Conservation Advisory Council Agenda -- Revised
Virtual meeting
Wednesday, September 16, 2020
1:30 p.m. – 4:30 p.m.

To join the Zoom meeting, register at this link:
https://zoom.us/meeting/register/tJwlcemsrj0uHtBGi8hx9HmQbrJMOpnmy8I

After registering, you will receive a confirmation email containing information about joining the meeting.

1:30 Welcome
- Zoom housekeeping info
- Introductions (host will list who is attending the meeting, unmute yourself when called on and say hi)
- Approve July meeting notes
- Member updates

1:45 Manufactured Home Replacement Pilot (information)
The council and invited stakeholders will hear an update on this pilot, which was recently extended through the end of 2021. Activity to date and efforts to coordinate with the in-development Oregon Housing and Community Services program will be discussed.

Presenter: Mark Wyman (25 min)

2:10 Year-end updates: goals forecast and measure changes (Q&A)
Staff will highlight progress to achieving the 2020 annual energy efficiency goals, and provide an update on measure changes being considered for 2021.

Presenters: Peter West and Alex Novie (40 min)

2:50 Break (10 min)

3:00 2021 action plans preview (Q&A)
The council will hear about 2021 action plan development for each sector and the business lighting initiative, including overarching context, new strategies for 2021 and any significant changes from 2020. This information will prepare the council for the public budget workshop in October.

Presenters: Thad Roth and Marshall Johnson (residential), Wendy Gibson and Jay Olson (commercial), Amanda Potter (industrial), Jessica Kramer (business lighting) (50 min)

3:50 Break (5 min)

3:55 Existing Buildings and Commercial Lighting RFP (information)
Staff will provide an update on the results of the RFP and next steps for transitioning program management and program delivery contracts for the Existing Buildings program, Existing Multifamily program and commercial and industrial lighting offers.

Presenter: Peter West (20 min)
4:15  Large Electric Customer Funding Reports (Q&A)
The annual reports on Energy Trust’s incentive spending for large electric utility customers (those using 1 aMW or more of electricity per year) are completed and indicate spending remained below the individual caps set for each utility territory. The reports are provided for the council’s reference. Questions welcome from the council.

Presenters: Steve Lacey and Amanda Potter (10 min)

4:25  Public comment

4:30  Adjourn

Meeting materials (agendas, presentations and notes) are available online.

Next meeting: Our next meeting is October 14, 2020, from 9 a.m. – 12 p.m. and a hold from 12 – 1 p.m. for a potential meeting extension. This is a different time than usual, please check your calendars.
Conservation Advisory Council Meeting Notes  
July 29, 2020  

Attending from the council:  
Alyn Spector, Cascade Natural Gas  
Anna Kim, Oregon Public Utility Commission  
Julia Harper, Northwest Energy Efficiency Alliance  
Jess Kincaid (for Dave Moody), Bonneville Power Administration  
Cristian Salgado (for Jason Klotz), Portland General Electric  
Kari Greer, Pacific Power  
Kerry Meade, Northwest Energy Efficiency Council  
Lisa McGarity, Avista  
Rick Hodges, NW Natural  
Tim Hendricks, BOMA  
Wendy Gerlitz, NW Energy Coalition  
Warren Cook, Oregon Department of Energy  
Charlie Grist, Northwest Power and Conservation Council  

Attending from Energy Trust:  
Caryn Appler  
Melanie Bissonnette  
Amber Cole  
Michael Colgrove  
Ryan Crews  
Hannah Cruz  
Amanda Davidowitz  
Becky Engel  
Sue Fletcher  
Fred Gordon  
Jeni Hall  
Marshall Johnson  
Steve Lacey  
Spencer Moersfelder  
Alex Novie  
Jay Olson  
Kirstin Pinit  
Thad Roth  
Dan Rubado  
Peter Schaffer  
Abby Spegman  
Kenji Spielman  
Julianne Thacher  
Jay Ward  
Kate Wellington  
Peter West  
Amanda Zuniga  

Others attending:  
Dave Backen, Backen Consulting  
Shelly Beaulieu, TRC  
Tina Brooks, Pacific Power  
Jon Eicher, ICF  
Laura Hall, ICF  
Lindsey Hardy, Energy Trust board  
Elee Jen, Energy Trust board  
Joe Marcotte, TRC  
Alan Meyer, Energy Trust board  
Whitney Rideout, Evergreen Consulting  
Kevin Smit, NW Power and Conservation Council  
Jenny Sorich, CLEAResult  
John Molnar, Rogers Machinery  
Cindy Strecker, CLEAResult  
Angel Swanson, ICF  
Nick Dreves, ICF  
Misti Nelmes, CLEAResult  
Brian Lynch, AESC  

1. Welcome and Introductions  
Hannah Cruz, Energy Trust senior communications manager, convened the meeting at 1:30 p.m. The meeting was held as a video conference. Prior council meeting notes are posted online and the council accepted them with no changes. The meeting was recorded.
Hannah Cruz shared that Charlie Grist has announced his upcoming retirement. He has been on the council since 2015. On behalf of Energy Trust staff, Fred Gordon recognized his contribution to the industry and expressed gratitude for his counsel to Energy Trust.

2. Update on Residential Cost-Effectiveness Exception for Ductless Heat Pumps

Topic summary
Marshall Johnson of the Residential team provided background on the Oregon Public Utility Commission’s approval of a residential ductless heat pump cost-effectiveness exception for units installed in homes with supplemental heat, which are to stay within a small percentage of overall ductless heat pump units installed by the program. Ductless heat pumps are the only measure in the Residential program with an exception.

Marshall Johnson gave an update on expected unit installations this year and a potential new collaboration in Southern Oregon. South Central Oregon Economic Development District (SCOEDD), with funding from the Environmental Protection Agency, plans to launch a program to support HVAC replacement and weatherization of 140 homes that meet federal low-income qualifications and that use wood for heating.

Marshall Johnson reminded council members incentives for this measure were updated in April and included increased incentives for community partners and a reduced standard incentive.

Discussion
Council members asked why standard incentives were changed in April (Wendy Gerlitz). Marshall Johnson explained it was related to equipment changes in ductless heat pump technologies and the fact that energy savings can be lower when replacing certain types of existing equipment, such as gas furnaces or wood-burning fireplaces. Members also asked whether there is confusion among trade allies with the different incentive levels (Lisa McGarity). Marshall Johnson said there could be and would like input from the council on how to mitigate this.

Members discussed whether to provide a higher incentive for ductless heat pumps installed in income-qualified homes. Marshall Johnson asked if council members felt there is benefit to providing a $1,000 incentive for ductless heat pumps installed in income-qualified homes participating in a program like SCOEDD’s even though it means not meeting the Utility Cost Test. Members suggested if the cost to the customer and energy savings can be balanced, then an exception might be worth pursuing (Alyn Spector). Members wondered if the ductless heat pump is the most affordable option (Alyn Spector). Members also requested more information about the change-out requirements and whether the SCOEDD program would be run through a community partner (Cristian Salgado, Rick Hodges).

