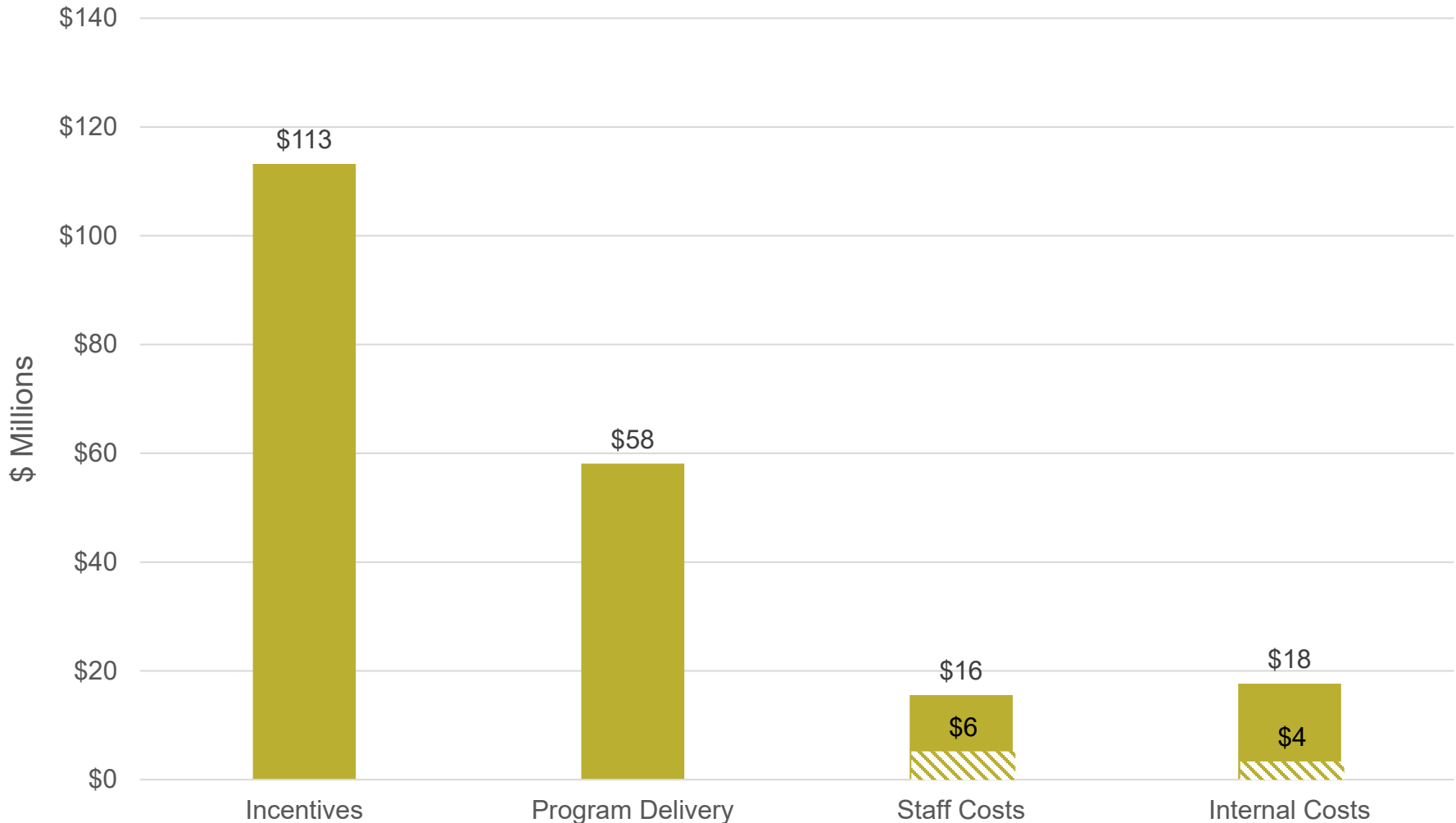
# 2020 Final Proposed Budget Expenditures

\$204.6 million, up 1.4% from 2019 budget



*The 2020 budget utilizes reserves to cover planned expenses in excess of anticipated revenue*

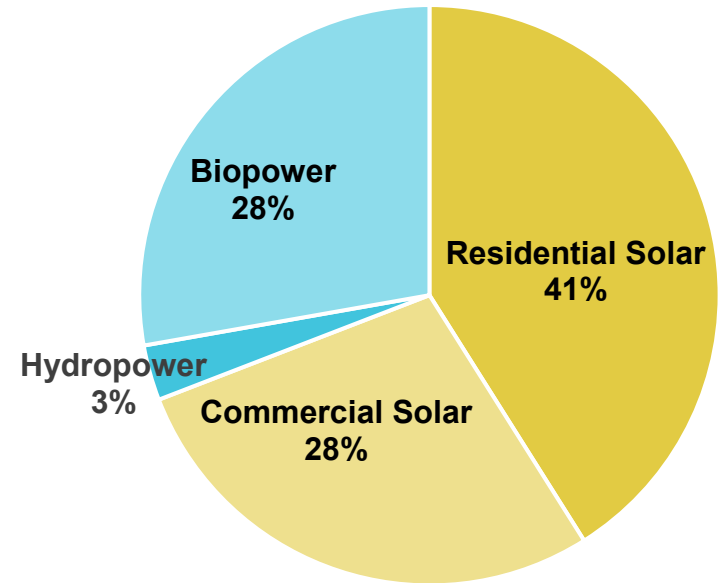
# 2020 Final Proposed Budget Expenses by Category



*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 Final Proposed Renewable Generation

- Generation up 45%
- \$18.45 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



**3.27 aMW generation**



# Community Solar Program

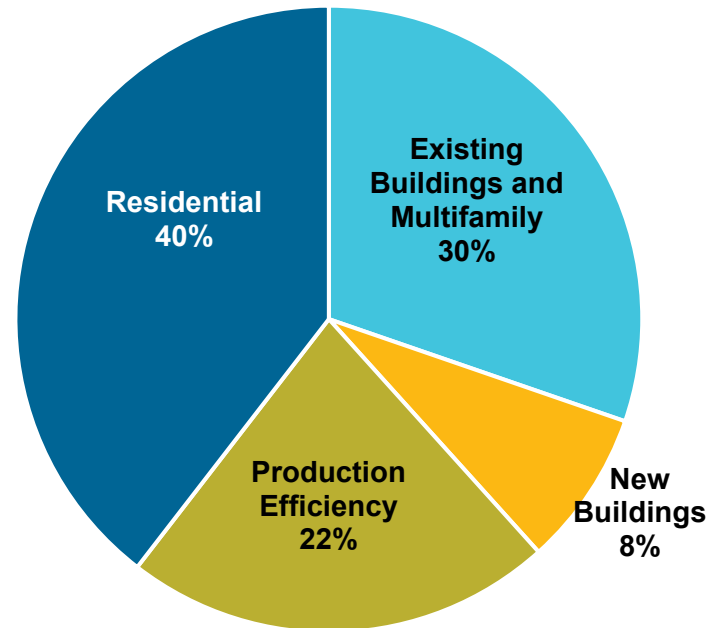
- First full year after launching in Q4 2019
- Subcontract to Energy Solutions for program development and delivery
  - Work is funded by new revenue separate from the public purpose charge
  - Results in small increase in net assets

No generation yet  
\$352,716 in total costs



# 2020 Final Proposed Natural Gas Savings by Program

- Savings down 2%
- \$33.64 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



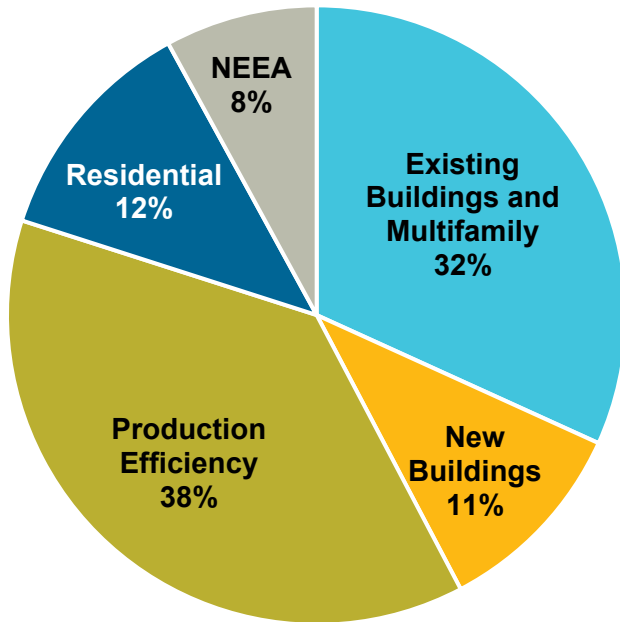
**6.9 MMTh savings  
39 cents/therm**

*MMTh: million annual therms*

*Cost per therm is levelized*

*Comparisons are final proposed 2020 budget to 2019 budget*

# 2020 Final Proposed Electric Savings by Program



**45.4 aMW savings**  
**3.6 cents/kWh**

- Savings down 21%
- \$152.1 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*

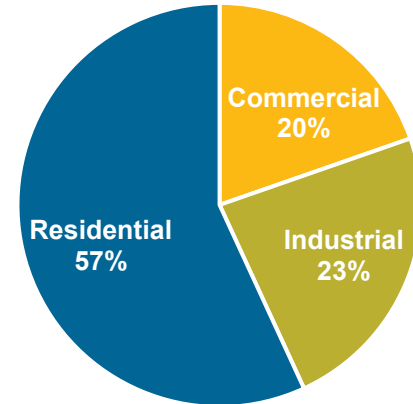
*Cost per kWh is levelized*

*Comparisons are final proposed 2020 budget to 2019 budget*



# 2020 Final Proposed NEEA Savings

- Electric savings down 40%
  - Codes and standards cycle completion (66%)
  - Battery charger savings fully phased out (16%)
  - Drop in new construction activity (10%)
  - Updated ductless heat pump savings factors (5%)
  - Minor savings reductions in other areas (3%)
- Gas is new to portfolio; not yet producing volume savings
- \$8.2 million in total costs for market transformation
- NEEA entering first phase of new business plan cycle
- Continuing to identify and assess new emerging technologies



Electric:  
3.4 aMW savings  
2.7 cents/kWh

Gas:  
22,688 therms

98% Residential  
2% Commercial

# 2020 Utility Savings & Generation Summary

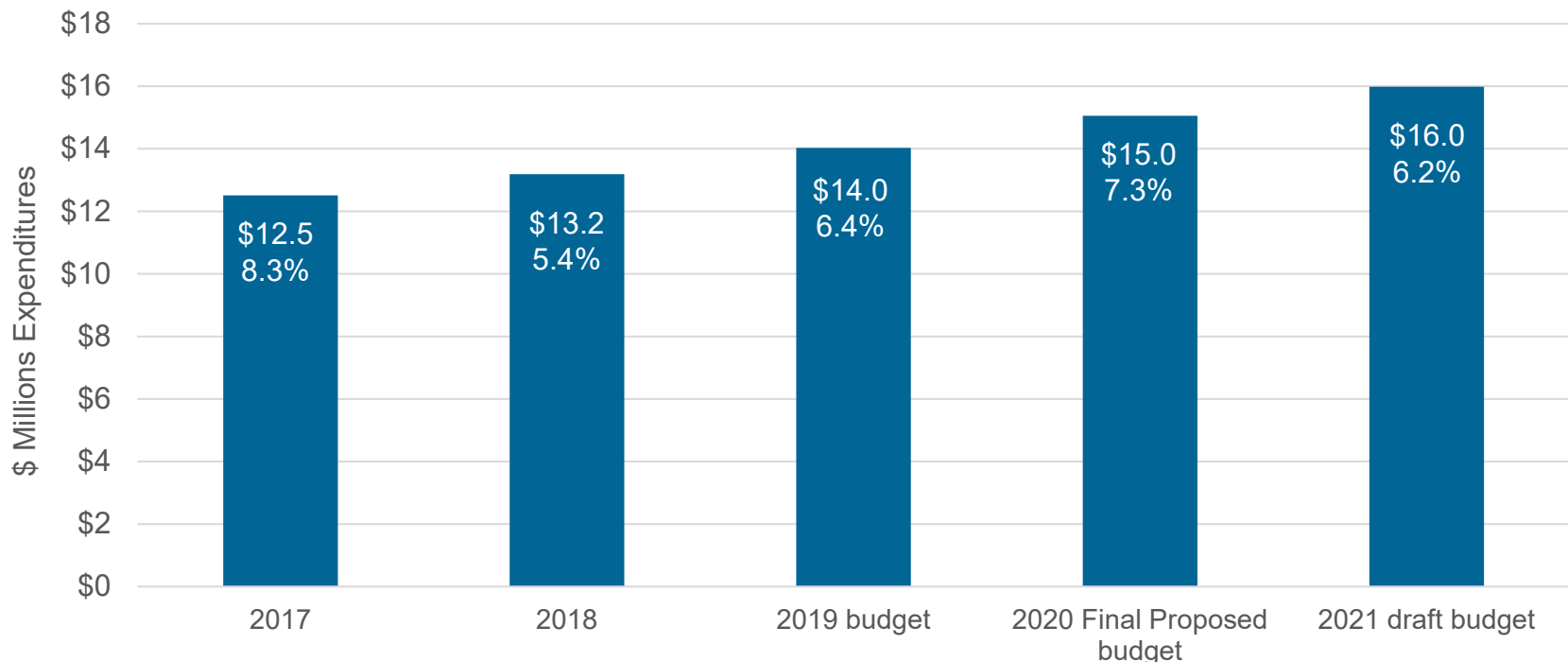
	2019 Budget Savings & Generation (aMW or MMTh)	2019 Budget (\$ Million)	2020 Budget Savings & Generation (aMW or MMTh)	2020 IRP Target (aMW or MMTh)	2020 Budget (\$ Million)	2020 Budget Levelized Cost (per kWh or therm)
<b>PGE (Efficiency)</b>	36.35	\$96.09	27.40	30.45*	\$90.30	3.6¢
<b>Pacific Power (Efficiency)</b>	21.40	\$58.29	17.98	19.22*	\$61.81	3.8¢
<b>NW Natural (OR)</b>	5.68	\$26.05	5.59	6.02	\$25.83	37.4¢
<b>NW Natural (WA)</b>	0.37	\$2.43	0.34	0.38	\$2.58	54.5¢
<b>Cascade Natural Gas</b>	0.55	\$2.74	0.55	0.62	\$3.36	48.0¢
<b>Avista</b>	0.39	\$1.87	0.39	0.31	\$1.87	35.3¢
<b>PGE (Renewable)</b>	1.22	\$6.61	2.25	n/a	\$10.42	4.1¢
<b>Pacific Power (Renewable)</b>	1.03	\$7.44	1.02	n/a	\$8.03	6.9¢

MMTh: million annual therms  
aMW: average megawatts  
Gross savings

\*Pending OPUC acknowledgement

# Staffing Costs Subject to OPUC Performance Measure

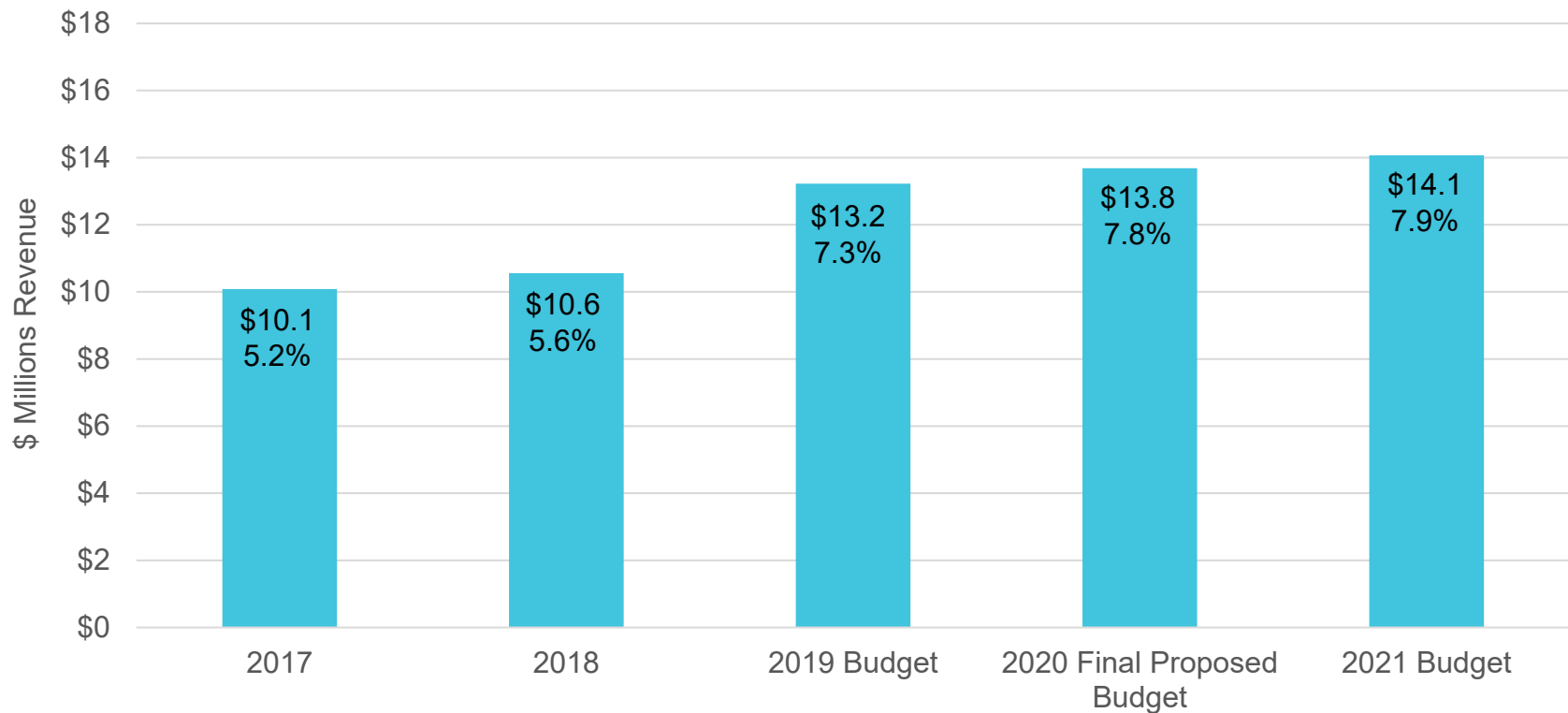
- Staffing costs below current OPUC performance measure (annual increase limited to 9%; costs as percentage of expenditures)
- Increases due to healthcare costs, compensation adjustments, a new DEI Lead and a part-time project manager
- Chart shows staffing costs and percent increase over prior year



*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 4.6% 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 four 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



# Utility Rate Information

	PGE	Pacific Power	NW Natural	Cascade Natural Gas	Avista
Estimated incremental collection adjustment	-\$3.2M	\$0	-\$3.2M	-\$0.50M	\$0
Estimated PPC* for Energy Trust efficiency only	4.3%	4.3%	3.7%	4.9%	2.7%
Estimated PPC* for Energy Trust efficiency and renewable generation	4.8%	4.8%	N/A	N/A	N/A
Estimated total PPC* ( <i>electric utilities only: includes schools, low-income and Energy Trust</i> )	5.6%	5.6%	3.7%	4.9%	2.7%
Anticipated effective date, pending OPUC action	Jan. 1	Jan. 1	Jan. 1	Dec. 1	Jan. 1

\*Public Purpose Charge (PPC) is a percentage charge on utility customer bills.

Note: PPC rates shown above are based on best available estimates at time of Final Proposed Budget publication. Actual rates may vary. These estimated rates do not include utility administered low-income program funds.

# Final Proposed 2021 Budget Projection

- Expenditures to decrease 7.4%
- Electric savings to decrease 8.3%
  - Levelized costs to decrease by 0.6%; from 3.64¢/kWh to 3.62¢/kWh
- Gas savings to increase 5%
  - Levelized costs to decrease by 5%; from 39¢/therm to 37¢/therm
- Renewable generation to decrease 16%

# 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

# Questions and Discussion

Staff recommends the Board of Directors adopt Resolution 0855:

**The Final Proposed 2020 Budget,  
2021 Projection and  
2020-2021 Action Plan**







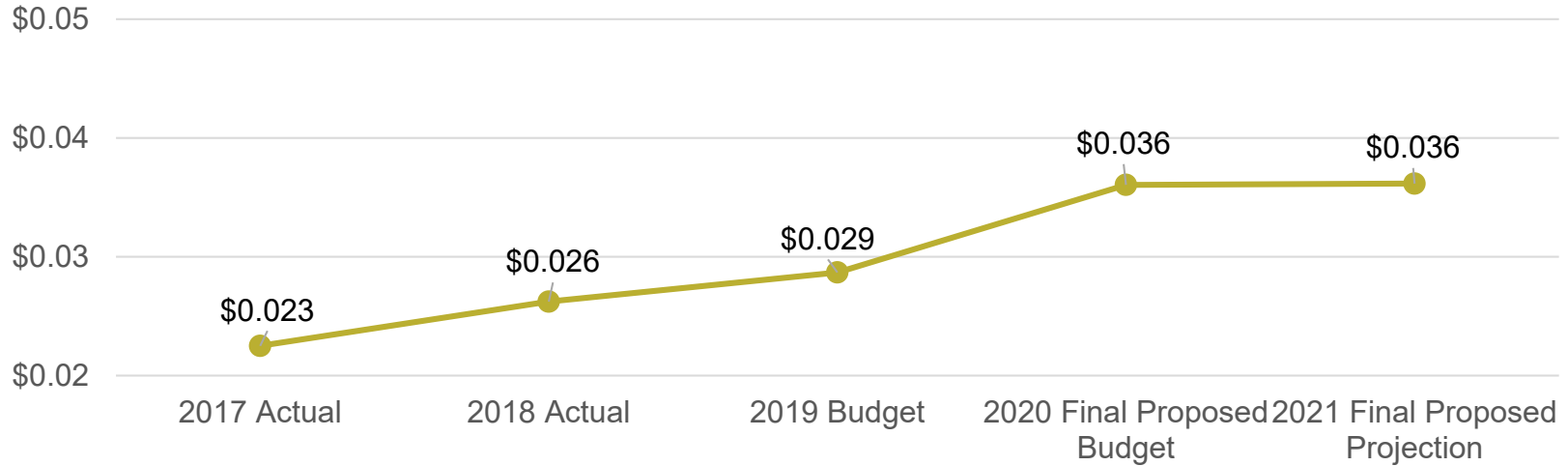
# Thank You

[www.energytrust.org/budget](http://www.energytrust.org/budget)  
1.866.368.7878

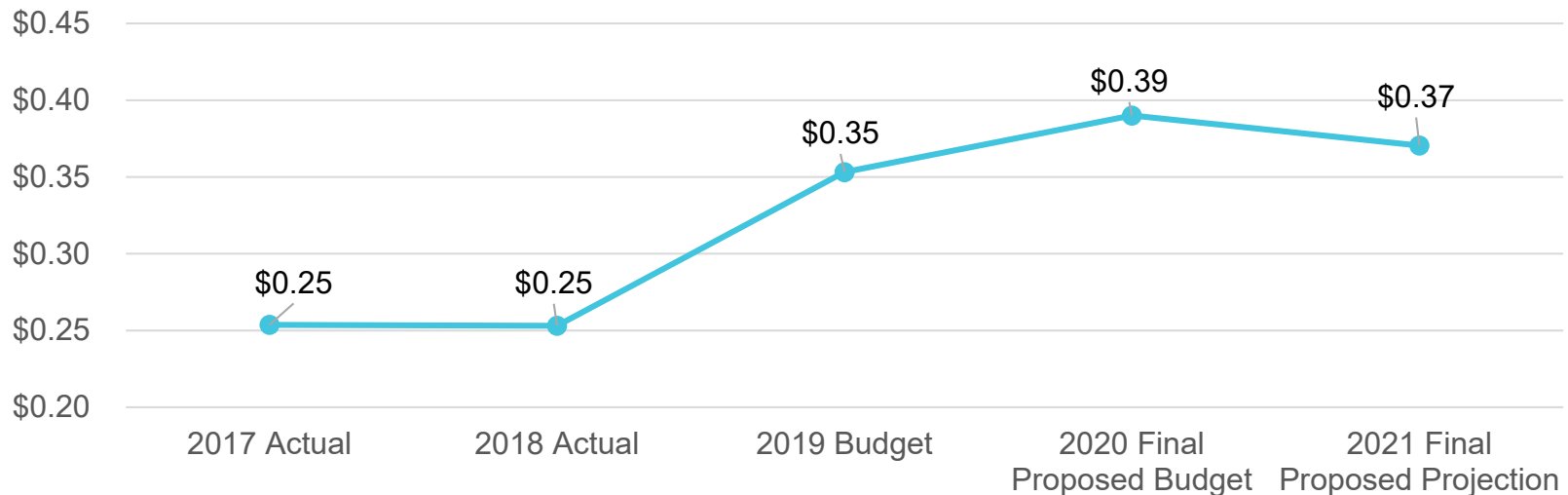
# Supplemental Information

# Levelized Cost Trends

Total Electric Levelized Cost (\$/kWh)



Total Gas Levelized Cost (\$/therm)





# Gas Savings and Cost Trends by Sector

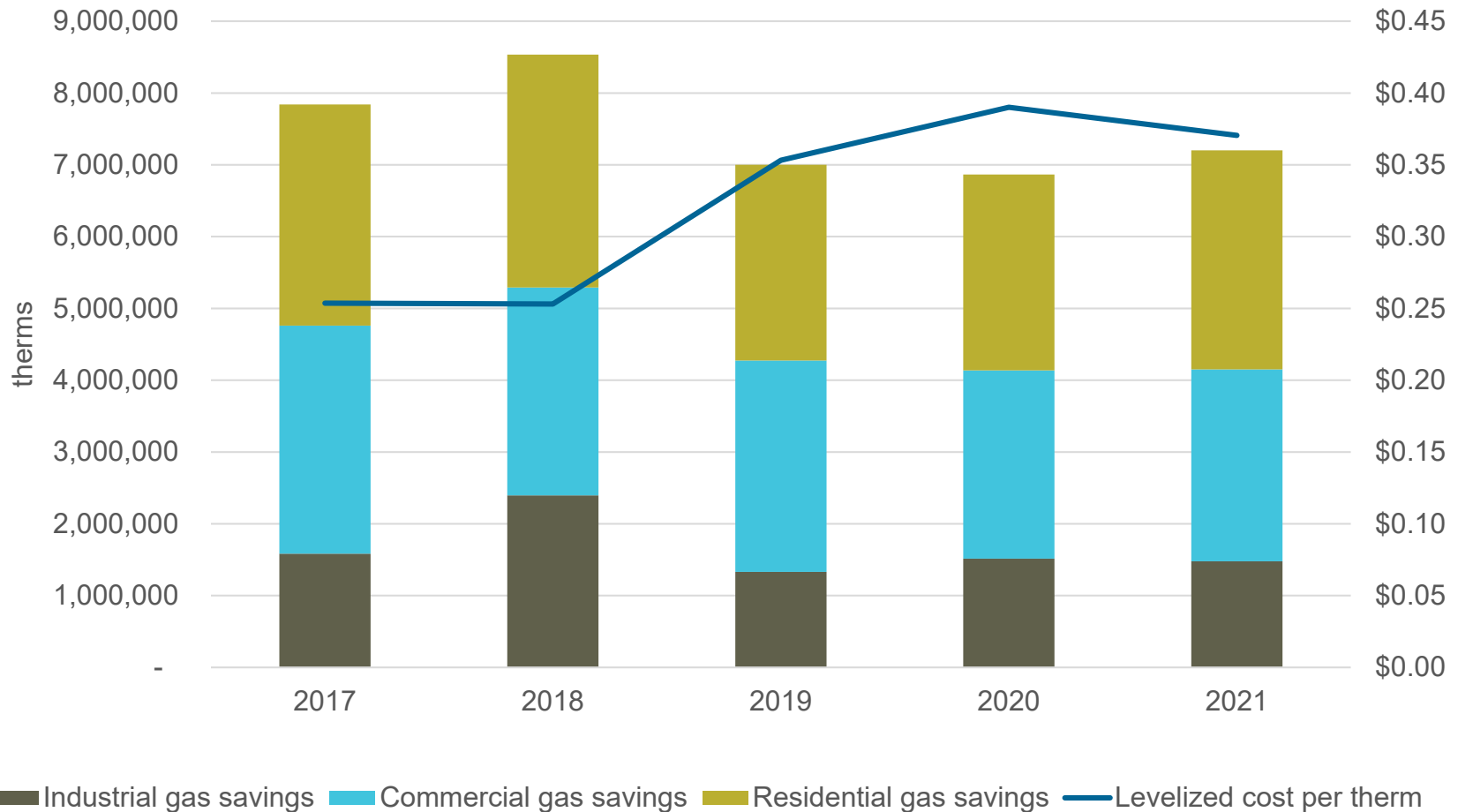


Chart shows 2017-2018 actuals, 2019 budget, 2020 final proposed budget and 2021 budget

# Electric Savings and Cost Trends by Sector

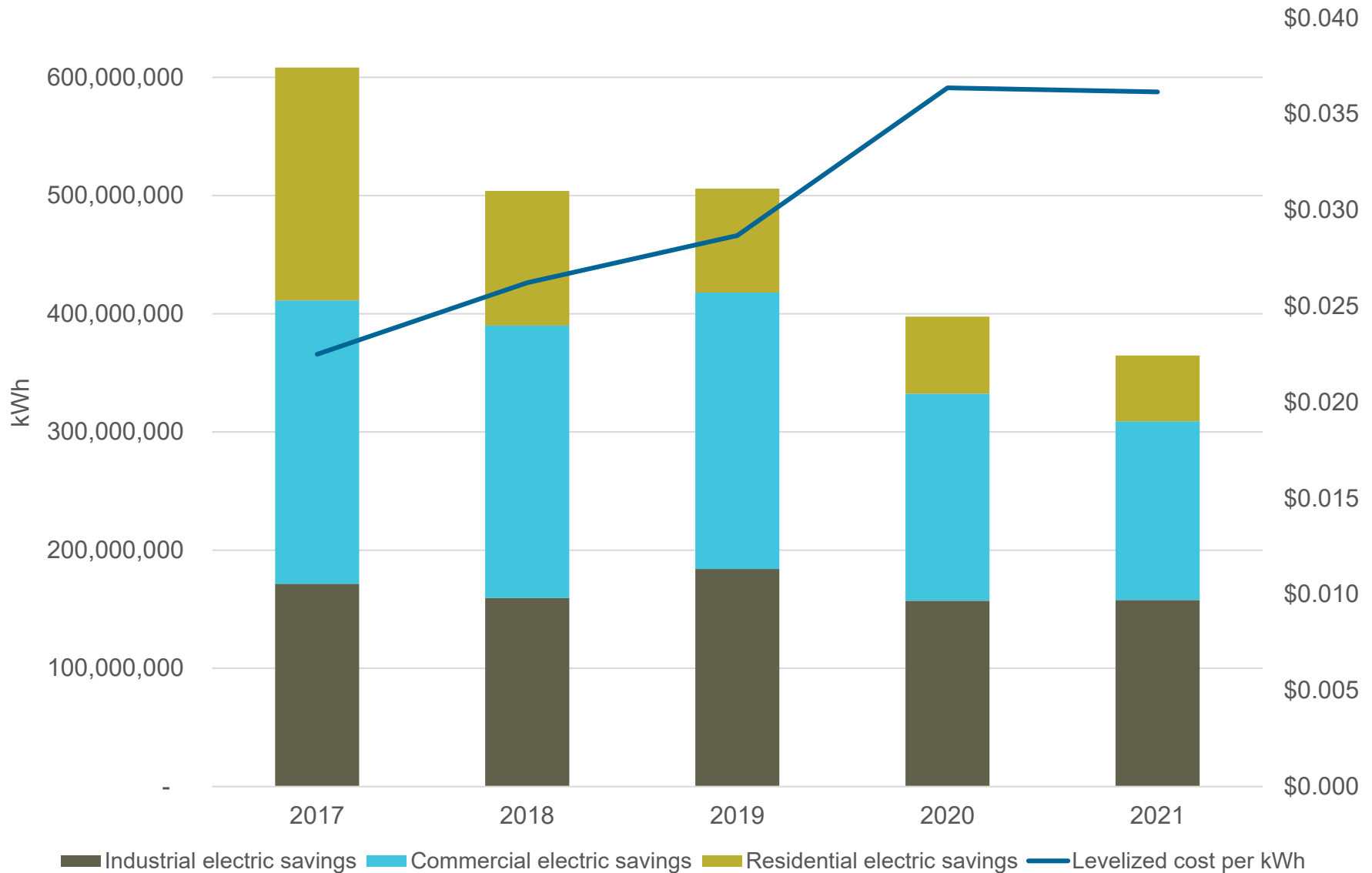


Chart shows 2017-2018 actuals, 2019 budget and final proposed 2020 and 2021 budget

# Action Plan Overview

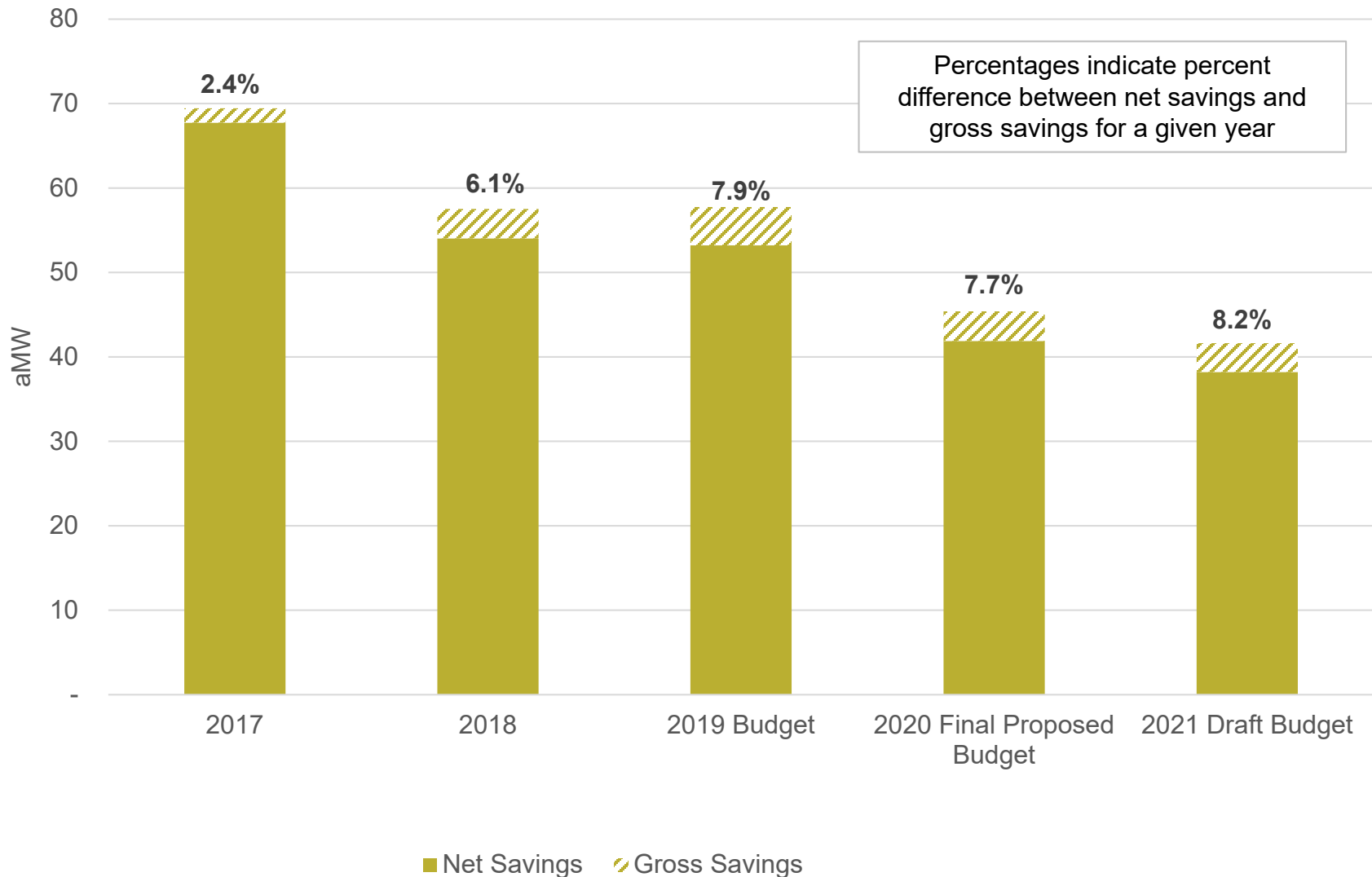
- All program and support strategies link to 2020 goals; highlighted in action plan document
- Some continued common themes:
  - Engaging new and underserved customers with focus on small businesses, affordable housing, low- and moderate-income, renters, rural areas and communities of color
  - Evolving 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

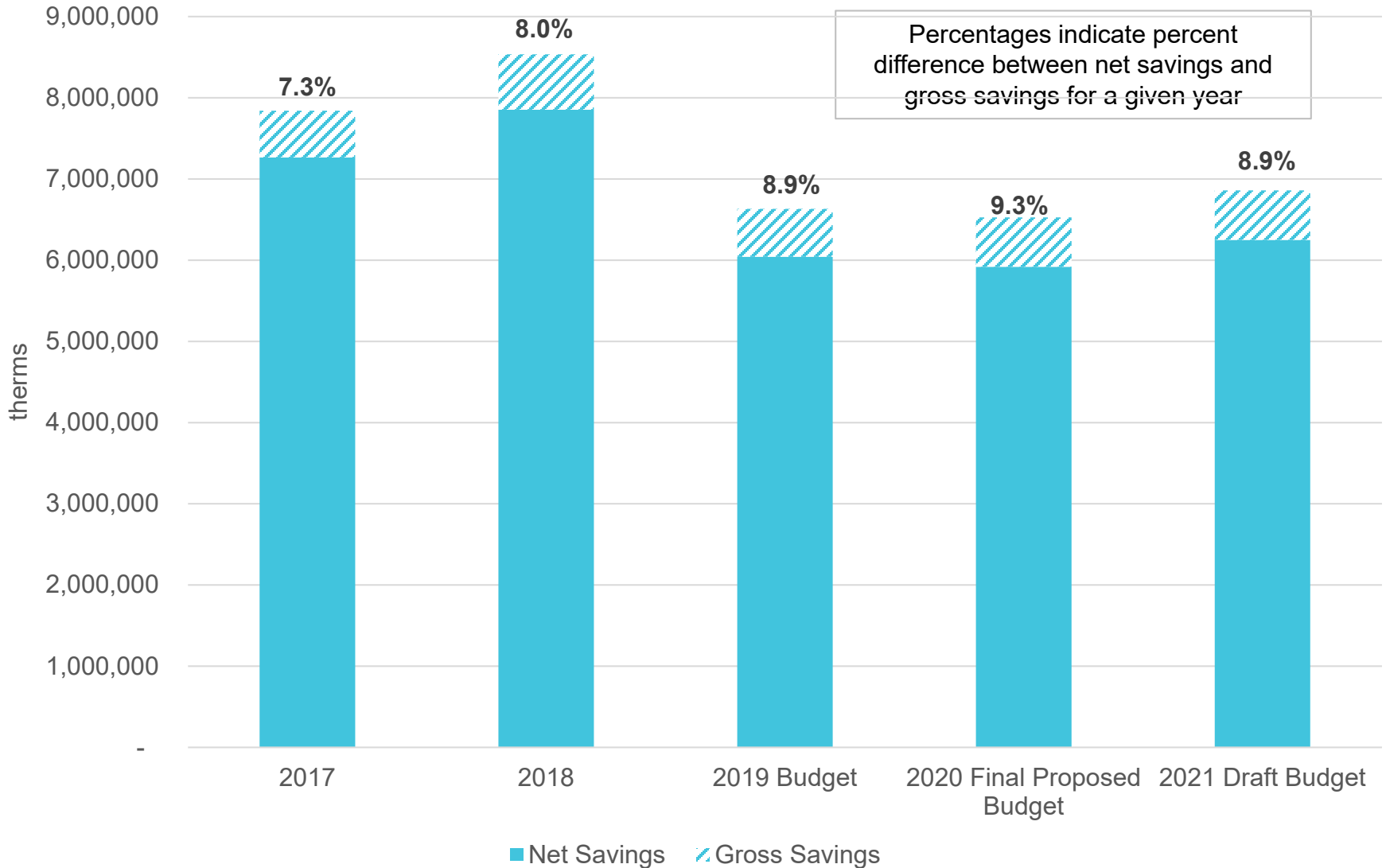


# Gross and Net Comparison—Electric





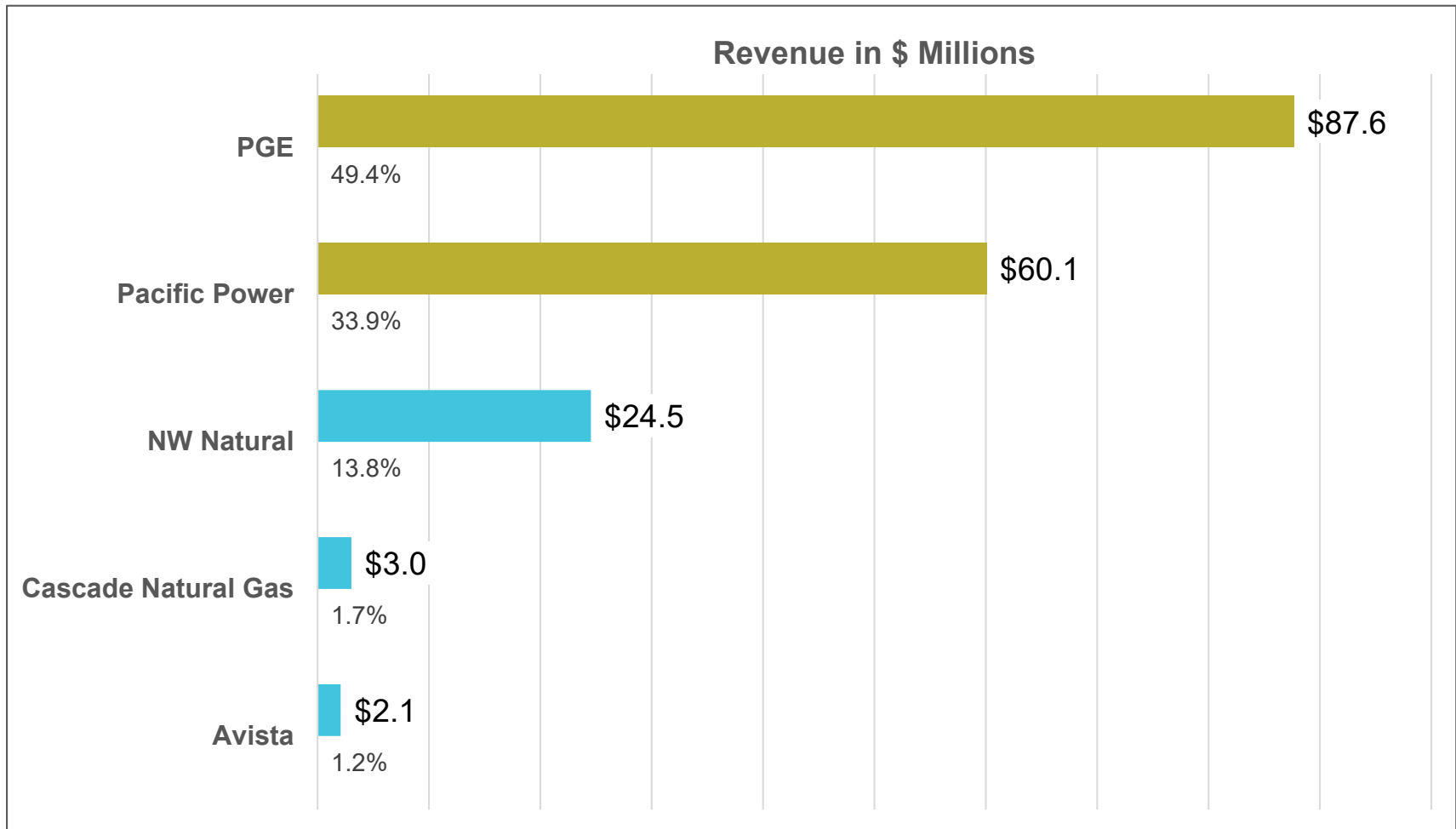
# Gross and Net Comparison—Gas



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

# 2020 Final Proposed Budget Revenue (Oregon only)

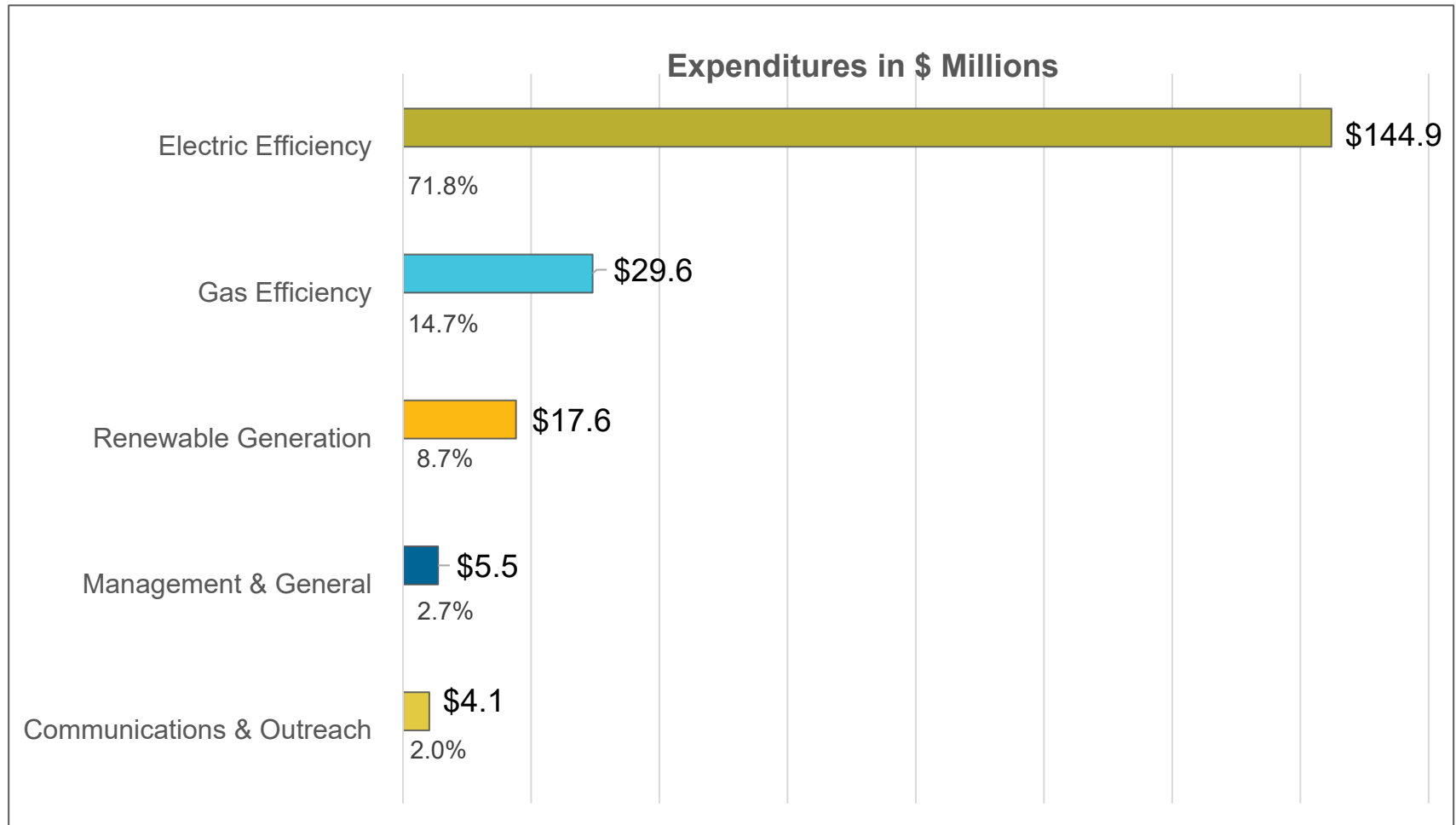
\$177.4 million, down 2.1% from 2019 Oregon budget



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

# 2020 Final Proposed Budget Expenditures (Oregon only)

\$201.6 million, up 1.3% from 2019 Oregon budget



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

# Developing the Budget and 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

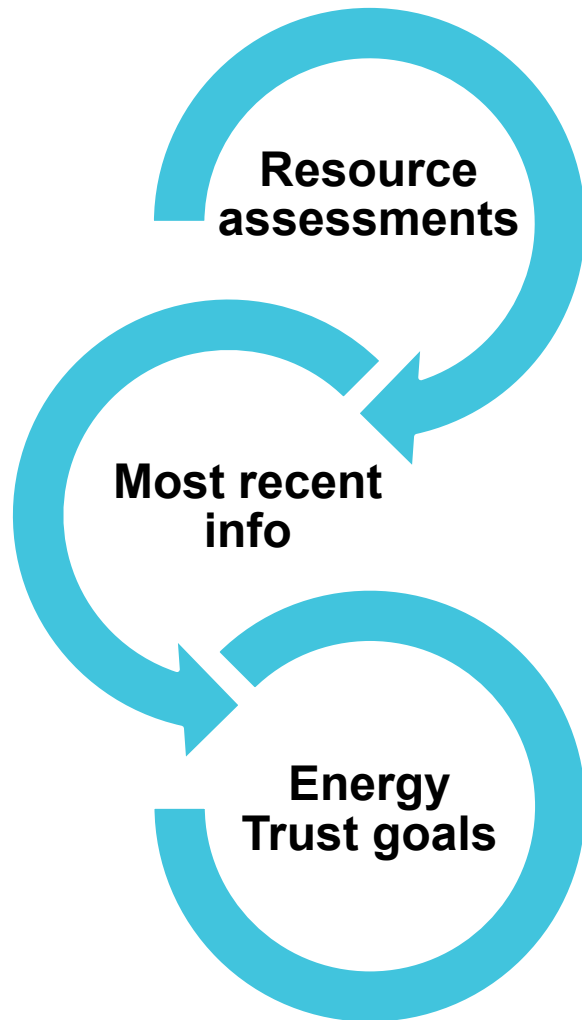
4

Market knowledge and context

# 2020-2024 Strategic Plan Focus Areas

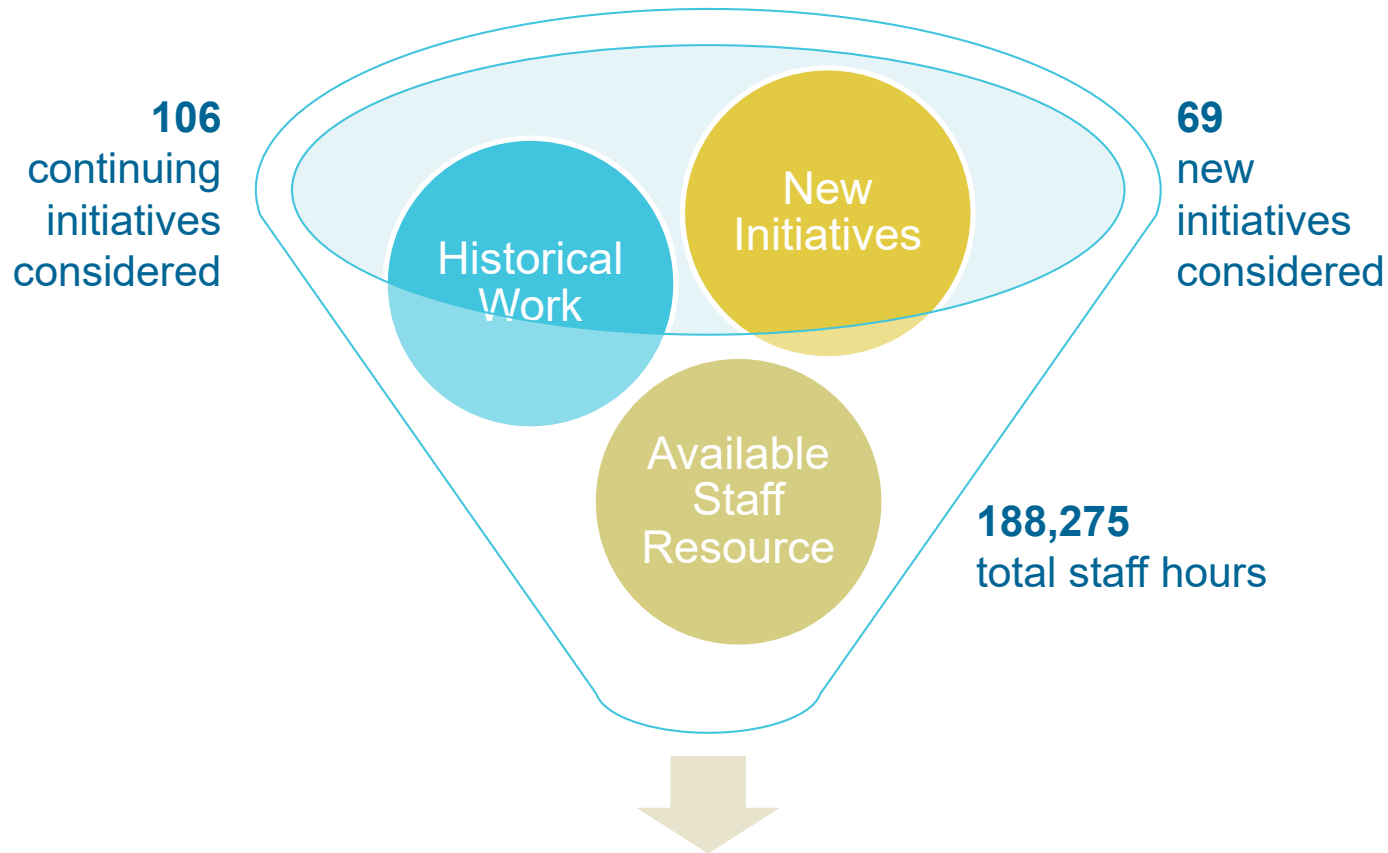
- 1 Engage customers with relevant programs, information and services, especially underserved customers**
- 2 Strengthen the value we deliver by linking clean energy to approaches utilities are using to respond to customer energy needs**
- 3 Provide objective information and analyses to support energy 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

# Business Planning Process



## 2020 Business Plan Activities

**187,994** staff hours allocated (99%)  
**152** initiatives approved: **49** new (17%) and **103** continuing (82%)

# Average Savings Per Custom Business Project

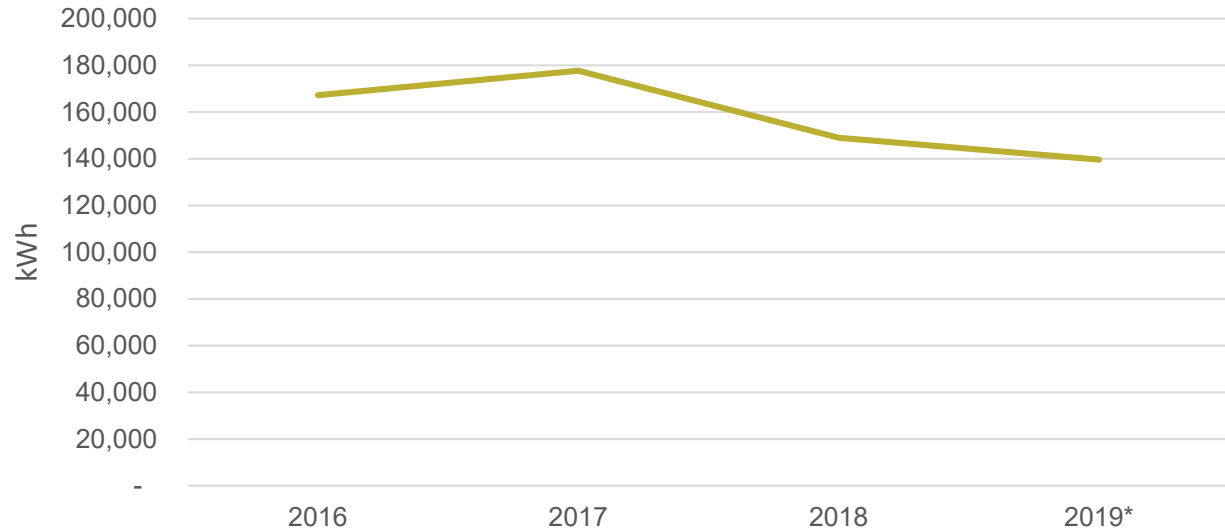


21% decrease  
from peak  
savings/project

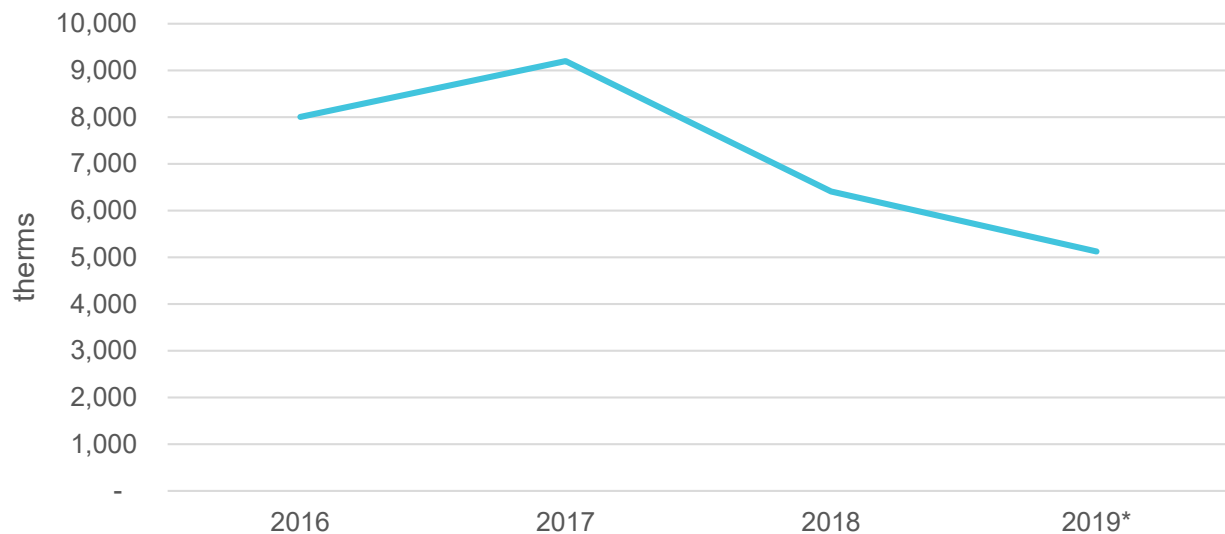


44% decrease  
from peak  
savings/project

## Average Electric Savings Per Business Project



## Average Gas Savings Per Business Project

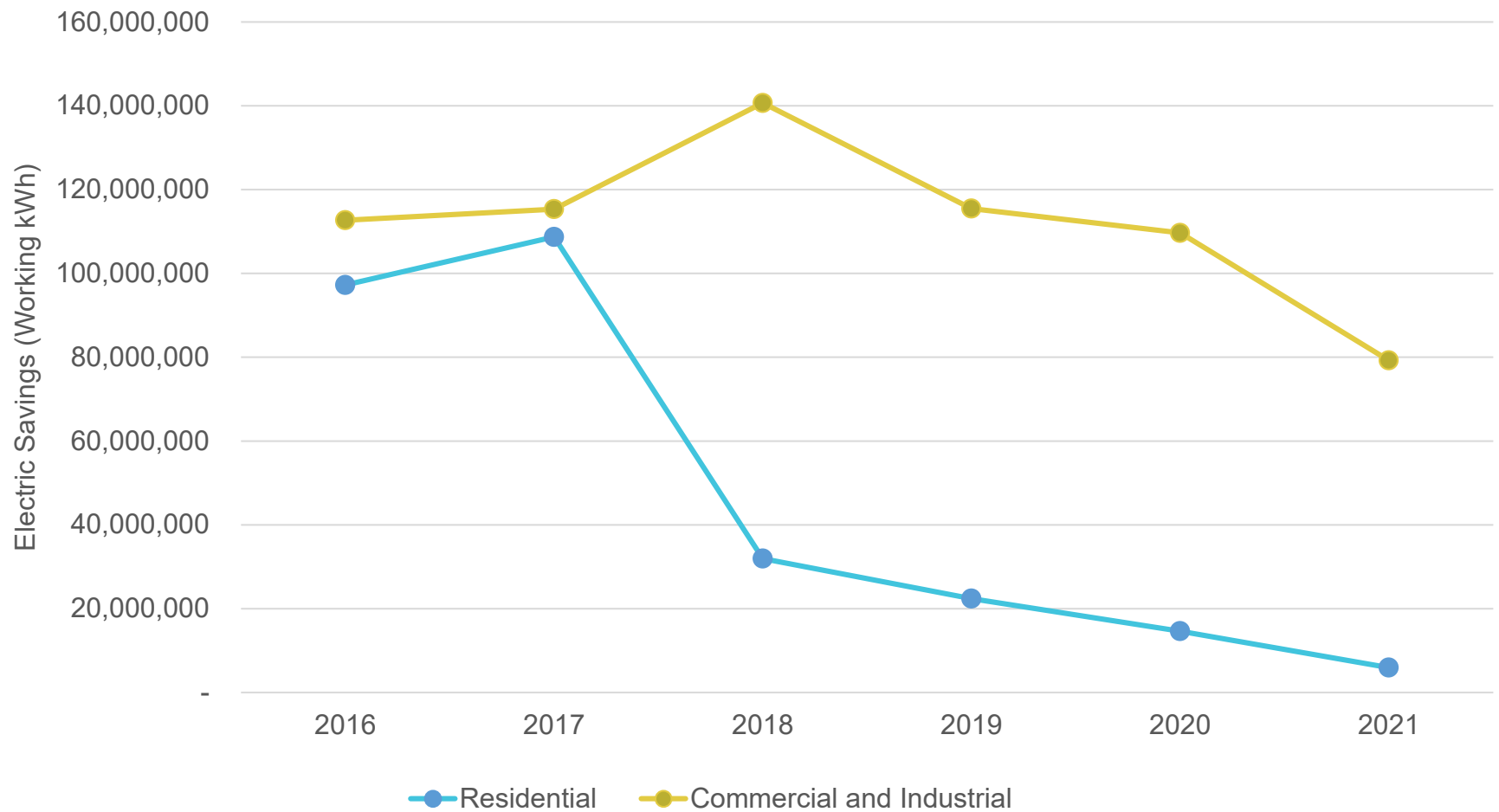


\* Forecasted activity for 2019



# Transforming Lighting Market

Commercial, Industrial and Residential  
Lighting Savings 2016-2021



*Forecasted activity for 2019-2021*

# 2020 Annual Goals

## **2020 Goal 1: Meet savings and generation targets and create future opportunities**

We will meet 2020 savings of 45.4 aMW and 6.9 million annual therms, the 2020 generation target of 3.3 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

## **2020 Goal 2: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**

We will seek input from community partners and advisory councils as we develop a set of guidelines to more clearly identify Energy Trust's role in supporting community energy efforts. These guidelines will have a particular emphasis on:

- Coordinating with utility efforts in communities
- Building capacity in communities and community-based organizations
- Strengthening internal capabilities to support community efforts
- Developing toolkits and templates

## **2020 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



## **2020 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 Approach
- Adopting a framework, processes and tools

## **2020 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

# Savings and Generation Detail

# 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
<b>Existing Buildings</b>	16.38	\$47.73	13.09	\$44.16	3.6¢	28.9%
<b>Existing Multifamily</b>	1.80	\$8.71	1.46	\$8.31	5.6¢	3.2%
<b>New Buildings</b>	6.10	\$18.71	4.77	\$16.95	3.7¢	10.5%
<b>Production Efficiency</b>	20.95	\$38.69	17.14	\$39.41	2.5¢	37.8%
<b>Residential</b>	6.83	\$33.37	5.50	\$36.53	6.6¢	12.1%
<b>NEEA combined</b>	5.69	\$7.18	3.41	\$6.74	2.7¢	7.5%
<b>TOTAL</b>	<b>57.75</b>	<b>\$154.38</b>	<b>45.38</b>	<b>\$152.11</b>	<b>3.6¢</b>	

*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
<b>Existing Buildings</b>	1.92	\$7.73	1.87	\$9.39	42.8¢	27.2%
<b>Existing Multifamily</b>	0.18	\$1.42	0.20	\$1.61	59.4¢	3.0%
<b>New Buildings</b>	0.84	\$2.46	0.55	\$1.86	29.5¢	8.0%
<b>Production Efficiency</b>	1.33	\$2.96	1.51	\$3.56	23.3¢	22.1%
<b>Residential</b>	2.73	\$17.07	2.71	\$15.80	41.0¢	39.4%
<b>NEEA combined</b>	0.0	\$1.44	0.02	\$1.42	n/a*	0.3%
<b>TOTAL</b>	<b>7.00</b>	<b>\$33.09</b>	<b>6.87</b>	<b>\$33.64</b>	<b>39.0¢</b>	

MMTh: million annual therms  
Columns may not total due to rounding  
Gross savings

\*NEEA costs represent both present activities and future focused R&D.  
Because gas is new to the portfolio and not yet producing volume savings,  
levelized costs are not shown for NEEA.



# 2020 Renewable Energy, Budget by Utility

	2019 Generation (aMW)	2019 Budget (\$ Million)	2020 Generation (aMW)	2020 Budget (\$ Million)
<b>PGE</b>				
<b>Solar</b>	1.22	\$5.83	1.33	\$6.6
<b>Other Renewables</b>	0.00	\$0.78	0.92	\$3.9
<b>TOTAL</b>	<b>1.22</b>	<b>\$6.61</b>	<b>2.25</b>	<b>\$10.4</b>
<b>Pacific Power</b>				
<b>Solar</b>	0.79	\$3.74	0.92	\$4.1
<b>Other Renewables</b>	0.24	\$3.70	0.11	\$4.0
<b>TOTAL</b>	<b>1.03</b>	<b>\$7.44</b>	<b>1.02</b>	<b>\$8.0</b>

# 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)
<b>PGE (Efficiency)</b>	27.40	3.6¢	\$90.30
<b>Pacific Power (Efficiency)</b>	17.98	3.8¢	\$61.81
<b>NW Natural (OR)</b>	5.59	37.4¢	\$25.83
<b>NW Natural (WA)</b>	0.34	54.5¢	\$2.58
<b>Cascade Natural Gas</b>	0.55	48.0¢	\$3.36
<b>Avista</b>	0.39	35.3¢	\$1.87

# 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	8.85	7.88	\$25.3	3.4¢	29%
Existing Multifamily	1.36	1.32	1.07	\$5.8	5.4¢	4%
New Buildings	4.31	3.81	3.28	\$12.3	3.9¢	12%
Production Efficiency	13.28	10.16	10.13	\$21.7	2.4¢	37%
Residential	3.81	4.17	3.11	\$21.3	6.9¢	11%
NEEA Combined	3.25	3.00	1.94	\$3.9	2.7¢	7%
<b>Total</b>	<b>36.35</b>	<b>31.30</b>	<b>27.40</b>	<b>\$90.3</b>	<b>3.6¢</b>	

# 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
<b>Existing Buildings</b>	6.04	5.18	5.22	\$18.8	3.9¢	29%
<b>Existing Multifamily</b>	0.44	0.44	0.40	\$2.5	6.0¢	2%
<b>New Buildings</b>	1.79	1.89	1.49	\$4.7	3.3¢	8%
<b>Production Efficiency</b>	7.67	8.02	7.02	\$17.7	2.8¢	39%
<b>Residential</b>	3.02	3.01	2.39	\$15.2	6.2¢	13%
<b>NEEA Combined</b>	2.44	2.26	1.47	\$2.9	2.7¢	8%
<b>Total</b>	<b>21.40</b>	<b>20.79</b>	<b>17.98</b>	<b>\$61.8</b>	<b>3.8¢</b>	

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	0.71	0.77	\$3.9	43.7¢	20%
Existing Multifamily	0.15	0.20	0.18	\$1.4	59.6¢	5%
New Buildings	0.70	0.53	0.44	\$1.5	28.8¢	11%
Production Efficiency	0.30	0.25	0.40	\$0.8	22.0¢	10%
Residential	2.18	2.12	2.14	\$12.3	40.9¢	54%
NEEA Combined	-	-	0.02	\$1.1	n/a*	0.4%
<b>Total</b>	<b>4.14</b>	<b>3.82</b>	<b>3.95</b>	<b>\$21.1</b>	<b>39.8¢</b>	

\*NEEA costs represent both present activities and future focused R&D. Because gas is new to the portfolio and not yet producing volume savings, levelized costs are not shown for NEEA.

Gross savings

# 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
<b>Existing Buildings</b>	0.58	0.63	0.57	\$2.21	33.9¢	35%
<b>New Buildings</b>	0.02	0.11	0.02	\$0.06	20.7¢	1%
<b>Production Efficiency</b>	0.95	0.72	1.05	\$2.48	23.0¢	64%
<b>Total</b>	<b>1.55</b>	<b>1.46</b>	<b>1.64</b>	<b>\$4.74</b>	<b>27.0¢</b>	

# 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
<b>Existing Buildings</b>	0.15	0.17	0.11	\$0.90	63.1¢	33%
<b>Residential</b>	0.22	0.24	0.23	\$1.68	51.0¢	67%
<b>Total</b>	<b>0.37</b>	<b>0.41</b>	<b>0.34</b>	<b>\$2.58</b>	<b>54.5¢</b>	

# 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
<b>Existing Buildings</b>	1.54	1.51	1.45	\$7.0	41.4¢	24%
<b>Multifamily</b>	0.15	0.20	0.18	\$1.4	59.6¢	3%
<b>New Buildings</b>	0.71	0.64	0.46	\$1.5	28.4¢	8%
<b>Production Efficiency</b>	1.24	0.96	1.45	\$3.3	22.7¢	24%
<b>Residential</b>	2.40	2.36	2.37	\$14.0	41.9¢	40%
<b>NEEA Combined</b>	-	-	0.02	\$1.1	n/a*	0.3%
<b>Total</b>	<b>6.05</b>	<b>5.68</b>	<b>5.93</b>	<b>\$28.4</b>	<b>38.4¢</b>	

\*NEEA costs represent both present activities and future focused R&D. Because gas is new to the portfolio and not yet producing volume savings, levelized costs are not shown for NEEA.

Gross savings

# 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	0.21	0.27	\$1.6	52.0¢	50%
Existing Multifamily	0.01	0.01	0.01	\$0.0	56.7¢	1%
New Buildings	0.08	0.08	0.04	\$0.2	43.9¢	8%
Production Efficiency	0.06	0.06	0.06	\$0.2	36.5¢	10%
Residential	0.17	0.18	0.17	\$1.1	44.6¢	30%
NEEA Combined	-	-	-	\$0.1	n/a*	0.8%
<b>Total</b>	<b>0.55</b>	<b>0.53</b>	<b>0.55</b>	<b>\$3.4</b>	<b>48.0¢</b>	

\*NEEA costs represent both present activities and future focused R&D. Because gas is new to the portfolio and not yet producing volume savings, levelized costs are not shown for NEEA.

Gross savings



# 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	0.13	0.14	\$0.8	40.1¢	37%
Existing Multifamily	0.02	0.03	0.02	\$0.1	58.4¢	5%
New Buildings	0.05	0.04	0.04	\$0.1	29.2¢	11%
Production Efficiency	0.02	0.02	0.01	\$0.0	34.0¢	3%
Residential	0.16	0.18	0.17	\$0.7	26.1¢	44%
NEEA Combined	-	-	0*	\$0.1	n/a*	0.5%
<b>Total</b>	<b>0.39</b>	<b>0.40</b>	<b>0.39</b>	<b>\$1.9</b>	<b>35.3¢</b>	

*\*NEEA costs represent both present activities and future focused R&D. Because gas is new to the portfolio and not yet producing volume savings, levelized costs are not shown for NEEA.*

Gross savings

# MEMO

**Date:** December 6, 2019  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Planning Assumptions for the Final Proposed 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 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 expansions do not die of old age and the outlook calls for ongoing growth. However, expansions 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."<sup>1</sup>

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

<sup>1</sup> 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%.<sup>2</sup>

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 2025<sup>3</sup>. Also according to DAS, 87% of population growth in Oregon is attributed to net in-migration,<sup>4</sup> and "with increasing population mainly due to in-migration, Oregon's population is getting increasing[ly] diverse in terms of race and ethnicity."<sup>5</sup> 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

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

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

<sup>4</sup> "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](https://www.oregon.gov/das/OEA/Documents/OR_pop_trend2019.pdf)

<sup>5</sup> "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](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.<sup>6</sup>
- **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.**

<sup>6</sup> 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:** December 6, 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

<b>2018 Measures</b>	<b>kWh</b>	<b>kWh % of total</b>	<b>Therms</b>	<b>Therms % of total</b>
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%
<b>Total</b>	<b>476,294,366</b>	<b>100.00%</b>	<b>7,965,382</b>	<b>100.00%</b>

<b>2019 Measures (year-to-date through 9/15/2019)</b>	<b>kWh</b>	<b>kWh % of total</b>	<b>Therms</b>	<b>Therms % of total</b>
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%
<b>Total</b>	<b>175,863,446</b>	<b>100.00%</b>	<b>2,469,754</b>	<b>100.00%</b>

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

<b>Exception Criteria</b>	<b>Number of Instances</b>
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 (≤ 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 (≤ 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 (≤ 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

<b>Program(s)</b>	<b>Measure</b>	<b>Exception Criteria</b>	<b>Date Granted</b>	<b>Expiration Date</b>	<b>Cost-Effective with 2020 avoided costs</b>	<b>Comments</b>
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

<b>Program(s)</b>	<b>Measure</b>	<b>Exception Criteria</b>	<b>Date Granted</b>	<b>Expiration Date</b>	<b>Cost-Effective with 2020 avoided costs</b>	<b>Comments</b>
Existing Buildings, Existing Multifamily ( $\leq 4$ 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 < 2HP (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:** December 6, 2019  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Levelized Cost Trends and Managing Future Costs

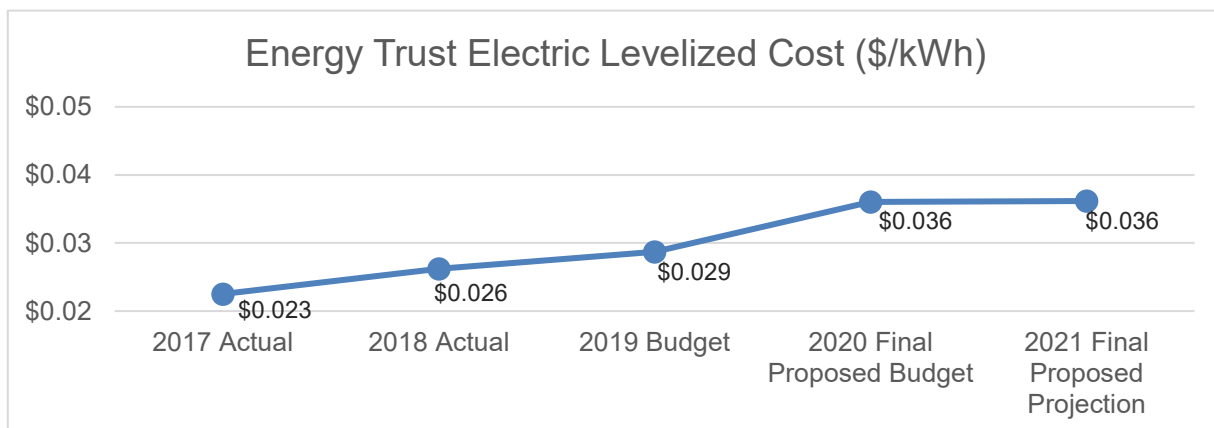
As discussed and forecasted last year, Energy Trust's Final Proposed 2020 Budget and 2020-2021 Action Plan shows that levelized costs are increasing over the next year as the lowest-cost sources of savings in the program portfolio continue to shrink. This is largely due to Energy Trust's successful savings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

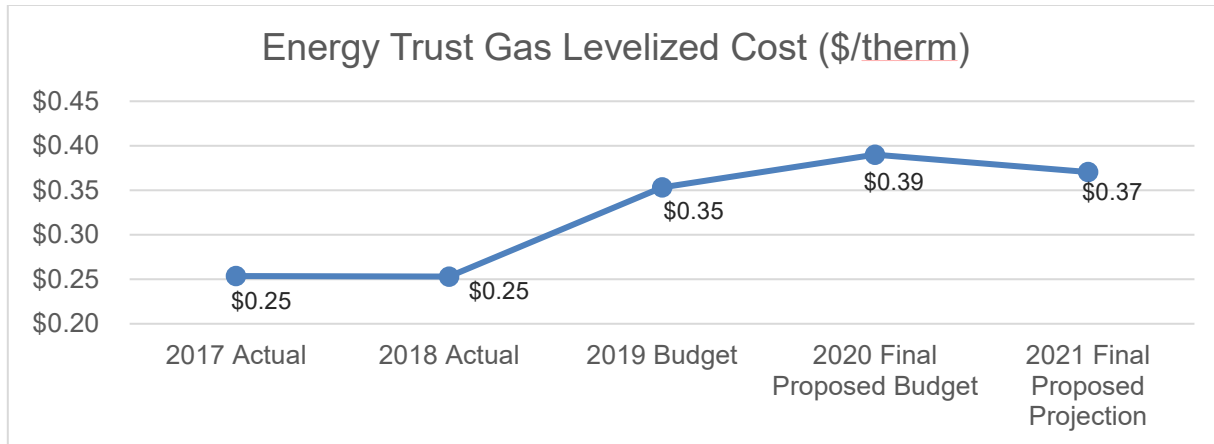
We understand the trend of increasing levelized costs is of interest to stakeholders. We highlighted it for discussion at the October 16 budget workshop with Energy Trust Conservation, Renewable and Diversity Advisory Council members, during the October 28 draft budget presentation to the board, and at the November 7 draft budget workshop at the Oregon Public Utility Commission. 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 Final Proposed 2020 Budget

The Final Proposed 2020 Budget delivers electric savings at a cost of 3.6 cents per kilowatt hour (kWh) and 39 cents per therm (Oregon and NW Natural Washington combined) levelized. This is a 26% increase over 2019 electric levelized costs and a 11% increase over 2019 gas levelized costs. Despite these increases, the savings Energy Trust acquires for utility customers remains the lowest cost resource.