Members asked if there is analysis of whether a gas-heating source or ductless heat pump is the more cost-effective option (Wendy Gerlitz). Energy Trust does not have this analysis to compare heating options as the organization is not allowed to encourage customers to switch their home heating fuel. Some council members expressed concern that Energy Trust isn’t looking at such measures the same way as customers and suggested further consideration on the cost-effectiveness assessment, especially in light of the governor’s executive order on climate change and greenhouse gas reductions (Wendy Gerlitz, Cristian Salgado).

Members asked how SCOEDD’s program may dovetail with low-income weatherization programs. The SCOEDD program has the potential to triple the number of income-restricted homes served by low-income weatherization programs and by Energy Trust’s programs, although the types of measures provided through all these programs will vary.
Members asked if participation in the SCOEDD program could disqualify participants from getting future weatherization upgrades that improve both the efficiency and health and safety of the home (Alyn Spector). It’s understood that participation would not disqualify a customer (Lisa McGarity).

Members discussed how to account for the non-energy benefits that come from replacing wood heat with ductless heat pumps and whether those benefits are accounted for in Energy Trust’s cost-effectiveness calculations, such as the reduction of woodsmoke particulates in the air and reduction of house fires. Council members cited various related resources from Bonneville Power Authority and the Environmental Protection Agency (Charlie Grist, Rick Hodges, Jess Kincaid).

Next steps
None.

3. Recent and Upcoming Changes to Energy Efficiency Measures

Topic summary
Marshall Johnson and Kate Wellington discussed changes to incentive levels and equipment requirements in the Existing Buildings, Residential and Existing Multifamily programs. These include new bonus offers and new measures that can benefit low-income and small business customers. Changes were made in support of Energy Trust’s continual measure improvement process and response to COVID-19. Some measures launched this year instead of next year to respond to market needs.

Discussion
None.

Next steps
None.

4. Next Steps For Showerheads

Topic summary
Alex Novie and Dan Rubado discussed Energy Trust’s potential next steps for programs that include showerheads. Energy- and water-saving showerheads have traditionally been part of Energy Saver Kits, multifamily Instant Savings Measures and existing and new commercial building offers. Showerheads are some of the most equitable measures offered by Energy Trust, enabling the program to reach new customers who often go on to participate in other offers.

Potential changes are being considered by Energy Trust as the NW Power and Conservation Council’s Regional Technical Forum recently deactivated the measure as savings per unit have decreased over time. In addition, Gov. Kate Brown’s Executive Order 20-04 is anticipated to include showerheads in its retail appliance standard. Most significantly, Energy Trust is considering moving away from offering mass market and retail showerheads in 2021 across most of its programs and offerings. Recent evaluation results indicated that savings projections appear to erode over time for showerheads in Energy Saver Kits that are delivered to single-family customers.

Removing showerheads from Energy Trust’s offerings will likely have a notable effect on savings. For the New Buildings program, showerheads delivered primarily in new multifamily construction projects accounted for approximately 12% of gas savings and 6% of electric savings in 2019. For the Residential program, showerheads delivered through Energy Saver
Kits and retail channels accounted for approximately 8% of electric savings and 7% of gas savings in 2019.

Discussion
Members offered suggestions for other organizations to play a role in identifying these lagging markets (Rick Hodges).

Next steps
Staff will revisit this transition with the council at its September meeting. Staff also will follow up on the estimated counts of customers who have been served with past showerhead measures.

5. New Buildings Cost-Effectiveness Workshops
Topic summary
Jay Olson from the Commercial sector provided an update on recent workshops with the OPUC, Oregon Department of Energy and Northwest Energy Efficiency Alliance being held to determine a cost-effective pathway forward for the New Buildings program as the state moves forward with higher efficiency levels in the energy code. The workgroup is considering using a proxy value for building-wide savings and currently estimating what this value might be for a multifamily new construction building. It remains to be seen whether separate modeling would need to be completed based on building type.

Discussion
Members asked about past project cost percentage increases when codes changed (Lisa McGarity). Cindy Strecker with the New Buildings program management contractor explained that estimating these percentages can be difficult because data typically is building-specific due to the variety of nuances and details for each building, and cost changes are not isolated to energy-efficient construction changes or equipment installation is only and are influenced by other cost changes, like in materials and labor. Members suggested other resources that may show market-wide cost trends with code changes (Warren Cook).

Next steps
Staff will return this fall to hold a more in-depth conversation with the council about the recommendations from the workgroup.

6. Community Engagement Guidelines Development
Topic summary
Energy Trust’s Sue Fletcher and Ryan Crews presented work to establish Community Engagement Guidelines for the organization that will be used by staff to prioritize and determine how Energy Trust can support a community’s clean energy goals. The guidelines will primarily focus on geographic communities and community organizations but could be applied to other types of communities. The goal is to help Energy Trust respond more effectively to opportunities that come to Energy Trust and to help staff be more proactive in its pursuit of relationships with communities.

Discussion
Asked to provide input about the community priorities council members are hearing and whether they relate to energy, members suggested priorities including diversity, equity and inclusion and budget shortfalls due to the economic stress of COVID-19 (Lisa McGarity). Members recommended success factors in engaging communities, including being humble, direct, communicating the benefit of the program or relationship to the organization, participation in local community council meetings to hear their priorities and recognizing leaders and influencers from communities (Cristian Salgado). Members also reinforced the importance of creating a customized approach to deploy services and meet community needs (Warren Cook).
Next steps
Staff will continue to update the council as guidelines are developed, as specified in Energy Trust’s 2020 organization goals.

7. 2021 Budget Engagement Schedule
Topic summary
Melanie Bissonnette reviewed the 2021 budget engagement schedule and opportunities for council members to provide feedback during regularly scheduled council meetings in September, October and November.

Discussion
None.

Next steps
Council members were encouraged to participate in upcoming budget engagement opportunities. Reviewing and providing feedback to staff and the board on the budget and action plans are a primary responsibility of the council.

8. Energy Trust Support for PCEF Applicants
Topic summary
Hannah Cruz provided an update on the support resources Energy Trust is preparing for potential Portland Clean Energy Community Benefits Fund applicants. Energy Trust’s focus is to help nonprofits and their partners applying for PCEF grant funding become aware about the programs and resources available through Energy Trust that may support their proposals. For example, Energy Trust data regarding local housing stock and neighborhood demographics could help an organization determine where to target their proposed PCEF projects. To that end, Energy Trust is listening to organizations participating in PCEF for ways Energy Trust could support these organizations and their proposals.

Discussion
None.

Next steps
None.