The 2021 budget projection shows electric levelized costs holding steady at 3.6 cents per kWh. Gas levelized costs are projected to drop to 37 cents per therm in 2021, a slight decrease over the 2019 budgeted levelized cost.





### Levelized Cost Drivers

There are a number of drivers contributing to increased levelized costs in 2020. 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.
- On average, we are claiming fewer savings 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 in scale and yield lower savings.
- The majority of savings from a very large multi-year industrial project were acquired from 2017-2019, with the remaining lesser amount expected in 2020.
- Northwest Energy Efficiency Alliance (NEEA) savings in 2020 are decreasing by 40% 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 previous 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 customers' project payback times and move more projects forward. Energy Trust analysis has found that target customers require a two-year payback or less to prioritize energy efficiency projects in business decision-making. Our analysis showed that our incentive offerings 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 levelized 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 levelized 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:** December 6, 2019  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Long-Range Forecast for Contracted Renewable Energy Projects

Energy Trust's Renewable Energy program provides incentives to generation projects primarily utilizing solar, hydropower and biopower technologies. Because projects take time to construct, the program has contractual incentive obligations that stretch over multiple years. This memo provides visibility into existing contractual obligations.

## Other Renewables

The 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.

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

## Installation Incentive Funding Commitments for Other Renewables Projects 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	March 2020
		\$900,000 based on reaching milestones	December 2020
		\$1,600,000 based on reaching milestones	December 2021
Water Environment Services—Tri-City Wastewater Treatment Facility (biopower)	0.5 aMW	\$1,000,000 upon completion	January 2021
		\$800,000 based on reaching milestones	January 2022
<b>TOTAL</b>		<b>\$4,800,000</b>	

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 for Other Renewables Projects in Pacific Power Territory

Project	Generation	Expected payments	Scheduled payment dates
Wallowa Lake County Service District (hydropower)	0.02 aMW	\$80,000 upon completion	December 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
<b>TOTAL</b>		<b>\$1,495,000</b>	

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 for Hydropower and Biopower Projects in PGE and Pacific Power territories

	Q4 2019	2020
<b>Portland General Electric</b>	3 projects \$40,860	3 projects \$225,114
<b>Pacific Power</b>	13 projects \$366,996	9 projects \$296,280
<b>TOTAL</b>	<b>16 projects \$407,856</b>	<b>12 projects \$521,394</b>

## Solar

The Solar program has existing approved projects that are in various stages of design and construction. Following is a summary of these incentive obligations for both utilities including expected aggregated generation (aMW) and incentive dollars. The generation and the incentive dollars in the table have been reduced from the total existing applications to reflect expected project cancellations. Historically, about 10% of residential applications and about 20% of commercial applications cancel their incentive reservations.

### Aggregated Incentive Commitments for Solar Projects

	<b>Q4 2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
<b>Portland General Electric</b>	0.29 aMW \$735,906	0.73 aMW \$1,788,980	0.59 aMW \$645,404	1.61 aMW \$3,170,290
<b>Pacific Power</b>	0.31 aMW \$1,039,178	0.42 aMW \$469,425	0.38 aMW \$142,111	1.11 aMW \$1,650,714
<b>TOTAL</b>	<b>0.60 aMW</b> <b>\$1,775,084</b>	<b>1.14 aMW</b> <b>\$2,258,405</b>	<b>0.97 aMW</b> <b>\$787,515</b>	<b>2.72 aMW</b> <b>\$4,821,005</b>



# MEMO

**Date:** December 6, 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 \$194,180.

## **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 levelized 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
<b>Shared facility costs</b> (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%
<b>Information Technology (IT) costs</b> (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.	
<b>Administration, including executive office, legal, DEI, project management, organization development, finance, HR, office management</b> (Staffing, professional services, conferences, board services)	Charged to programs proportionally based on year-to-date total costs.	0.21%
<b>Communications and Outreach, including communications, outreach, marketing and web support</b> (Staffing, website maintenance, marketing, stakeholder relations, outreach)	Charged to programs proportionally based on year-to-date total costs.	0.16%
<b>Planning and Evaluation</b> (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.	0
<b>Customer Service</b> (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.	0
<b>Trade Ally Support</b> (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.	0
<b>Targeted Load Management planning—Pacific Power</b> (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.	0
<b>Targeted Load Management planning—NW Natural</b> (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.	0
<b>Targeted Load Management planning—PGE Test Bed</b> (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.	0

# MEMO

**Date:** December 6, 2019  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Staffing for the Final Proposed 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. 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 OPUC<sup>1</sup> 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 that prioritized work. This plan provides for all program, support and administrative functions for

<sup>1</sup> 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.

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 Final Proposed 2020 Budget

In the final proposed 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 7.8%. 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.

	2017	2018	2019	2020	2021
Staffing Costs By Major Source	Actual	Actual	Budget	Budget	Budget
Oregon PUC Grant	12,508,690	13,185,215	14,026,974	15,054,553	15,981,875
Washington	310,393	289,586	331,337	357,957	384,411
Community Solar	-	-	188,293	273,277	292,402
LMI Federal grant and other	17,429	27,354	-		
Total	12,836,512	13,502,155	14,546,604	15,685,787	16,658,688

## 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 is 24% and the 2020 rate increase is 5%. Energy Trust's projects a 15% increase in healthcare premiums for 2021 based on discussions with its insurer.

## Staff Compensation

The final proposed 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.

### **Oregon Community Solar Program 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.

	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>2021 Budget</b>
<b>Total Company Employee Cost</b>	12,853,105	13,502,155	14,546,604	15,685,787	16,658,688
<b>Drivers</b>					
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	15,054,553	15,981,875
Employee Count (FTE)	107.5	107.5	107.5	109.0	109.0
Year over year \$ change	959,463	676,525	841,759	1,027,579	927,322
Year over year % change	8%	5%	6%	7%	6%
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	1,354,910



### **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. The 2020 staffing costs under the OPUC grant increase 7.3% increase over 2019 costs under the OPUC grant.

# MEMO

**Date:** December 6, 2019  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Administrative and Program Support Costs for the Final Proposed 2020 Budget and 2020-2021 Action Plan

This memo provides information about the nature and purpose of administrative and program support costs to support stakeholder review of the budget. The first section describes administrative costs as they are measured in non-profits typically, and the benchmarks that are customarily applied to non-profits. The second section describes administrative and program support costs as they are measured by the OPUC, and the performance measure the OPUC established to set limits on administrative and program support.

## **SECTION 1: Administrative Costs Defined Generally and Comparable to Other Non-Profits**

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.

### **Activities included in Administrative costs:**

**Management and General:** Providing finance, legal, human resources, office administration and board of directors' administration to ensure general management and operations of the organization. This year, Energy Trust added a new cost center for diversity, equity and inclusion and plan to hire a Diversity Lead staff position.

**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.

***Energy Trust's Final Proposed 2020 Budget and 2020-2021 Action Plan includes Administrative costs of \$9.7 million, or 4.7% of total expenditure, comparing favorably to the 15% benchmark established by Charity Navigator for similarly sized organizations.***

## SECTION 2: Administrative and Program Support Costs Subject to the OPUC Performance Measure

The Oregon Public Utility Commission oversees Energy Trust expenditures for serving Oregon customers of PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista with energy efficiency and renewable energy programs.

The OPUC performance measure includes administrative costs and program support costs which is more stringent than benchmarks for other non-profits. The performance measure limits this total to no more than 8% of utility revenue. The performance measure also caps administrative and program support cost increases of no more than 10% from year to year. Oregon Community Solar Program and NW Natural Washington are not included in the calculation under the OPUC performance measure.

Administrative Costs include Management & General and Communications & Outreach. Program support costs include the program share of office space and equipment, IT services, and general expenditures by programs such as travel, conferences, and materials.

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

	Oregon PUC Grant Funded Expenditure		
	OPUC Grant Funded Total	Program Costs	Administrative and Program Support
Incentives	\$111,909,140	\$111,909,140	
Program Delivery Subcontracts	57,409,844	\$57,409,844	
Employee Salaries & Fringe Benefits	15,054,554	\$7,404,773	7,649,781
Agency Contractor Services	1,712,209	\$858,794	853,415
Planning and Evaluation Services	3,496,898	\$3,383,151	113,747
Advertising and Marketing Services	3,293,377	\$2,202,344	1,091,033
Other Professional Services	5,819,585	\$4,621,780	1,197,805
Travel, Meetings, Trainings & Conferences	554,151		554,151
Dues, Licenses and Fees	237,115		237,115
Software and Hardware	676,122		676,122
Depreciation & Amortization	263,200		263,200
Office Rent and Equipment	1,043,426		1,043,426
Materials Postage and Telephone	148,934		148,934
Miscellaneous Expenses	5,194		5,194
<b>TOTAL FUNCTIONAL EXPENSE</b>	<b>201,623,746</b>	<b>187,789,826</b>	<b>13,833,923</b>

The administrative and program support costs in the final proposed 2020 budget are \$13,833,923, or 7.8% of total revenue. **Costs are compliant with the OPUC performance measure capping applicable administrative and program support costs at 8% of total revenue.**

## Historical View of Administrative and Program Support Costs Subject to the OPUC Performance Measure<sup>1</sup>

	2016	2017	2018	2019 Budget	2020 Budget	2021 Projection
Annual Revenue	148,853,640	194,236,916	188,075,428	181,132,028	177,369,785	178,005,146
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	14,189,583	14,240,412
Administrative and Program Support Costs	9,184,424	10,081,863	10,558,826	13,225,417	13,833,923	14,067,320
Actual % of revenue	6.2%	5.2%	5.6%	7.3%	7.8%	7.9%
Increase from prior year		897,439	476,963	2,666,591	608,506	233,397
Increase percentage		9.8%	4.7%	25.3%	4.6%	1.7%

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. **For costs subject to OPUC oversight, administrative and program support costs in the final proposed 2020 budget increased 4.6% over 2019, which is below the 10% annual increase cap set by the OPUC.**

### Administrative and Program Support 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 final proposed 2020 action plans include enabling more electronic signatures in customer and vendor forms using DocuSign and implementing new budget tools.

<sup>1</sup> 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.

# Summary of Outreach Activities and Comments Received on the Energy Trust Draft 2020 Budget and 2020-2021 Action Plan

## Outreach Activities

Energy Trust initiates development of its annual budget and two-year action plan in July. Early program concepts are presented to each utility, and staff share proposed changes and directional information at the Conservation and Renewable Energy Advisory Councils through the fall. Feedback from these meetings is referenced by programs and support groups as the draft budget and action plan are developed. Public presentations of the draft budget and action plan and the public comment process occur in October, leading up to board consideration of the final proposed documents in December.

Summary of completed outreach activities:

<b>August</b>	Energy-efficiency program concepts for 2020—including proposed pilots, incentive and measure changes, market trends and emerging challenges—were reviewed in meetings with PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista
<b>September</b>	Received comments, suggestions and requests from utilities on 2020 energy-efficiency program concepts. Feedback incorporated and program plans adjusted; clarified information in written responses. Informal discussion continued with utilities throughout preparation of the draft annual budget and action plan. 9/17: Budget process and schedule reviewed at Diversity Advisory Council meeting 9/18: Draft program action plans reviewed at Conservation and Renewable Energy Advisory Council meetings 9/20: Reviewed early draft budget expenditures, revenues, savings, generation and discussed 2020-2021 funding levels with Oregon Public Utility Commission staff at an informal work session
<b>October</b>	Met with all five utilities to provide detail on costs and revenues, and respond to earlier questions with data on measure and program track savings, incentives and levelized costs 10/4: Draft budget and action plan presented to Oregon Public Utility Commission staff at an informal work session 10/16: Draft budget presented to advisory councils and the public at a public budget workshop; meeting format included discussion of budget and action plans 10/16: Draft budget and action plan on-demand presentation posted online to inform public review of documents 10/28: Draft budget presented to board of directors at public meeting 10/30: Public comments on budget and action plan due
<b>November</b>	11/7: Draft budget presented to OPUC commissioners at public workshop 11/19, 11/20: Update on budget revisions presented at advisory council meetings

## Public Comments

The draft budget and action plan are on the website at [www.energytrust.org/budget](http://www.energytrust.org/budget). Budget presentations and action plan documents are also included in the public meeting packets posted online for the Conservation Advisory Council, Renewable Energy Advisory Council meetings and for board of directors meetings at [www.energytrust.org/about/public-meetings](http://www.energytrust.org/about/public-meetings). Public comments on the draft budget and action plan were accepted from October 8 through October 30, 2019. Written comments were invited from all parties engaged in outreach meetings, as well as the public. Comments received are summarized in the table below, followed by copies of actual comments received.

**Respondent: Oregon Public Utility Commission (OPUC) Energy Trust staff responses**
**Comment topics**

<p>Commission adopted OPUC staff comments on Energy Trust's draft budget and action plan, with comments and recommendations summarized below.</p>	<p>We appreciate the time and effort of OPUC staff and commissioners to review and comment on our draft budget and action plan. We understand these comments to be supportive of our plans and intentions. We acknowledge OPUC staff member and liaison Anna Kim for her comprehensive review and thoughtful comments on our draft budget and action plan.</p>
<p>Summarized Energy Trust follow-up actions on OPUC recommendations provided on the 2019 (current year) budget. All 12 recommendations have either been incorporated into ongoing reporting or completed satisfactorily. Where noted, recommendations will continue in 2020.</p> <ul style="list-style-type: none"> <li>• Reduce detail in 2020 Action Plans to the most important activities pertaining to the budget; include measurable outcomes, budget impacts and responsible staff. (Complete and ongoing)</li> <li>• Provide longer-range forecast for contracted projects in the renewables pipeline. (Complete and ongoing)</li> <li>• Identify and report on measures with high delivery costs, especially in natural gas. (Complete)</li> <li>• Prioritize the future of residential and multifamily programs through pilots and redesign activities. Provide quarterly updates. (Complete and ongoing)</li> <li>• Focus on decreasing transaction costs for high-volume activities through activities like automation and electronic signatures. Provide quarterly updates. (Complete and ongoing)</li> <li>• Continue to report on diversity, equity and inclusion initiative progress, estimate energy efficiency potential in underserved markets and report on staff diversity. Provide quarterly updates. (Complete and ongoing)</li> <li>• Develop scenarios to prepare for possibility of reduced revenues in 2020. Include reduced staffing levels. Report back in the Q1 2019 report. (Complete)</li> <li>• Review with OPUC staff the services provided to the commission and utilities to assess for value. (Complete)</li> <li>• Identify and prioritize the organizational review recommendations that quantifiably either save costs or add flexibility. Provide quarterly updates. (Complete and ongoing)</li> </ul>	<p>We appreciate OPUC staff acknowledgement of our completed and ongoing activity to respond to budget comments received for the current (2019) budget and action plan cycle.</p> <p>As noted by OPUC staff, we will continue some practices going forward, including delivering a targeted budget action item list to OPUC staff; providing a longer-range projection of renewables projects; omitting presentation of quarter one results to commissioners; reporting on diversity, equity and inclusion activities; reporting on residential and multifamily program development; and reporting progress on implementation of the new budget tool.</p>



<ul style="list-style-type: none"> <li>• Begin implementation of new budget software on time and on budget. Provide quarterly updates. (Complete and ongoing)</li> <li>• Present the impact of Energy Trust's role as a delivery [sub]contractor of the Community Solar Program on the overall budget, providing transparency and ensuring public purpose funds are not impacted. Report by July 2019. (Complete)</li> <li>• Eliminate public presentation of Q1 2019 Report at a public commission meeting. (Complete)</li> </ul>	
<p>Focus on decreasing transaction costs for high-volume activities, such as expediting the rollout of electronic signatures and automated form processing. Update in quarterly reports on progress.</p>	<p>We acknowledge the OPUC's request and will prioritize continued efforts to decrease transaction costs for high-volume activities, such as automating form processing, data entry and transfer, and work to automate some aspects of quarterly and annual reporting.</p>
<p>Complete the measure development automation project in 2020.</p>	<p>We will complete the measure development automation project in 2020. Streamlining of this process is expected to free up at least one-half FTE.</p>
<p>Continue to work with OPUC on future staffing costs given the forecasted decline in savings.</p>	<p>We acknowledge the OPUC's request and will continue to inform and seek feedback from staff regarding future staffing costs.</p>
<p>Continue to report on DEI initiative progress, particularly work to estimate energy efficiency potential in underserved markets. Update in quarterly reports on progress.</p>	<p>We appreciate the commission's continued support for our diversity, equity and inclusion initiative and will continue work to estimate the energy efficiency potential in underserved markets.</p> <p>We will report progress on our efforts to estimate energy efficiency potential in quarterly reports and provide in-depth diversity, equity and inclusion progress reports appended to the Q2 2020 and 2020 annual reports.</p>
<p>Given the transformation of the residential lighting market, prioritize the future of the residential and multifamily sectors through activities such as pilot studies and program redesign. Update in quarterly reports on progress.</p>	<p>We are prioritizing the redesign of the Existing Multifamily program through the rebid of commercial sector delivery for Existing Multifamily, Existing Buildings and commercial and industrial lighting to better align program strategies and encourage new, innovative approaches to delivery in 2021.</p> <p>We will continue to look for innovative ways to evolve the Residential program, which is entering its third year after a significant redesign. We will report on efforts to identify new savings sources or delivery approaches for these two programs in 2020 quarterly reports to the OPUC.</p>
<p>Begin reporting quarterly on complementary funds activities, tracking the status of co-funding opportunities and the outcomes of those arrangements. Update in quarterly reports on progress.</p>	<p>We acknowledge the OPUC's request and will track and report on activities with complementary funding sources in 2020 quarterly reports to the OPUC.</p>

As part of the budget, provide a report on [Oregon] Community Solar [Program] activities that is equivalent to the longer-range forecast for the renewables pipeline.	We acknowledge the OPUC's request and will deliver a report as part of our 2021 budget on development assistance and incentive funds committed toward projects participating in the Oregon Community Solar Program. The report will follow the same format as the Long-Range Forecast for Contracted Other Renewables Projects memo in the 2020 budget.
Complete the implementation of the budget tracking tool. Update in quarterly reports on progress.	We are on track to complete implementation of the new budget software system in 2020 to be used for development of our 2021 Budget and 2021-2022 Action Plan.

<b>Respondent: Portland General Electric Comment topics</b>	<b>Energy Trust staff responses</b>
Acknowledged Energy Trust's work developing the 2020 budget and savings forecasts.	We appreciate the time and effort of PGE staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Brendan McCarthy, Josh Halley and Jason Klotz.
Found information regarding potential savings to be comprehensive and appreciated Energy Trust's transparency and open dialogue.	Thank you for this acknowledgement.
Appreciated keeping PGE apprised of the over-collection of customer monies and application of the over-collection to the following year's budget.	Thank you for this acknowledgement.
Supported application of a diversity, equity and inclusion lens in the development of the 2020-2024 strategic plan and expressed interest in engaging with Energy Trust regarding diversity, equity and inclusion efforts.	Thank you for supporting our diversity, equity and inclusion efforts, and we look forward to collaborating with PGE regarding this work.
Supported Energy Trust's continued commitment to advance heat pump adoption and heat pump technology.	Thank you for this acknowledgement.
Appreciated that requests for coordination are being met.	Thank you for this acknowledgement.

<b>Respondent: Pacific Power Comment topics</b>	<b>Energy Trust staff responses</b>
Acknowledged Energy Trust's presentation of the draft budget and action plan to Pacific Power staff, other utilities and stakeholders.	We appreciate the time and effort of Pacific Power staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Kari Greer, Erik Anderson and Cory Scott.
Appreciated the value of resource acquisition and customer benefits delivered by Energy Trust.	
Appreciated continued improved alignment between Energy Trust's 2020 Pacific Power budget target and Pacific Power's 2019 Integrated Resource Plan.	Thank you for this acknowledgement.
Encouraged coordination with regional business managers to deliver benefits to rural and low- and moderate-income households.	We appreciate the offer of collaboration, and we will continue to coordinate with Pacific Power's regional business managers through Energy Trust's regional outreach staff.
Concerned about funding to community-based	Pacific Power and Energy Trust share a common

organizations and internships being co-mingled with initiatives that go beyond directives to acquire energy efficiency and renewable energy.	<p>goal of ensuring that communities served by Pacific Power are engaged, aware of Energy Trust offers and services, and learn about the benefits provided to them as Pacific Power customers. Energy Trust has provided training, staff support and resources to increase capacity in these communities through interns placed in businesses, development of local contractor networks, staff involved in local planning processes, and support for AmeriCorps RARE interns. A requirement for all these efforts is that the support we provide increases awareness of Energy Trust services and offers and ultimately results in energy efficiency and solar project activity benefitting eligible utility customers. Energy Trust is interested in aligning these efforts with Pacific Power and ensuring that the goals are clear and that we are meeting our shared objectives.</p> <p>Additionally, Energy Trust has a goal of deepening relationships with community-based organizations to learn and leverage their knowledge of the communities we hope to serve more deeply. Energy Trust expects to continue to develop new relationships across our service territory as we do this work, and we will keep Pacific Power aware of this emerging area of community development work.</p>
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<b>Respondent: NW Natural Comment topics</b>	<b>Energy Trust staff responses</b>
Thanked Energy Trust for identifying cost-effective therm savings and ideating with us on ways to stretch our thinking and test our models to reach more customers through a variety of methods.	We appreciate the time and effort of NW Natural staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Holly Braun and Rick Hodges.
Expressed excitement about the new zero net energy home program and a possible 844 offering for boiler replacement.	We look forward to coordinating with NW Natural as we explore these emerging program offerings and sources of energy savings.
<b>Respondent: Cascade Natural Gas Comment topics</b>	<b>Energy Trust staff responses</b>
Appreciated the opportunity to review and comment on the Energy Trust's budget. Acknowledge the value of cost-effective gas proposed. Budget appeared consistent with expectations and matched the utility's Integrated Resource Plan.	We appreciate the time and effort of Cascade Natural Gas staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Al Spector, Monica Cowlshaw and Mike Parvinen.
Encouraged Energy Trust to continue monitoring levelized costs.	Please see the supporting memo on levelized costs and cost management in the final proposed budget for additional information about drivers of levelized costs and strategies for managing costs. Strategies for managing costs include finding new sources of

	savings, exploring new program designs and delivery methods and ensuring efficient operations. We will continue exploring new approaches to add more savings at the lowest possible costs, while maintaining outreach to rural customers.
Supported Energy Trust's prioritization of innovation, accessibility and diversity, equity, and inclusion efforts.	We appreciate the support of these focus areas, which are critical to achieving Energy Trust's goal of meeting savings and generation targets and creating future opportunities.
Appreciated continued exploration of potential support for renewable natural gas opportunities for our customers. Thanks again for your partnership.	We look forward to exploring the role Energy Trust could play in emerging renewable natural gas opportunities.

<b>Respondent: Avista Comment topics</b>	<b>Energy Trust staff responses</b>
Reviewed and supported the draft 2020 budget and 2020-2021 action plan.	We appreciate the time and effort of Avista staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Lisa McGarity and Kevin Holland.
Appreciated efforts to achieve all cost-effective natural gas savings, efforts to keep savings affordable and commitment to high customer satisfaction.	Thank you for this acknowledgement.
Supported diversity, equity and inclusion activities, expressed interest in exploring how savings from these customers could be accounted for in Avista's Integrated Resource Plan, and stated interest in discussing additional solutions to increasing the overall reach of the energy efficiency programs.	We appreciate Avista's support for our diversity, equity and inclusion activities and look forward to exploring additional ways to expand participation.
Expressed interest in understanding the effectiveness of strategies to increase natural gas savings during a potential economic downturn.	We appreciate Avista's interest in the outcome of Energy Trust's efforts to increase participation from business customers and will share outcomes with Avista staff in 2020.
Emphasized the importance of collaboration with utilities for successful transformation of markets with natural gas heat pump water heaters and renewable natural gas procurement.	We appreciate this feedback and look forward to collaborating with Avista on this work in 2020.
Appreciated innovations to meet the Oregon Public Utility Commission's mandated performance measures regarding staffing and administration costs, and stated interest in continued communication in this matter.	Thank you for this acknowledgement. We look forward to sharing information about Energy Trust's continued work to minimize staffing and administration costs in 2020.

<b>Respondent: Kris Alman Comment topics</b>	<b>Energy Trust staff responses</b>
The OPUC should direct Energy Trust to end financial incentivizes for natural gas appliances and heating systems. OPUC could either eliminate public purpose charges on gas utilities or, preferably, re-direct them toward clean renewables.	Our offers of incentives for gas equipment are guided by the Oregon Public Utility Commission (OPUC) and Washington Utilities and Transportation Commission (WUTC) policies and our grant agreement. Through these policies and agreements, we are directed to minimize the cost of the gas and power systems to ratepayers as a group. We refer you to the OPUC and

	WUTC for more information about the determination of policies guiding our investments.
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## Comments from October 16, 2019 draft budget workshop

On October 16, Energy Trust hosted a public budget workshop for the board, advisory council members and the public. The 2020 draft budget and budget trends were presented at the workshop, and meeting attendees had an opportunity to ask questions of staff leading major areas of activity described in the 2020-2021 action plans and submit comment cards. The workshop concluded with a general discussion among all attendees with time for questions and answers. The following comments were collected on cards or captured during the workshop discussion.

<b>Respondent: Budget workshop attendees</b>	<b>Energy Trust staff responses</b>
<b>Comment topics</b>	
Recommend creating new budget materials that highlight investment in integrated energy efficiency and renewable energy approaches, electric vehicles and storage.	We provided a detailed memo on the interactions of efficiency and renewable programs in summer 2019 and followed up at the November Renewable Energy Advisory Council meeting with a bulleted list of activities in 2020 to highlight specific areas of integrated efforts and offering. As we define our approach for developing the 2021 Budget and 2021-2022 Action Plan in 2020, we will check in on what information remains of interest to stakeholders.
Requested clarification regarding 2020 annual goal two.	We revised the 2020 annual goal two to clarify that we will seek input from community partners and advisory councils as we develop guidelines to guide resource investments in community efforts.





# Oregon

Kate Brown, Governor

## Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

**Mailing Address:** PO Box 1088

Salem, OR 97308-1088

503-373-7394

November 21, 2019



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

Dear Michael,

We appreciate the opportunity to comment on the Energy Trust of Oregon's 2020-2021 Budget and Action Plan. We adopt the recommendations of the OPUC Staff, summarized in more detail in the memo, and discussed at the Commission's November 7 Special Public Meeting.

We encourage and support Energy Trust and Staff to continue to communicate openly and regularly regarding operations, community outreach and challenges and opportunities associated with achieving targets.

We applaud the Energy Trust for its continued results in 2019 obtaining significant least cost resources for utility customers that contribute to controlling overall bills. We look forward to those results continuing into 2020, as the next five-year strategy begins to unfold. We look forward to working with Energy Trust and stakeholders to achieve targets in this upcoming year's budget and to face together the many exciting issues ahead.

## OREGON PUBLIC UTILITY COMMISSION

**Megan W. Decker**  
Chair

**Stephen M. Bloom**  
Commissioner

**Letha Tawney**  
Commissioner

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
SPECIAL PUBLIC MEETING DATE: November 7, 2019**

**REGULAR**   X   **CONSENT**        **EFFECTIVE DATE**                      **N/A**

**DATE:** October 31, 2019

**TO:** Public Utility Commission

**FROM:** Anna Kim

**THROUGH:** Jason Eisdorfer and JP Batmale **SIGNED**

**SUBJECT:** ENERGY TRUST OF OREGON: Presentation of 2020 Draft Budget and 2020-21 Action Plan.

**STAFF RECOMMENDATION:**

The Commission adopt Staff's comments and recommendations on Energy Trust of Oregon's (Energy Trust) Draft 2020 Budget and 2020-2021 Action Plan.

**DISCUSSION:**

Issue

Whether the Commission should adopt Staff's comments and recommendations on Energy Trust's Draft 2020 Budget and 2020-2021 Action Plan.

Applicable Law

In 1999, Oregon Revised Statute (ORS) 757.612 was adopted and established the public-purpose charge (PPC). The PPC provided funding for new cost-effective local energy conservation, new market transformation, energy efficiency for the state's K-12 public schools, the above-market costs of new renewable energy resources, and new low-income weatherization. Along with authorizing the Commission to direct the manner in which PPC funds are collected and spent, the statute also gave the Commission the authority to direct PPC funds to a nongovernmental entity as described in ORS 757.612(3)(d). This non-profit would implement the part of the PPC that is set aside for cost effective energy conservation, market transformation initiatives, and programs that addressed the above-market costs of new renewable energy resources.

The Energy Trust is a nonprofit, nongovernmental entity with which the Commission has contracted for investment of the public purpose charge.

In December 2005 Energy Trust and the Commission executed the current grant agreement that guides Energy Trust operations. The contract details parties' obligations and describes methods for accountability and oversight, such as submitting an annual budget report to the Commission for review. Specifically, section 3.a.ii of the grant agreement stipulates that Energy Trust will:

...develop an annual calendar budget on or before November 15 of each year and a final budget, approved by Energy Trust's board of directors, on or before December 31 of each year. The budget will include projected revenues to be received under this Agreement, other revenues to be received, and describe proposed expenditures in such a manner as may be requested by the PUC. The budget will also contain information that may permit the reader to evaluate the Energy Trust's total administrative costs and whether such costs may be considered reasonable, and provide a comparison of actual revenues and expenditures received through the first three full quarters and an estimation of projected expenditure for the remaining fourth quarter of the current year, as compared to the current year's budget.

Annually, the Commission reviews and comments on Energy Trust's budget and action plan to ensure that it presents a sound plan to acquire all technically achievable cost-effective savings, continues to accelerate the adoption of small scale renewable resources and keeps certain overhead costs below agreed upon thresholds.

### Analysis

Energy Trust proposes a budget with \$202.5 million in expenditures for 2020. The vast majority of these expenditures (98.5%) are for the Oregon Public Utility Commission (OPUC) grant that supports energy efficiency and small-scale renewables.<sup>1</sup> The remaining 1.5% of planned expenditures support separate contracts for Northwest Natural in Washington, the OPUC's Community Solar Program, and development funds. With the recent addition of the Community Solar Program contract, Energy Trust has begun to report the OPUC grant portion of the budget separately from the overall budget.

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<sup>1</sup> The OPUC Grant for energy efficiency and small-scale renewables refers to two sources of funding. The first is the Public Purpose Charge (PPC). This was created under SB 1149 in 1999 and constitutes less than 40% of Energy Trust's OPUC Grant funds. The remaining portion of this grant's funding comes through SB 838. Passed in 2008, this bill enables Energy Trust to secure all cost-effective energy efficiency annually, beyond what is funded by the PPC.

The numbers presented in this memo come from Energy Trust's draft 2020 budget for 2020 and 2021, and 2019 final approved budget for 2019 unless otherwise noted. These numbers refer to the OPUC grant portion of Energy Trust's budget unless otherwise noted.

### **2020 Budget Background**

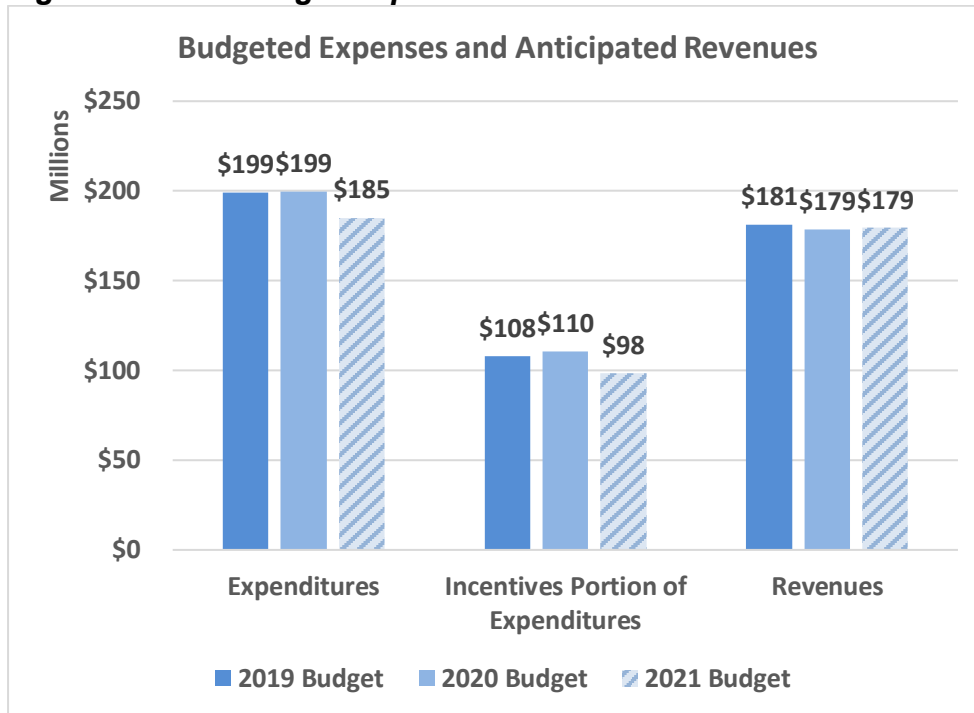
Energy Trust's Draft Budget and Action Plan is made available to stakeholders and the public in a series of meetings and through its website starting in September. The complete draft Budget and Action Plan was posted online at [www.energytrust.org](http://www.energytrust.org) on October 8, 2019. Energy Trust presented an overview of the 2020 Budget and Draft 2020-2021 Action Plan at a public workshop on October 16, 2019.

Energy Trust discussed the Draft Budget and Action Plan with OPUC Staff at informal workshops on September 20 and October 4. The Commission's Special Public Meeting scheduled for November 7, 2019 is the opportunity for the public and the Commission to consider and comment on Staff's assessment of the Draft Budget and Action Plan. The Energy Trust Board will receive a Final Proposed 2020 Budget and 2020-2021 Action Plan in early December and will consider it for adoption at its meeting on December 13, 2019.

### **2020 Budget Overview**

Energy Trust proposes \$199.5 million in expenditures in 2020 for OPUC grant activities, which is an increase of two-tenths of a percent over the final 2019 budget. Over half of these expenditures are expected to be paid out as incentives. Energy Trust plans to collect \$178.5 million in revenues. The difference between expenditures and revenues is covered through the carryover of funds from 2019.

**Figure 1: 2020 Budget Expenses vs. Revenues<sup>2</sup>**



	2019 Budget	2020 Budget	2021 Budget
<b>Expenditures</b>	\$199,076,956	\$199,490,968	\$185,093,945
<b>Incentives Portion of Expenditures</b>	\$107,864,517	\$110,379,797	\$98,416,021
<b>Revenues</b>	\$181,132,028	\$178,513,981	\$179,399,455

Incentives are projected to decrease by 2.3 percent in 2020, which continues the trend predicted last year of decreased incentives. Revenues are also predicted to decrease as a consequence of slightly reduced incentive payment opportunities.

When looking at changes on a utility basis, the table below shows that smaller utilities see larger changes in revenue for 2020. These changes are significantly smaller than those experienced between 2018 and 2019.

<sup>2</sup> Note: This chart does not show carryover reserves which are used to smooth out operations from year to year and reduce rate impacts.

**Revenue from public purpose and incremental funds by utility**

	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>% Change</b>
<b>PGE</b>	\$90,836,646	\$88,336,646	-2.75%
<b>PacifiCorp</b>	\$60,960,268	\$61,172,381	0.35%
<b>NW Natural</b>	\$24,327,913	\$23,946,285	-1.57%
<b>Cascade</b>	\$2,915,331	\$3,315,331	13.72%
<b>Avista</b>	\$2,091,870	\$1,743,338	-16.66%

In 2017, Energy Trust began service in Avista's territory and has since been refining estimates of the potential for savings in that area. As this is a new territory to Energy Trust, there have been relatively large fluctuations in savings estimates from year to year, exacerbating the increase between 2018 and 2019, followed by reduced need for revenue in 2020.

**Savings Acquisition**

Over the course of 2019, Energy Trust has been working through the phase-out of the application of "net savings" throughout its savings estimates. The following section describes estimates in terms of gross savings, including backward-looking adjustments when comparing the 2020 budget to previous. This means that the data on savings described in the 2019 budget is not directly comparable to estimates in the 2020 budget.

As discussed in the 2019 budget process, the cost of energy efficiency acquisition continues to increase. Some of these trends are fuel-specific, but there are also a number of factors that cumulatively affect the achievable level of electric and natural gas savings. These trends can be categorized as baseline and economic.

Due in no small part to Energy Trust's promotion of energy efficiency, Oregonians benefit significantly in improvements in how we use energy today. One of the major improvements to the baseline level of efficiency is the state energy code. After a long process that began in 2017, the most recent round of commercial building code went into effect in October 2019. This regularly occurring event results in more efficient buildings diminishing the benefits of future efficiency projects as their savings are calculated against a higher level of baseline efficiency.

Further, Energy Trust is seeing smaller savings per site in commercial and industrial sectors because many of these projects are repeat customers who are coming back for smaller increments of savings. This trend illustrates the impact of Energy Trust's work in the region, as a reliable partner and trusted advisor towards ever-increasing levels of efficiency.



Energy Trust also funds Northwest Energy Efficiency Alliance (NEEA), which delivers some of the most cost-effective savings. NEEA's forecast of savings in 2020 is lower than last year's savings forecast based on NEEA's 2020 Operations Plan.

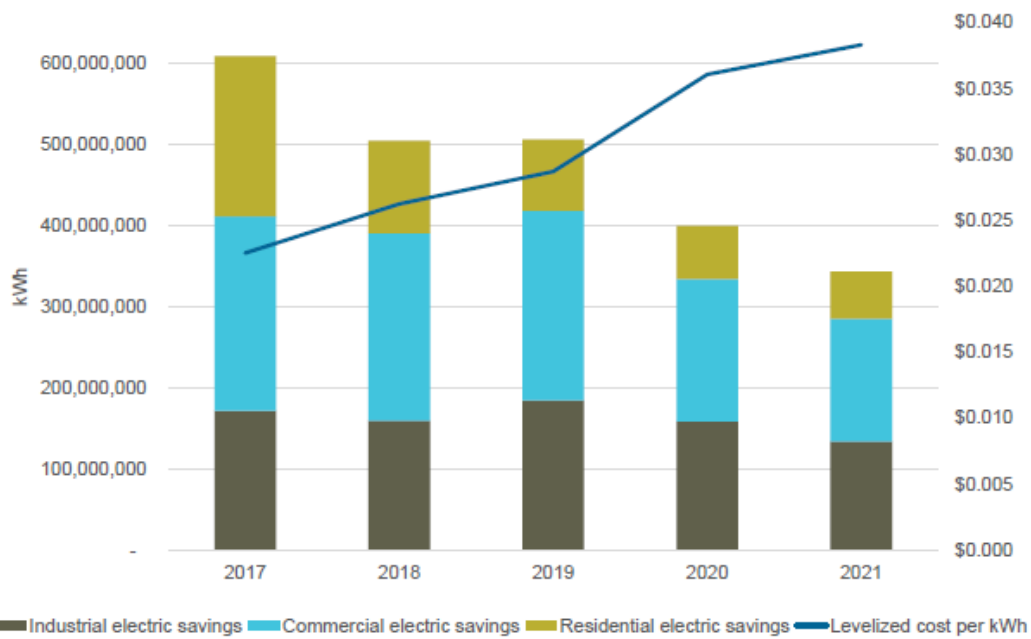
Major economic impacts identified by Energy Trust include higher equipment costs due to trade tensions, and labor shortages due to a growing economy. Energy Trust has noticed trends that suggest investment construction and renovation is slowing. Such economic changes will impact Energy Trust's ability to find new projects in 2020.

Energy Trust notes that the avoided cost for energy efficiency was updated recently to a higher value for gas and for peak electric savings. In the past, avoided costs were updated roughly every three years. Now there is a new process that ensures avoided costs are updated annually. More frequent updates means more frequent changes in price. Each change will be less dramatic, but may lead to more fluctuations as avoided costs will not always increase.

### *Electric Savings*

The following chart illustrates projected electric savings by sector, including Energy Trust activities outside of the OPUC grant, and the estimated levelized cost. Energy Trust is facing a combination of decreased savings potential and increased cost of acquisition.

**Figure 2: Electric savings by sector <sup>3</sup>**

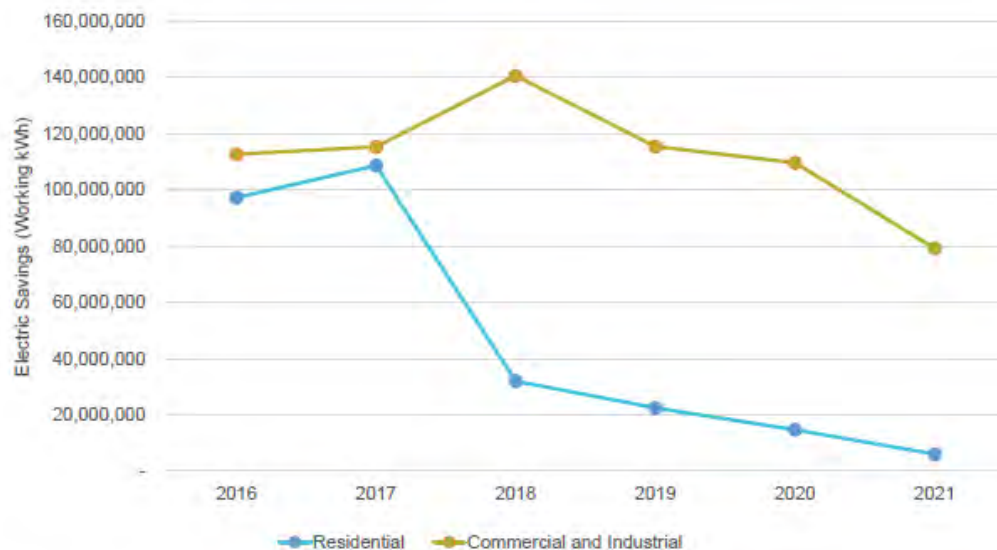


*Chart shows 2017-2018 actuals, 2019 budget and draft 2020 and 2021 budget*

Last year, Energy Trust anticipated the possibility that Energy Independence and Security Act standards for the efficiency of screw-in lamps (EISA) would not go into effect as planned and opted to stay in the lighting market. EISA in fact did not take effect in 2019 and Energy Trust continued to provide support in transitioning to more efficient lights. As the lighting market continues its transition into LEDs, Energy Trust continues to phase out incentives for these energy efficiency measures, focusing on uses and segments that are slower to adopt these lighting trends. The following figure shows Energy Trust's projections for lighting savings, including Energy Trust activities outside of the OPUC grant.

<sup>3</sup> Energy Trust's Draft 2020 Annual Budget and 2020-2021 Action Plan.

**Figure 3: Lighting savings by sector <sup>4</sup>**



*Forecasted activity for 2019-2021*

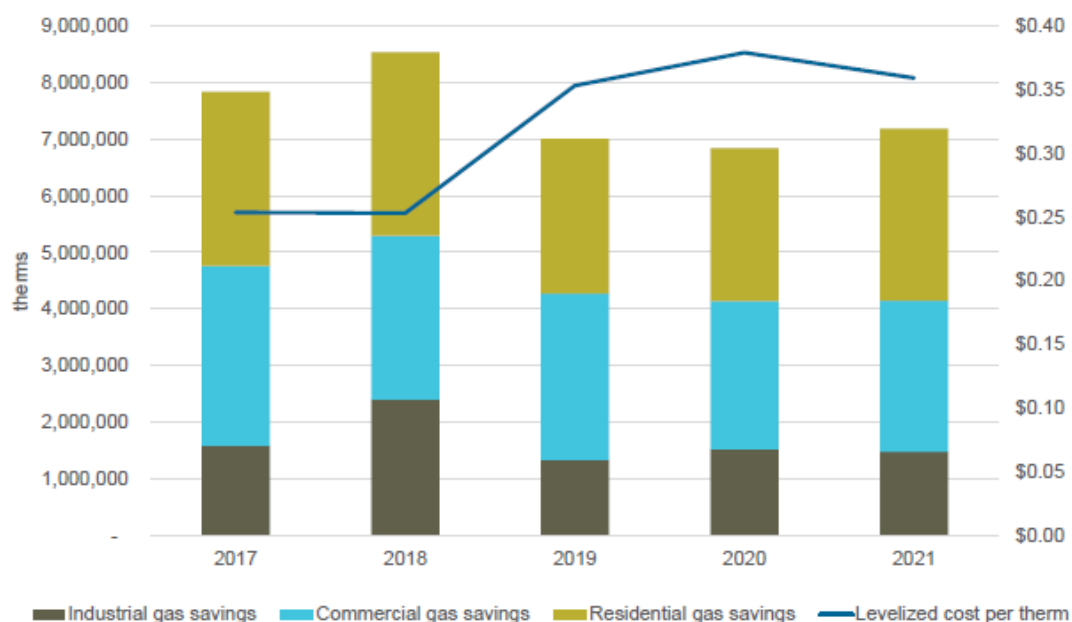
Recent estimates for water measure savings also saw improved baselines and reduced savings. The combination of reduced savings attributed to lighting and water-based measures has had particularly large impacts on residential and multifamily programs, and tie into the overall increases in cost described above.

### *Natural Gas Savings*

Energy Trust predicts that the cost for acquiring natural gas energy efficiency will increase next year slightly, and then level off in 2020. This is illustrated in the following graph, which includes Energy Trust activities outside of the OPUC grant.

<sup>4</sup> Energy Trust's Draft 2020 Annual Budget and 2020-2021 Action Plan.

**Figure 4: Gas savings by sector <sup>5</sup>**



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

The anticipated increase in gas levelized costs in 2020 is not as dramatic as the previous year. As mentioned previously in the revenue section, Energy Trust anticipated increased potential in Avista in 2019, followed by a lower estimate in 2020. Additionally estimates of savings associated with commercial boilers decreased significantly as a result of evaluations and updated technical analyses, increasing the overall levelized cost.

#### ***Operational Improvements to Lower Costs***

In 2019, Energy Trust worked on a number of activities to identify and implement increased operational efficiency in program delivery. Energy Trust completed a project that streamlined the process of applying corrections to the incentive payment process when an error is found, which is expected to save hundreds of hours of work across the organization annually. Energy Trust automated a number of processes that increased the speed and efficiency of some types of high frequency transactions. Energy Trust also attempted to identify measures with especially high delivery costs and did not find any measures with outsized costs.

<sup>4</sup> Energy Trust's Draft 2020 Annual Budget and 2020-2021 Action Plan.

In the 2020 Budget, Energy Trust intends to continue implementing opportunities to improve efficiency, notably in automating additional transaction processes. Energy Trust also plans to automate a portion of the measure review process, which will speed up the approval of energy efficiency measures for implementation. Energy Trust also plans to re-bid three programs: multifamily, existing buildings, and commercial/industrial lighting. The rebid and redesign of these programs is an opportunity to increase efficiency and reduce cost.

#### *Future Savings Potential*

In 2019, Energy Trust also undertook several activities to invest in new methods and opportunities to increase savings in the future. Energy Trust prioritized the development of new opportunities in the residential and multifamily sectors through the development of new measures, testing of new delivery mechanisms including collaborations on co-funded offerings, and ongoing work to redesign the multifamily program. Energy Trust also tested a wide range of activities to reach customer segments with lower rates of participation as identified by Energy Trust's Diversity, Equity, & Inclusion initiative ("DEI") where additional savings may be found.

As described in the 2020 Budget, Energy Trust will continue to work towards increasing future savings potential by developing more measures, testing more delivery strategies, investing in additional collaborations with complementary funds, and DEI. Staff is supportive of this work and its future potential.

Staff recommends that Energy Trust continue to invest in activities to control costs and increase savings potential. Staff also recommends that Energy Trust begin reporting on how complementary funds are being used in co-funded activities, and the results of those activities.

#### **Renewables Generation Acquisition**

The renewables program is divided into two programs: Standard Solar and Other Renewables.

#### ***Generation Supported by Energy Trust***

	2019 Budget	2020 Budget	2021 Budget
<b>Other Renewables (aMW)</b>	0.2	1.0	0.5
<b>Solar (aMW)</b>	2.0	2.4	2.1

For 2020, Energy Trust identified many factors that may have an impact on the projects that Energy Trust will work with. While the Renewable Energy Tax Credit will continue to decline in 2020, other opportunities are entering the arena. Portland's Clean Energy Fund and Community Solar Program could increase or decrease opportunities for the

Renewables program to invest. Renewable Natural Gas may also impact the market for Other Renewables.

For this budget process, Energy Trust provided a long-range forecast for Other Renewables investments. This forecast provides some context to the short-term projects in this budget and to the uneven distribution of longer-term investments in Other Renewables projects. Staff appreciates this forecast and recommends forecasts continue to be provided going forward.

Energy Trust is a subcontractor involved in the delivery of the Community Solar Program. Energy Trust also intends to offer a limited budget of incentives from OPUC Grant funds to Community Solar Program projects. Energy Trust provided to Staff a thorough report on how Community Solar Program funds are separated from the main OPUC grant, and what steps were taken to ensure there is no cross-subsidization between separately funded programs. Staff appreciates the care taken in separating funding streams and the transparency in reporting. Staff recommends a continuation of this transparency into Energy Trust's work as a subcontractor for the Community Solar Program, along with continued reporting of any incentive offerings for Community Solar Program projects. Staff also recommends that Community Solar Program project support be reported in the same format as the long-term renewables report in the budget.

#### *Administrative Costs*

In June 2018 the Secretary of State released its audit of Energy Trust's administrative costs.<sup>6</sup> The report found that both Energy Trust and the OPUC, "...have adequate controls in place to ensure that Energy Trust administrative costs are reasonable."<sup>7</sup> However, the Secretary of State did make three recommendations to increase transparency. They were:

1. Define reasonable administrative costs.
2. Revise the administrative cost metric to provide actual amounts spent.
3. Clarify reporting methods to ease determination of administrative costs.

In response to these recommendations, 1) OPUC Staff reviewed Energy Trust's policies on administrative costs and determined that the existing policies are reasonable, 2) OPUC Staff revised the administrative cost metric to include the equivalent dollar cap, and 3) Energy Trust clarified administrative costs within reporting documents. The Secretary of State released a final report in September 2019. The report concludes that

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<sup>6</sup> See Oregon Secretary of State Office audit of Energy Trust, June 2018, Report No. 2018-20 at <https://sos.oregon.gov/audits/documents/2018-20.pdf>.

<sup>7</sup> *Ibid*, pg. 1.

Recommendations number two and three were implemented and Recommendation number one was partially implemented.<sup>8</sup>

Administrative costs fall under the following categories:

- Employee Salaries & Fringe Benefits if not directly related to program delivery
- Agency Contractor Services if not billed to program delivery
- Planning and Evaluation Services if not billed to program delivery
- Advertising and Marketing Services if not billed to program delivery
- Other Professional Services if not billed to program delivery
- Travel, Meetings, Trainings, & Conferences
- Dues, Licenses, and Fees
- Software and Hardware
- Depreciation & Amortization
- Office Rent and Equipment
- Materials Postage and Telephone
- Miscellaneous Expenses

Administrative costs are projected to increase by \$460,178 – or 3.5 percent – in 2020. While costs are not expected to change much, revenues will at the same time decrease, which means that administrative costs will be a larger share of revenues.

	2019 Budget	2020 Budget	2021 Budget
<b>Administrative Costs</b>	\$13,225,417	\$13,685,595	\$13,999,165
<b>Revenues</b>	\$181,132,028	\$178,513,981	\$179,399,455
<b>Percent of Revenues</b>	7.3%	7.7%	7.8%

In 2019, Energy Trust worked on numerous activities to control administrative costs. These activities have resulted in a range of operational efficiencies. One major project was automating transaction processing. This project automated multiple processes that included program delivery and administration. Automation activities will continue into 2020 for additional efficiencies to new processes. This activity is of high importance to Staff. Staff also worked with Energy Trust to review services Energy Trust provides to the Commission and other utilities. Major activities will be tracked going forward.

Energy Trust also worked on activities that came out of the organizational review conducted in 2018. This ongoing work includes projects to develop methods to more

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<sup>8</sup> See Recommendation Follow-up Report: The PUC Has Taken Appropriate Steps to Strengthen Oversight of Energy Trust Administrative Costs, September 2019, Report No. 2019-35 at <https://sos.oregon.gov/audits/documents/2019-35.pdf>.



effectively evaluate and implement new ideas and processes, frameworks for decision making, and processes to better incorporate customer feedback.

Energy Trust will also continue to implement its new budget software. As the organization learns more and leverages the new capabilities this software offers, it anticipates it will result in a less labor-intensive process and provide additional flexibility for planning in 2020 and beyond. The implementation of this software is important to Staff because of the future savings in administrative costs and the opportunities to plan different scenarios.

While Staff believes that Energy Trust is managing administrative costs appropriately, Staff is still concerned about the increasing percentage share of administrative costs. Staff will continue to work with Energy Trust in 2020, building off the work in 2019, to identify additional opportunities to control this overall trend.

### **Staffing Costs**

In 2019, Staff worked closely with Energy Trust to understand trends in Energy Trust's staffing costs and recommended changes to the staffing performance metrics through UM 1158. In 2019, two staffing performance metrics were in place:

- Total staffing expenditures will not exceed 7.25% of total organization expenditures calculated on a 3-year rolling average for public purpose funded activities in Oregon.
- Staffing cost growth is limited to 10% year-over-year increase.

As a result of the review of staffing costs, the Commission approved a change in performance metrics for 2020, suspending the first metric and changing the second metric to a 9% year-over-year increase. Staff will also hold public workshops and report to the Commission on staffing trends to provide a recommendation for 2022 performance measures. The review and discussion of staffing costs will continue in the UM 1158 docket.<sup>9</sup>

Staffing cost increases are not as large as was predicted earlier in 2019. Specifically, healthcare costs are not expected to increase as dramatically.

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<sup>9</sup> See Order No. 19-292.

Year	Total Staffing Cost	Total Change in Dollars	Annual Change
2017 Actual	\$12,508,690		
2018 Actual	\$13,185,215	\$676,525	5.4%
2019 Budget	\$14,026,974	\$841,759	6.4%
2020 Budget	\$15,028,985	\$1,002,011	7.1%
2021 Budget	\$15,834,799	\$805,814	5.4%

Changes in the staffing budget for 2020 are primarily driven by increasing healthcare costs and the addition of new staff. As discussed in UM 1158, Energy Trust will be adding a new full-time staff member to take the lead on several activities that are part of Energy Trust's DEI Initiative and provide other internal support to help the organization achieve these goals. Energy Trust also proposes converting one part-time staff to full time to provide additional project management assistance to the organization. Staff believes this additional 0.5 FTE will result in increased savings through effective project management of program-based projects. Staff remains concerned about forecasted increases in staffing costs in 2021, while at the same time energy savings are projected to decline and plans to continue to work with Energy Trust on how to control staffing beyond 2020.

#### **Status of 2019 Action Items and Other 2019 Activities**

As part of the review of each Energy Trust annual budget, the Commission makes suggested recommendations for Energy Trust to adopt over the course of the next year. The table below captures the Commission approved recommendations from last year's budget and Energy Trust's progress toward completing them.

2019 OPUC Recommendations	Status
1. Reduce action items when reporting to Staff to prioritize the most important activities pertaining to the budget. Action items reported to the Commission will state measurable outcomes, whether quantitative or qualitative. Action items will include budget impacts and will list the business unit(s) responsible for executing the action item in the budget year. This information will allow Staff to better evaluate proposed action items.	<b>Complete</b>
2. Provide a longer range forecast for the renewables pipeline to better represent the expected outcomes of investments made today that shows the expected operation date of projects currently under contract.	<b>Complete</b>

3. Identify measures that have high delivery costs, especially in natural gas, so that they can be assessed for extension or discontinuation. Report analysis by July 2019.	<b>Complete</b>
4. Prioritize the future of the residential and multifamily sectors over the other sectors through activities such as pilot studies and program redesign. Update in quarterly reports on progress.	<b>Complete and ongoing</b>
5. Focus on decreasing transaction costs for high-volume activities, such as expediting the rollout of electronic signatures and automated W9 processing. Update in quarterly reports on progress.	<b>Complete and ongoing</b>
6. Continue to report on DEI initiative progress, particularly work to estimate energy efficiency potential in underserved markets. Update in quarterly reports on progress.	<b>Complete and ongoing</b>
7. Prepare for the possibility of reduced revenues in 2020 by developing scenarios, which include reduced staffing levels, in the next six months and report back to the Commission in the Q1 report.	<b>Complete</b>
8. Review with staff the services Energy Trust provides to the Commission and utilities so that these activities can be assessed for value. For example, Energy Trust has been extremely supportive of utilities running targeted demand-side management projects, which impacts their costs, but does not result in significant near-term savings. Energy Trust should gain appropriate credit for their efforts. Staff will work with Energy Trust through 2019 to identify and assess these services.	<b>Complete</b>
9. Identify the organizational review recommendations that quantifiably either save costs or add flexibility and prioritize implementing these activities. The organizational review was undertaken under the assumption that it will increase flexibility and reduce costs and some of the recommendations can be implemented in 2019 to impact performance in 2020. Update in quarterly reports on progress.	<b>Complete and ongoing</b>
10. Begin implementation of new budget software on time and on budget to enable improved reporting on how public purpose funds are spent and enhance capability to test different scenarios. Energy Trust's current system is not set up for scenario testing, and the ability to run multiple scenarios will be increasingly important. Energy Trust needs this capability to address the questions Staff have about their future plans. Update in quarterly reports on progress.	<b>Complete and ongoing</b>

11. Present the impact of Energy Trust's role as a delivery contractor of the Community Solar Program on the overall budget, providing transparency and ensuring public purpose funds are not impacted. Report analysis by July 2019.	<b>Complete</b>
12. Q1 2019 Report: As was previously agreed upon, provide written report as normal, without the formal presentation at a Public Meeting.	<b>Complete</b>

All twelve action items identified for the 2019 budget have either been incorporated into ongoing reporting or completed satisfactorily. Of particular note:

#4: Energy Trust invested heavily in identifying and testing new opportunities in the residential and multifamily sector. While launching new energy efficiency measures and testing new delivery approaches are routine work for Energy Trust, these activities increased significantly and also included investments in new approaches such as targeted load management and complementary funding collaborations.

#11: Energy Trust delivered a thorough report to staff that outlined the steps taken to separate Community Solar funds from the rest of the budget, demonstrating careful stewardship of public purpose funds and a commitment to transparency. Staff also appreciates the subsequent changes to reporting in the budget that separates costs by funding stream.

Staff also very much appreciates Energy Trust's efforts on #1 to address Staff's reporting needs.

Based on outcomes in 2019, Staff recommends incorporating some practices going forward. Staff recommends that Energy Trust continue to: deliver a targeted action item list to Staff (#1), provide a longer-range projection of renewables projects (#2), and provide the Q1 report only as a written report.

Staff also recommends that the following reporting continue in the 2020 quarterly reports: DEI activities (#6), residential and multifamily development (#4), and progress on the budget tracking tool (#10). These topics will continue to be important areas of interest next year.

### **Draft 2020 Action Plan**

Energy Trust identified five major organizational goals to guide the 2020 budget and action plan activities. Previously, Energy Trust developed themes based on program-level action plans. By starting with the goals, Energy Trust was able to identify and organize key strategies and activities more deliberately throughout the process.

For 2020, Energy Trust identified five major goals:

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

The majority of budgeted staff hours will be spent on goal #1. The second source of planned time investment is goal #5. Staff supports the prioritization between goals based on hours allocated.

Some activities of note in the 2020 Action Plan include:

- Implementation of a new budget tool that will replace the currently labor-intensive process with added flexibility for scenario development.
- Measure process improvements that will free up at least half an FTE.
- An updated online customer engagement tool.
- Improve participant history reporting.
- Data security upgrades.
- New Buildings program update.
- Multifamily program update and rebid.
- Community engagement guidelines.

Energy Trust has set aside project leads, staff hours, and appropriate funding to support each DEI Performance Metric that will the Commission will apply to Energy Trust in 2020.

### Conclusion

The 2020 Budget sees a continuation of many themes identified last year. Energy Trust continues to see increases in energy efficiency acquisition costs as several low-cost opportunities have become the default option. Energy Trust will also face additional challenges and market changes in both energy efficiency and renewables.

In the face of these significant shifts in the energy efficiency market, and other new challenges for energy efficiency and for renewables, Energy Trust has put in tremendous effort in 2019 to become more flexible and explore new opportunities to deliver energy efficiency and renewables generation.

Based on the review of this budget, Staff recommends the following:

**Continue to increase operational efficiency and reduce costs**

1. Focus on decreasing transaction costs for high-volume activities, such as expediting the rollout of electronic signatures and automated form processing. Update in quarterly reports on progress.
2. Complete the measure development automation project in 2020.
3. Continue to work with OPUC on future staffing costs given the forecasted decline in savings.

**Continue to invest in future opportunities**

4. Continue to report on DEI initiative progress, particularly work to estimate energy efficiency potential in underserved markets. Update in quarterly reports on progress.
5. Given the transformation of the residential lighting market, prioritize the future of the residential and multifamily sectors through activities such as pilot studies and program redesign. Update in quarterly reports on progress.
6. Begin reporting quarterly on complementary funds activities, tracking the status of co-funding opportunities and the outcomes of those arrangements. Update in quarterly reports on progress.

**Continue to provide transparency and high value reporting**

7. As part of the budget, provide a report on Community Solar activities that is equivalent to the longer-range forecast for the renewables pipeline.
8. Complete the implementation of the budget tracking tool. Update in quarterly reports on progress.

**PROPOSED COMMISSION MOTION:**

Adopt Staff's comments as Commission comments on the Draft 2020 Budget and Draft 2020-2021 Action Plan for Energy Trust of Oregon.



**Portland General Electric Company**  
121 SW Salmon Street • 1WTC1708 • Portland, Oregon 97204  
503-464-7772  
portlandgeneral.com

**Larry Bekkedahl**  
Vice President  
Grid Architecture, Integration &  
Systems Operations

November 30, 2019

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

RE: Comments on Energy Trust 2020 Annual Budget and 2020 Action Plan

Dear Mike,

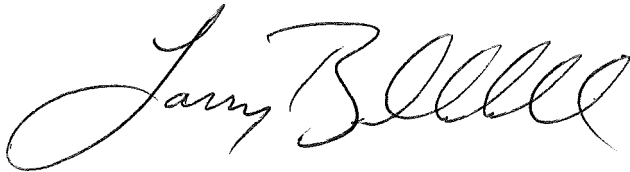
Thank you for the work that you and your staff at the Energy Trust put into developing the 2020 energy efficiency, market transformation, and conservation budget for Portland General Electric (PGE). We appreciate the significant time and effort that went into forecasting the potential electricity savings for 2020 and succeeding years and would like to offer some high-level comments on the budget planning processes and associated programming:

- We found the information provided by your staff discussing potential savings in each market to be comprehensive in nature. We understand from the information and tables provided that Energy Trust is forecasting to not meet PGE's 2019 Integrated Resource Plan's Energy Efficiency target. We have spoken about the challenges faced by Energy Trust, in part because of changes in baselines, building codes, appliance standards, general sector economies as well as Energy Trust's past successes. We appreciate Energy Trust's transparency and open dialogue.
- We recognize that energy efficiency forecasting, and budgeting can be challenging as the market in which Energy Trust operates shifts. Recently these shifts have been very rapid. Thank you for keeping PGE apprised of the over-collection of customer monies to fund the Trust's work. We are pleased to know that some of the identified over-collection is the result of Energy Trust's more efficient administration and that Energy Trust will apply the over collection to the following year's work.
- We are encouraged by the decision to apply a diversity, equity and inclusion lens in the development of the 2020-2024 strategic plan. PGE has similarly been working on our own equity lens and we hope to be able to engage with the ETO as you address issues of delivery of services to underserved communities and your launch of the Diversity Advisory Council.



- We are encouraged by Energy Trust's continued commitment, both through Energy Trust directly and the Northwest Energy Efficiency Alliance, to advance heat pump adoption and heat pump technology.
- Lastly, we have requested, through several forums, more measure and program coordination. We are encouraged to see that our requests for coordination are being met through action and planning as demonstrated through the 2020-2021 Action Plan.

The next few years will likely bring continued changes to how PGE plans for and delivers service as we accelerate our work to decarbonize our energy supply. We look forward to offering customer programs together such as smart thermostats. We also look forward to finding additional opportunities for coordination and synergies. PGE is committed to reducing our greenhouse gas emissions by more than 80% by 2050 and a key first step for that reduction continues to be the energy efficiency savings provided by the Energy Trust. The Energy Trust has been a valuable partner with us and our customers for 17 years and we look forward to addressing Oregon's energy future together.

A handwritten signature in black ink, reading "Larry Bekkedahl". The signature is fluid and cursive, with the first name "Larry" written in a larger, more prominent script than the last name "Bekkedahl".

Larry Bekkedahl  
Portland General Electric  
Vice President, Grid Architecture, Integration and System Operations

October 30, 2019

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

RE: Comments on Energy Trust 2020 Annual Budget and 2020-2021 Action Plan

Dear Mike,

We appreciate the work Energy Trust of Oregon (ETO) has invested in developing and presenting your draft 2020 budget and 2020-2021 action plan to Pacific Power, other funding utilities, and interested stakeholders around the state. We would like to offer the following comments and have identified the following opportunities for the upcoming year:

- Pacific Power appreciates the continued improved alignment between the 2020 target and the amount of cost-effective energy efficiency identified in our very recently released 2019 Integrated Resource Plan (IRP). It is difficult to assess at this moment the impact of increased acquisition over 2017 IRP levels on Energy Trust's longer-term budget. We look forward to continued discussions and Pacific Power specific budget projections for 2020-2021 scheduled for November 13, 2019.
- Due to our unique service territory, Pacific Power appreciates Energy Trust's focus on delivering benefits to a wider group of customers including rural and low-moderate income households. We strongly encourage, and will help coordinate, working directly with our regional business managers (RBMs). Our RBMs live locally across the state and are positioned to support key customers and community activities, including energy efficiency and renewable energy.
- Pacific Power is concerned some of the funding that flows from Energy Trust to community-based organizations and internships may be comingled with initiatives that go beyond energy efficiency and renewable energy. While both Pacific Power and the Energy Trust play an important role in supporting communities in their energy planning efforts, funding or support provided by ETO should be explicitly focused on the acquisition of cost-effective energy efficiency resources and/or addressing the above-market costs of renewables.

Pacific Power continues to value the resource acquisitions and customer benefits delivered by Energy Trust of Oregon on behalf of our customers. We are looking forward to continued good work in 2020.

Sincerely,

A handwritten signature in black ink, reading "Cory Scott". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Cory Scott  
Director, Customer Solutions

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**From:** Braun, Holly <Holly.Braun@nwnatural.com>

**Sent:** Wednesday, October 30, 2019 5:45 PM

**To:** Energy Trust of Oregon Info

**Cc:** Edmonds, Bill; Hodges, Rick

**Subject:** 2020 Energy Trust Budget

[EXTERNAL]

On behalf of our customers and our planet, I thank you for another year of faithfully identifying cost-effective therm savings and ideating with us on ways to stretch our thinking and test our models to reach more customers through a variety of methods.

We are excited about the new Zero Net Energy home program and a possible 844 offering for boiler replacement.

Looking forward to 2020 together.

Thank you,

**Holly Braun**

NW Natural – Energy Efficiency and Innovation Manager

503.226.4211 x5717 | [nwnatural.com](http://nwnatural.com)

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**From:** Spector, Alyn <Alyn.Spector@cngc.com>

**Sent:** Thursday, October 31, 2019 1:57 PM

**To:** Amber Cole <Amber.Cole@energytrust.org>

**Subject:** RE: inquiring about budget comments

Sorry, Amber. We've been swamped! It seems like I have multiple concurrent meetings on my calendar nowadays. Here are some comments you can share.

*Cascade Natural Gas Corporation appreciates the opportunity to review and comment on the Energy Trust's final proposed 2020 budget and 2020-2021 Action Plan. We value the continued transparency and commitment to detail offered to the Company as the Energy Trust provides cost-effective programs of value to our customers and the greater Oregon community. This year's proposals appear consistent with Cascade's expectations. We are glad to see that the Energy Trust's Projections will match the achievement targets in our Integrated Resources Plan. We look to the Energy Trust to continue monitoring program cost-effectiveness and being mindful of increases to levelized costs. We understand some levelized cost changes are due to the Energy Trust and State's success in continued market transformation, code changes, and achievement of "low hanging fruit" saving opportunities. Continued innovation remains a priority, as does ensuring program accessibility to all qualified customers. Cascade applauds the Energy Trust's commitment to exploring ways to achieve greater diversity, equity, and inclusion in its efforts. We would also like to see continued exploration of the role Energy Trust can play in helping to support renewable natural gas opportunities for our customers. Thanks again for your partnership.*

Best,

Alyn Spector  
Mgr, Energy Efficiency Policy  
Cascade Natural Gas Corporation  
206-310-1120



**Avista Corp.**

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

October 30, 2019

Michael Colgrove  
Executive Director  
Energy Trust of Oregon  
4321 SW Oak St, Ste. 300  
Portland, OR 97204

RE: Avista Utilities Comments – Energy Trust of Oregon 2020 Budget and Action Plan

Dear Michael:

Avista Utilities hereby provides the following letter regarding Energy Trust of Oregon's (ETO's) 2020 Annual Budget and Action Plan ("Plan"), as it applies to the energy efficiency programs administered by ETO on behalf of Avista.

Avista would again like to reiterate that it appreciates the efforts of the ETO in achieving all cost-effective natural gas savings within the Company's Oregon service territory during the 2019 program year, and values the Energy Trust's continued efforts in striving to keep these endeavors affordable, and appropriate for our customers. Throughout the Plan, ETO's commitment to high customer satisfaction, and experience is evident; as a utility, Avista finds this focus to be an integral part of any energy efficiency program offering, as these values closely align with our own.

It is clear that the Energy Trust of Oregon's Diversity, Equity and Inclusion ("DEI") plan, and increased focus on the DEI lens, hopes to engage, and reach more customers in the upcoming years. Realization of these efforts could translate to additional energy efficiency opportunities, as these customers currently may not be aware of, or may not have previously been able to participate in such programs. As stated in previous meetings, Avista considers that these savings might have the potential to be accounted for within the Company's Integrated Resource Plan ("IRP"), to better inform planning for the natural gas distribution system. To address customers' inability to

participate, Avista stands ready to engage in any potential discussions regarding exploration of additional solutions to increase the overall reach of the energy efficiency programs.

There are allusions to a potential downturn in the economy within the Plan, with trade wars, and shortages of contractors impacting businesses' ability to implement energy efficiency projects. As such, the Action Plan seeks remedies such as increases to natural gas incentives, improvements to offerings, and technical assistance. Avista is interested in how effective these strategies are, or might be, in keeping business customers engaged, and if there is any need for shared efforts with these strategies. Additionally, collaborations with utilities will be essential for ETO for successful transformation of markets with natural gas heat pump water heaters, and renewable natural gas procurement. The forthcoming definition of scope, and what a partnership might look like will better define how we might bring these opportunities to market.

As Staffing and Administration costs continue to rise, Avista appreciates the innovations of Energy Trust as it strives to meet the Oregon Public Utility Commission's mandated performance metrics. As a utility, Avista shares the duty to wisely utilize ratepayer funds, and we look forward to continuous open communication in this matter.

Overall, Avista is supportive of the 2020 Annual Budget and Action Plan. The time and effort that Energy Trust has expended, and continues to apply to develop the best course forward for these programs is apparent, and Avista looks forward to working together in the future to balance the needs of our communities while maintaining the provision of world-class energy efficiency program delivery.

If you have any questions regarding these comments, please contact me at (541) 858-4719, or by email at [lisa.mcgarity@avistacorp.com](mailto:lisa.mcgarity@avistacorp.com).

Sincerely,

Lisa McGarity  
Energy Efficiency Program Manager





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**From:** kris alman <kris.alman@gmail.com>

**Sent:** Wednesday, October 30, 2019 8:30 AM

**To:** Energy Trust of Oregon Info; puc.commission@state.or.us; puc.public.comments@state.or.us

**Cc:** Tom Beverly; PEACOCK Julie

**Subject:** Comments re budget Energy Trust of Oregon

[EXTERNAL]
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To whom this concerns,

I participated in the SB 978 process last year as a citizen stakeholder. At our last meeting, I was brought forth on a panel to be questioned by the Commissioners. Chair Decker specifically asked me how the Oregon Public Utility Commission could better engage citizens. By sending these comments, I am continuing my commitment toward influencing thoughtful regulation of utility companies.

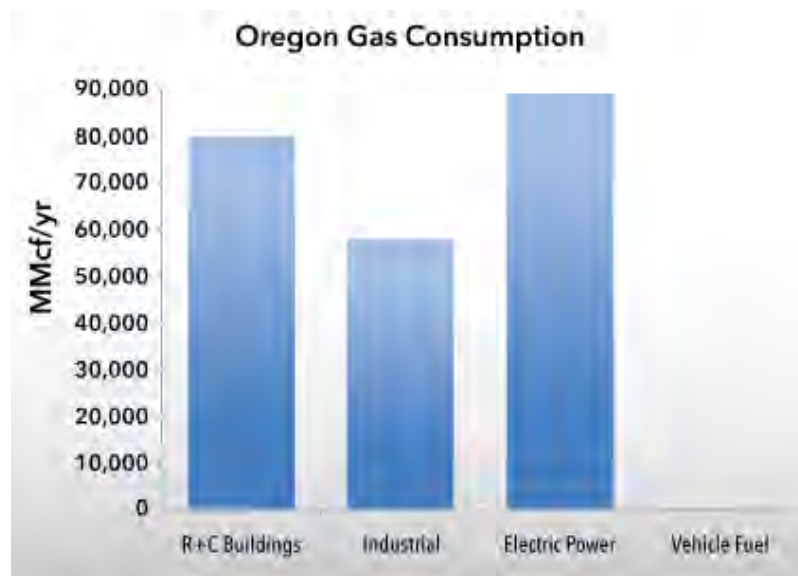
Climate mitigation is not within the purview of the ETO. Though we urgently need to put a price on greenhouse gas emissions, that action requires changes in Oregon law. [\[1\]](#) **On the other hand, statutory changes are unnecessary for Oregon Public Utility Commission (OPUC) and ETO to end financial incentivizes for natural gas appliances and heating systems. This needs to happen.**

For the past century, OPUC's regulatory goals focused on reliable, safe services and lower energy bills for customers. Every two years, OPUC requires an energy utility to file an integrated resource plan (IRP) that shows how they will provide an adequate and reliable supply of energy at the least cost and risk to the utility and its customers.