9. Public Comment
There was no public comment.

10. Adjournment
The meeting was adjourned at 3:58 p.m. The next Conservation Advisory Council meeting will be held virtually and is scheduled on September 16, 2020.
Manufactured Home Replacement Pilot:
CAC and Stakeholder Update
September 16, 2020
Agenda

- Recap May 7, 2020, OPUC Order 20-158
- Program activity since May
- Update on HB 2896, OHCS program
- Managing remaining funding
- Discussion and feedback
Manufactured Home Replacement Pilot

• Replace aging, energy inefficient manufactured homes in investor-owned utility service territories
• Partnership between housing, energy and community development organizations
• Goal is to better understand energy impact, quality of life improvements, project costs, barriers to participation and key elements of a successful program design
• Create a scalable financial model for leased land communities
OPUC Order 20-158 (May 7, 2020)

- Authorized cost-effectiveness exception for the continuation of the pilot
- Allows up to $500,000 in expenditures for non-cost effective projects
- Enables additional co-funding with Pendleton flood recovery funding, provided additional funding sufficiently reduces project costs
- Prioritizes the funding of “owner-occupied” sites, which had not yet been served during the first phase of the pilot
Home Replacement Transaction Types

1) Park operator finances replacement home. Resident rents home from park operator
   • Example = Oak Leaf
   • Loan type = various commercial/multifamily finance; when affordable housing, public capital

2) Resident owns home, resident finances replacement home. Land is leased from park operator
   • Example = Umpqua Ranch, West Side Pines cooperatives, Arbor Mobile Home Park
   • Loan type = personal property, “chattel” loan

3) Home is sited on private land, resident owns home + land
   • Example = disbursed Prineville site
   • Loan type = mortgage +/- or construction loan
## Current Project Status

### Pilot as of September 8, 2020

<table>
<thead>
<tr>
<th>Stages</th>
<th>Project Type 1</th>
<th>Project Type 2</th>
<th>Project Type 3</th>
<th>Totals</th>
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<tr>
<td>Pre-Inspection</td>
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<td>1</td>
<td>5</td>
<td>11</td>
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<tr>
<td>Inspection Complete</td>
<td>10</td>
<td>1</td>
<td></td>
<td>11</td>
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<tr>
<td>Incentive Reserved</td>
<td>1</td>
<td>5</td>
<td>6</td>
<td>12</td>
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<tr>
<td>Completions</td>
<td>29</td>
<td></td>
<td>4</td>
<td>33</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>45</strong></td>
<td><strong>7</strong></td>
<td><strong>15</strong></td>
<td><strong>67</strong></td>
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</table>

### Project Types

1. Park operator finances replacement home. Resident rents home from park operator
2. Resident owns home, resident finances replacement home. Land is leased from park operator
3. Home is sited on private land, resident owns home + land
New Activity Since May

• Lucky 7 utilizing flood recovery funding
  • 15 of the 18 NEEM+ replacement homes qualifying
• 15 inquiries received for “Type 3” projects on private land
  • 11 in project pipeline
  • 4 deferred to post pilot period
• Work with CASA of Oregon to expand outreach in cooperatively owned parks
  • 2 in project pipeline
  • New outreach to 2 additional parks
Outreach to Manufactured Home Communities

Local Leaders • CBOs, CAPs, Coop Boards

Community Forum • Informational Event

Household Engagement • Individual engagement
Serving Owner Occupied Replacement in Preserved Parks

- Up to $45,000 cost reduction from HB 2896
- Up to $20,000 available in low-income energy efficiency
- Up to $15,000 in Energy Trust incentives

Key opportunity for energy efficiency and affordable housing programs to work together
Update on Forthcoming OHCS Program

• Public comment on proposed rules closed 09/08/20

• Current program design highlights
  • Grants for up to 80% of decommissioning costs (expected to average $10,000 per site)
  • Up to $35,000 in secondary loans
  • The program loan balance at closing will be reduced incrementally by 1/120th each month and forgiven completely after 10 years of homeowner occupancy from the loan origination date
Looking Ahead

• First evaluation report to be published in October
• Energy Trust has $215,000 in remaining, uncommitted funding
• Decision made to restrict pilot pipeline solely to owner-occupied sites in OHCS preserved parks
Open Discussion:

Do you support the decision to restrict funding to “Type 2” owner occupied projects?

Do you or your organization have any questions?
2020 Year-End Forecast

• As of July 1, staff anticipates achieving
  • 91% of the electric savings goal
  • 98% of the natural gas savings goal
• Forecasts are improved over an earlier year-end projection
  • Rapid deployment of bonuses
  • Updated program offers
  • Quick pivot to conducting business remotely
• Read more in Q2 report
  • www.energytrust.org/reports
<table>
<thead>
<tr>
<th>Utility</th>
<th>2020 Budget Savings Goal (aMW or MMTh)</th>
<th>Q2 Forecast Savings (aMW or MMTh)</th>
<th>Variance</th>
<th>2020 Budget Incentives ($ Million)</th>
<th>Q2 Forecast Incentives ($ Million)</th>
<th>Variance</th>
<th>Budget Levelized Cost/(per kWh or therm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGE (Efficiency)</td>
<td>27.40</td>
<td>24.63</td>
<td>-10%</td>
<td>48.74</td>
<td>44.12</td>
<td>-9%</td>
<td>3.6¢</td>
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<tr>
<td>Pacific Power (Efficiency)</td>
<td>17.98</td>
<td>16.74</td>
<td>-7%</td>
<td>33.89</td>
<td>29.60</td>
<td>-13%</td>
<td>3.8¢</td>
</tr>
<tr>
<td>NW Natural (OR)</td>
<td>5.60</td>
<td>5.80</td>
<td>4%</td>
<td>13.9</td>
<td>12.4</td>
<td>-11%</td>
<td>37.4¢</td>
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<td>NW Natural (WA)</td>
<td>0.34</td>
<td>0.31</td>
<td>-10%</td>
<td>1.31</td>
<td>1.04</td>
<td>-21%</td>
<td>54.5¢</td>
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<tr>
<td>Cascade Natural Gas</td>
<td>0.55</td>
<td>0.51</td>
<td>-7%</td>
<td>1.86</td>
<td>1.57</td>
<td>-16%</td>
<td>48.0¢</td>
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<tr>
<td>Avista</td>
<td>0.39</td>
<td>0.38</td>
<td>-2%</td>
<td>0.95</td>
<td>0.86</td>
<td>-10%</td>
<td>35.3¢</td>
</tr>
</tbody>
</table>
Thank You

Peter West  
Director of Energy Programs  
peter.west@energytrust.org
Reference Slides:
Savings Detail by Program and by Utility
## 2020 Electric Savings, Q2 Forecast by Program

<table>
<thead>
<tr>
<th></th>
<th>2020 Budget Savings Goal (aMW)</th>
<th>Q2 Forecast Savings (aMW)</th>
<th>Variance</th>
<th>2020 Budget Incentives ($ Million)</th>
<th>Q2 Forecast Incentives ($ Million)</th>
<th>Variance</th>
<th>Budget Levelized Cost/kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Buildings</td>
<td>13.09</td>
<td>11.34</td>
<td>-13%</td>
<td>25.76</td>
<td>20.63</td>
<td>-20%</td>
<td>3.6¢</td>
</tr>
<tr>
<td>Existing Multifamily</td>
<td>1.46</td>
<td>1.07</td>
<td>-27%</td>
<td>2.65</td>
<td>2.16</td>
<td>-18%</td>
<td>5.6¢</td>
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<tr>
<td>New Buildings</td>
<td>4.77</td>
<td>4.71</td>
<td>-1%</td>
<td>9.2</td>
<td>9.69</td>
<td>5%</td>
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<td>Production Efficiency</td>
<td>17.14</td>
<td>14.7</td>
<td>-14%</td>
<td>24.14</td>
<td>20.07</td>
<td>-17%</td>
<td>2.5¢</td>
</tr>
<tr>
<td>Residential</td>
<td>5.50</td>
<td>6.34</td>
<td>15%</td>
<td>20.86</td>
<td>21.17</td>
<td>1%</td>
<td>6.6¢</td>
</tr>
<tr>
<td>NEEA combined</td>
<td>3.41</td>
<td>3.21</td>
<td>-6%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.7¢</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>45.38</strong></td>
<td><strong>41.37</strong></td>
<td><strong>-9%</strong></td>
<td><strong>82.63</strong></td>
<td><strong>73.72</strong></td>
<td><strong>-11%</strong></td>
<td><strong>3.6¢</strong></td>
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</tbody>
</table>
# 2020 Natural Gas Savings, Q2 Forecast by Program