In a climate-constrained world, fossil fuel consumption must be significantly reduced.

Recently, the Rocky Mountain Institute announced that investments in natural gas infrastructure could lead to over \$100 billion in stranded costs as clean energy prices fall.<sup>[2]</sup> These stranded assets include plants and pipelines. The combinations of solar, wind, storage, efficiency and demand response are now less expensive than most proposed gas power plant projects.

According to the U.S. Energy Information Administration (EIA), Oregon is among only 4 states to increase its share of natural gas consumption in the United States in the recent past.<sup>[3]</sup> Overall, we burn nearly as much gas in Oregon's residential and commercial buildings as we do in all of Oregon's power plants.<sup>[4]</sup> Gas heats our rooms and water and is used for stoves, dryers and fireplaces.



But the newest (and still incomplete) EIA data show a sharp increase of natural gas consumption for electric power in Oregon. Consumption rose from 88,673 to 122,230 Million Cubic Feet (nearly a 38% increase) from 2017 to 2018, no doubt to the Carty facility serving PGE customers becoming fully operational.

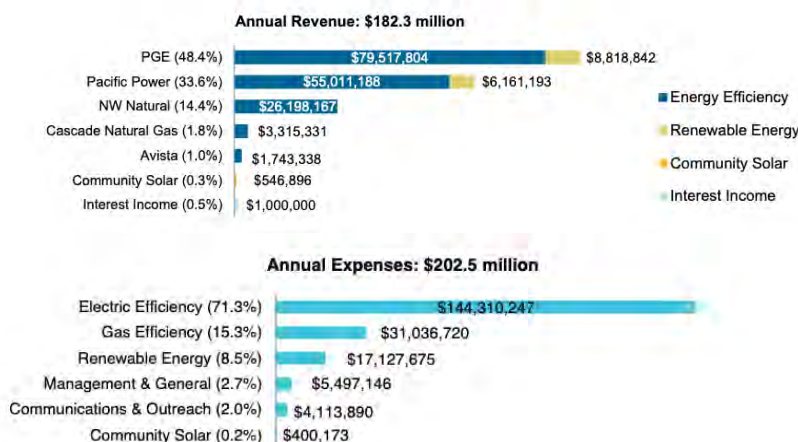
Two decades ago, lawmakers passed energy restructuring legislation. A three percent “public purpose charge” (PPC) was assessed on Investor Owned Utility (IOU) electricity bills.<sup>[5]</sup> The purpose of these funds are to improve energy conservation in public schools, subsidize weatherization and energy assistance for low-income households; and incentivize energy efficiency and renewable energy projects for residential and business customers. Energy Trust of Oregon administers many of these programs.

In 2007, the legislature authorized OPUC to increase the public purpose charge to meet energy efficiency for the utility company's integrated resource plans (IRP). Over half of ETO's ~\$200 Million budget are distributed as incentives.

Starting in 2003, OPUC added tariffs to natural gas utilities similar to the PPC *through regulatory and rule changes only*. In other words, there are no statutes that require or guide this surcharge to gas utility bills. OPUC and Energy Trust negotiate the tariff on gas utilities based on the amount of money needed to meet the energy efficiency portion of their IRP. Collectively, gas tariffs are projected to be ~17% of new budget. There are \$150-\$250 cash incentives for gas fireplaces; \$200-

\$550 cash incentives for gas furnaces and \$100 cash incentives for gas water heaters.

#### Revenue and Expenses (Oregon and Southwest Washington)<sup>1,2</sup>

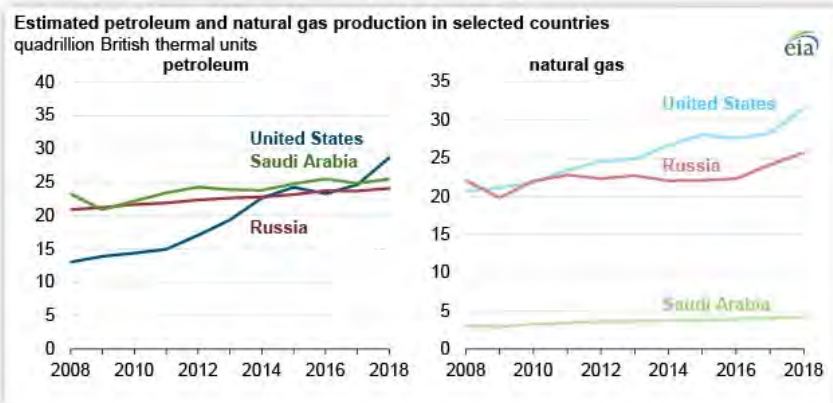


Since the Energy Trust of Oregon serves customers of both electric and gas utilities, they are “fuel neutral.” This means the ETO does not encourage customers to switch between gas and electric technologies, but instead focuses on how customers can save energy with their existing fuel types.

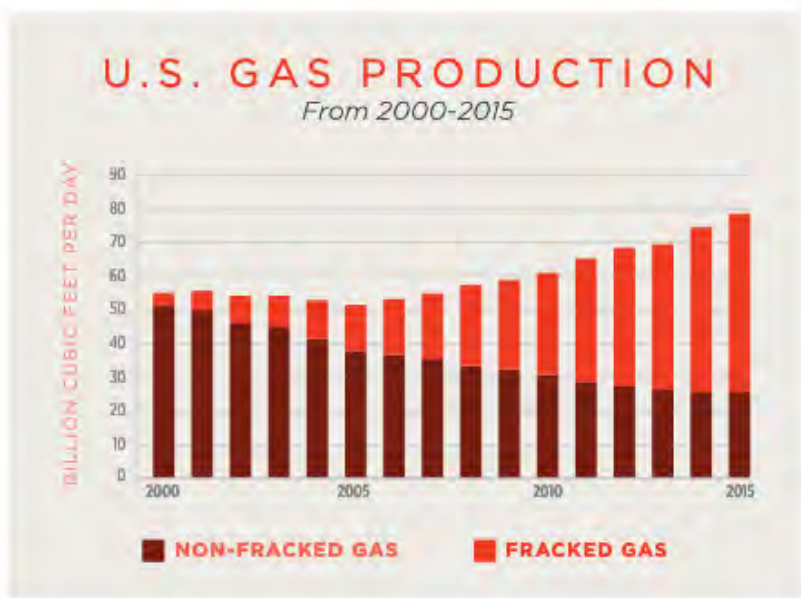
While the ETO is not tasked to address climate change, it boasts that its work has led to air quality improvements by avoiding 4.2 million tons of carbon dioxide. What about other green house gases, in particular methane from natural gas, and other air pollutants? This is particularly relevant for two reasons:

- The DEQ has not ruled on PGE’s Carty plant’s emissions that exceeded projections.<sup>[6]</sup>
- Natural gas is primarily from fracking and methane leakage has consequentially become a huge problem.

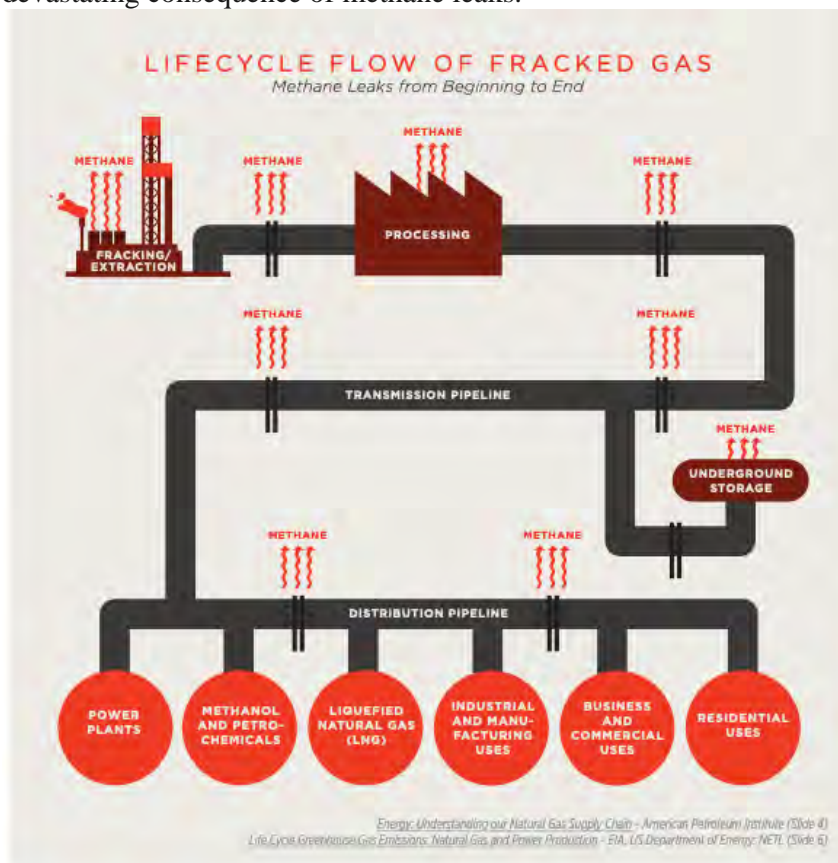
Back in 2003, “natural” gas was touted as a “bridge fuel” to move from coal to renewable energy. This was before “unconventional” methods through fracking turned the United States into a leading exporter of fossil fuels.<sup>[7]</sup> By 2014, the U.S. became the global leader on petroleum and natural gas production.<sup>[8]</sup>



Now two-thirds of the energy sources fueling America’s electric grids come from fossil fuels and nearly half of that comes from gas.<sup>[9]</sup> Furthermore, two-thirds of all gas produced in the United States is fracked gas, which was less than 10 percent in 2000.<sup>[10]</sup>



Whether burned to make electricity or to fuel a gas furnace, there is nothing “natural” about fracked gas. Current estimates suggest that fracked gas has contributed 33 % of the global increase in all methane emissions in recent years.<sup>[11]</sup> Companies marketed natural gas as a cleaner source of energy because it emits only half the carbon dioxide of coal, but this doesn’t account for the devastating consequence of methane leaks.

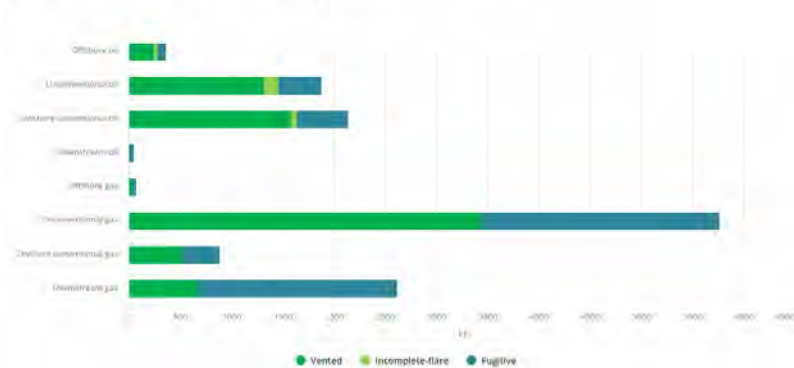


As a greenhouse gas, methane is 84x more potent than carbon dioxide<sup>[12]</sup> when comparing heat-trapping potential in a 20-year time frame. Fracking is clearly accelerating methane emissions in

North America. [\[13\]](#)

### North America emissions sources

<sup>1</sup> Estimated total emissions in 2017: 13722 kt (17.3% of global emissions)



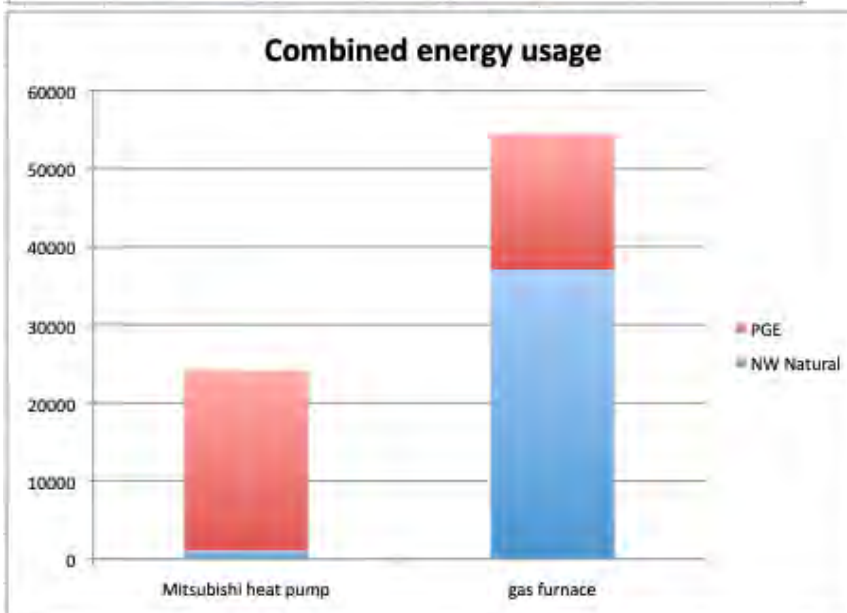
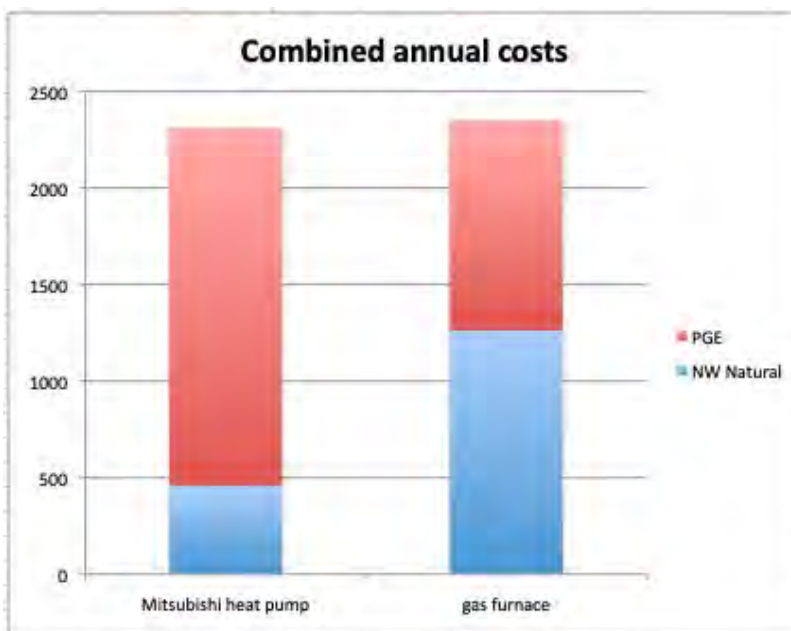
Last summer, my husband and I made inquiries to the ETO about replacing our 25-year-old heat pump and 13-year-old Bryant 96.6 AFUE and 100,000 BTU gas furnace. We had originally intended to keep our gas furnace as back up heating. But premature failure of the secondary heat exchanger was noticed. [14] Could we replace them both with a high efficiency heat pump? Would it work without back up on cold days? Would the electric energy costs be affordable?

ETO did not tell me about a study<sup>[15]</sup> that was completed in 2017 at the direction of OPUC. This study modeled the economics of heating and cooling, comparing a heat pump system with a natural gas furnace system combined with air conditioning. That said, the cost analyses didn't account for higher fossil fuel energy prices—something that is surely inevitable as earth becomes scorched by more wild fires while glaciers melt.

We took a gamble on a Mitsubishi Hyper-Heating heat pump, which was touted to work efficiently when temperatures dropped as low as -13° F. Unfortunately when temperatures dipped to freezing, our home was too cold. So we added supplemental heat strips for comfort.

Over the year, I collected data on total energy costs and energy usage (converting therms to kWh by multiplying by 29.3<sup>[16]</sup>) for our approximately 2400 square foot home. We have a gas stovetop, a water heater and fireplace. Since the conversion, our NW Natural Gas bills average ~\$30 monthly. ~1/3 of our bill is an \$8.00 monthly rate, a franchise fee and the public purpose charge (which is currently 4.89% and 4.14% for residential and commercial customers respectively).

I was comforted that after converting our HVAC systems to all-electric, our total energy costs were similar. I was astounded that we required half the energy (in kWh) to keep our home comfortable after replacing both units with a high efficiency heat pump.



Fracked gas is a cheap fuel. For now, that is. Rapidly accelerating climate change due to methane leaks will change that equation when we put a cost on greenhouse gas emissions.

Gas furnaces are not a climate solution at Project Drawdown.<sup>[17]</sup> Heat pumps are ranked 42. Other solutions include electric vehicles: 26; insulation: 31; LED lighting (household): 33 and Smart thermostats: 57.

We need to rapidly eliminate fossil fuels from the electric grid and from HVAC systems. ETO incentives for gas furnaces, water heaters and appliances lock residential customers into 15-20 more years of gas or will strand them with unusable furnaces and appliances. **OPUC should direct ETO to end financial incentivizes for natural gas appliances and heating systems. OPUC could either eliminate public purpose charges on gas utilities or, preferably, re-direct them toward clean renewables.**

Kris Alman M.D.



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[1] Detailed in this report:

<https://www.oregon.gov/puc/utilities/Documents/SB978LegislativeReport-2018.pdf>

[2] <https://rmi.org/press-release/announced-investment-in-us-natural-gas-infrastructure-could-lead-to-over-100-billion-in-stranded-costs-as-clean-energy-prices-fall/>

[3] [https://www.eia.gov/dnav/ng/ng\\_cons\\_pns\\_a\\_EPG0\\_VRP\\_pct\\_a.htm](https://www.eia.gov/dnav/ng/ng_cons_pns_a_EPG0_VRP_pct_a.htm)

[4] [https://www.eia.gov/dnav/ng/ng\\_cons\\_sum\\_dc\\_u\\_SOR\\_a.htm](https://www.eia.gov/dnav/ng/ng_cons_sum_dc_u_SOR_a.htm)

[5] Senate Bill 1149 (1999) and Senate Bill 838 (2007) <https://www.energytrust.org/about/explore-energy-trust/mission-approach/funding/>

[6] [https://www.eastoregonian.com/news/local/pge-seeks-permit-to-increase-pollution-at-carty-plant/article\\_3c2604ed-4b96-5960-b4bf-51fb009b21d7.html](https://www.eastoregonian.com/news/local/pge-seeks-permit-to-increase-pollution-at-carty-plant/article_3c2604ed-4b96-5960-b4bf-51fb009b21d7.html)

[7] <https://www.ajot.com/news/the-us-leads-global-petroleum-and-natural-gas-production-with-record-growth-in-2018>

[8] <https://www.csmonitor.com/USA/Politics/2018/1018/How-the-US-became-a-leading-fossil-fuels-exporter>

[9] <https://www.eia.gov/tools/faqs/faq.php?id=427&t=3>

[10]

<https://content.sierraclub.org/coal/sites/content.sierraclub.org/coal/files/Final%20Gas%20Report.pdf?scv=1516508616196>

[11] <https://www.biogeosciences.net/16/3033/2019/>

[12] <https://www.edf.org/climate/methane-other-important-greenhouse-gas>

[13] <https://www.iea.org/weo/methane/database/>

[14] <https://www.achrnews.com/articles/105099-carrier-settles-lawsuit-extends-warranty-coverage>

Unbeknownst to us, this failure led to a class action lawsuit.

[15] <https://apps.puc.state.or.us/orders/2017ords/17-047.pdf>

[16] <https://sciencing.com/convert-therms-kwh-8391252.html>

[17] <https://www.drawdown.org/solutions-summary-by-rank>



**Energy Trust of Oregon**  
**Income Statement Budget Comparison**  
**2019 to 2021**

	<b>Budget 2019</b>	<b>Forecast 2019</b>	<b>Budget 2020</b>	<b>Projection 2021</b>
<b><u>OREGON PPC REVENUE</u></b>				
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	48,674,804	48,674,804
Public Purpose Funds-PacifiCorp	28,848,138	28,625,759	27,771,831	28,038,462
Incremental Funds - PacifiCorp	32,112,130	32,153,710	32,300,550	32,300,550
Public Purpose Funds-NW Natural	20,558,144	20,415,328	20,358,144	20,358,144
NW Natural - Industrial DSM	3,769,769	3,769,658	4,185,585	4,804,314
Public Purpose Funds-Cascade	2,915,331	3,396,239	3,043,738	3,043,738
Public Purpose Funds-Avista	2,091,870	2,091,870	2,073,292	1,823,292
<b>Total Oregon PPC Revenue</b>	<b>181,132,028</b>	<b>183,219,652</b>	<b>177,369,785</b>	<b>178,005,146</b>
NW Natural - Washington	2,194,160	2,230,921	2,556,282	2,508,555
Community Solar Revenue	355,063	355,063	546,896	552,000
Revenue from Investments	600,000	1,490,500	1,000,000	900,000
<b>Total Other Sources of Revenue</b>	<b>3,149,223</b>	<b>4,076,484</b>	<b>4,103,177</b>	<b>3,960,555</b>
<b>TOTAL REVENUE</b>	<b>184,281,251</b>	<b>187,296,136</b>	<b>181,472,963</b>	<b>181,965,701</b>
<b><u>EXPENSES</u></b>				
Incentives	109,121,220	97,978,531	113,220,092	101,433,226
Program Delivery Subcontracts	61,771,050	61,764,448	58,123,983	57,025,683
Employee Salaries & Fringe Benefits	14,546,604	14,185,718	15,685,787	16,658,688
Agency Contractor Services	1,927,964	1,610,115	1,730,794	1,424,280
Planning and Evaluation Services	3,702,872	3,062,267	3,512,048	2,753,929
Advertising and Marketing Services	3,195,450	3,194,950	3,309,550	3,031,050
Other Professional Services	4,771,018	3,979,407	5,907,948	4,787,238
Travel, Meetings, Trainings & Conferences	470,440	413,200	573,760	558,640
Dues, Licenses and Fees	253,683	297,749	280,501	276,063
Software and Hardware	526,989	481,685	691,221	719,800
Depreciation & Amortization	264,647	223,380	273,112	284,576
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
<b>TOTAL EXPENSES</b>	<b>201,753,819</b>	<b>188,389,560</b>	<b>204,556,129</b>	<b>190,183,506</b>
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>(17,472,568)</b>	<b>(1,093,424)</b>	<b>(23,083,166)</b>	<b>(8,217,805)</b>

**Energy Trust of Oregon**  
**2020 Final Proposed Budget versus Draft**

<b>SAVINGS &amp; GENERATION</b>	<b>Draft 2020</b>	<b>Final Proposed 2020</b>	<b>Change</b>	<b>Percent Change</b>
PGE	27.53	27.40	(0.13)	-0.5%
Pacific Power	18.06	17.98	(0.08)	-0.4%
<b>Total Electric Savings (aMW)</b>	<b>45.59</b>	<b>45.38</b>	<b>(0.21)</b>	<b>-0.5%</b>
NW Natural	5.91	5.93	0.02	0.3%
Cascade Natural Gas	0.55	0.55	-	0.0%
Avista	0.38	0.39	0.01	2.6%
<b>Total Gas Savings (MM Therms)</b>	<b>6.84</b>	<b>6.87</b>	<b>0.03</b>	<b>0.4%</b>
PGE Generation	2.32	2.25	(0.07)	-3.0%
Pacific Power Generation	1.04	1.02	(0.02)	-1.9%
<b>Total Generation (aMW)</b>	<b>3.36</b>	<b>3.27</b>	<b>(0.09)</b>	<b>-2.6%</b>
<b>FINANCIALS</b>				
<b>REVENUE</b>	<b>182,312,758</b>	<b>181,472,964</b>	<b>(839,794)</b>	<b>-0.5%</b>
<b>Expenses by Function</b>				
Electric Efficiency	144,310,248	144,851,263	541,015	0.4%
Gas Efficiency	31,036,726	32,038,723	1,001,997	3.2%
Renewable Energy	17,127,677	17,627,801	500,124	2.9%
Community Solar	400,174	337,205	(62,969)	-15.7%
Management & General	5,497,146	5,542,869	45,723	0.8%
Communications and Outreach	4,113,892	4,158,253	44,361	1.1%
<b>TOTAL</b>	<b>202,485,849</b>	<b>204,556,129</b>	<b>2,070,280</b>	<b>1.0%</b>
<b>Expenses by Nature</b>				
Efficiency Incentives	99,646,929	100,683,289	1,036,360	1.0%
Renewable Incentives	12,045,908	12,536,803	490,895	4.1%
Program Delivery Subcontractors	58,074,622	58,123,982	49,360	0.1%
Employee Salaries and Fringe Benefits	15,688,818	15,685,788	(3,030)	0.0%
All Other Expenses	17,029,572	17,526,267	496,695	2.9%
<b>TOTAL</b>	<b>202,485,849</b>	<b>204,556,129</b>	<b>2,070,280</b>	<b>1.0%</b>
<b>Expenses by Utility, Fully Loaded</b>				
Electric	151,544,905	152,110,595	565,690	0.4%
Gas	32,588,386	33,638,577	1,050,191	3.2%
Renewables	17,934,552	18,454,229	519,677	2.9%
Community Solar	418,015	352,715	(65,300)	-15.6%
<b>TOTAL</b>	<b>202,485,849</b>	<b>204,556,129</b>	<b>2,070,280</b>	<b>1.0%</b>
<b>Expenses by Sector</b>				
Commercial	81,238,051	81,380,961	142,910	0.2%
Industrial	42,575,055	42,970,023	394,968	0.9%
Residential	49,581,524	50,656,457	1,074,933	2.2%
Washington	2,576,869	2,579,668	2,799	0.1%
NEEA Combined	8,161,783	8,162,072	289	0.0%
<b>Efficiency Total</b>	<b>184,133,282</b>	<b>185,749,181</b>	<b>1,615,899</b>	<b>0.9%</b>
Renewables total	17,934,551	18,454,229	519,678	2.9%
Community Solar	418,015	352,715	(65,300)	-15.6%
<b>Grand total</b>	<b>202,485,849</b>	<b>204,556,129</b>	<b>2,070,280</b>	<b>1.0%</b>

2020 Final Proposed Budget - Recap Spending and Savings

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)
<b>Commercial</b>							
Business Energy Solutions – Existing Buildings	44.2	8.5	52.7	13.09	3.6	1,757,530	41.49
Business Energy Solutions – Multifamily	8.3	1.6	9.9	1.46	5.6	204,919	59.36
Business Energy Solutions – New Buildings	17.0	1.9	18.8	4.77	3.7	548,061	29.55
Mkt Transformation (Alliance)	2.5	1.0	3.5	0.67	7.2	456	
<b>Total Commercial</b>	<b>71.9</b>	<b>13.0</b>	<b>84.9</b>	<b>20.00</b>	<b>3.9</b>	<b>2,510,966</b>	<b>44.07</b>
<b>Industrial</b>							
Production Efficiency	39.4	3.6	43.0	17.14	2.5	1,514,698	23.33
Mkt Transformation (Alliance)	0.4	0.0	0.4	0.80	1.0		
<b>Total Industrial</b>	<b>39.9</b>	<b>3.6</b>	<b>43.4</b>	<b>17.94</b>	<b>2.5</b>	<b>1,514,698</b>	<b>23.33</b>
<b>Residential</b>							
Home Energy Solutions – Residential	36.5	14.1	50.7	5.50	6.6	2,478,903	40.05
Mkt Transformation (Alliance)	3.8	0.4	4.2	1.94	2.3	22,232	
<b>Total Residential</b>	<b>40.3</b>	<b>14.5</b>	<b>54.8</b>	<b>7.44</b>	<b>5.6</b>	<b>2,501,135</b>	<b>40.68</b>
<b>Washington</b>							
Business Energy Solutions – Existing Buildings		0.9	0.9			111,413	63.09
Home Energy Solutions – Residential		1.7	1.7			227,918	50.99
<b>Total Washington</b>		<b>2.6</b>	<b>2.6</b>			<b>339,331</b>	<b>54.50</b>
<b>Total Energy Efficiency</b>	<b>\$152.1</b>	<b>\$33.6</b>	<b>\$185.7</b>	<b>45.38</b>	<b>3.6</b>	<b>6,866,130</b>	<b>39.00</b>

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	8.1		7.8	0.70	11.64	1.03	7.63
Solar Electric	12.4		10.6	2.04	6.10	2.24	4.74
<b>Total Renewable Resources</b>	<b>\$20.6</b>		<b>\$18.5</b>	<b>2.74</b>	<b>7.52</b>	<b>3.27</b>	<b>5.65</b>

TOTAL BUDGET - ALL

Some columns may not add due to rounding

\$204.2

**ENERGY TRUST OF OREGON**  
**Summary of All Units**  
**2020 Final Proposed Budget**

	ENERGY EFFICIENCY							RENEWABLE ENERGY			OPUC Grant Funded Programs
	PGE	PacifiCorp	NWN Industrial	NW Natural	Cascade	Avista	Total	PGE	PacifiCorp	Total	
REVENUES											
Public Purpose Funding	30,143,000	21,610,638		20,358,144	3,043,738	2,073,292	77,228,812	8,818,842	6,161,193	14,980,035	92,208,847
Incremental Funding	48,674,804	32,300,550	4,185,585				85,160,939				85,160,939
Grant Revenue											
Community Solar Revenue											
Contributions											
Revenue from Investments											
Gain or Loss on Investments											
TOTAL PROGRAM REVENUE	78,817,804	53,911,188	4,185,585	20,358,144	3,043,738	2,073,292	162,389,751	8,818,842	6,161,193	14,980,035	177,369,786
EXPENSES											
Incentives	48,736,213	33,890,369	3,062,638	10,868,685	1,862,012	952,419	99,372,337	7,128,747	5,408,056	12,536,803	111,909,140
Program Delivery Subcontracts	28,333,767	18,956,949	1,047,544	6,970,218	1,022,351	663,624	56,994,452	239,174	176,217	415,391	57,409,843
Employee Salaries and Fringe Benefits	1,881,751	1,282,742	100,438	453,026	59,396	34,333	3,811,685	802,060	621,039	1,423,098	5,234,783
Agency Contractor Services	327,629	237,700	24,334	60,942	12,389	6,471	669,465	116,934	72,395	189,329	858,794
Planning and Evaluation Services	1,585,927	1,079,356	77,287	300,268	57,930	15,276	3,116,048	12,352	13,648	26,000	3,142,048
Advertising and Marketing Services	883,721	607,634	40,911	260,338	35,580	19,314	1,847,500	211,642	136,358	348,000	2,195,500
Other Professional Services	1,382,107	925,858	48,271	370,654	49,341	30,867	2,807,100	741,375	739,374	1,480,749	4,287,849
Travel, Meetings, Trainings and Conferenc	71,323	48,904	3,689	18,389	2,732	1,461	146,500	26,191	20,309	46,500	193,000
Dues, Licenses and fees	32,285	22,336	2,363	5,401	1,788	884	65,057	9,804	7,746	17,550	82,607
Software and Hardware	-	-	-	-	-	-	-	147,671	91,424	239,095	239,095
Materials Postage and Telephone	5,173	4,054	531	482	182	77	10,500	3,129	2,071	5,200	15,700
Shared Office Space	283,391	191,383	14,912	67,824	9,508	5,452	572,470	103,651	77,553	181,204	753,674
Shared Information Technology	1,120,436	732,132	47,459	302,645	38,867	22,991	2,264,531	318,031	246,518	564,549	2,829,080
Customer Service Management	158,372	105,467	5,980	50,366	6,873	3,927	330,983	11,754	7,277	19,030	350,013
Trade Ally Management	144,334	99,266	815	75,638	7,162	4,347	331,562	23,837	14,778	38,615	370,177
Planning & Evaluation Management	1,044,020	676,664	40,954	274,476	34,481	20,577	2,091,175	57,787	38,901	96,688	2,187,863
TOTAL PROGRAM EXPENSES	85,990,449	58,860,814	4,518,126	20,079,352	3,200,592	1,782,020	174,431,365	9,954,139	7,673,664	17,627,801	192,059,166
ADMINISTRATIVE COSTS											
Management & General (Notes 1 & 2)	2,446,095	1,674,362	128,523	571,179	91,045	50,692	4,961,897	283,157	218,286	501,442	5,463,339
Communications & Customer Svc (Notes	1,867,395	1,271,480	97,304	431,902	69,444	38,733	3,776,255	185,780	139,206	324,986	4,101,241
Total Administrative Costs	4,313,490	2,945,842	225,827	1,003,081	160,489	89,425	8,738,152	468,937	357,492	826,428	9,564,580
TOTAL PROG & ADMIN EXPENSES	90,303,939	61,806,656	4,743,953	21,082,433	3,361,081	1,871,445	183,169,517	10,423,076	8,031,156	18,454,229	201,623,746
TOTAL REVENUE LESS EXPENSES	(11,486,135)	(7,895,468)	(558,368)	(724,289)	(317,343)	201,847	(20,779,766)	(1,604,234)	(1,869,963)	(3,474,194)	(24,253,960)
NET ASSETS - RESERVES											
Rollforward from beginning of year											
Beginning Total Net Assets at 1/1/2020	19,033,335	8,938,284	779,271	3,039,800	908,376	41,056	32,740,122	12,278,779	6,170,365	18,449,143	51,189,266
Current Year Revenue Less Expenses	(11,486,135)	(7,895,468)	(558,368)	(724,289)	(317,343)	201,847	(20,779,766)	(1,604,234)	(1,869,963)	(3,474,194)	(24,253,960)
Attribution of Investment income (est)	274,764	103,175	10,339	55,358	15,499	2,935	462,071	237,269	108,237	345,506	807,576
Ending Net Assets	7,821,964	1,145,991	231,242	2,370,869	606,533	245,838	12,422,427	10,911,814	4,408,639	15,320,455	27,742,882
Ending Reserve by Category											
Efficiency Program Reserves by Utility	7,821,964	1,145,991	231,242	2,370,869	606,533	245,838	12,422,427				12,422,427
Renewable Reserves by Utility								10,911,814	4,408,639	15,320,455	15,320,455
Net Assets by Other Funding Source											
Net Assets Loaned through Craft3 Progra											
Operational Contingency Reserve											
Emergency Contingency Reserve											
TOTAL NET ASSETS CUMULATIVE	7,821,964	1,145,991	231,242	2,370,869	606,533	245,838	12,422,427	10,911,814	4,408,639	15,320,455	27,742,882

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

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

Note 3) Program Management costs include both outsourced and internal staff.