<table>
<thead>
<tr>
<th></th>
<th>2020 Budget Savings Goal (MMTh)</th>
<th>Q2 Forecast Savings (MMTh)</th>
<th>Variance</th>
<th>2020 Budget Incentives ($ Million)</th>
<th>Q2 Forecast Incentives ($ Million)</th>
<th>Variance</th>
<th>Budget Levelized Cost/therm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Buildings</td>
<td>1.86</td>
<td>1.76</td>
<td>-5%</td>
<td>5.8</td>
<td>5.0</td>
<td>-14%</td>
<td>42.8¢</td>
</tr>
<tr>
<td>Existing Multifamily</td>
<td>0.21</td>
<td>0.15</td>
<td>-28%</td>
<td>0.5</td>
<td>0.4</td>
<td>-24%</td>
<td>59.4¢</td>
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<tr>
<td>New Buildings</td>
<td>0.54</td>
<td>0.51</td>
<td>-7%</td>
<td>1.0</td>
<td>1.1</td>
<td>11%</td>
<td>29.5¢</td>
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<tr>
<td>Production Efficiency</td>
<td>1.52</td>
<td>1.89</td>
<td>24%</td>
<td>2.0</td>
<td>1.4</td>
<td>-27%</td>
<td>23.3¢</td>
</tr>
<tr>
<td>Residential</td>
<td>2.71</td>
<td>2.70</td>
<td>0%</td>
<td>8.8</td>
<td>7.9</td>
<td>-10%</td>
<td>41.0¢</td>
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<tr>
<td>NEEA combined</td>
<td>0.02</td>
<td>0.02</td>
<td>0%</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>n/a*</td>
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<tr>
<td>TOTAL</td>
<td>6.88</td>
<td>7.00</td>
<td>2%</td>
<td>18.0</td>
<td>15.9</td>
<td>-12%</td>
<td>39.0¢</td>
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</tbody>
</table>

*NEEA gas levelized costs are not represented yet because NEEA gas investments in 2020 will result in savings in future years. 2020 is the first year we are beginning to see NEEA gas savings from prior year investments.
Measure Analysis Updates

1. Sunsetting Measures

2. Noteworthy Measure Changes

3. Summary of OPUC Cost-effectiveness Exceptions

4. New Measures
# Measures Sunsetting in 2021

<table>
<thead>
<tr>
<th>Program</th>
<th>Measure Description</th>
<th>Measure Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>Energy Saver Kits (ESKs)</td>
<td>• May pursue a targeted kit offer in 2021</td>
</tr>
<tr>
<td>Residential</td>
<td>Retail Showerheads and Shower Wands</td>
<td>• May pursue shower wands as targeted offer</td>
</tr>
<tr>
<td>Multifamily</td>
<td>Multifamily Common Area Direct-install Lighting</td>
<td>• Very low volume measure for this program</td>
</tr>
<tr>
<td>Existing Buildings</td>
<td>Commercial Showerheads and Aerators in Existing Commercial</td>
<td>• Very low volume measure for this program</td>
</tr>
<tr>
<td>New Buildings</td>
<td>Commercial and Multifamily Showerheads and Aerators in New Commercial Construction</td>
<td>• Some savings and non-energy benefits impacts, particularly for gas savings (~5%)</td>
</tr>
<tr>
<td>New Buildings</td>
<td>New Buildings Exterior Lighting</td>
<td>• More efficient baselines driving the exit from this stand-alone measure</td>
</tr>
</tbody>
</table>
Noteworthy Measure Changes for 2021
## Noteworthy Measure Changes for 2021

<table>
<thead>
<tr>
<th>Program</th>
<th>Measure Description</th>
<th>Measure Notes</th>
</tr>
</thead>
</table>
| Residential      | Single-Family Heat Pump Conversions                      | • Applies to electric forced air furnaces (eFAF) only  
• No stacking of advanced controls                                         |
| Residential      | Thermostat Devices, Thermostat Optimization Services     | • Including optimization savings for newly incentivized thermostat devices  
• Moving to market transformation savings pathway for optimization savings on existing devices |
| Residential      | Residential Lighting Offers                              | • Retail offer is shifting program design to target lagging retail market channels  
• Expanding direct ship offer for community-based organizations, agencies and targeted lagging markets |
| Residential      | Extended Capacity Heat Pumps                             | • Moved from measure pilot to standard offering                                        |
| Residential      | Window Replacements                                      | • New third tier for very high-efficiency windows (U-Value ≤ 0.24)                                                                          |
| Residential      | Manufactured Homes Air and Duct Sealing                  | • New program design currently in development, exact changes TBD                                                                         |
| Business Lighting| Various Commercial and Industrial (C&I) Lighting Measures | • Savings decrease (~5%) across all existing C&I lighting measures analyzed for 2021                                                            |
Measure-Level Cost Effectiveness Exceptions Summary
<table>
<thead>
<tr>
<th>Program</th>
<th>Measure Description</th>
<th>Measure Notes</th>
</tr>
</thead>
</table>
| Residential      | New Manufactured Homes – Gas Heated                         | • Continuation of existing measure cost effectiveness (CE) exception with minor rating system changes  
|                  |                                                              | • Low historical volume but possible uptick in 2021                           |
| Residential      | Gas Storage Tank Water Heaters                              | • Extension of current measure CE exception through 2021                      
|                  |                                                              | • Will revisit with anticipated 2021 RTF analysis                            |
| Residential      | Manufactured Home Replacement Pilot                         | • Pilot extended for 2 years                                                  |
| Residential      | Ductless Heat Pumps (DHP) in Single-Family and Multifamily  | • Continuation of measure CE exception granted for select DHPs (e.g., households with supplemental fuel) in March 2020  
|                  |                                                              | • Likely measure CE exception for low-income DHP targeted offer (still in development) |
| New Buildings    | New Multifamily Market Solutions Offer                      | • Under program cost-effectiveness exception for whole building offers based upon new commercial code alignment (ASHRAE 90.1) |
New Measures!
## New Measures for 2021: Commercial and Industrial

<table>
<thead>
<tr>
<th>Program</th>
<th>Measure Description</th>
<th>Measure Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Lighting</strong></td>
<td><strong>Commercial and Industrial (C&amp;I) Midstream Lighting</strong></td>
<td>• A suite of lighting measures where customers, trade allies and contractors will access incentives at point of purchase</td>
</tr>
</tbody>
</table>
| **Production Efficiency**            | **Self-Cleaning Wastewater Lift Pump**                   | • Targeting pumps at wastewater agencies  
• Operating hours, variable speeds and smart control systems to manage potential clogging events |
| **Existing Buildings, New Buildings**| **Commercial Gas Condensing Furnace**                    | • Re-introducing this measure for new and existing commercial customers                                                                   |
| **Existing Buildings, New Buildings**| **Heat Pumps in Small and Medium Businesses**            | • For ducted and ductless heat pumps < 10,000 sq ft                                                                                         |
| **Existing Buildings, New Buildings**| **Commercial Heat Pump Water Heater**                    | • Downstream measure for commercial buildings                                                                                               |
| **Existing Buildings**               | **Advanced Rooftop Controls Retrofit**                  | • Fills gap in offer for existing rooftop units (RTUs)                                                                                   |
| **Existing Buildings**               | **Foodservice Measures: Ice Makers, Pre-Rinse Spray Valves** | • Standard and direct install measure design for PRSV                                                                                    |
# New Measures for 2021: Residential and Small Multifamily

<table>
<thead>
<tr>
<th>Program</th>
<th>Measure Description</th>
<th>Measure Notes</th>
</tr>
</thead>
</table>
| Residential                    | Gas Tankless Water Heater Retrofit                                                   • Downstream measure only  
|                                |                                                                                      • Compatible with existing gas line                                                                                                        |
| Residential                    | Low-Income DHPs in Single-Family Homes Targeted Offer                                 • Offer in development with limited scope for initial launch  
|                                |                                                                                      • Goal to provide no-cost DHPs for low-income customers                                                                                     |
| Residential New Construction   | New Homes in Washington                                                              • New code prescriptive pathway for WA  
|                                |                                                                                      • WA and OR codes are delayed                                                                                                                  |
| Residential                    | Direct Install Ceiling Insulation for Single-Family and Small Multifamily Homes      • Supporting no-cost and low-cost installations  
|                                |                                                                                      • Delivered primarily through community-based organizations and agency partnerships  
|                                |                                                                                      • Includes starting condition of R0 – R11                                                                                                    |
Thank You

Alex Novie
Measure Development Manager – Energy Programs
alex.novie@energytrust.org
Measure-Level Cost Effectiveness Exception Criteria Allowed in UM-551

A. Measure produces significant non-quantifiable non-energy benefits
B. Inclusion of the measure is expected to lead to reduced cost of the measure
C. Measure is included for consistency with other demand-side management (DSM) programs in the region
D. 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. Pilot or research project, intended for a limited number of customers
G. The measure is required by law or is consistent with Commission policy
2021 Budget Engagement Schedule with Conservation Advisory Council, Diversity Advisory Council and Renewable Energy Advisory Council

As a nonprofit organization investing utility customer funds, Energy Trust of Oregon conducts an open annual budgeting and planning process. We develop an annual budget and two-year action plan collaboratively with our five utility partners, and we ask for feedback from our board of directors, advisory councils, Oregon Public Utility Commission, utilities, community organizations, other stakeholders and the public. We value and appreciate feedback and insights.

Budgeting for Energy Efficiency and Renewable Energy

Guided by the draft 2020-2024 Strategic Plan, the budget sets annual revenues, expenditures and organizational goals to acquire all identifiable cost-effective energy efficiency and generate renewable energy from small-scale systems. The budget enables us to deliver energy-efficiency and renewable energy programs for investor-owned utilities in Oregon, energy-efficiency programs for NW Natural in southwest Washington plus additional activities described in the draft budget.

Activities needed to achieve the organizational goals are detailed in program and support group action plans. There are separate action plans for the programs delivered in Oregon, the two programs delivered in NW Natural’s Washington territory and for a subcontract to support delivery of the State of Oregon’s Community Solar Program. Each action plan lists strategies, key activities, expected changes for 2022 and other contextual information.

Budget Process Overview

We start developing the budget in the summer of each year. We work with each of our five partner utilities and preview to them in August major changes and new activities for the upcoming year.

We provide high-level overviews of program and support group action plans to our three advisory councils in September: Conservation Advisory Council, Diversity Advisory Council and Renewable Energy Advisory Council. These meetings are open to the public.

We assemble a comprehensive draft budget with two-year action plans by the end of September. This budget package is posted for public review and comment in early October, and our Executive Director Michael Colgrove presents on the budget at a public workshop in October attended by our board of directors and three advisory councils. Feedback is encouraged from the public and stakeholders through these meetings and in writing, with the draft budget and a recorded presentation are available. Staff also present to OPUC commissioners in early November at a public meeting.

All feedback is considered as staff completes revenue discussions with each utility in October and refines the draft budget throughout November. The board acts on a final proposed budget in December, and the final budget is posted online and submitted to the OPUC by year-end.

Key Dates for Conservation Advisory Council, Diversity Advisory Council and Renewable Energy Advisory Council

July

- Staff determine new activities for 2021 and identify significant changes from 2020 budget.
September

- **September 15 – Diversity Advisory Council public meeting**: Provide overview of budget process and schedule and relevant action plan highlights.
- **September 16 – Conservation Advisory Council and Renewable Energy Advisory Council public meetings**: Provide high-level description of what is driving activities in draft program action plans. At Conservation Advisory Council, update on measure reviews, including status of OPUC cost-effectiveness exception requests.

October

- **October 7**: Draft budget posted on [www.energytrust.org](http://www.energytrust.org)
- **October 7**: Public comment period opens; Advisory council members encouraged to submit comments. Email draft budget binder to board, OPUC, advisory councils and public.
- **October 14 – public meeting**: Budget workshop with board, advisory councils, community-based organizations and the public. Discuss draft budget and action plans with an executive summary presentation followed by participatory workshop with staff.
- **October 28**: Public comment period closes.

November

- **November 17 – Diversity Advisory Council public meeting**: Review significant changes to draft budget, if any.
- **November 18 – Conservation Advisory Council and Renewable Energy Advisory Council public meetings**: Review significant changes to draft budget, if any.