ENERGY TRUST OF OREGON  
Summary of All Units  
2020 Final Proposed Budget

	NWN WA	OTHER FUNDING SOURCES		Investment Income	TOTAL ORGANIZATION
		Fund Development	Community Solar		
REVENUES					
Public Purpose Funding					92,208,847
Incremental Funding	2,556,282				87,717,221
Grant Revenue					
Community Solar Revenue			546,896		546,896
Contributions					
Revenue from Investments				1,000,000	1,000,000
Gain or Loss on Investments					
TOTAL PROGRAM REVENUE	2,556,282		546,896	1,000,000	181,472,964
EXPENSES					
Incentives	1,310,952	-	-	-	113,220,092
Program Delivery Subcontracts	714,139	-	-	-	58,123,982
Employee Salaries and Fringe Benefits	124,751	-	244,046	-	5,603,580
Agency Contractor Services	-	-	-	-	858,794
Planning and Evaluation Services	-	-	-	-	3,142,048
Advertising and Marketing Services	-	-	-	-	2,195,500
Other Professional Services	21,550	-	33,976	-	4,343,375
Travel, Meetings, Trainings and Conference	5,250	-	3,410	-	201,660
Dues, Licenses and fees	38,137	-	-	-	120,744
Software and Hardware	-	-	-	-	239,095
Materials Postage and Telephone	-	-	-	-	15,700
Shared Office Space	21,860	-	24,114	-	799,648
Shared Information Technology	67,003	-	31,659	-	2,927,742
Customer Service Management	51,470	-	-	-	401,483
Trade Ally Management	-	-	-	-	370,177
Planning & Evaluation Management	103,521	-	-	-	2,291,384
TOTAL PROGRAM EXPENSES	2,458,633	-	337,205	-	194,855,004
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	69,938	-	9,592	-	5,542,869
Communications & Customer Svc (Notes	51,094	-	5,918	-	4,158,253
Total Administrative Costs	121,032	-	15,510	-	9,701,122
TOTAL PROG & ADMIN EXPENSES	2,579,665	-	352,715	-	204,556,126
TOTAL REVENUE LESS EXPENSES	(23,383)	-	194,181	1,000,000	(23,083,162)
NET ASSETS - RESERVES					
Rollforward from beginning of year					
Beginning Total Net Assets at 1/1/2020	234,341	19,359	159,046	10,109,340	61,711,351
Current Year Revenue Less Expenses	(23,383)		194,181	1,000,000	(23,083,162)
Attribution of Investment income (est)	4,603	400	5,295	(817,875)	-
Ending Net Assets	215,561	19,759	358,522	10,291,465	38,628,187
Ending Reserve by Category					
Efficiency Program Reserves by Utility					12,422,427
Renewable Reserves by Utility					15,320,455
Net Assets by Other Funding Source	215,561	19,759	358,522		593,842
Net Assets Loaned through Craft3 Progra				1,800,000	1,800,000
Operational Contingency Reserve				3,491,465	3,491,465
Emergency Contingency Reserve				5,000,000	5,000,000
TOTAL NET ASSETS CUMULATIVE	215,561	19,759	358,522	10,291,465	38,628,187

**Energy Trust of Oregon**  
**Administrative Expenses classified by OPUC Performance Measure**  
**2020 Final Proposed Budget**

	<b>PUC Grant Funded Expenditure</b>		
	<b>PUC Grant Funded</b>		<b>Program Support and</b>
	<b>Total</b>	<b>Program Costs</b>	<b>Administrative</b>
Incentives	\$111,909,140	\$111,909,140	
Program Delivery Subcontracts	57,409,844	57,409,844	
Employee Salaries & Fringe Benefits	15,054,554	7,404,773	7,649,781
Agency Contractor Services	1,712,209	858,794	853,415
Planning and Evaluation Services	3,496,898	3,383,151	113,747
Advertising and Marketing Services	3,293,377	2,202,344	1,091,033
Other Professional Services	5,819,585	4,621,780	1,197,805
Travel, Meetings, Trainings & Conferences	554,151		554,151
Dues, Licenses and Fees	237,115		237,115
Software and Hardware	676,122		676,122
Depreciation & Amortization	263,200		263,200
Office Rent and Equipment	1,043,426		1,043,426
Materials Postage and Telephone	148,934		148,934
Miscellaneous Expenses	5,194		5,194
<b>TOTAL FUNCTIONAL EXPENSE</b>	<b>201,623,746</b>	<b>187,789,826</b>	<b>13,833,923</b>

OPUC Grant / Utility Funded Revenue

177,369,785

**Performance against OPUC Measure**

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

Maximum allowed under the performance measure	8.0%	14,189,583
Actual program support and administrative cost	7.8%	13,833,923
Unspent below the maximum allowed		355,660

Energy Trust of Oregon  
Summary by Service Territory and Program  
2020 Final Proposed Budget

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	ETO Total
<b>Energy Efficiency</b>											
<b>Commercial</b>											
Existing Buildings	31,191,566	21,280,831	52,472,397	2,205,649	5,330,062	1,658,924	903,847	10,098,482	62,570,879	901,236	63,472,115
New Buildings	12,286,698	4,665,324	16,952,022	55,223	1,468,886	203,118	130,833	1,858,060	18,810,082		18,810,082
NEEA	1,431,534	1,068,075	2,499,609		833,568	104,196	104,196	1,041,959	3,541,568		3,541,568
<b>Total Commercial</b>	<b>44,909,798</b>	<b>27,014,230</b>	<b>71,924,028</b>	<b>2,260,872</b>	<b>7,632,516</b>	<b>1,966,238</b>	<b>1,138,875</b>	<b>12,998,501</b>	<b>84,922,529</b>	<b>901,236</b>	<b>85,823,765</b>
<b>Industrial</b>											
Production Efficiency	21,658,964	17,749,759	39,408,723	2,483,080	833,253	210,700	34,267	3,561,300	42,970,023		42,970,023
NEEA	256,135	191,103	447,238						447,238		447,238
<b>Total Industrial</b>	<b>21,915,098</b>	<b>17,940,863</b>	<b>39,855,961</b>	<b>2,483,080</b>	<b>833,253</b>	<b>210,700</b>	<b>34,267</b>	<b>3,561,300</b>	<b>43,417,261</b>		<b>43,417,261</b>
<b>Residential</b>											
Residential Combined	21,305,016	15,229,513	36,534,529		12,314,919	1,146,424	660,585	14,121,928	50,656,457	1,678,432	52,334,889
NEEA	2,174,027	1,622,053	3,796,080		301,749	37,718	37,718	377,186	4,173,266		4,173,266
<b>Total Residential</b>	<b>23,479,043</b>	<b>16,851,566</b>	<b>40,330,609</b>		<b>12,616,668</b>	<b>1,184,143</b>	<b>698,303</b>	<b>14,499,114</b>	<b>54,829,723</b>	<b>1,678,432</b>	<b>56,508,155</b>
<b>Energy Efficiency Program Costs</b>	<b>90,303,939</b>	<b>61,806,656</b>	<b>152,110,598</b>	<b>4,743,953</b>	<b>21,082,433</b>	<b>3,361,081</b>	<b>1,871,445</b>	<b>31,058,915</b>	<b>183,169,517</b>	<b>2,579,665</b>	<b>185,749,181</b>
<b>Renewables</b>											
Solar Electric (Photovoltaic)	6,562,815	4,063,100	10,625,915						10,625,915		10,625,915
Other Renewable	3,860,260	3,968,056	7,828,316						7,828,316		7,828,316
<b>Renewables Program Costs</b>	<b>10,423,076</b>	<b>8,031,156</b>	<b>18,454,229</b>						<b>18,454,231</b>		<b>18,454,231</b>
Community Solar											352,715
<b>Cost Grand Total</b>	<b>100,727,015</b>	<b>69,837,812</b>	<b>170,564,827</b>	<b>4,743,953</b>	<b>21,082,433</b>	<b>3,361,081</b>	<b>1,871,445</b>	<b>31,058,915</b>	<b>201,623,748</b>	<b>2,579,665</b>	<b>204,556,126</b>



Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2020 Final Proposed Budget

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Washington	Solar Renewables	Custom Renewables	ETO Total
Incentives	31,137,724	3,165,576	10,193,257	-	26,120,398	-	28,755,381	-	1,310,952	6,806,000	5,730,803	113,220,091
Program Delivery Subcontracts	14,789,263	4,687,993	5,904,383	3,348,645	10,668,865	418,641	13,235,225	3,941,438	714,139	415,391	-	58,123,983
Employee Salaries and Fringe Benefits	652,000	372,035	328,895	-	1,234,843	-	1,223,913	-	124,751	805,635	617,464	5,359,536
Agency Contractor Services	270,655	55,125	10,125	-	221,030	-	112,530	-	-	189,329	-	858,794
Planning and Evaluation Services	494,240	227,247	314,704	23,527	347,464	10,980	647,913	25,097	103,521	68,455	28,233	2,291,381
Advertising and Marketing Services	430,499	75,000	142,999	-	383,001	-	815,999	-	-	297,000	51,000	2,195,498
Other Professional Services	732,000	438,999	120,099	-	549,001	-	966,999	-	21,550	756,749	724,000	4,309,397
Travel, Meetings, Trainings and Conferences	37,999	5,999	15,501	-	35,000	-	51,999	-	5,250	25,000	21,500	198,248
Dues, Licenses and fees	53,557	2,500	5,001	-	1,499	-	2,500	-	38,137	8,750	8,800	120,744
Software and Hardware	-	-	-	-	-	-	-	-	-	239,095	-	239,095
Materials Postage and Telephone	5,000	-	-	-	5,499	-	-	-	-	4,500	700	15,699
Shared Office Space	125,408	55,690	53,953	-	162,344	-	175,075	-	21,860	114,826	66,378	775,534
Shared Information Technology	429,976	230,167	276,796	-	489,008	-	838,583	-	67,003	318,399	246,150	2,896,082
Customer Service Management	92,503	26,297	28,465	-	34,167	-	149,553	-	51,470	19,031	-	401,486
Trade Ally Management	12,610	22,019	2,417	-	4,737	-	289,779	-	-	38,517	98	370,177
Planning and Evaluation Management	861,518	79,999	490,728	-	683,865	-	999,934	-	-	26,000	-	3,142,044
<b>TOTAL PROGRAM EXPENSES</b>	<b>50,124,952</b>	<b>9,444,646</b>	<b>17,887,323</b>	<b>3,372,172</b>	<b>40,940,721</b>	<b>429,621</b>	<b>48,265,383</b>	<b>3,966,535</b>	<b>2,458,633</b>	<b>10,132,677</b>	<b>7,495,126</b>	<b>194,517,789</b>
<b>ADMINISTRATIVE COSTS</b>												
Management & General	1,425,862	268,664	508,824	95,925	1,164,605	12,221	1,372,963	112,832	69,938	288,235	213,208	5,533,277
Communications & Customer Svc	1,100,962	205,785	413,934	73,470	864,702	5,396	1,018,109	93,900	51,094	205,004	119,982	4,152,338
<b>Total Administrative Costs</b>	<b>2,526,824</b>	<b>474,449</b>	<b>922,758</b>	<b>169,395</b>	<b>2,029,307</b>	<b>17,617</b>	<b>2,391,072</b>	<b>206,732</b>	<b>121,032</b>	<b>493,239</b>	<b>333,190</b>	<b>9,685,615</b>
<b>Total Program &amp; Admin Expenses</b>	<b>52,651,776</b>	<b>9,919,095</b>	<b>18,810,081</b>	<b>3,541,567</b>	<b>42,970,028</b>	<b>447,238</b>	<b>50,656,455</b>	<b>4,173,267</b>	<b>2,579,665</b>	<b>10,625,916</b>	<b>7,828,316</b>	<b>204,203,404</b>
Energy Savings (kwh)	114,702,524	12,814,724	41,806,893	5,870,653	150,180,913	7,005,720	48,214,036	16,975,118				397,570,581
Energy Savings (therms)	1,757,530	204,919	548,061	456	1,514,698	-	2,478,903	22,232	339,331			6,866,130
Energy Generation (kwh)										19,645,160	8,988,600	28,633,760

**Energy Trust of Oregon, Inc**  
**Detail by Service Territory and Program**  
**2020 Final Proposed Budget**

**ENERGY EFFICIENCY**

**PGE**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	14,791,103	1,864,544	6,671,209		13,285,866		12,123,491		48,736,213
Program Delivery Subcontracts	7,314,879	2,761,257	3,874,898	1,349,588	5,253,966	239,757	5,487,463	2,051,959	28,333,767
Employee Salaries and Fringe Benefit	313,407	219,158	214,752		621,959		512,475		1,881,751
Agency Contractor Services	130,100	32,473	6,611		111,327		47,118		327,629
Planning and Evaluation Services	237,496	134,435	202,475	13,474	172,225	6,288	263,254	14,373	1,044,020
Advertising and Marketing Services	206,935	44,181	93,372		192,908		346,325		883,721
Other Professional Services	351,862	258,605	78,419		288,320		404,901		1,382,107
Travel, Meetings, Trainings and Confe	18,266	3,534	10,121		17,629		21,773		71,323
Dues, Licenses and fees	25,744	1,473	3,265		756		1,047		32,285
Software and Hardware									-
Materials Postage and Telephone	2,403				2,770				5,173
Shared Office Space	60,282	32,806	35,228		81,768		73,307		283,391
Shared Information Technology	206,684	135,586	180,734		246,301		351,131		1,120,436
Customer Service Management	44,465	15,491	18,586		17,209		62,621		158,372
Trade Ally Management	6,062	12,971	1,579		2,386		121,336		144,334
Planning and Evaluation Management	421,107	48,266	292,704		340,708		483,142		1,585,927
<b>TOTAL PROGRAM EXPENSES</b>	<b>24,130,795</b>	<b>5,564,780</b>	<b>11,683,953</b>	<b>1,363,062</b>	<b>20,636,098</b>	<b>246,045</b>	<b>20,299,384</b>	<b>2,066,332</b>	<b>85,990,449</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	686,428	158,296	332,363	38,774	587,017	6,999	577,439	58,779	2,446,095
Communications & Customer Svc	530,017	121,248	270,381	29,697	435,851	3,090	428,195	48,916	1,867,395
<b>Total Administrative Costs</b>	<b>1,216,445</b>	<b>279,544</b>	<b>602,744</b>	<b>68,471</b>	<b>1,022,868</b>	<b>10,089</b>	<b>1,005,634</b>	<b>107,695</b>	<b>4,313,490</b>
<b>Total Program &amp; Admin Expenses</b>	<b>25,347,240</b>	<b>5,844,324</b>	<b>12,286,697</b>	<b>1,431,533</b>	<b>21,658,966</b>	<b>256,134</b>	<b>21,305,018</b>	<b>2,174,027</b>	<b>90,303,939</b>
<b>Energy Savings (kwh)</b>	<b>69,013,572</b>	<b>9,329,802</b>	<b>28,719,389</b>	<b>3,346,272</b>	<b>88,699,900</b>	<b>3,993,261</b>	<b>27,251,090</b>	<b>9,675,817</b>	<b>240,029,103</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2020 Final Proposed Budget**

**ENERGY EFFICIENCY**

**Pacific Power**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	10,972,495	787,657	2,531,135		10,858,400		8,740,682		33,890,369
Program Delivery Subcontracts	5,426,402	1,166,464	1,470,182	1,006,935	4,330,961	178,884	3,846,143	1,530,978	18,956,949
Employee Salaries and Fringe Benefit	232,611	92,553	81,542		509,702		366,334		1,282,742
Agency Contractor Services	96,560	13,714	2,510		91,234		33,682		237,700
Planning and Evaluation Services	178,407	56,190	79,977	10,053	146,668	4,692	189,953	10,724	676,664
Advertising and Marketing Services	153,587	18,658	35,454		158,090		241,845		607,634
Other Professional Services	261,152	109,213	29,776		236,281		289,436		925,858
Travel, Meetings, Trainings and Confe	13,557	1,493	3,843		14,447		15,564		48,904
Dues, Licenses and fees	19,107	622	1,240		619		748		22,336
Software and Hardware									-
Materials Postage and Telephone	1,784				2,270				4,054
Shared Office Space	44,741	13,854	13,376		67,010		52,402		191,383
Shared Information Technology	153,400	57,260	68,626		201,847		250,999		732,132
Customer Service Management	33,002	6,542	7,057		14,103		44,763		105,467
Trade Ally Management	4,499	5,478	599		1,955		86,735		99,266
Planning and Evaluation Management	318,545	20,383	111,141		277,921		351,366		1,079,356
<b>TOTAL PROGRAM EXPENSES</b>	<b>17,909,849</b>	<b>2,350,081</b>	<b>4,436,458</b>	<b>1,016,988</b>	<b>16,911,508</b>	<b>183,576</b>	<b>14,510,652</b>	<b>1,541,702</b>	<b>58,860,814</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	509,466	66,851	126,200	28,929	481,067	5,222	412,772	43,855	1,674,362
Communications & Customer Svc	393,378	51,205	102,665	22,157	357,185	2,306	306,087	36,497	1,271,480
<b>Total Administrative Costs</b>	<b>902,844</b>	<b>118,056</b>	<b>228,865</b>	<b>51,086</b>	<b>838,252</b>	<b>7,528</b>	<b>718,859</b>	<b>80,352</b>	<b>2,945,842</b>
<b>Total Program &amp; Admin Expenses</b>	<b>18,812,693</b>	<b>2,468,137</b>	<b>4,665,323</b>	<b>1,068,074</b>	<b>17,749,760</b>	<b>191,104</b>	<b>15,229,511</b>	<b>1,622,054</b>	<b>61,806,656</b>
<b>Energy Savings (kwh)</b>	<b>45,688,952</b>	<b>3,484,921</b>	<b>13,087,505</b>	<b>2,524,381</b>	<b>61,481,013</b>	<b>3,012,460</b>	<b>20,962,946</b>	<b>7,299,301</b>	<b>157,541,478</b>

**Energy Trust of Oregon, Inc**  
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**ENERGY EFFICIENCY**

**NW Natural Industrial**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	1,696,584		39,697		1,326,357			3,062,638
Program Delivery Subcontracts	229,269		6,800		811,475			1,047,544
Employee Salaries and Fringe Benefit	27,527		969		71,942			100,438
Agency Contractor Services	11,427		30		12,877			24,334
Planning and Evaluation Services	20,132		901		19,921			40,954
Advertising and Marketing Services	18,176		421		22,314			40,911
Other Professional Services	30,905		354		17,012			48,271
Travel, Meetings, Trainings and Confe	1,604		46		2,039			3,689
Dues, Licenses and fees	2,261		15		87			2,363
Software and Hardware								-
Materials Postage and Telephone	211				320			531
Shared Office Space	5,295		159		9,458			14,912
Shared Information Technology	18,154		815		28,490			47,459
Customer Service Management	3,905		84		1,991			5,980
Trade Ally Management	532		7		276			815
Planning and Evaluation Management	33,814		2,217		41,256			77,287
<b>TOTAL PROGRAM EXPENSES</b>	<b>2,099,796</b>	<b>-</b>	<b>52,515</b>	<b>-</b>	<b>2,365,815</b>	<b>-</b>	<b>-</b>	<b>4,518,126</b>
<b>ADMINISTRATIVE COSTS</b>								
Management & General	59,731		1,494		67,298			128,523
Communications & Customer Svc	46,121		1,215		49,968			97,304
<b>Total Administrative Costs</b>	<b>105,852</b>	<b>-</b>	<b>2,709</b>	<b>-</b>	<b>117,266</b>	<b>-</b>	<b>-</b>	<b>225,827</b>
<b>Total Program &amp; Admin Expenses</b>	<b>2,205,648</b>	<b>-</b>	<b>55,224</b>	<b>-</b>	<b>2,483,081</b>	<b>-</b>	<b>-</b>	<b>4,743,953</b>
<b>Energy Savings (therms)</b>	<b>568,981</b>	<b>-</b>	<b>22,997</b>	<b>-</b>	<b>1,050,863</b>	<b>-</b>	<b>-</b>	<b>1,642,841</b>

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**ENERGY EFFICIENCY**

**NW Natural Gas**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>NEEA Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	2,284,548	454,390	775,095		510,000		6,844,652		10,868,685
Program Delivery Subcontracts	1,129,814	672,919	450,205	793,698	201,421		3,435,360	286,801	6,970,218
Employee Salaries and Fringe Benefit	48,774	53,393	25,772		24,142		300,945		453,026
Agency Contractor Services	20,247	7,911	793		4,321		27,670		60,942
Planning and Evaluation Services	36,499	32,415	25,902		6,685		172,975		274,476
Advertising and Marketing Services	32,204	10,764	11,205		7,488		198,677		260,338
Other Professional Services	54,758	63,003	9,411		5,709		237,773		370,654
Travel, Meetings, Trainings and Confe	2,843	861	1,215		684		12,786		18,389
Dues, Licenses and fees	4,006	359	392		29		615		5,401
Software and Hardware									-
Materials Postage and Telephone	374				108				482
Shared Office Space	9,381	7,992	4,228		3,174		43,049		67,824
Shared Information Technology	32,165	33,033	21,690		9,560		206,197		302,645
Customer Service Management	6,920	3,774	2,231		668		36,773		50,366
Trade Ally Management	943	3,160	189		93		71,253		75,638
Planning and Evaluation Management	56,994	10,046	68,500		19,820		144,908		300,268
<b>TOTAL PROGRAM EXPENSES</b>	<b>3,720,470</b>	<b>1,354,020</b>	<b>1,396,828</b>	<b>793,698</b>	<b>793,902</b>	<b>-</b>	<b>11,733,633</b>	<b>286,801</b>	<b>20,079,352</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	105,833	38,517	39,734	22,578	22,583		333,776	8,158	571,179
Communications & Customer Svc	81,718	29,502	32,324	17,292	16,768		247,509	6,789	431,902
<b>Total Administrative Costs</b>	<b>187,551</b>	<b>68,019</b>	<b>72,058</b>	<b>39,870</b>	<b>39,351</b>	<b>-</b>	<b>581,285</b>	<b>14,947</b>	<b>1,003,081</b>
<b>Total Program &amp; Admin Expenses</b>	<b>3,908,021</b>	<b>1,422,039</b>	<b>1,468,886</b>	<b>833,568</b>	<b>833,253</b>	<b>-</b>	<b>12,314,918</b>	<b>301,748</b>	<b>21,082,433</b>
<b>Energy Savings (therms)</b>	<b>771,717</b>	<b>179,068</b>	<b>440,597</b>	<b>332</b>	<b>397,808</b>	<b>-</b>	<b>2,143,415</b>	<b>16,189</b>	<b>3,949,125</b>

**Energy Trust of Oregon, Inc  
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**ENERGY EFFICIENCY**

**Cascade Natural Gas**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	945,529	12,832	104,793		119,160		679,698		1,862,012
Program Delivery Subcontracts	467,607	19,004	60,868	99,212	62,039		277,771	35,850	1,022,351
Employee Salaries and Fringe Benefits	20,203	1,508	3,564		6,105		28,016		59,396
Agency Contractor Services	8,387	223	110		1,093		2,576		12,389
Planning and Evaluation Services	14,775	915	3,314		1,690		13,787		34,481
Advertising and Marketing Services	13,339	304	1,549		1,893		18,495		35,580
Other Professional Services	22,682	1,779	1,301		1,444		22,135		49,341
Travel, Meetings, Trainings and Conferences	1,177	24	168		173		1,190		2,732
Dues, Licenses and fees	1,660	10	54		7		57		1,788
Software and Hardware									-
Materials Postage and Telephone	155				27				182
Shared Office Space	3,886	226	585		803		4,008		9,508
Shared Information Technology	13,323	933	2,999		2,417		19,195		38,867
Customer Service Management	2,866	107	308		169		3,423		6,873
Trade Ally Management	391	89	26		23		6,633		7,162
Planning and Evaluation Management	25,098	284	13,514		3,707		15,327		57,930
<b>TOTAL PROGRAM EXPENSES</b>	<b>1,541,078</b>	<b>38,238</b>	<b>193,153</b>	<b>99,212</b>	<b>200,750</b>	<b>-</b>	<b>1,092,311</b>	<b>35,850</b>	<b>3,200,592</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	43,838	1,088	5,494	2,822	5,711		31,072	1,020	91,045
Communications & Customer Svc	33,849	833	4,470	2,162	4,240		23,041	849	69,444
<b>Total Administrative Costs</b>	<b>77,687</b>	<b>1,921</b>	<b>9,964</b>	<b>4,984</b>	<b>9,951</b>	<b>-</b>	<b>54,113</b>	<b>1,869</b>	<b>160,489</b>
<b>Total Program &amp; Admin Expenses</b>	<b>1,618,765</b>	<b>40,159</b>	<b>203,117</b>	<b>104,196</b>	<b>210,701</b>	<b>-</b>	<b>1,146,424</b>	<b>37,719</b>	<b>3,361,081</b>
<b>Energy Savings (therms)</b>	<b>273,709</b>	<b>5,710</b>	<b>43,214</b>	<b>85</b>	<b>55,338</b>	<b>-</b>	<b>165,064</b>	<b>4,124</b>	<b>547,244</b>

**Energy Trust of Oregon, Inc**  
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**ENERGY EFFICIENCY**

**Avista**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	447,465	46,153	71,328		20,615		366,858		952,419
Program Delivery Subcontracts	221,292	68,349	41,430	99,212	9,003		188,488	35,850	663,624
Employee Salaries and Fringe Benefit	9,478	5,423	2,296		993		16,143		34,333
Agency Contractor Services	3,934	804	71		178		1,484		6,471
Planning and Evaluation Services	6,931	3,292	2,135		275		7,944		20,577
Advertising and Marketing Services	6,258	1,093	998		308		10,657		19,314
Other Professional Services	10,641	6,399	838		235		12,754		30,867
Travel, Meetings, Trainings and Confe	552	87	108		28		686		1,461
Dues, Licenses and fees	779	36	35		1		33		884
Software and Hardware									-
Materials Postage and Telephone	73				4				77
Shared Office Space	1,823	812	377		131		2,309		5,452
Shared Information Technology	6,250	3,355	1,932		393		11,061		22,991
Customer Service Management	1,345	383	199		27		1,973		3,927
Trade Ally Management	183	321	17		4		3,822		4,347
Planning and Evaluation Management	5,960	1,020	2,652		453		5,191		15,276
<b>TOTAL PROGRAM EXPENSES</b>	<b>722,964</b>	<b>137,527</b>	<b>124,416</b>	<b>99,212</b>	<b>32,648</b>	<b>-</b>	<b>629,403</b>	<b>35,850</b>	<b>1,782,020</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	20,566	3,912	3,539	2,822	929		17,904	1,020	50,692
Communications & Customer Svc	15,879	2,997	2,879	2,162	690		13,277	849	38,733
<b>Total Administrative Costs</b>	<b>36,445</b>	<b>6,909</b>	<b>6,418</b>	<b>4,984</b>	<b>1,619</b>	<b>-</b>	<b>31,181</b>	<b>1,869</b>	<b>89,425</b>
<b>Total Program &amp; Admin Expenses</b>	<b>759,409</b>	<b>144,436</b>	<b>130,834</b>	<b>104,196</b>	<b>34,267</b>	<b>-</b>	<b>660,584</b>	<b>37,719</b>	<b>1,871,445</b>
<b>Energy Savings (therms)</b>	<b>143,123</b>	<b>20,141</b>	<b>41,253</b>	<b>39</b>	<b>10,689</b>	<b>-</b>	<b>170,424</b>	<b>1,919</b>	<b>387,588</b>



**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2020 Final Proposed Budget**

**ENERGY EFFICIENCY**

**NW Natural Washington**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>NEEA Commercial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	410,902		900,050		1,310,952
Program Delivery Subcontracts	270,876		443,263		714,139
Employee Salaries and Fringe Benefit	53,172		71,579		124,751
Agency Contractor Services					-
Planning and Evaluation Services	43,918		59,603		103,521
Advertising and Marketing Services					-
Other Professional Services	1,000		20,550		21,550
Travel, Meetings, Trainings and Confe	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	9,569		12,291		21,860
Shared Information Technology	30,583		36,420		67,003
Customer Service Management	25,494		25,976		51,470
Trade Ally Management					-
Planning and Evaluation Management					-
<b>TOTAL PROGRAM EXPENSES</b>	<b>857,317</b>	<b>-</b>	<b>1,601,316</b>	<b>-</b>	<b>2,458,633</b>
<b>ADMINISTRATIVE COSTS</b>					
Management & General	24,387		45,551		69,938
Communications & Customer Svc	19,531		31,563		51,094
<b>Total Administrative Costs</b>	<b>43,918</b>	<b>-</b>	<b>77,114</b>	<b>-</b>	<b>121,032</b>
<b>Total Program &amp; Admin Expenses</b>	<b>901,235</b>	<b>-</b>	<b>1,678,430</b>	<b>-</b>	<b>2,579,665</b>
 <b>Energy Savings (therms)</b>	 <b>111,413</b>	 <b>-</b>	 <b>227,918</b>		 <b>339,331</b>

**Energy Trust of Oregon, Inc  
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**RENEWABLE PROGRAMS**

**PGE Renewables**

<b>EXPENSES</b>	<b>Standard Solar</b>	<b>Custom Projects</b>	<b>Renewable Total</b>
Incentives	4,308,000	2,820,747	7,128,747
Program Delivery Subcontracts	239,174		239,174
Employee Salaries and Fringe Benefit	497,579	304,481	802,060
Agency Contractor Services	116,934		116,934
Planning and Evaluation Services	43,865	13,922	57,787
Advertising and Marketing Services	186,493	25,149	211,642
Other Professional Services	379,375	362,000	741,375
Travel, Meetings, Trainings and Confe	15,441	10,750	26,191
Dues, Licenses and fees	5,404	4,400	9,804
Software and Hardware	147,671		147,671
Materials Postage and Telephone	2,779	350	3,129
Shared Office Space	70,919	32,732	103,651
Shared Information Technology	196,651	121,380	318,031
Customer Service Management	11,754		11,754
Trade Ally Management	23,789	48	23,837
Planning and Evaluation Management	12,352		12,352
<b>TOTAL PROGRAM EXPENSES</b>	<b>6,258,180</b>	<b>3,695,959</b>	<b>9,954,139</b>
<b>ADMINISTRATIVE COSTS</b>			
Management & General	178,021	105,136	283,157
Communications & Customer Svc	126,615	59,165	185,780
<b>Total Administrative Costs</b>	<b>304,636</b>	<b>164,301</b>	<b>468,937</b>
<b>Total Program &amp; Admin Expenses</b>	<b>6,562,816</b>	<b>3,860,260</b>	<b>10,423,076</b>
 <b>Energy Generation (kwh)</b>	 <b>11,620,560</b>	 <b>8,066,600</b>	 <b>19,687,160</b>

**Energy Trust of Oregon, Inc  
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**RENEWABLE PROGRAMS**

**Pacific Power Renewables**

<b>EXPENSES</b>	<b>Standard Solar</b>	<b>Custom Projects</b>	<b>Renewable Total</b>
Incentives	2,498,000	2,910,056	5,408,056
Program Delivery Subcontracts	176,217		176,217
Employee Salaries and Fringe Benefit	308,056	312,983	621,039
Agency Contractor Services	72,395		72,395
Planning and Evaluation Services	24,590	14,311	38,901
Advertising and Marketing Services	110,507	25,851	136,358
Other Professional Services	377,374	362,000	739,374
Travel, Meetings, Trainings and Confe	9,559	10,750	20,309
Dues, Licenses and fees	3,346	4,400	7,746
Software and Hardware	91,424		91,424
Materials Postage and Telephone	1,721	350	2,071
Shared Office Space	43,907	33,646	77,553
Shared Information Technology	121,748	124,770	246,518
Customer Service Management	7,277		7,277
Trade Ally Management	14,728	50	14,778
Planning and Evaluation Management	13,648		13,648
<b>TOTAL PROGRAM EXPENSES</b>	<b>3,874,497</b>	<b>3,799,167</b>	<b>7,673,664</b>
<b>ADMINISTRATIVE COSTS</b>			
Management & General	110,214	108,072	218,286
Communications & Customer Svc	78,389	60,817	139,206
<b>Total Administrative Costs</b>	<b>188,603</b>	<b>168,889</b>	<b>357,492</b>
<b>Total Program &amp; Admin Expenses</b>	<b>4,063,100</b>	<b>3,968,056</b>	<b>8,031,156</b>
<b>Energy Generation (kwh)</b>	<b>8,024,600</b>	<b>922,000</b>	<b>8,946,600</b>

## Capital Expenditure Budget

Description	Useful Lives / Depreciation Policy	2020	2021
Information Systems			
Budget Software	3 years	294,750	
Servers and Storage	3 years	25,000	61,000
Leasehold Improvements			
Bathroom Renovation	6 years	30,000	
TOTAL CAPITAL PURCHASES		349,750	61,000

## Executive Summary

Energy Trust's Final Proposed 2020-2021 Action Plan highlights strategies and activities for all major programs, program support functions and general management. Throughout the action plans, 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 Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input

Energy Trust will seek input from community partners and advisory councils as we develop a set of guidelines to more clearly identify Energy Trust's role in supporting community efforts with a focus on:

- Coordinating with utility efforts in communities
- Building capacity in communities and community-based organizations
- Strengthening internal capabilities to support community efforts
- 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 Approach
- 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 Contact: Peter West, Director of Energy Programs*

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*Key Contact: Oliver Kesting, Commercial Sector Lead*

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*Key Contact: Fred Gordon, Director of Planning and Evaluation*

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## 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 Budget	2021 Projection
Total Expenditures (millions)*	\$5.4	\$5.5	\$5.7

\*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 and budget figures provided below are 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 in this budget.

### 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 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: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
  - 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 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 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.

## Budgeted Expenditures

	2020 Draft Budget
Total Expenditures (millions)	\$0.59*

*\* This number reflects all expenditures in the DEI General Budget and does not include expenditures for specific program and support group diversity, equity and inclusion activities.*

## 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: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
  - 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 Budget	2021 Projection
Total Expenditures (millions)*	\$4.2	\$4.2	\$4.1

\*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 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 Oregon Department of Energy 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, U.S. Department of Energy 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. 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 a Strategic Energy Management 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-building and system-based offerings to increase cost-effectiveness of offerings.
- Expand behavioral offerings and market transformation efforts.

## Budgeted Expenditures and Savings

	2019 Budget	2020 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 Budget	2021 Projection
Total Expenditures (millions)*	\$21.2	\$18.8	\$17.5
Gas Savings (therms)	837,152	548,061	537,656
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 Budget	2021 Projection
Total Expenditures (millions)*	\$10.1	\$9.9	\$9.2
Gas Savings (therms)	184,558	204,919	214,868
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 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: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
  - 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 Budget	2021 Projection
Total Expenditures (millions)*	\$41.7	\$43.0	\$41.5
Gas Savings (therms)	1,329,682	1,514,698	1,478,433
Electric Savings (aMW)	20.9	17.1	17.2

\*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 the rate of growth in 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 Budget	2021 Projection
Total Expenditures (millions)*	\$49.0	\$50.7	\$43.6
Gas Savings (therms)	2,505,334	2,478,903	2,806,800
Electric Savings (aMW)	6.8	5.5	4.1

\*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. Work with residential weatherization market actors to promote increased insulation incentives to encourage broader customer adoption.
- d. Continue to develop and expand relationships with distributor partners to expand sales of efficient gas tank water heaters to contractors and builders.

- e. 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.
- f. Implement distribution plan of instant saving devices at no cost to customers through community partnerships and event participation
- g. 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.
- h. Prepare for discontinuation of retail showerheads.
- i. 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.
- j. Evaluate new measures, including advanced windows.
- k. Assess the multifamily market in Southwest Washington and revise the strategy to gain better market participation in efforts to serve diverse customer profiles.
- l. 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.

## Budgeted Expenditures and Savings

	2019 Budget	2020 Budget	2021 Projection
Total Expenditures (millions)*	\$1.4	\$1.7	\$1.6
Gas Savings (therms)	221,714	227,918	236,529

\*Expenditure detail is provided under budget details tab in the budget binder. Expenditures include 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 Budget	2021 Projection
Total Expenditures (millions)*	\$8.6	\$8.2	\$8.4
Gas Savings (therms)	--	22,688	7,417
Electric Savings (aMW)	5.7	3.4	3.7

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

## 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: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
  - 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 Budget	2021 Projection
Total Expenditures (millions)*	\$9.6	\$10.6	\$10.5
Generation (aMW)	2.02	2.24	2.22

\*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: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
  - 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 Budget	2021 Projection
Total Expenditures*	\$244,039	\$352,716	\$375,972

*\*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: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
  - 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 Budget	2021 Projection
Total Expenditures (millions)*	\$4.5	\$7.8	\$7.3
Generation (aMW)	0.24	1.03	0.52

\*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 energy savings slows as a result of the organization's prior success reaching customers and evolving baselines due to increasing codes and standards. 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 value that efficiency and renewable energy provide 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**
  - Work with stakeholders to refine and apply forecasting techniques for energy and capacity savings potential and the value of the savings.
  - 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, equity).
- ▶ **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.
  - Improve the 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 (both previously under-served markets and niche technologies) and 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 Budget	2021 Projection
Total Expenditures (millions)*	\$5.6	\$5.5	\$4.9

\*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: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
  - 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 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 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 Forecast - Recap Spending and Savings

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)
<b>Commercial</b>							
Business Energy Solutions – Existing Buildings	40.2	6.3	46.4	12.3	3.7	1,516,987	45.31
Business Energy Solutions – Multifamily	7.8	1.5	9.3	1.5	4.9	190,911	55.94
Business Energy Solutions – New Buildings	17.6	2.1	19.7	5.8	3.2	769,769	23.60
Mkt Transformation (Alliance)	3.2	0.4	3.6	1.7	3.8		
<b>Total Commercial</b>	<b>68.8</b>	<b>10.3</b>	<b>79.1</b>	<b>21.2</b>	<b>3.7</b>	<b>2,477,667</b>	<b>40.39</b>
<b>Industrial</b>							
Production Efficiency	35.8	3.1	38.9	16.3	2.3	863,952	30.94
Mkt Transformation (Alliance)	0.1	0.0	0.1	0.8	0.3		
<b>Total Industrial</b>	<b>35.9</b>	<b>3.1</b>	<b>39.0</b>	<b>17.1</b>	<b>2.3</b>	<b>863,952</b>	<b>31.40</b>
<b>Residential</b>							
Home Energy Solutions – Residential	34.2	15.4	49.6	7.1	4.8	2,362,162	44.09
Mkt Transformation (Alliance)	3.8	1.1	4.9	2.8	1.6		
<b>Total Residential</b>	<b>38.1</b>	<b>16.4</b>	<b>54.5</b>	<b>9.9</b>	<b>4.1</b>	<b>2,362,162</b>	<b>48.08</b>
<b>Washington</b>							
Business Energy Solutions – Existing Buildings		1.0	1.0			165,365	42.69
Home Energy Solutions – Existing Homes		1.5	1.5			239,668	47.29
<b>Total Washington</b>		<b>2.5</b>	<b>2.5</b>			<b>405,033</b>	<b>45.32</b>
<b>Total Energy Efficiency</b>	<b>142.8</b>	<b>32.3</b>	<b>175.0</b>	<b>48.3</b>	<b>3.2</b>	<b>6,108,814</b>	<b>41.78</b>

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	4.3		4.2	0.00	-	0.13	-
Solar Electric	9.0		8.9	2.78	3.25	2.63	3.39
<b>Total Renewable Resources</b>	<b>\$13.3</b>		<b>\$13.1</b>	<b>2.78</b>	<b>4.78</b>	<b>2.77</b>	<b>4.75</b>

TOTAL BUDGET - ALL

Some columns may not add due to rounding

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

	ENERGY EFFICIENCY							RENEWABLE ENERGY			OPUC Grant Funded Programs
	PGE	PacifiCorp	NWN Industrial	NW Natural	Cascade	Avista	Total	PGE	PacifiCorp	Total	
REVENUES											
Public Purpose Funding	30,066,786	22,259,589		20,415,328	3,396,239	2,091,870	78,229,812	8,803,091	6,366,170	15,169,261	93,399,073
Incremental Funding	53,897,212	32,153,710	3,769,658				89,820,580				89,820,580
Grant Revenue											
Community Solar Revenue											
Contributions											
Revenue from Investments											
Gain or Loss on Investments											
TOTAL PROGRAM REVENUE	83,963,997	54,413,299	3,769,658	20,415,328	3,396,239	2,091,870	168,050,392	8,803,091	6,366,170	15,169,261	183,219,653
EXPENSES											
Incentives	45,018,194	27,355,683	2,237,939	11,023,369	1,539,180	1,026,082	88,200,448	3,953,795	4,460,267	8,414,061	96,614,509
Program Delivery Subcontracts	30,839,366	20,112,190	1,062,024	7,049,556	971,427	755,885	60,790,446	210,160	145,703	355,863	61,146,309
Employee Salaries and Fringe Benefits	1,839,910	1,191,655	93,637	449,966	54,117	40,769	3,670,054	516,952	648,412	1,165,364	4,835,418
Agency Contractor Services	227,276	146,668	14,880	34,694	7,055	4,237	434,810	143,604	102,618	246,222	681,032
Planning and Evaluation Services	1,525,744	978,268	56,754	144,028	22,306	14,163	2,741,266	33,648	26,352	60,000	2,801,266
Advertising and Marketing Services	851,761	555,488	31,950	281,381	32,717	24,150	1,777,450	147,500	113,000	260,500	2,037,950
Other Professional Services	762,915	451,655	21,648	250,469	28,482	21,880	1,537,050	582,256	583,378	1,165,634	2,702,684
Travel, Meetings, Trainings and Conferences	51,952	34,863	2,275	16,590	1,889	1,430	109,000	18,424	16,076	34,500	143,500
Dues, Licenses and fees	29,062	16,656	1,475	4,298	1,343	723	53,557	9,122	7,678	16,800	70,357
Software and Hardware	-	-	-	-	-	-	-	95,759	66,459	162,218	162,218
Materials Postage and Telephone	3,725	2,548	326	258	98	46	7,000	350	350	700	7,700
Shared Office Space	244,250	159,549	13,074	57,442	7,026	5,191	486,535	77,995	102,147	180,143	666,678
Shared Information Technology	981,750	594,939	29,465	310,235	33,355	26,833	1,976,574	131,728	172,521	304,250	2,280,824
Customer Service Management	125,385	77,113	3,886	40,481	4,862	3,673	255,397	8,300	5,761	14,061	269,458
Trade Ally Management	128,121	89,886	614	76,847	6,427	5,726	307,621	21,117	14,710	35,827	343,448
Planning & Evaluation Management	884,136	586,308	29,225	289,285	27,500	21,217	1,837,669	44,707	44,052	88,760	1,926,429
TOTAL PROGRAM EXPENSES	83,513,547	52,353,469	3,599,172	20,028,899	2,737,784	1,952,005	164,184,877	5,995,417	6,509,484	12,504,903	176,689,780
ADMINISTRATIVE COSTS											
Management & General (Notes 1 & 2)	2,335,663	1,464,196	100,660	560,157	76,569	54,592	4,591,839	167,677	182,054	349,731	4,941,570
Communications & Customer Svc (Notes 1 & 2)	1,913,112	1,199,303	82,449	458,817	62,717	44,717	3,761,113	137,342	149,118	286,460	4,047,573
Total Administrative Costs	4,248,775	2,663,499	183,109	1,018,974	139,286	99,309	8,352,952	305,019	331,172	636,191	8,989,143
TOTAL PROG & ADMIN EXPENSES	87,762,322	55,016,968	3,782,281	21,047,873	2,877,070	2,051,314	172,537,829	6,300,436	6,840,656	13,141,094	185,678,923
TOTAL REVENUE LESS EXPENSES	(3,798,325)	(603,669)	(12,623)	(632,545)	519,169	40,556	(4,487,437)	2,502,655	(474,486)	2,028,167	(2,459,270)
NET ASSETS - RESERVES											
Rollforward from beginning of year											
Beginning Total Net Assets at 1/1/2019	22,328,018	9,319,633	772,993	3,591,597	373,597	-	36,385,838	9,510,800	6,490,682	16,001,482	52,387,320
Current Year Revenue Less Expenses	(3,798,325)	(603,669)	(12,623)	(632,545)	519,169	40,556	(4,487,437)	2,502,655	(474,486)	2,028,167	(2,459,270)
Attribution of Investment income this year (est)	503,642	222,320	18,901	80,748	15,610	500	841,721	265,324	154,169	419,492	1,261,214
Ending Net Assets	19,033,335	8,938,284	779,271	3,039,800	908,376	41,056	32,740,122	12,278,779	6,170,365	18,449,141	51,189,264
Ending Reserve by Category											
Efficiency Program Reserves by Utility	19,033,335	8,938,284	779,271	3,039,800	908,376	41,056	32,740,122				32,740,122
Renewable Reserves by Utility								12,278,779	6,170,365	18,449,141	18,449,141
Net Assets by Other Funding Source											
Net Assets Loaned through Craft3 Program											
Operational Contingency Reserve											
Emergency Contingency Reserve											
TOTAL NET ASSETS CUMULATIVE	19,033,335	8,938,284	779,271	3,039,800	908,376	41,056	32,740,122	12,278,779	6,170,365	18,449,141	51,189,264

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

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

Note 3) Program Management costs include both outsourced and internal staff.