December

- **December 3**: Final proposed budget posted on www.energytrust.org.
- **December 11 – Board of Directors public meeting**: Final proposed budget and action plan presented for board consideration and vote of approval.
- **December 31**: Board-approved budget submitted to OPUC and posted on www.energytrust.org.
Agenda

• Reminder on where we are in the process

• Residential Sector

• Commercial Sector

• Industrial and Agriculture Sector

• Business Lighting Initiative
2021 Budget Schedule

- **JUL**: Staff identify significant changes and new activities
- **AUG**: Utility meetings; begin drafting program action plans
- **SEP**: Budget and action plans in development
- **OCT**: Utility revenue identified; draft budget published; public presentations
- **NOV**: Final proposed budget published, presented to board
- **DEC**: Final proposed budget published, presented to board
Residential Sector
Residential Program Context

• Market dynamics
  • Consumer spending is down for a large segment of the population
    – Will focus initiatives to support making efficiency accessible to all customers

• Other consumers motivated by home performance and comfort
  – Will focus on initiatives that provide solutions in an environment of being at home more than usual, supporting planned efficiency upgrades
Residential Strategic Focus

• Expand engagement with low-income agencies, community-based organizations and utilities to co-fund offerings that benefit low-income customers

• Position offers to support efficiency solutions in current COVID-19 environment including do-it-yourself, program promotions and trade ally delivered offers

• Drive diverse customer participation through local and regional engagement with tailored offers
Residential Program Changes and New Opportunities

- Expansion of Bidgely behavior measure
- Replacing Energy Saver Kits
- New construction program preparing for building code update
- Continue to drive pilots forward including:
  - Manufactured home replacement
  - Pay for Performance
  - Ductless heat pump controls pilot
Commercial Sector
Commercial Programs and Services Context

• Market challenges
  – Fewer new, large customer opportunities
  – Boiler savings decreasing
  – Construction leveling off
  – Reduced spending due to fire and economic uncertainty

• New commercial code

• Focus on working with more rural and small-to-medium customers
Commercial Programs and Services Key Activities

• Expand support for underserved markets
• Collaboration
• Community and location specific efforts with utilities
• New Strategic Energy Management (SEM) cohort
Commercial Programs and Services New Activities and Changes

• Implement new Existing Building program design
  – Ensure smooth transition for customer and contractors
  – Community-based liaisons
  – Affordable multifamily SEM
  – Small business offering

• Pilots

• Location specific incentives

• Revised Pay-for-Performance offering
Commercial Programs and Services New Activities and Changes

• New Buildings alignment with code effort
• Drive large savings in PGE and Pacific Powre through data centers
• Virtual market engagement (outreach, marketing, trainings)
Industrial Sector
Industrial Program Context

• Challenging market conditions
  – Concerns about economic outlook
  – Capital constraints
  – Remote work

• Lower custom capital savings expected
• Strong SEM recruitment and savings
Industrial Strategic Focus

• Support customer economic recovery
• Evolve custom O&M and Strategic Energy Management
• Increase marketing and outreach and technical services to small/medium and diverse businesses
• Connect with communities and industry groups serving smaller manufacturers
• Recruit more COBID-eligible trade allies
• Streamline internal processes and systems
Industrial Key Activities

• Continue/expand custom and standard bonuses
• Continue virtual delivery (project initiation, audits, verification)
• Add mixed SEM cohorts (with large and small customers)
• Test new custom O&M offering
• Rebid Standard track program delivery contract (with expanded DEI requirements)
• Launch SEM Performance Tracking Tool
Business Lighting
Business Lighting Context

• First year to deliver commercial and industrial lighting through one Program Delivery Contractor
• 2021 focus on four delivery offerings:
  – Midstream
  – Direct install
  – Custom and prescriptive
  – Comprehensive lighting design
• Challenging market conditions
  – Concerns about economic outlook
  – Capital constraints for industrial customers
Business Lighting Strategic Focus

• Support customer economic recovery with continued lighting bonuses
• Introduce easier ways to participate: direct install and midstream
• Invest in relationships and collaborations with other entities to meet common needs
• Recruit more COBID-eligible trade allies
• Develop new lighting tools to build efficiencies
Business Lighting Key Activities

- Ensure smooth transition for trade allies and customers
- Extend 2020 bonuses into 2021
- Provide direct install lighting to include no-cost offers
- Expand DEI efforts to serve small and medium businesses, rural areas and other customers identified as DEI focus areas
- Introduce midstream
- Update Performance Plus with a comprehensive lighting design process
Discussion Questions

• Do you have questions on the context, main drivers and key changes presented today?

• Are there any additional considerations staff should consider? (timing note: any changes would be reflected in the revised drafts later in the fall)

• Were there parts of today’s presentation you recommend be communicated at the public budget workshop in October?
Thank You

www.energytrust.org/budget
Greater Than 1 aMW Analysis Project

Portland General Electric (PGE) 2019 Report

Energy Trust of Oregon

08.14.2020
PROJECT OVERVIEW

The purpose of this project is to determine the percentage of SB 1149 funds that Energy Trust spent on sites that used more than 1 aMW (>1aMW) in 2019. This percentage was compared to Energy Trust’s historical spending percentages from 2005-2007 to determine if spending on this group of customers has changed since the inception of SB 838.

PROJECT RESULTS

Key Findings

- Overall 1149 revenue increased by $569,479 from the last year, and >1aMW incentives spends increased by over $2,647,755 from 2019.
- Total kWh savings in PGE territory fell by 5% as compared to the previous year, reaching 300 million kWh saved in 2019.
- The cumulative post-838 share of 1149 revenue spent on incentives at >1aMW sites saw a significant increase from 19.0% to 19.85%, meaning the cumulative average remains over the pre-838 baseline of 18.4%, and has almost reached the new provisional threshold of 20%.

In 2019, total incentive spending on >1aMW users was 28.9% of SB 1149 revenue, an increase of 8% from the previous year. Average spending per site was $135,046.45, compared to last year at $76,628, while average savings increased by about 2%.

Table 1 compares the previous years by showing the average percentage of SB 1149 revenue spending on >1aMW customers since 2008, and the percentage of total savings from >1aMW customers.

Table 1: Comparison of analysis and results 2017-2019

<table>
<thead>
<tr>
<th>PGE &gt;1aMW Percentages</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>% 1149 revenue to &gt;1aMW customers</td>
<td>19.7%</td>
<td>20.5%</td>
<td>28.9%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Average % 1149 revenue to &gt;1aMW customers since 2008*</td>
<td>18.8%</td>
<td>19.0%</td>
<td>20.8%</td>
<td>1.8%</td>
</tr>
<tr>
<td>% Total kWh savings from &gt;1aMW customers</td>
<td>21.3%</td>
<td>17.2%</td>
<td>19.4%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

*Historical baseline average is 18.4% but was changed in 2018 to 20%.

Tables 2 & 3 below show SB 1149 revenue, incentives spent on >1aMW customers, the percentage of total SB 1149 revenue spent on the >1aMW sites, total kWh savings from projects at >1aMW sites, and the number of sites receiving incentives for 2005-2007 and 2008-2019.