ENERGY TRUST OF OREGON  
Income Statement by Service Territory  
2019 Forecast

	NWN WA	OTHER FUNDING SOURCES		Investment Income	TOTAL ORGANIZATION
		Fund Development	Community Solar Op		
REVENUES					
Public Purpose Funding					93,399,073
Incremental Funding	2,230,921				92,051,501
Grant Revenue					
Community Solar Revenue			355,063		355,063
Contributions					
Revenue from Investments				1,490,500	1,490,500
Gain or Loss on Investments					
TOTAL PROGRAM REVENUE	2,230,921		355,063	1,490,500	187,296,136
EXPENSES					
Incentives	1,364,022	-	-	-	97,978,531
Program Delivery Subcontracts	618,140	-	-	-	61,764,449
Employee Salaries and Fringe Benefits	104,061	6,077	131,617	-	5,077,173
Agency Contractor Services	-	-	-	-	681,032
Planning and Evaluation Services	-	-	-	-	2,801,266
Advertising and Marketing Services	41,000	-	-	-	2,078,950
Other Professional Services	21,550	-	11,597	-	2,735,831
Travel, Meetings, Trainings and Conferences	5,250	-	750	-	149,500
Dues, Licenses and fees	36,464	-	-	-	106,821
Software and Hardware	-	-	-	-	162,218
Materials Postage and Telephone	-	-	-	-	7,700
Shared Office Space	16,601	-	21,648	-	704,927
Shared Information Technology	53,990	-	22,759	-	2,357,573
Customer Service Management	38,731	-	-	-	308,189
Trade Ally Management	-	-	-	-	343,448
Planning & Evaluation Management	85,447	-	-	-	2,011,876
TOTAL PROGRAM EXPENSES	2,385,256	6,077	188,371	-	179,269,484
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	66,709	-	5,268	-	5,013,547
Communications & Customer Svc (Notes 1 & 2)	54,641	-	4,315	-	4,106,529
Total Administrative Costs	121,350	-	9,583	-	9,120,076
TOTAL PROG & ADMIN EXPENSES	2,506,606	6,077	197,954	-	188,389,560
TOTAL REVENUE LESS EXPENSES	(275,685)	(6,077)	157,109	1,490,500	(1,093,424)
NET ASSETS - RESERVES					
Rollforward from beginning of year					
Beginning Total Net Assets at 1/1/2019	501,071	24,897	-	9,891,484	62,804,772
Current Year Revenue Less Expenses	(275,685)	(6,077)	157,109	1,490,500	(1,093,424)
Attribution of Investment Income this year (est)	8,955	539	1,937	(1,272,644)	-
Ending Net Assets	234,341	19,359	159,046	10,109,340	61,711,351
Ending Reserve by Category					
Efficiency Program Reserves by Utility					32,740,122
Renewable Reserves by Utility					18,449,141
Net Assets by Other Funding Source	234,341	19,359	159,046		412,745
Net Assets Loaned through Craft3 Program				1,800,000	1,800,000
Operational Contingency Reserve				3,309,340	3,309,340
Emergency Contingency Reserve				5,000,000	5,000,000
TOTAL NET ASSETS CUMULATIVE	234,341	19,359	159,046	10,109,340	61,711,351

**Energy Trust of Oregon**  
**Statement of Administrative Expenses subject to OPUC performance Measure**  
**2019 Forecast**

	<b>OPUC Grant Funded Expenditure</b>		
	<b>PUC Grant</b>	<b>Program</b>	<b>Program</b>
	<b>Funded Total</b>	<b>Costs</b>	<b>Support and</b>
			<b>Administrative</b>
Incentives	\$96,614,510	\$96,614,510	
Program Delivery Subcontracts	61,146,308	61,146,308	
Employee Salaries & Fringe Benefits	13,710,518	6,819,123	6,891,396
Agency Contractor Services	1,591,233	681,032	910,201
Planning and Evaluation Services	3,052,233	2,981,368	70,864
Advertising and Marketing Services	3,137,316	2,042,759	1,094,557
Other Professional Services	3,924,441	2,932,122	992,319
Travel, Meetings, Trainings & Conferences	398,827		398,827
Dues, Licenses and Fees	256,085		256,084
Software and Hardware	472,453		472,453
Depreciation & Amortization	216,151		216,151
Office Rent and Equipment	1,020,714		1,020,714
Materials Postage and Telephone	128,802		128,802
Miscellaneous Expenses	5,082		5,082
<b>TOTAL FUNCTIONAL EXPENSE</b>	<b>185,674,672</b>	<b>173,217,222</b>	<b>12,457,450</b>

OPUC Grant / Utility Funded Revenue 183,219,652

**Performance against OPUC Measure**

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

Maximum allowed under the performance measure	8.0%	14,657,572
Actual program support and administrative cost	6.8%	12,457,450
Unspent below the maximum allowed		2,200,122

Energy Trust of Oregon  
Summary by Service Territory and Program  
2019 Forecast

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	ETO Total
<b>Energy Efficiency</b>											
<b>Commercial</b>											
Existing Buildings	31,490,271	16,492,808	47,983,079	1,316,861	4,421,496	1,235,706	779,108	7,753,171	55,736,250	988,377	56,724,627
New Buildings	12,589,259	5,020,540	17,609,798	138,446	1,658,309	207,370	122,500	2,126,625	19,736,423		19,736,423
NEEA	1,851,060	1,381,086	3,232,146		306,645	38,331	38,331	383,307	3,615,453		3,615,453
<b>Total Commercial</b>	<b>45,930,590</b>	<b>22,894,434</b>	<b>68,825,023</b>	<b>1,455,307</b>	<b>6,386,450</b>	<b>1,481,407</b>	<b>939,938</b>	<b>10,263,103</b>	<b>79,088,126</b>	<b>988,377</b>	<b>80,076,503</b>
<b>Industrial</b>											
Production Efficiency	20,031,588	15,736,107	35,767,694	2,326,977	503,029	198,397	57,923	3,086,327	38,854,021		38,854,021
NEEA	76,136	56,805	132,941						132,941		132,941
<b>Total Industrial</b>	<b>20,107,724</b>	<b>15,792,912</b>	<b>35,900,635</b>	<b>2,326,977</b>	<b>503,029</b>	<b>198,397</b>	<b>57,923</b>	<b>3,086,327</b>	<b>38,986,962</b>		<b>38,986,962</b>
<b>Residential</b>											
Residential Combined	19,541,037	14,700,897	34,241,934		13,312,724	1,091,559	947,744	15,352,026	49,593,960	1,518,231	51,112,191
NEEA	2,182,968	1,628,726	3,811,694		845,668	105,709	105,709	1,057,085	4,868,779		4,868,779
<b>Total Residential</b>	<b>21,724,005</b>	<b>16,329,622</b>	<b>38,053,628</b>		<b>14,158,392</b>	<b>1,197,267</b>	<b>1,053,452</b>	<b>16,409,111</b>	<b>54,462,739</b>	<b>1,518,231</b>	<b>55,980,970</b>
<b>Energy Efficiency Program Costs</b>	<b>87,762,322</b>	<b>55,016,968</b>	<b>142,779,286</b>	<b>3,782,281</b>	<b>21,047,873</b>	<b>2,877,070</b>	<b>2,051,314</b>	<b>29,758,541</b>	<b>172,537,827</b>	<b>2,506,606</b>	<b>175,044,435</b>
<b>Renewables</b>											
Solar Electric (Photovoltaic)	5,270,137	3,657,588	8,927,725						8,927,725		8,927,725
Other Renewable	1,030,302	3,183,067	4,213,369						4,213,369		4,213,369
<b>Renewables Program Costs</b>	<b>6,300,436</b>	<b>6,840,656</b>	<b>13,141,094</b>						<b>13,141,094</b>		<b>13,141,094</b>
Fund Development											6,077
Community Solar											197,954
<b>Cost Grand Total</b>	<b>94,062,758</b>	<b>61,857,624</b>	<b>155,920,380</b>	<b>3,782,281</b>	<b>21,047,873</b>	<b>2,877,070</b>	<b>2,051,314</b>	<b>29,758,541</b>	<b>185,678,921</b>	<b>2,506,606</b>	<b>188,389,560</b>

Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Forecast

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Washington	Solar Renewables	Custom Renewables	ETO Total
Incentives	23,600,885	3,085,126	10,859,600	-	21,146,042	-	29,508,794	-	1,364,022	6,005,100	2,408,962	97,978,531
Program Delivery Subcontracts	17,226,095	4,669,782	6,369,958	3,418,174	12,353,480	115,978	12,027,312	4,609,669	618,140	355,863	-	61,764,451
Employee Salaries and Fringe Benefits	657,481	315,195	302,892	-	1,213,026	-	1,181,460	-	104,061	670,893	494,471	4,939,479
Agency Contractor Services	179,025	18,540	15,165	-	161,180	-	60,900	-	-	241,182	5,040	681,032
Planning and Evaluation Services	432,561	189,947	252,204	22,247	277,213	10,527	629,571	23,401	85,447	65,358	23,401	2,011,877
Advertising and Marketing Services	404,449	59,000	147,998	-	323,000	-	843,000	-	41,000	230,500	30,000	2,078,947
Other Professional Services	421,850	100,000	106,500	-	171,600	-	737,099	-	21,550	369,634	796,000	2,724,233
Travel, Meetings, Trainings and Conferences	22,001	6,000	3,999	-	26,999	-	50,000	-	5,250	13,000	21,500	148,749
Dues, Licenses and fees	48,557	-	-	-	1,499	-	3,501	-	36,464	8,000	8,800	106,821
Software and Hardware	-	-	-	-	-	-	-	-	-	162,218	-	162,218
Materials Postage and Telephone	3,001	-	-	-	4,000	-	-	-	-	-	700	7,701
Shared Office Space	84,316	36,476	42,121	-	172,952	-	150,667	-	16,601	98,168	81,974	683,275
Shared Information Technology	350,021	204,343	278,752	-	292,106	-	851,355	-	53,990	165,799	138,450	2,334,816
Customer Service Management	72,988	19,558	23,137	-	27,356	-	112,361	-	38,731	14,061	-	308,192
Trade Ally Management	11,700	20,429	2,243	-	4,396	-	268,853	-	-	35,736	91	343,448
Planning and Evaluation Management	683,513	115,090	376,369	-	798,159	-	768,132	-	-	60,000	-	2,801,263
<b>TOTAL PROGRAM EXPENSES</b>	<b>44,198,443</b>	<b>8,839,486</b>	<b>18,780,938</b>	<b>3,440,421</b>	<b>36,973,008</b>	<b>126,505</b>	<b>47,193,005</b>	<b>4,633,070</b>	<b>2,385,256</b>	<b>8,495,512</b>	<b>4,009,389</b>	<b>179,075,033</b>
<b>ADMINISTRATIVE COSTS</b>												
Management & General	1,236,119	247,219	525,255	96,220	1,034,042	3,538	1,319,870	129,574	66,709	237,598	112,133	5,008,277
Communications & Customer Svc	1,012,490	202,493	430,229	78,813	846,970	2,898	1,081,089	106,133	54,641	194,614	91,846	4,102,216
<b>Total Administrative Costs</b>	<b>2,248,609</b>	<b>449,712</b>	<b>955,484</b>	<b>175,033</b>	<b>1,881,012</b>	<b>6,436</b>	<b>2,400,959</b>	<b>235,707</b>	<b>121,350</b>	<b>432,212</b>	<b>203,979</b>	<b>9,110,493</b>
<b>Total Program &amp; Admin Expenses</b>	<b>46,447,052</b>	<b>9,289,198</b>	<b>19,736,422</b>	<b>3,615,454</b>	<b>38,854,020</b>	<b>132,941</b>	<b>49,593,964</b>	<b>4,868,777</b>	<b>2,506,606</b>	<b>8,927,724</b>	<b>4,213,368</b>	<b>188,185,526</b>
Energy Savings (kwh)	122,827,966	15,422,985	49,892,237	14,473,628	159,232,410	7,109,689	62,868,539	24,504,958				456,332,411
Energy Savings (therms)	1,686,412	234,770	762,071	-	1,044,902	-	2,476,498	-	405,033			6,609,685
Energy Generation (kwh)										23,081,300	1,152,040	24,233,340

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Forecast**

**ENERGY EFFICIENCY**

**PGE**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	12,921,573	1,898,717	6,904,533		11,239,578		12,053,793		45,018,194
Program Delivery Subcontracts	9,704,122	2,873,981	4,088,867	1,748,705	6,035,870	66,421	4,257,516	2,063,884	30,839,366
Employee Salaries and Fringe Benefit	364,472	193,990	193,110		625,313		463,025		1,839,910
Agency Contractor Services	99,242	11,411	9,668		83,088		23,867		227,276
Planning and Evaluation Services	229,076	117,031	152,149	12,741	136,369	6,029	217,339	13,402	884,136
Advertising and Marketing Services	224,205	36,312	94,358		166,506		330,380		851,761
Other Professional Services	256,134	61,546	67,899		88,460		288,876		762,915
Travel, Meetings, Trainings and Confe	12,196	3,693	2,550		13,918		19,595		51,952
Dues, Licenses and fees	26,917				773		1,372		29,062
Software and Hardware									-
Materials Postage and Telephone	1,663				2,062				3,725
Shared Office Space	46,741	22,450	26,854		89,157		59,048		244,250
Shared Information Technology	194,033	125,764	177,719		150,580		333,654		981,750
Customer Service Management	40,461	12,037	14,751		14,101		44,035		125,385
Trade Ally Management	6,486	12,573	1,430		2,266		105,366		128,121
Planning and Evaluation Management	397,456	71,476	245,896		413,770		397,146		1,525,744
<b>TOTAL PROGRAM EXPENSES</b>	<b>24,524,777</b>	<b>5,440,981</b>	<b>11,979,784</b>	<b>1,761,446</b>	<b>19,061,811</b>	<b>72,450</b>	<b>18,595,012</b>	<b>2,077,286</b>	<b>83,513,547</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	685,896	152,171	335,044	49,263	533,111	2,026	520,056	58,096	2,335,663
Communications & Customer Svc	561,809	124,641	274,430	40,351	436,664	1,660	425,971	47,586	1,913,112
<b>Total Administrative Costs</b>	<b>1,247,705</b>	<b>276,812</b>	<b>609,474</b>	<b>89,614</b>	<b>969,775</b>	<b>3,686</b>	<b>946,027</b>	<b>105,682</b>	<b>4,248,775</b>
<b>Total Program &amp; Admin Expenses</b>	<b>25,772,482</b>	<b>5,717,793</b>	<b>12,589,258</b>	<b>1,851,060</b>	<b>20,031,586</b>	<b>76,136</b>	<b>19,541,039</b>	<b>2,182,968</b>	<b>87,762,322</b>
<b>Energy Savings (kwh)</b>	<b>77,488,514</b>	<b>11,567,427</b>	<b>33,377,896</b>	<b>8,249,968</b>	<b>88,995,678</b>	<b>4,052,522</b>	<b>36,517,022</b>	<b>13,967,826</b>	<b>274,216,853</b>

**Energy Trust of Oregon, Inc**  
**Detail by Service Territory and Program**  
**2019 Forecast**

**ENERGY EFFICIENCY**

**Pacific Power**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	7,211,554	702,317	2,747,691		8,349,755		8,344,366		27,355,683
Program Delivery Subcontracts	5,415,889	1,063,058	1,627,184	1,304,719	5,210,335	49,557	3,901,572	1,539,876	20,112,190
Employee Salaries and Fringe Benefit	203,332	71,750	77,011		491,224		348,338		1,191,655
Agency Contractor Services	55,365	4,220	3,856		65,271		17,956		146,668
Planning and Evaluation Services	145,710	43,164	69,920	9,506	119,801	4,498	183,710	9,999	586,308
Advertising and Marketing Services	125,080	13,431	37,629		130,801		248,547		555,488
Other Professional Services	114,998	22,764	27,078		69,491		217,324		451,655
Travel, Meetings, Trainings and Confe	6,804	1,366	1,017		10,934		14,742		34,863
Dues, Licenses and fees	15,017				607		1,032		16,656
Software and Hardware									-
Materials Postage and Telephone	928				1,620				2,548
Shared Office Space	26,076	8,303	10,709		70,039		44,422		159,549
Shared Information Technology	108,247	46,516	70,874		118,291		251,011		594,939
Customer Service Management	22,572	4,452	5,883		11,078		33,128		77,113
Trade Ally Management	3,618	4,650	570		1,780		79,268		89,886
Planning and Evaluation Management	226,734	26,436	98,062		323,260		303,776		978,268
<b>TOTAL PROGRAM EXPENSES</b>	<b>13,681,924</b>	<b>2,012,427</b>	<b>4,777,484</b>	<b>1,314,225</b>	<b>14,974,287</b>	<b>54,055</b>	<b>13,989,192</b>	<b>1,549,875</b>	<b>52,353,469</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	382,649	56,283	133,614	36,756	418,793	1,512	391,243	43,346	1,464,196
Communications & Customer Svc	313,423	46,100	109,442	30,106	343,028	1,238	320,462	35,504	1,199,303
<b>Total Administrative Costs</b>	<b>696,072</b>	<b>102,383</b>	<b>243,056</b>	<b>66,862</b>	<b>761,821</b>	<b>2,750</b>	<b>711,705</b>	<b>78,850</b>	<b>2,663,499</b>
<b>Total Program &amp; Admin Expenses</b>	<b>14,377,996</b>	<b>2,114,810</b>	<b>5,020,540</b>	<b>1,381,087</b>	<b>15,736,108</b>	<b>56,805</b>	<b>14,700,897</b>	<b>1,628,725</b>	<b>55,016,968</b>
<b>Energy Savings (kwh)</b>	<b>45,339,452</b>	<b>3,855,558</b>	<b>16,514,341</b>	<b>6,223,660</b>	<b>70,236,732</b>	<b>3,057,166</b>	<b>26,351,517</b>	<b>10,537,132</b>	<b>182,115,559</b>

**Energy Trust of Oregon, Inc**  
**Detail by Service Territory and Program**  
**2019 Forecast**

**ENERGY EFFICIENCY**

**NW Natural Industrial**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	950,970		114,660		1,172,309			2,237,939
Program Delivery Subcontracts	215,972		6,800		839,252			1,062,024
Employee Salaries and Fringe Benefit	18,755		2,133		72,749			93,637
Agency Contractor Services	5,107		107		9,666			14,880
Planning and Evaluation Services	11,686		1,674		15,865			29,225
Advertising and Marketing Services	11,537		1,042		19,371			31,950
Other Professional Services	10,607		750		10,291			21,648
Travel, Meetings, Trainings and Confe	628		28		1,619			2,275
Dues, Licenses and fees	1,385				90			1,475
Software and Hardware								-
Materials Postage and Telephone	86				240			326
Shared Office Space	2,405		297		10,372			13,074
Shared Information Technology	9,984		1,963		17,518			29,465
Customer Service Management	2,082		163		1,641			3,886
Trade Ally Management	334		16		264			614
Planning and Evaluation Management	11,570		2,110		43,074			56,754
<b>TOTAL PROGRAM EXPENSES</b>	<b>1,253,108</b>	<b>-</b>	<b>131,743</b>	<b>-</b>	<b>2,214,321</b>	<b>-</b>	<b>-</b>	<b>3,599,172</b>
<b>ADMINISTRATIVE COSTS</b>								
Management & General	35,046		3,685		61,929			100,660
Communications & Customer Svc	28,706		3,018		50,725			82,449
<b>Total Administrative Costs</b>	<b>63,752</b>	<b>-</b>	<b>6,703</b>	<b>-</b>	<b>112,654</b>	<b>-</b>	<b>-</b>	<b>183,109</b>
<b>Total Program &amp; Admin Expenses</b>	<b>1,316,860</b>	<b>-</b>	<b>138,446</b>	<b>-</b>	<b>2,326,975</b>	<b>-</b>	<b>-</b>	<b>3,782,281</b>
<b>Energy Savings (therms)</b>	<b>631,876</b>	<b>-</b>	<b>107,324</b>	<b>-</b>	<b>717,720</b>	<b>-</b>	<b>-</b>	<b>1,456,920</b>

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

**NW Natural Gas**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>NEEA Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	1,598,024	417,830	910,956		249,678		7,846,881		11,023,369
Program Delivery Subcontracts	1,200,118	632,446	539,469	291,800	181,168		3,399,828	804,727	7,049,556
Employee Salaries and Fringe Benefit	45,066	42,686	25,554		15,726		320,934		449,966
Agency Contractor Services	12,271	2,511	1,279		2,090		16,543		34,694
Planning and Evaluation Services	29,978	25,680	24,473		3,430		205,724		289,285
Advertising and Marketing Services	27,722	7,990	12,486		4,188		228,995		281,381
Other Professional Services	25,488	13,543	8,985		2,225		200,228		250,469
Travel, Meetings, Trainings and Confe	1,508	813	337		350		13,582		16,590
Dues, Licenses and fees	3,328				19		951		4,298
Software and Hardware									-
Materials Postage and Telephone	206				52				258
Shared Office Space	5,779	4,940	3,554		2,242		40,927		57,442
Shared Information Technology	23,992	27,674	23,518		3,787		231,264		310,235
Customer Service Management	5,003	2,649	1,952		355		30,522		40,481
Trade Ally Management	802	2,767	189		57		73,032		76,847
Planning and Evaluation Management	31,802	14,827	25,274		13,311		58,814		144,028
<b>TOTAL PROGRAM EXPENSES</b>	<b>3,011,087</b>	<b>1,196,356</b>	<b>1,578,026</b>	<b>291,800</b>	<b>478,678</b>	<b>-</b>	<b>12,668,225</b>	<b>804,727</b>	<b>20,028,899</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	84,213	33,459	44,133	8,161	13,387		354,298	22,506	560,157
Communications & Customer Svc	68,977	27,406	36,149	6,684	10,965		290,201	18,435	458,817
<b>Total Administrative Costs</b>	<b>153,190</b>	<b>60,865</b>	<b>80,282</b>	<b>14,845</b>	<b>24,352</b>	<b>-</b>	<b>644,499</b>	<b>40,941</b>	<b>1,018,974</b>
<b>Total Program &amp; Admin Expenses</b>	<b>3,164,277</b>	<b>1,257,221</b>	<b>1,658,308</b>	<b>306,645</b>	<b>503,030</b>	<b>-</b>	<b>13,312,724</b>	<b>845,668</b>	<b>21,047,873</b>
<b>Energy Savings (therms)</b>	<b>714,884</b>	<b>203,527</b>	<b>530,695</b>	<b>-</b>	<b>245,362</b>	<b>-</b>	<b>2,121,776</b>	<b>-</b>	<b>3,816,245</b>



**Energy Trust of Oregon, Inc**  
**Detail by Service Territory and Program**  
**2019 Forecast**

**ENERGY EFFICIENCY**

**Cascade Natural Gas**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	604,725	13,558	114,262		96,250		710,385		1,539,180
Program Delivery Subcontracts	454,150	20,523	67,666	36,475	75,255		216,767	100,591	971,427
Employee Salaries and Fringe Benefits	17,018	1,385	3,196		6,203		26,315		54,117
Agency Contractor Services	4,634	81	160		824		1,356		7,055
Planning and Evaluation Services	10,604	833	2,507		1,353		12,203		27,500
Advertising and Marketing Services	10,469	259	1,561		1,652		18,776		32,717
Other Professional Services	9,625	439	1,124		877		16,417		28,482
Travel, Meetings, Trainings and Conferences	569	26	42		138		1,114		1,889
Dues, Licenses and fees	1,257				8		78		1,343
Software and Hardware									-
Materials Postage and Telephone	78				20				98
Shared Office Space	2,182	160	444		884		3,356		7,026
Shared Information Technology	9,060	898	2,941		1,494		18,962		33,355
Customer Service Management	1,889	86	244		140		2,503		4,862
Trade Ally Management	303	90	24		22		5,988		6,427
Planning and Evaluation Management	10,499	481	3,160		3,672		4,494		22,306
<b>TOTAL PROGRAM EXPENSES</b>	<b>1,137,062</b>	<b>38,819</b>	<b>197,331</b>	<b>36,475</b>	<b>188,792</b>	<b>-</b>	<b>1,038,714</b>	<b>100,591</b>	<b>2,737,784</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	31,801	1,086	5,519	1,020	5,280		29,050	2,813	76,569
Communications & Customer Svc	26,048	889	4,520	836	4,325		23,795	2,304	62,717
<b>Total Administrative Costs</b>	<b>57,849</b>	<b>1,975</b>	<b>10,039</b>	<b>1,856</b>	<b>9,605</b>	<b>-</b>	<b>52,845</b>	<b>5,117</b>	<b>139,286</b>
<b>Total Program &amp; Admin Expenses</b>	<b>1,194,911</b>	<b>40,794</b>	<b>207,370</b>	<b>38,331</b>	<b>198,397</b>	<b>-</b>	<b>1,091,559</b>	<b>105,708</b>	<b>2,877,070</b>
<b>Energy Savings (therms)</b>	<b>211,083</b>	<b>5,643</b>	<b>79,225</b>	<b>-</b>	<b>57,658</b>	<b>-</b>	<b>178,482</b>	<b>-</b>	<b>532,091</b>

**Energy Trust of Oregon, Inc**  
**Detail by Service Territory and Program**  
**2019 Forecast**

**ENERGY EFFICIENCY**

**Avista**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	314,039	52,704	67,498		38,472		553,369		1,026,082
Program Delivery Subcontracts	235,844	79,774	39,972	36,475	11,600		251,629	100,591	755,885
Employee Salaries and Fringe Benefit	8,838	5,384	1,888		1,811		22,848		40,769
Agency Contractor Services	2,406	317	95		241		1,178		4,237
Planning and Evaluation Services	5,507	3,239	1,481		395		10,595		21,217
Advertising and Marketing Services	5,436	1,008	922		482		16,302		24,150
Other Professional Services	4,998	1,708	664		256		14,254		21,880
Travel, Meetings, Trainings and Confe	296	102	25		40		967		1,430
Dues, Licenses and fees	653				2		68		723
Software and Hardware									-
Materials Postage and Telephone	40				6				46
Shared Office Space	1,133	623	263		258		2,914		5,191
Shared Information Technology	4,705	3,491	1,737		436		16,464		26,833
Customer Service Management	981	334	144		41		2,173		3,673
Trade Ally Management	157	349	14		7		5,199		5,726
Planning and Evaluation Management	5,452	1,870	1,867		1,072		3,902		14,163
<b>TOTAL PROGRAM EXPENSES</b>	<b>590,485</b>	<b>150,903</b>	<b>116,570</b>	<b>36,475</b>	<b>55,119</b>	<b>-</b>	<b>901,862</b>	<b>100,591</b>	<b>1,952,005</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	16,514	4,220	3,260	1,020	1,542		25,223	2,813	54,592
Communications & Customer Svc	13,527	3,457	2,670	836	1,263		20,660	2,304	44,717
<b>Total Administrative Costs</b>	<b>30,041</b>	<b>7,677</b>	<b>5,930</b>	<b>1,856</b>	<b>2,805</b>	<b>-</b>	<b>45,883</b>	<b>5,117</b>	<b>99,309</b>
<b>Total Program &amp; Admin Expenses</b>	<b>620,526</b>	<b>158,580</b>	<b>122,500</b>	<b>38,331</b>	<b>57,924</b>	<b>-</b>	<b>947,745</b>	<b>105,708</b>	<b>2,051,314</b>
<b>Energy Savings (therms)</b>	<b>128,568</b>	<b>25,600</b>	<b>44,828</b>	<b>-</b>	<b>24,161</b>	<b>-</b>	<b>176,239</b>	<b>-</b>	<b>399,397</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Forecast**

**ENERGY EFFICIENCY**

**NW Natural Washington**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>NEEA Commercial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	509,482		854,540		1,364,022
Program Delivery Subcontracts	270,876		347,264		618,140
Employee Salaries and Fringe Benefit	45,186		58,875		104,061
Agency Contractor Services					-
Planning and Evaluation Services	38,624		46,823		85,447
Advertising and Marketing Services	10,000		31,000		41,000
Other Professional Services	1,000		20,550		21,550
Travel, Meetings, Trainings and Confe	1,750		3,500		5,250
Dues, Licenses and fees	10,636		25,828		36,464
Software and Hardware					-
Materials Postage and Telephone					-
Shared Office Space	7,554		9,047		16,601
Shared Information Technology	25,734		28,256		53,990
Customer Service Management	19,685		19,046		38,731
Trade Ally Management					-
Planning and Evaluation Management					-
<b>TOTAL PROGRAM EXPENSES</b>	<b>940,527</b>	<b>-</b>	<b>1,444,729</b>	<b>-</b>	<b>2,385,256</b>
<b>ADMINISTRATIVE COSTS</b>					
Management & General	26,304		40,405		66,709
Communications & Customer Svc	21,545		33,096		54,641
<b>Total Administrative Costs</b>	<b>47,849</b>	<b>-</b>	<b>73,501</b>	<b>-</b>	<b>121,350</b>
<b>Total Program &amp; Admin Expenses</b>	<b>988,376</b>	<b>-</b>	<b>1,518,230</b>	<b>-</b>	<b>2,506,606</b>
<b>Energy Savings (therms)</b>	<b>165,365</b>	<b>-</b>	<b>239,668</b>		<b>405,033</b>

**Energy Trust of Oregon, Inc**  
**Detail by Service Territory and Program**  
**2019 Forecast**

**RENEWABLE PROGRAMS**

**PGE Renewables**

<b>EXPENSES</b>	<b>Standard Solar</b>	<b>Custom Projects</b>	<b>Renewable Total</b>
Incentives	3,576,000	377,795	3,953,795
Program Delivery Subcontracts	210,160		210,160
Employee Salaries and Fringe Benefit	396,038	120,914	516,952
Agency Contractor Services	142,372	1,232	143,604
Planning and Evaluation Services	38,985	5,722	44,707
Advertising and Marketing Services	140,164	7,336	147,500
Other Professional Services	184,256	398,000	582,256
Travel, Meetings, Trainings and Confe	7,674	10,750	18,424
Dues, Licenses and fees	4,722	4,400	9,122
Software and Hardware	95,759		95,759
Materials Postage and Telephone		350	350
Shared Office Space	57,950	20,045	77,995
Shared Information Technology	97,873	33,855	131,728
Customer Service Management	8,300		8,300
Trade Ally Management	21,095	22	21,117
Planning and Evaluation Management	33,648		33,648
<b>TOTAL PROGRAM EXPENSES</b>	<b>5,014,996</b>	<b>980,421</b>	<b>5,995,417</b>
<b>ADMINISTRATIVE COSTS</b>			
Management & General	140,257	27,420	167,677
Communications & Customer Svc	114,883	22,459	137,342
<b>Total Administrative Costs</b>	<b>255,140</b>	<b>49,879</b>	<b>305,019</b>
<b>Total Program &amp; Admin Expenses</b>	<b>5,270,136</b>	<b>1,030,300</b>	<b>6,300,436</b>
 <b>Energy Generation (kwh)</b>	 <b>12,224,300</b>	 <b>-</b>	 <b>12,224,300</b>

**Energy Trust of Oregon, Inc**  
**Detail by Service Territory and Program**  
**2019 Forecast**

**RENEWABLE PROGRAMS**

**Pacific Power Renewables**

<b>EXPENSES</b>	<b>Standard Solar</b>	<b>Custom Projects</b>	<b>Renewable Total</b>
Incentives	2,429,100	2,031,167	4,460,267
Program Delivery Subcontracts	145,703		145,703
Employee Salaries and Fringe Benefit	274,855	373,557	648,412
Agency Contractor Services	98,810	3,808	102,618
Planning and Evaluation Services	26,373	17,679	44,052
Advertising and Marketing Services	90,336	22,664	113,000
Other Professional Services	185,378	398,000	583,378
Travel, Meetings, Trainings and Confe	5,326	10,750	16,076
Dues, Licenses and fees	3,278	4,400	7,678
Software and Hardware	66,459		66,459
Materials Postage and Telephone		350	350
Shared Office Space	40,218	61,929	102,147
Shared Information Technology	67,926	104,595	172,521
Customer Service Management	5,761		5,761
Trade Ally Management	14,641	69	14,710
Planning and Evaluation Management	26,352		26,352
<b>TOTAL PROGRAM EXPENSES</b>	<b>3,480,516</b>	<b>3,028,968</b>	<b>6,509,484</b>
<b>ADMINISTRATIVE COSTS</b>			
Management & General	97,341	84,713	182,054
Communications & Customer Svc	79,731	69,387	149,118
<b>Total Administrative Costs</b>	<b>177,072</b>	<b>154,100</b>	<b>331,172</b>
<b>Total Program &amp; Admin Expenses</b>	<b>3,657,588</b>	<b>3,183,068</b>	<b>6,840,656</b>
 <b>Energy Generation (kwh)</b>	 <b>10,857,000</b>	 <b>1,152,040</b>	 <b>12,009,040</b>

2021 Final Proposed Projection - Recap Spending and Savings

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)
<b>Commercial</b>							
Business Energy Solutions – Existing Buildings	40.4	9.0	49.4	11.20	3.9	1,811,584	42.06
Business Energy Solutions – Multifamily	7.5	1.6	9.2	1.26	5.6	217,868	56.53
Business Energy Solutions – New Buildings	15.6	1.9	17.5	4.04	4.0	537,656	30.26
Mkt Transformation (Alliance)	2.9	1.0	3.9	0.76	7.3	456	
<b>Total Commercial</b>	<b>66.4</b>	<b>13.5</b>	<b>79.9</b>	<b>17.27</b>	<b>4.2</b>	<b>2,567,563</b>	<b>44.38</b>
<b>Industrial</b>							
Production Efficiency	37.9	3.6	41.5	17.25	2.4	1,478,433	23.81
Mkt Transformation (Alliance)	0.5	0.0	0.5	0.77	1.2		
<b>Total Industrial</b>	<b>38.5</b>	<b>3.6</b>	<b>42.0</b>	<b>18.02</b>	<b>2.4</b>	<b>1,478,433</b>	<b>23.81</b>
<b>Residential</b>							
Home Energy Solutions – Residential	29.9	13.7	43.6	4.13	6.9	2,806,800	34.59
Mkt Transformation (Alliance)	3.6	0.4	3.9	2.21	1.9	6,961	
<b>Total Residential</b>	<b>33.5</b>	<b>14.0</b>	<b>47.5</b>	<b>6.35</b>	<b>5.4</b>	<b>2,813,761</b>	<b>35.38</b>
<b>Washington</b>							
Business Energy Solutions – Existing Buildings		0.9	0.9			105,344	65.47
Home Energy Solutions – Residential		1.6	1.6			236,529	48.99
<b>Total Washington</b>		<b>2.5</b>	<b>2.5</b>			<b>341,873</b>	<b>53.97</b>
<b>Total Energy Efficiency</b>	<b>\$138.3</b>	<b>\$33.7</b>	<b>\$172.0</b>	<b>41.63</b>	<b>3.6</b>	<b>7,201,630</b>	<b>37.05</b>

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	15.70	0.52	13.91
Solar Electric	10.4		10.5	1.74	5.98	2.22	4.74
<b>Total Renewable Resources</b>	<b>\$16.7</b>		<b>\$17.8</b>	<b>2.14</b>	<b>7.79</b>	<b>2.75</b>	<b>6.48</b>

TOTAL BUDGET - ALL

Some columns may not add due to rounding

\$189.8

**ENERGY TRUST OF OREGON**  
**Projection Income Statement by Service Territory**  
**2021 Final Proposed Projection**

	ENERGY EFFICIENCY							RENEWABLE ENERGY			OPUC Grant Funded Programs
	PGE	PacifiCorp	NWN Industrial	NW Natural	Cascade	Avista	Total	PGE	PacifiCorp	Total	
REVENUES											
Public Purpose Funding	30,143,000	21,610,638		20,358,144	3,043,738	1,823,292	76,978,812	8,818,842	6,427,824	15,246,666	92,225,478
Incremental Funding	48,674,804	32,300,550	4,804,314				85,779,668				85,779,668
Grant Revenue											
Community Solar Revenue											
Contributions											
Revenue from Investments											
Gain or Loss on Investments											
TOTAL PROGRAM REVENUE	78,817,804	53,911,188	4,804,314	20,358,144	3,043,738	1,823,292	162,758,480	8,818,842	6,427,824	15,246,666	178,005,146
EXPENSES											
Incentives	43,724,941	27,939,445	3,079,243	10,613,227	1,727,389	882,301	87,966,547	8,510,000	3,710,000	12,220,000	100,186,547
Program Delivery Subcontracts	28,051,355	17,940,840	1,078,834	7,152,322	1,078,131	685,348	55,986,830	205,174	145,217	350,391	56,337,221
Employee Salaries and Fringe Benefits	1,999,344	1,292,141	112,338	544,787	66,671	37,913	4,053,194	1,029,328	483,529	1,512,858	5,566,052
Agency Contractor Services	200,327	128,804	13,546	53,960	10,083	5,247	411,965	106,702	61,213	167,915	579,880
Planning and Evaluation Services	1,242,637	779,483	65,688	235,218	45,815	14,085	2,382,929	12,709	13,291	26,000	2,408,929
Advertising and Marketing Services	845,184	546,907	41,725	285,236	36,129	19,319	1,774,500	158,457	84,543	243,000	2,017,500
Other Professional Services	1,070,284	669,772	37,876	356,610	41,460	25,099	2,201,100	605,060	526,439	1,131,499	3,332,599
Travel, Meetings, Trainings and Conference	64,925	42,274	3,534	19,809	2,582	1,374	134,500	26,636	19,864	46,500	181,000
Dues, Licenses and fees	30,402	18,435	2,566	5,728	1,936	990	60,057	9,960	7,590	17,550	77,607
Software and Hardware	-	-	-	-	-	-	-	151,933	87,162	239,095	239,095
Materials Postage and Telephone	4,307	2,969	444	500	192	89	8,500	3,210	1,990	5,200	13,700
Shared Office Space	279,686	177,576	15,523	75,509	9,936	5,643	563,873	120,195	58,288	178,484	742,357
Shared Information Technology	1,178,263	726,473	52,808	360,958	43,151	25,173	2,386,827	406,476	190,867	597,343	2,984,170
Customer Service Management	148,897	91,498	6,015	53,713	6,848	3,858	310,831	11,357	6,515	17,872	328,703
Trade Ally Management	132,790	86,839	824	81,119	6,927	3,966	312,464	23,134	13,257	36,391	348,855
Planning & Evaluation Management	1,089,192	664,807	45,213	320,093	38,114	22,685	2,180,105	68,707	32,102	100,808	2,280,913
TOTAL PROGRAM EXPENSES	80,062,534	51,108,263	4,556,177	20,158,789	3,115,364	1,733,090	160,734,222	11,449,038	5,441,867	16,890,906	177,625,128
ADMINISTRATIVE COSTS											
Management & General (Notes 1 & 2)	2,547,923	1,626,476	144,996	641,536	99,144	55,155	5,115,231	364,356	173,183	537,538	5,652,769
Communications & Customer Svc (Notes 1	1,812,459	1,156,990	103,143	456,356	70,527	39,234	3,638,705	259,183	123,193	382,377	4,021,082
Total Administrative Costs	4,360,382	2,783,466	248,139	1,097,892	169,671	94,389	8,753,936	623,539	296,376	919,915	9,673,851
TOTAL PROG & ADMIN EXPENSES	84,422,916	53,891,729	4,804,316	21,256,681	3,285,035	1,827,479	169,488,158	12,072,577	5,738,243	17,810,821	187,298,979
TOTAL REVENUE LESS EXPENSES	(5,605,112)	19,459	-	(898,537)	(241,297)	(4,187)	(6,729,678)	(3,253,735)	689,581	(2,564,155)	(9,293,833)
NET ASSETS - RESERVES											
Rollforward from beginning of year											
Beginning Total Net Assets at 1/1/2021	7,821,964	1,145,991	231,242	2,370,869	606,533	245,838	12,422,427	10,911,814	4,408,639	15,320,455	27,742,882
Current Year Revenue Less Expenses	(5,605,112)	19,459	-	(898,537)	(241,297)	(4,187)	(6,729,678)	(3,253,735)	689,581	(2,564,155)	(9,293,833)
Attribution of Investment income (est)	138,067	31,790	6,361	52,857	13,365	6,705	249,145	255,398	130,751	386,150	635,294
Ending Net Assets	2,354,919	1,197,240	237,603	1,525,189	378,601	248,356	5,941,893	7,913,477	5,228,971	13,142,450	19,084,344
Ending Reserve by Category											
Efficiency Program Reserves by Utility	2,354,919	1,197,240	237,603	1,525,189	378,601	248,356	5,941,893				5,941,893
Renewable Reserves by Utility								7,913,477	5,228,971	13,142,450	13,142,450
Net Assets by Other Funding Source											
Net Assets Loaned through Craft3 Progra											
Operational Contingency Reserve											
Emergency Contingency Reserve											
TOTAL NET ASSETS CUMULATIVE	2,354,919	1,197,240	237,603	1,525,189	378,601	248,356	5,941,893	7,913,477	5,228,971	13,142,450	19,084,344

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

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

Note 3) Program Management costs include both outsourced and internal staff.