Table 2: Summary of spending and kWh savings for >1aMW PGE customers 2005-2007 (pre-838)

<table>
<thead>
<tr>
<th>Pre-838 Results</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2005-2007 (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency 1149 Revenue</td>
<td>$21,065,813</td>
<td>$22,720,384</td>
<td>$25,673,961</td>
<td>$23,153,386</td>
</tr>
<tr>
<td>Incentives to &gt;1aMW Sites</td>
<td>$9,742,145</td>
<td>$1,282,158</td>
<td>$1,762,765</td>
<td>$4,262,356</td>
</tr>
<tr>
<td>&gt;1aMW Incentives as a Percent of 1149 Revenue</td>
<td>46%</td>
<td>6%</td>
<td>7%</td>
<td>18.4%</td>
</tr>
<tr>
<td>Number of &gt;1aMW Sites Receiving Incentives</td>
<td>39</td>
<td>30</td>
<td>27</td>
<td>32</td>
</tr>
<tr>
<td>Savings from &gt;1aMW Sites (kWh)</td>
<td>126,503,077</td>
<td>14,056,604</td>
<td>68,431,766</td>
<td>69,663,816</td>
</tr>
<tr>
<td>Total Savings (kwh)</td>
<td>213,903,461</td>
<td>121,192,910</td>
<td>139,322,053</td>
<td>158,139,475</td>
</tr>
<tr>
<td>Percent of Total Savings from &gt;1aMW Sites</td>
<td>59%</td>
<td>12%</td>
<td>49%</td>
<td>44%</td>
</tr>
</tbody>
</table>
Table 3: Summary of spending and kWh savings for >1aMW PGE customers 2008-2019 (post-838)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentives to &gt;1aMW Sites</td>
<td>$7,508,724</td>
<td>$6,705,824</td>
<td>$5,621,248</td>
<td>$5,004,680</td>
<td>$6,413,577</td>
<td>$5,878,681</td>
<td>$6,130,264</td>
<td>$8,778,019</td>
<td>$67,382,356</td>
<td></td>
</tr>
<tr>
<td>&gt;1aMW Sites Incentives as a Percent of 1149 Revenue</td>
<td>27% 25% 20% 17% 23% 20% 21% 29%</td>
<td>19.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative Average</td>
<td>17% 18% 18% 18% 19% 19% 19% 19.9%</td>
<td>19.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of &gt;1aMW Sites Receiving Incentives</td>
<td>56 56 55 57 62 80 80 65</td>
<td>59</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings from &gt;1aMW Sites (kWh)</td>
<td>62,520,010</td>
<td>95,229,586</td>
<td>73,813,874</td>
<td>40,267,774</td>
<td>48,926,554</td>
<td>75,477,544</td>
<td>54,128,864</td>
<td>58,149,719</td>
<td>54,362,604</td>
<td></td>
</tr>
</tbody>
</table>

*Due to space, 2008 – 2011 figures are not shown.
Chart 1 shows the cumulative average of 1149 spending from 2005-2007 and 2008-2019. There are two horizontal lines, the yellow indicates the cumulative average from 2005-2007, which is the historical baseline, but no longer the threshold for spending in the post-SB 838 period. The new threshold, the blue horizontal line, is the new agreed upon threshold of 20%. Annual 1149 spending on >1aMW sites and the cumulative average increased from 2008 through 2014, then decreased slightly in 2015, after which it incrementally increased until 2019. The cumulative average of the post-838 period (19.9%) is below the 20% line.

Chart 1: Cumulative average of SB 1149 revenue spending on >1aMW PGE customer incentives 2004-2019, pre & post-838
Table 4 below shows PGE spending on >1aMW customers by program by year beginning in 2005. Programs include Production Efficiency (PE), Existing Buildings (BE), and New Building Efficiency (NBE) projects.

Table 4: Summary of incentive spending & savings by program by year on >1aMW PGE customers 2005-2019, pre & post-838

<table>
<thead>
<tr>
<th>PGE</th>
<th>Production Efficiency</th>
<th>Existing Building Retrofit</th>
<th>New Building</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>kWh</td>
<td>$</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Pre-838 Results</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>$8,134,413</td>
<td>N/A</td>
<td>$371,008</td>
<td>N/A</td>
</tr>
<tr>
<td>2006</td>
<td>$942,023</td>
<td>N/A</td>
<td>$229,014</td>
<td>N/A</td>
</tr>
<tr>
<td>2007</td>
<td>$1,520,782</td>
<td>N/A</td>
<td>$168,659</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Post-838 Results</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>$1,989,391</td>
<td>N/A</td>
<td>$138,184</td>
<td>N/A</td>
</tr>
<tr>
<td>2009</td>
<td>$1,466,194</td>
<td>N/A</td>
<td>$531,081</td>
<td>N/A</td>
</tr>
<tr>
<td>2010</td>
<td>$3,097,231</td>
<td>43,322,367</td>
<td>$1,042,144</td>
<td>6,495,907</td>
</tr>
<tr>
<td>2011</td>
<td>$4,397,749</td>
<td>39,347,943</td>
<td>$1,513,314</td>
<td>6,703,335</td>
</tr>
<tr>
<td>2012</td>
<td>$5,774,602</td>
<td>51,916,828</td>
<td>$1,673,182</td>
<td>10,428,884</td>
</tr>
<tr>
<td>2013</td>
<td>$4,824,179</td>
<td>81,668,283</td>
<td>$1,654,099</td>
<td>11,204,217</td>
</tr>
<tr>
<td>2014</td>
<td>$4,219,172</td>
<td>66,948,131</td>
<td>$1,384,860</td>
<td>6,765,869</td>
</tr>
<tr>
<td>2015</td>
<td>$2,485,462</td>
<td>28,953,430</td>
<td>$2,425,927</td>
<td>11,013,332</td>
</tr>
<tr>
<td>2016</td>
<td>$2,525,003</td>
<td>31,048,159</td>
<td>$2,490,249</td>
<td>10,271,143</td>
</tr>
<tr>
<td>2017</td>
<td>$4,214,054</td>
<td>66,459,695</td>
<td>$1,343,681</td>
<td>7,788,934</td>
</tr>
<tr>
<td>2018</td>
<td>$4,883,656</td>
<td>44,896,817</td>
<td>$1,085,037</td>
<td>8,518,714</td>
</tr>
<tr>
<td>2019</td>
<td>$5,904,052</td>
<td>58,049,719</td>
<td>$1,582,658</td>
<td>9,240,426</td>
</tr>
</tbody>
</table>

Energy Trust of Oregon – PGE 2019 1aMW Analysis
Chart 2 below shows spending by program by year in graphical form. Each program category demonstrates unique year to year incentive spending patterns:

- New Buildings and Existing Building programs spending saw an increase in 2019 after having fallen from 2016 to 2018. This is primarily due to lighting bonuses.
- Production Efficiency had two consecutive years where spending was historically low, in 2015-2016. However, savings have increased in the years following that two year low. This is due primarily to a mega-project payment in addition to multiple custom and lighting bonus payments.

Chart 2: PGE >1aMW incentives by program 2005-2019, pre & post-838

METHODOLOGY

The Utility Customer Information (UCI) agreement allows utilities to share information with Energy Trust. UCI contains data on sites which consume over 1 aMW and are therefore exempt from paying 838 funds. The source data is housed in the ‘Over1aMW’ table of the UCI database. To associate this information with Energy Trust site data, Energy Trust appends CRM sites with an “Exempt from 838 charges” label. Because UCI only provides customer name and site address, marking exempt sites in CRM is a manual process. Many exempt sites are related to other sites as a campus or building with multiple units, in which case every unique site is marked with the exempt marker in CRM. This ensures higher accuracy when reporting on customers who are exempt from 838.