**ENERGY TRUST OF OREGON**  
**Projection Income Statement by Service Territory**  
**2021 Final Proposed Projection**

	OTHER FUNDING SOURCES				TOTAL
	NWN WA	Fund Development	Community Solar Op	Investment Income	ORGANIZATION
<b>REVENUES</b>					
Public Purpose Funding					92,225,478
Incremental Funding	2,508,555				88,288,223
Grant Revenue					
Community Solar Revenue			552,000		552,000
Contributions					
Revenue from Investments				900,000	900,000
Gain or Loss on Investments					
<b>TOTAL PROGRAM REVENUE</b>	<b>2,508,555</b>		<b>552,000</b>	<b>900,000</b>	<b>181,965,701</b>
<b>EXPENSES</b>					
Incentives	1,246,679	-	-	-	101,433,226
Program Delivery Subcontracts	688,463	-	-	-	57,025,684
Employee Salaries and Fringe Benefits	132,270	-	259,118	-	5,957,440
Agency Contractor Services	-	-	-	-	579,880
Planning and Evaluation Services	-	-	-	-	2,408,929
Advertising and Marketing Services	-	-	-	-	2,017,500
Other Professional Services	21,550	-	35,291	-	3,389,440
Travel, Meetings, Trainings and Conference	5,250	-	4,790	-	191,040
Dues, Licenses and fees	36,423	-	-	-	114,030
Software and Hardware	-	-	-	-	239,095
Materials Postage and Telephone	-	-	-	-	13,700
Shared Office Space	21,532	-	23,752	-	787,641
Shared Information Technology	70,622	-	33,603	-	3,088,395
Customer Service Management	48,336	-	-	-	377,039
Trade Ally Management	-	-	-	-	348,855
Planning & Evaluation Management	107,863	-	-	-	2,388,776
<b>TOTAL PROGRAM EXPENSES</b>	<b>2,378,988</b>	<b>-</b>	<b>356,554</b>	<b>-</b>	<b>180,360,670</b>
<b>ADMINISTRATIVE COSTS</b>					
Management & General (Notes 1 & 2)	75,709	-	11,347	-	5,739,825
Communications & Customer Svc (Notes 1	53,855	-	8,072	-	4,083,009
<b>Total Administrative Costs</b>	<b>129,564</b>	<b>-</b>	<b>19,419</b>	<b>-</b>	<b>9,822,834</b>
<b>TOTAL PROG &amp; ADMIN EXPENSES</b>	<b>2,508,552</b>	<b>-</b>	<b>375,973</b>	<b>-</b>	<b>190,183,506</b>
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>-</b>	<b>-</b>	<b>176,027</b>	<b>900,000</b>	<b>(8,217,805)</b>
<b>NET ASSETS - RESERVES</b>					
Rollforward from beginning of year					
Beginning Total Net Assets at 1/1/2021	215,561	19,759	358,522	10,291,465	38,628,187
Current Year Revenue Less Expenses	-		176,027	900,000	(8,217,805)
Attribution of Investment income (est)	5,929	544	12,283	(654,050)	-
<b>Ending Net Assets</b>	<b>221,490</b>	<b>20,303</b>	<b>546,832</b>	<b>10,537,415</b>	<b>30,410,382</b>
<b>Ending Reserve by Category</b>					
Efficiency Program Reserves by Utility					5,941,893
Renewable Reserves by Utility					13,142,450
Net Assets by Other Funding Source	221,490	20,303	546,832		788,625
Net Assets Loaned through Craft3 Progra				1,800,000	1,800,000
Operational Contingency Reserve				3,737,415	3,737,415
Emergency Contingency Reserve				5,000,000	5,000,000
<b>TOTAL NET ASSETS CUMULATIVE</b>	<b>221,490</b>	<b>20,303</b>	<b>546,832</b>	<b>10,537,415</b>	<b>30,410,382</b>



**Energy Trust of Oregon**  
**Statement of Administrative Expenses subject to OPUC Performance Measure**  
**2021 Final Proposed Projection**

	<b>PUC Grant Funded Expenditure</b>		
	<b>PUC Grant Funded</b>		<b>Program Support</b>
	<b>Total</b>	<b>Program Costs</b>	<b>and Administrative</b>
Incentives	\$100,186,546	\$100,186,546	
Program Delivery Subcontracts	56,337,220	56,337,220	
Employee Salaries & Fringe Benefits	15,981,875	7,873,826	8,108,048
Agency Contractor Services	1,405,395	579,880	825,515
Planning and Evaluation Services	2,739,739	2,627,665	112,074
Advertising and Marketing Services	3,014,790	2,024,344	990,446
Other Professional Services	4,703,198	3,602,178	1,101,020
Travel, Meetings, Trainings & Conference	537,534		537,534
Dues, Licenses and Fees	234,218		234,218
Software and Hardware	703,545		703,545
Depreciation & Amortization	274,222		274,222
Office Rent and Equipment	1,020,926		1,020,926
Materials Postage and Telephone	154,294		154,294
Miscellaneous Expenses	5,478		5,478
<b>TOTAL FUNCTIONAL EXPENSE</b>	<b>187,298,979</b>	<b>173,231,659</b>	<b>14,067,320</b>

OPUC Grant / Utility Funded Revenue

178,005,146

**Performance against OPUC Measure**

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

Maximum allowed under the performance mea	8.0%	14,240,412
Actual program support and administrative cos	7.9%	14,067,320
Unspent below the maximum allowed		173,092

Energy Trust of Oregon  
Summary by Service Territory and Program  
2021 Final Proposed Projection

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	ETO Total
<b>Energy Efficiency</b>											
<b>Commercial</b>											
Existing Buildings	30,428,488	17,453,106	47,881,594	2,262,438	5,661,404	1,738,989	978,277	10,641,109	58,522,703	920,794	59,443,497
New Buildings	11,202,806	4,398,190	15,600,996	33,561	1,513,042	183,127	135,303	1,865,033	17,466,029		17,466,029
NEEA	1,649,911	1,231,007	2,880,918		823,739	102,967	102,967	1,029,674	3,910,592		3,910,592
<b>Total Commercial</b>	<b>43,281,205</b>	<b>23,082,303</b>	<b>66,363,508</b>	<b>2,295,999</b>	<b>7,998,186</b>	<b>2,025,084</b>	<b>1,216,547</b>	<b>13,535,816</b>	<b>79,899,324</b>	<b>920,794</b>	<b>80,820,118</b>
<b>Industrial</b>											
Production Efficiency	21,014,251	16,905,198	37,919,449	2,508,315	836,823	212,870	31,169	3,589,178	41,508,627		41,508,627
NEEA	309,247	230,732	539,979						539,979		539,979
<b>Total Industrial</b>	<b>21,323,499</b>	<b>17,135,930</b>	<b>38,459,428</b>	<b>2,508,315</b>	<b>836,823</b>	<b>212,870</b>	<b>31,169</b>	<b>3,589,178</b>	<b>42,048,606</b>		<b>42,048,606</b>
<b>Residential</b>											
Residential Combined	17,770,757	12,145,879	29,916,636		12,137,796	1,011,596	544,282	13,693,674	43,610,310	1,587,760	45,198,070
NEEA	2,047,455	1,527,619	3,575,074		283,875	35,485	35,485	354,844	3,929,918		3,929,918
<b>Total Residential</b>	<b>19,818,212</b>	<b>13,673,498</b>	<b>33,491,710</b>		<b>12,421,671</b>	<b>1,047,080</b>	<b>579,767</b>	<b>14,048,518</b>	<b>47,540,228</b>	<b>1,587,760</b>	<b>49,127,988</b>
<b>Energy Efficiency Program Costs</b>	<b>84,422,916</b>	<b>53,891,729</b>	<b>138,314,646</b>	<b>4,804,316</b>	<b>21,256,681</b>	<b>3,285,035</b>	<b>1,827,479</b>	<b>31,173,512</b>	<b>169,488,158</b>	<b>2,508,552</b>	<b>171,996,712</b>
<b>Renewables</b>											
Solar Electric (Photovoltaic)	6,691,734	3,838,938	10,530,672						10,530,672		10,530,672
Other Renewable	5,380,843	1,899,304	7,280,147						7,280,147		7,280,147
<b>Renewables Program Costs</b>	<b>12,072,577</b>	<b>5,738,243</b>	<b>17,810,821</b>						<b>17,810,821</b>		<b>17,810,819</b>
Community Solar											375,973
<b>Cost Grand Total</b>	<b>96,495,493</b>	<b>59,629,972</b>	<b>156,125,467</b>	<b>4,804,316</b>	<b>21,256,681</b>	<b>3,285,035</b>	<b>1,827,479</b>	<b>31,173,512</b>	<b>187,298,979</b>	<b>2,508,552</b>	<b>190,183,506</b>

Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
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COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Washington	Solar Renewables	Custom Renewables	ETO Total
Incentives	27,369,400	3,275,565	9,130,045	-	25,166,430	-	23,025,106	-	1,246,679	7,120,000	5,100,000	101,433,225
Program Delivery Subcontracts	15,470,677	4,017,560	5,710,000	3,684,099	10,423,000	500,649	12,480,053	3,700,792	688,463	350,391	-	57,025,684
Employee Salaries and Fringe Benefits	693,416	395,695	348,793	-	1,311,075	-	1,304,215	-	132,270	857,058	655,799	5,698,321
Agency Contractor Services	198,654	19,125	10,126	-	71,531	-	112,531	-	-	167,915	-	579,882
Planning and Evaluation Services	515,241	236,799	328,040	24,514	362,121	11,440	675,801	26,148	107,863	71,391	29,418	2,388,776
Advertising and Marketing Services	409,499	75,001	139,000	-	371,000	-	780,000	-	-	204,000	39,000	2,017,500
Other Professional Services	477,001	300,000	115,101	-	406,999	-	902,000	-	21,550	407,499	724,000	3,354,150
Travel, Meetings, Trainings and Conferences	30,000	6,000	11,499	-	34,999	-	52,000	-	5,250	25,000	21,500	186,248
Dues, Licenses and fees	53,557	2,501	-	-	1,500	-	2,499	-	36,423	8,750	8,800	114,030
Software and Hardware	-	-	-	-	-	-	-	-	-	239,095	-	239,095
Materials Postage and Telephone	5,000	-	-	-	3,501	-	-	-	-	4,500	700	13,701
Shared Office Space	123,526	54,855	53,141	-	159,905	-	172,446	-	21,532	113,102	65,381	763,888
Shared Information Technology	453,196	242,598	291,744	-	515,418	-	883,870	-	70,622	337,900	259,443	3,054,791
Customer Service Management	86,870	24,696	26,732	-	32,085	-	140,446	-	48,336	17,872	-	377,037
Trade Ally Management	11,885	20,751	2,278	-	4,463	-	273,088	-	-	36,299	92	348,856
Planning and Evaluation Management	910,985	19,999	397,418	-	500,711	-	553,813	-	-	26,000	-	2,408,926
<b>TOTAL PROGRAM EXPENSES</b>	<b>46,808,907</b>	<b>8,691,145</b>	<b>16,563,917</b>	<b>3,708,613</b>	<b>39,364,738</b>	<b>512,089</b>	<b>41,357,868</b>	<b>3,726,940</b>	<b>2,378,988</b>	<b>9,986,772</b>	<b>6,904,133</b>	<b>180,004,110</b>
<b>ADMINISTRATIVE COSTS</b>												
Management & General	1,489,653	276,587	527,133	118,024	1,252,751	16,297	1,316,179	118,606	75,709	317,821	219,718	5,728,478
Communications & Customer Svc	1,059,661	196,751	374,976	83,957	891,140	11,593	936,261	84,370	53,855	226,080	156,296	4,074,940
<b>Total Administrative Costs</b>	<b>2,549,314</b>	<b>473,338</b>	<b>902,109</b>	<b>201,981</b>	<b>2,143,891</b>	<b>27,890</b>	<b>2,252,440</b>	<b>202,976</b>	<b>129,564</b>	<b>543,901</b>	<b>376,014</b>	<b>9,803,418</b>
<b>Total Program &amp; Admin Expenses</b>	<b>49,358,221</b>	<b>9,164,483</b>	<b>17,466,026</b>	<b>3,910,594</b>	<b>41,508,629</b>	<b>539,979</b>	<b>43,610,308</b>	<b>3,929,916</b>	<b>2,508,552</b>	<b>10,530,673</b>	<b>7,280,147</b>	<b>189,807,528</b>
Energy Savings (kwh)	98,071,227	11,072,561	35,407,009	6,693,780	151,068,243	6,756,741	36,205,207	19,386,571				364,661,339
Energy Savings (therms)	1,811,584	217,868	537,656	456	1,478,433	-	2,806,800	6,961	341,873			7,201,630
Energy Generation (kwh)										19,480,640	4,583,440	24,064,080

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

**PGE**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	13,644,944	1,909,417	5,862,280		12,945,905		9,362,395		43,724,941
Program Delivery Subcontracts	8,106,319	2,341,946	3,670,529	1,550,655	5,073,782	286,723	5,094,671	1,926,730	28,051,355
Employee Salaries and Fringe Benefit	351,758	230,694	223,608		663,441		529,843		1,999,344
Agency Contractor Services	100,774	11,150	6,491		36,196		45,716		200,327
Planning and Evaluation Services	260,800	138,666	207,230	14,039	180,285	6,552	266,645	14,975	1,089,192
Advertising and Marketing Services	207,732	43,726	89,112		187,736		316,878		845,184
Other Professional Services	241,974	174,903	73,790		213,176		366,441		1,070,284
Travel, Meetings, Trainings and Confe	15,218	3,498	7,373		17,711		21,125		64,925
Dues, Licenses and fees	27,169	1,458			759		1,016		30,402
Software and Hardware									-
Materials Postage and Telephone	2,536				1,771				4,307
Shared Office Space	62,662	31,981	34,069		80,917		70,057		279,686
Shared Information Technology	229,899	141,437	187,035		260,816		359,076		1,178,263
Customer Service Management	44,068	14,398	17,138		16,236		57,057		148,897
Trade Ally Management	6,029	12,098	1,461		2,259		110,943		132,790
Planning and Evaluation Management	487,966	11,660	244,075		247,889		251,047		1,242,637
<b>TOTAL PROGRAM EXPENSES</b>	<b>23,789,848</b>	<b>5,067,032</b>	<b>10,624,191</b>	<b>1,564,694</b>	<b>19,928,879</b>	<b>293,275</b>	<b>16,852,910</b>	<b>1,941,705</b>	<b>80,062,534</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	757,092	161,254	338,106	49,795	634,220	9,333	536,330	61,793	2,547,923
Communications & Customer Svc	538,555	114,708	240,511	35,422	451,151	6,639	381,517	43,956	1,812,459
<b>Total Administrative Costs</b>	<b>1,295,647</b>	<b>275,962</b>	<b>578,617</b>	<b>85,217</b>	<b>1,085,371</b>	<b>15,972</b>	<b>917,847</b>	<b>105,749</b>	<b>4,360,382</b>
<b>Total Program &amp; Admin Expenses</b>	<b>25,085,495</b>	<b>5,342,994</b>	<b>11,202,808</b>	<b>1,649,911</b>	<b>21,014,250</b>	<b>309,247</b>	<b>17,770,757</b>	<b>2,047,454</b>	<b>84,422,916</b>
<b>Energy Savings (kwh)</b>	<b>60,458,353</b>	<b>7,987,986</b>	<b>23,207,103</b>	<b>3,815,454</b>	<b>70,779,566</b>	<b>3,851,343</b>	<b>20,781,845</b>	<b>11,050,346</b>	<b>201,931,996</b>

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

**Pacific Power**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	8,297,715	781,950	2,299,523		10,249,395		6,310,862		27,939,445
Program Delivery Subcontracts	4,929,586	959,080	1,439,793	1,156,952	4,242,007	213,926	3,561,951	1,437,545	17,940,840
Employee Salaries and Fringe Benefit	214,062	94,442	87,788		533,714		362,135		1,292,141
Agency Contractor Services	61,326	4,565	2,548		29,119		31,246		128,804
Planning and Evaluation Services	162,143	56,169	84,595	10,475	150,879	4,888	184,485	11,173	664,807
Advertising and Marketing Services	126,415	17,901	34,985		151,027		216,579		546,907
Other Professional Services	147,253	71,602	28,970		171,493		250,454		669,772
Travel, Meetings, Trainings and Confe	9,261	1,432	2,894		14,248		14,439		42,274
Dues, Licenses and fees	16,533	597			611		694		18,435
Software and Hardware									-
Materials Postage and Telephone	1,544				1,425				2,969
Shared Office Space	38,133	13,092	13,375		65,094		47,882		177,576
Shared Information Technology	139,905	57,902	73,429		209,817		245,420		726,473
Customer Service Management	26,817	5,894	6,728		13,062		38,997		91,498
Trade Ally Management	3,669	4,953	573		1,817		75,827		86,839
Planning and Evaluation Management	302,952	4,773	95,823		198,351		177,584		779,483
<b>TOTAL PROGRAM EXPENSES</b>	<b>14,477,314</b>	<b>2,074,352</b>	<b>4,171,024</b>	<b>1,167,427</b>	<b>16,032,059</b>	<b>218,814</b>	<b>11,518,555</b>	<b>1,448,718</b>	<b>51,108,263</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	460,728	66,014	132,739	37,152	510,207	6,964	366,568	46,104	1,626,476
Communications & Customer Svc	327,738	46,959	94,424	26,428	362,934	4,954	260,757	32,796	1,156,990
<b>Total Administrative Costs</b>	<b>788,466</b>	<b>112,973</b>	<b>227,163</b>	<b>63,580</b>	<b>873,141</b>	<b>11,918</b>	<b>627,325</b>	<b>78,900</b>	<b>2,783,466</b>
<b>Total Program &amp; Admin Expenses</b>	<b>15,265,780</b>	<b>2,187,325</b>	<b>4,398,187</b>	<b>1,231,007</b>	<b>16,905,200</b>	<b>230,732</b>	<b>12,145,880</b>	<b>1,527,618</b>	<b>53,891,729</b>
<b>Energy Savings (kwh)</b>	<b>37,612,874</b>	<b>3,084,575</b>	<b>12,199,906</b>	<b>2,878,325</b>	<b>80,288,677</b>	<b>2,905,399</b>	<b>15,423,361</b>	<b>8,336,225</b>	<b>162,729,343</b>

**Energy Trust of Oregon, Inc**  
**Detail by Service Territory and Program**  
**2021 Final Proposed Projection**

**ENERGY EFFICIENCY**

**NW Natural Industrial**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
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 Benefit	32,051		673		79,614			112,338
Agency Contractor Services	9,182		20		4,344			13,546
Planning and Evaluation Services	22,964		615		21,634			45,213
Advertising and Marketing Services	18,928		268		22,529			41,725
Other Professional Services	22,048		222		15,606			37,876
Travel, Meetings, Trainings and Confe	1,387		22		2,125			3,534
Dues, Licenses and fees	2,475				91			2,566
Software and Hardware								-
Materials Postage and Telephone	231				213			444
Shared Office Space	5,710		103		9,710			15,523
Shared Information Technology	20,947		563		31,298			52,808
Customer Service Management	4,015		52		1,948			6,015
Trade Ally Management	549		4		271			824
Planning and Evaluation Management	30,740		1,142		33,806			65,688
<b>TOTAL PROGRAM EXPENSES</b>	<b>2,145,586</b>	<b>-</b>	<b>31,828</b>	<b>-</b>	<b>2,378,763</b>	<b>-</b>	<b>-</b>	<b>4,556,177</b>
<b>ADMINISTRATIVE COSTS</b>								
Management & General	68,281		1,013		75,702			144,996
Communications & Customer Svc	48,572		721		53,850			103,143
<b>Total Administrative Costs</b>	<b>116,853</b>	<b>-</b>	<b>1,734</b>	<b>-</b>	<b>129,552</b>	<b>-</b>	<b>-</b>	<b>248,139</b>
<b>Total Program &amp; Admin Expenses</b>	<b>2,262,439</b>	<b>-</b>	<b>33,562</b>	<b>-</b>	<b>2,508,315</b>	<b>-</b>	<b>-</b>	<b>4,804,316</b>
<b>Energy Savings (therms)</b>								
<b>Energy Savings (therms)</b>	<b>587,611</b>	<b>-</b>	<b>15,306</b>	<b>-</b>	<b>1,015,871</b>	<b>-</b>	<b>-</b>	<b>1,618,788</b>

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**ENERGY EFFICIENCY**

**NW Natural Gas**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>NEEA Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	2,300,290	521,078	782,366		510,000		6,499,493		10,613,227
Program Delivery Subcontracts	1,366,578	639,115	489,860	781,194	203,150		3,403,212	269,213	7,152,322
Employee Salaries and Fringe Benefit	59,553	62,935	30,339		26,561		365,399		544,787
Agency Contractor Services	17,061	3,042	881		1,449		31,527		53,960
Planning and Evaluation Services	43,546	37,430	29,766		7,218		202,133		320,093
Advertising and Marketing Services	35,169	11,929	12,091		7,516		218,531		285,236
Other Professional Services	40,966	47,715	10,012		5,206		252,711		356,610
Travel, Meetings, Trainings and Confe	2,577	954	1,000		709		14,569		19,809
Dues, Licenses and fees	4,600	398			30		700		5,728
Software and Hardware									-
Materials Postage and Telephone	429				71				500
Shared Office Space	10,609	8,725	4,622		3,239		48,314		75,509
Shared Information Technology	38,922	38,585	25,377		10,442		247,632		360,958
Customer Service Management	7,461	3,928	2,325		650		39,349		53,713
Trade Ally Management	1,021	3,300	198		90		76,510		81,119
Planning and Evaluation Management	57,902	3,181	46,057		17,271		110,807		235,218
<b>TOTAL PROGRAM EXPENSES</b>	<b>3,986,684</b>	<b>1,382,315</b>	<b>1,434,894</b>	<b>781,194</b>	<b>793,602</b>	<b>-</b>	<b>11,510,887</b>	<b>269,213</b>	<b>20,158,789</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	126,873	43,991	45,664	24,861	25,256		366,324	8,567	641,536
Communications & Customer Svc	90,251	31,293	32,483	17,685	17,966		260,584	6,094	456,356
<b>Total Administrative Costs</b>	<b>217,124</b>	<b>75,284</b>	<b>78,147</b>	<b>42,546</b>	<b>43,222</b>	<b>-</b>	<b>626,908</b>	<b>14,661</b>	<b>1,097,892</b>
<b>Total Program &amp; Admin Expenses</b>	<b>4,203,808</b>	<b>1,457,599</b>	<b>1,513,041</b>	<b>823,740</b>	<b>836,824</b>	<b>-</b>	<b>12,137,795</b>	<b>283,874</b>	<b>21,256,681</b>
<b>Energy Savings (therms)</b>	<b>803,577</b>	<b>192,155</b>	<b>432,172</b>	<b>332</b>	<b>397,808</b>	<b>-</b>	<b>2,443,282</b>	<b>5,069</b>	<b>4,274,394</b>

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**ENERGY EFFICIENCY**

**Cascade Natural Gas**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	930,200	14,231	93,383		119,160		570,415		1,727,389
Program Delivery Subcontracts	552,622	17,455	58,470	97,649	63,564		254,719	33,652	1,078,131
Employee Salaries and Fringe Benefits	24,071	1,719	3,672		6,756		30,453		66,671
Agency Contractor Services	6,896	83	107		369		2,628		10,083
Planning and Evaluation Services	17,247	1,022	3,355		1,836		14,654		38,114
Advertising and Marketing Services	14,215	326	1,463		1,912		18,213		36,129
Other Professional Services	16,559	1,303	1,212		1,324		21,062		41,460
Travel, Meetings, Trainings and Conferences	1,041	26	121		180		1,214		2,582
Dues, Licenses and fees	1,859	11			8		58		1,936
Software and Hardware									-
Materials Postage and Telephone	174				18				192
Shared Office Space	4,288	238	559		824		4,027		9,936
Shared Information Technology	15,732	1,054	3,071		2,656		20,638		43,151
Customer Service Management	3,016	107	281		165		3,279		6,848
Trade Ally Management	413	90	24		23		6,377		6,927
Planning and Evaluation Management	23,087	87	7,949		3,081		11,611		45,815
<b>TOTAL PROGRAM EXPENSES</b>	<b>1,611,420</b>	<b>37,752</b>	<b>173,667</b>	<b>97,649</b>	<b>201,876</b>	<b>-</b>	<b>959,348</b>	<b>33,652</b>	<b>3,115,364</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	51,282	1,201	5,527	3,108	6,425		30,530	1,071	99,144
Communications & Customer Svc	36,479	855	3,932	2,211	4,570		21,718	762	70,527
<b>Total Administrative Costs</b>	<b>87,761</b>	<b>2,056</b>	<b>9,459</b>	<b>5,319</b>	<b>10,995</b>	<b>-</b>	<b>52,248</b>	<b>1,833</b>	<b>169,671</b>
<b>Total Program &amp; Admin Expenses</b>	<b>1,699,181</b>	<b>39,808</b>	<b>183,126</b>	<b>102,968</b>	<b>212,871</b>	<b>-</b>	<b>1,011,596</b>	<b>35,485</b>	<b>3,285,035</b>
<b>Energy Savings (therms)</b>	<b>270,469</b>	<b>5,833</b>	<b>51,827</b>	<b>85</b>	<b>55,338</b>	<b>-</b>	<b>178,409</b>	<b>1,291</b>	<b>563,251</b>



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**ENERGY EFFICIENCY**

**Avista**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	462,624	48,889	71,149		17,698		281,941		882,301
Program Delivery Subcontracts	274,840	59,964	44,548	97,649	9,195		165,500	33,652	685,348
Employee Salaries and Fringe Benefit	11,921	5,905	2,713		989		16,385		37,913
Agency Contractor Services	3,415	285	79		54		1,414		5,247
Planning and Evaluation Services	8,541	3,512	2,479		269		7,884		22,685
Advertising and Marketing Services	7,040	1,119	1,081		280		9,799		19,319
Other Professional Services	8,201	4,477	895		194		11,332		25,099
Travel, Meetings, Trainings and Confe	516	90	89		26		653		1,374
Dues, Licenses and fees	921	37			1		31		990
Software and Hardware									-
Materials Postage and Telephone	86				3				89
Shared Office Space	2,124	819	413		121		2,166		5,643
Shared Information Technology	7,791	3,620	2,269		389		11,104		25,173
Customer Service Management	1,493	369	208		24		1,764		3,858
Trade Ally Management	204	310	18		3		3,431		3,966
Planning and Evaluation Management	8,338	298	2,372		313		2,764		14,085
<b>TOTAL PROGRAM EXPENSES</b>	<b>798,055</b>	<b>129,694</b>	<b>128,313</b>	<b>97,649</b>	<b>29,559</b>	<b>-</b>	<b>516,168</b>	<b>33,652</b>	<b>1,733,090</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	25,397	4,127	4,084	3,108	941		16,427	1,071	55,155
Communications & Customer Svc	18,066	2,936	2,905	2,211	669		11,685	762	39,234
<b>Total Administrative Costs</b>	<b>43,463</b>	<b>7,063</b>	<b>6,989</b>	<b>5,319</b>	<b>1,610</b>	<b>-</b>	<b>28,112</b>	<b>1,833</b>	<b>94,389</b>
<b>Total Program &amp; Admin Expenses</b>	<b>841,518</b>	<b>136,757</b>	<b>135,302</b>	<b>102,968</b>	<b>31,169</b>	<b>-</b>	<b>544,280</b>	<b>35,485</b>	<b>1,827,479</b>
<b>Energy Savings (therms)</b>	<b>149,927</b>	<b>19,880</b>	<b>38,351</b>	<b>39</b>	<b>9,416</b>	<b>-</b>	<b>185,110</b>	<b>601</b>	<b>403,323</b>

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**ENERGY EFFICIENCY**

**NW Natural Washington**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>NEEA Commercial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	415,322		831,357		1,246,679
Program Delivery Subcontracts	277,398		411,065		688,463
Employee Salaries and Fringe Benefit	56,359		75,911		132,270
Agency Contractor Services					-
Planning and Evaluation Services	45,760		62,103		107,863
Advertising and Marketing Services					-
Other Professional Services	1,000		20,550		21,550
Travel, Meetings, Trainings and Confe	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	9,425		12,107		21,532
Shared Information Technology	32,235		38,387		70,622
Customer Service Management	23,942		24,394		48,336
Trade Ally Management					-
Planning and Evaluation Management					-
<b>TOTAL PROGRAM EXPENSES</b>	<b>873,236</b>	<b>-</b>	<b>1,505,752</b>	<b>-</b>	<b>2,378,988</b>
<b>ADMINISTRATIVE COSTS</b>					
Management & General	27,790		47,919		75,709
Communications & Customer Svc	19,768		34,087		53,855
<b>Total Administrative Costs</b>	<b>47,558</b>	<b>-</b>	<b>82,006</b>	<b>-</b>	<b>129,564</b>
<b>Total Program &amp; Admin Expenses</b>	<b>920,794</b>	<b>-</b>	<b>1,587,758</b>	<b>-</b>	<b>2,508,552</b>
<b>Energy Savings (therms)</b>	<b>105,344</b>	<b>-</b>	<b>236,529</b>		<b>341,873</b>

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**RENEWABLE PROGRAMS**

**PGE Renewables**

<b>EXPENSES</b>	<b>Standard Solar</b>	<b>Custom Projects</b>	<b>Renewable Total</b>
Incentives	4,560,000	3,950,000	8,510,000
Program Delivery Subcontracts	205,174		205,174
Employee Salaries and Fringe Benefit	544,619	484,709	1,029,328
Agency Contractor Services	106,702		106,702
Planning and Evaluation Services	46,964	21,743	68,707
Advertising and Marketing Services	129,632	28,825	158,457
Other Professional Services	243,060	362,000	605,060
Travel, Meetings, Trainings and Confe	15,886	10,750	26,636
Dues, Licenses and fees	5,560	4,400	9,960
Software and Hardware	151,933		151,933
Materials Postage and Telephone	2,860	350	3,210
Shared Office Space	71,871	48,324	120,195
Shared Information Technology	214,719	191,757	406,476
Customer Service Management	11,357		11,357
Trade Ally Management	23,066	68	23,134
Planning and Evaluation Management	12,709		12,709
<b>TOTAL PROGRAM EXPENSES</b>	<b>6,346,112</b>	<b>5,102,926</b>	<b>11,449,038</b>
<b>ADMINISTRATIVE COSTS</b>			
Management & General	201,960	162,396	364,356
Communications & Customer Svc	143,663	115,520	259,183
<b>Total Administrative Costs</b>	<b>345,623</b>	<b>277,916</b>	<b>623,539</b>
<b>Total Program &amp; Admin Expenses</b>	<b>6,691,735</b>	<b>5,380,842</b>	<b>12,072,577</b>
 <b>Energy Generation (kwh)</b>	 <b>11,659,440</b>	 <b>4,583,440</b>	 <b>16,242,880</b>

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**RENEWABLE PROGRAMS**

**Pacific Power Renewables**

<b>EXPENSES</b>	<b>Standard Solar</b>	<b>Custom Projects</b>	<b>Renewable Total</b>
Incentives	2,560,000	1,150,000	3,710,000
Program Delivery Subcontracts	145,217		145,217
Employee Salaries and Fringe Benefit	312,439	171,090	483,529
Agency Contractor Services	61,213		61,213
Planning and Evaluation Services	24,427	7,675	32,102
Advertising and Marketing Services	74,368	10,175	84,543
Other Professional Services	164,439	362,000	526,439
Travel, Meetings, Trainings and Confe	9,114	10,750	19,864
Dues, Licenses and fees	3,190	4,400	7,590
Software and Hardware	87,162		87,162
Materials Postage and Telephone	1,640	350	1,990
Shared Office Space	41,231	17,057	58,288
Shared Information Technology	123,181	67,686	190,867
Customer Service Management	6,515		6,515
Trade Ally Management	13,233	24	13,257
Planning and Evaluation Management	13,291		13,291
<b>TOTAL PROGRAM EXPENSES</b>	<b>3,640,660</b>	<b>1,801,207</b>	<b>5,441,867</b>
<b>ADMINISTRATIVE COSTS</b>			
Management & General	115,861	57,322	173,183
Communications & Customer Svc	82,417	40,776	123,193
<b>Total Administrative Costs</b>	<b>198,278</b>	<b>98,098</b>	<b>296,376</b>
<b>Total Program &amp; Admin Expenses</b>	<b>3,838,938</b>	<b>1,899,305</b>	<b>5,738,243</b>
<b>Energy Generation (kwh)</b>	<b>7,821,200</b>	<b>-</b>	<b>7,821,200</b>

## Financial Glossary

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### **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, levelized 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.