Every year, sites can become exempt from 838 rate schedule, or fall off the rate schedule, depending on the previous year’s usage. Energy Trust consults UCI and updates CRM sites annually, prior to generating the data for the 838 customer analysis. “To” and “From” dates are used in the CRM site status to indicate when sites are added to or removed from the exempt list for the year. Below are some scenarios where updating is required.

A site receives an exempt from 838 status when:

- A customer’s annual electric consumption exceeds 1 aMW (often the utility customer is unaware of this change)
- An expansion with a new meter is added to an existing exempt from 838 customer, thus possibly creating a new CRM site
- New sites are added to existing campuses or site hierarchies in CRM during project-related data entry

A site’s 838 status is deactivated when:

- The customer’s annual electric consumption falls below 1 aMW

There were several challenges to using addresses as the primary identifying characteristic of an exempt site. The following scenarios highlight these challenges:

- Some sites include multiple addresses
- Campuses or buildings may have multiple associated sites
- The address of an existing meter may change, leading to duplicate sites in CRM
- Some addresses have multiple customer names (typically, multiple divisions or business lines at one address)
- Multiple addresses exist for the same physical location (i.e., one data set uses an address on a particular street, and the other uses an address on the cross street or a parallel street)
- Discrepancies in spelling or entry of addresses between data sets
- Generic locations are listed on the PGE >1aMW customer list instead of addresses; for example, “Warehouse” instead of “123 Main Street”
- For large industrial sites, the >1aMW customer list may contain an address for an adjacent office building, and may not include every building address within the site

**ASSUMPTIONS**

The crucial element of this analysis is the site definition. The OR SB 1149 definition of a site is: “‘Site’ means a single contiguous area of land containing buildings or other structures that are separated by not more than 1,000 feet, or buildings and related structures that are interconnected by facilities owned by a single retail electricity consumer and that are served through a single electric meter.” Energy Trust often must infer which buildings in the campus are included in the exempt from 838 rate structure and which buildings are excluded.

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Greater Than 1 aMW Analysis Project
Pacific Power 2019 Report

Energy Trust of Oregon
08.14.2020
**PROJECT OVERVIEW**

The purpose of this project is to determine the percentage of SB 1149 funds that Energy Trust spent on Pacific Power sites that used more than 1 aMW (>1aMW) in 2019. This percentage was compared to Energy Trust’s historical spending percentages from 2004-2007 to determine if spending on this group of customers has changed since the inception of SB 838.

**PROJECT RESULTS**

**Key Findings**

- Overall 1149 revenue decreased by about $393,990 from 2018 while >1 aMW incentives decreased by about $504,000.
  - The decrease in spending was mostly due to the decrease of incentives for both Production Efficiency and Existing Buildings programs from the previous year.
- Total kWh savings for Pacific Power increased by 27% while savings at >1 aMW sites increased by 59% from 2018.
- The cumulative post-838 share of 1149 revenue spent on incentives at >1aMW sites remains consistent around 19% for the past three years, making 2019 still below the pre-838 baseline of 27%.

In 2019, total spending on >1aMW users was 16% of SB 1149 revenue, a decrease of 2 percentage points from 2018. The percentage of total savings from >1aMW customers increased by 16% percentage points in 2019. Average savings per >1aMW customer site increased by 93%, from around 425,416 kWh per site to 821,786 kWh per site. The total incentives per site also increased by about 6%, from about $71,000 to over $75,500 in 2019.

**Table 1: Comparison of analysis and results 2015 -2019**

<table>
<thead>
<tr>
<th>PAC &gt;1aMW Percentages</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Change in Overall Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>% 1149 revenue to &gt;1aMW customers</td>
<td>15.1%</td>
<td>18.4%</td>
<td>16.4%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Average % 1149 revenue to &gt;1aMW customers since 2008*</td>
<td>19.5%</td>
<td>19.4%</td>
<td>19.1%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>% Total kWh savings from &gt;1aMW customers</td>
<td>8.8%</td>
<td>13.6%</td>
<td>29.8%</td>
<td>16.2%</td>
</tr>
</tbody>
</table>

*Historical baseline average is 27%

Tables 2 & 3 below show SB 1149 revenue, incentives spent on >1aMW customers, the percentage of total SB 1149 revenue spent on the >1aMW sites, total kWh savings from projects at >1aMW sites, and the number of sites receiving incentives for 2004-2007 and 2009-2019.

**Table 2: Summary of spending and kWh savings for >1aMW customers 2004-2007 (pre-838)**

<table>
<thead>
<tr>
<th>Pre-838 Results</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2004-2007 (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency 1149 Revenue</td>
<td>$13,346,771</td>
<td>$13,584,551</td>
<td>$14,614,927</td>
<td>$15,514,799</td>
<td>$14,265,262</td>
</tr>
<tr>
<td>Incentives to &gt;1aMW Sites</td>
<td>$8,109,843</td>
<td>$3,401,328</td>
<td>$2,194,056</td>
<td>$1,867,641</td>
<td>$3,893,217</td>
</tr>
<tr>
<td>&gt;1aMW Incentives as a Percent of 1149 Revenue</td>
<td>61%</td>
<td>25%</td>
<td>15%</td>
<td>12%</td>
<td>27%</td>
</tr>
<tr>
<td>Number of &gt;1aMW Sites Receiving Incentives</td>
<td>38</td>
<td>42</td>
<td>27</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Savings from &gt;1aMW Sites (kWh)</td>
<td>64,086,521</td>
<td>36,711,900</td>
<td>14,947,636</td>
<td>27,311,042</td>
<td>35,764,275</td>
</tr>
<tr>
<td>Total Savings (kWh)</td>
<td>135,919,794</td>
<td>104,841,801</td>
<td>101,439,945</td>
<td>113,245,845</td>
<td>113,861,846</td>
</tr>
<tr>
<td>Percent of Total Savings from &gt;1aMW Sites</td>
<td>47%</td>
<td>35%</td>
<td>15%</td>
<td>24%</td>
<td>31%</td>
</tr>
</tbody>
</table>
Table 3: Summary of spending and kWh savings for >1aMW customers 2009-2019 (post-838)

<table>
<thead>
<tr>
<th>Post-838 Results</th>
<th>2008-2019 (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency 1149 Revenue</td>
<td>$237,634,533</td>
</tr>
<tr>
<td>Incentives to &gt;1aMW Sites</td>
<td>$45,447,038</td>
</tr>
<tr>
<td>&gt;1aMW Sites Incentives as a Percent of 1149 Revenue</td>
<td>19%</td>
</tr>
<tr>
<td>Cumulative Average</td>
<td>19%</td>
</tr>
<tr>
<td>Number of &gt;1aMW Sites Receiving Incentives</td>
<td>50</td>
</tr>
<tr>
<td>Savings from &gt;1aMW Sites (kWh)</td>
<td>$40,771,052</td>
</tr>
<tr>
<td>Total Savings (kWh)</td>
<td>$171,321,767</td>
</tr>
<tr>
<td>Percent of Total Savings from 838-Exempt Sites</td>
<td>24%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency 1149 Revenue</td>
<td>$18,772,015</td>
<td>$19,637,424</td>
<td>$20,069,559</td>
<td>$21,298,942</td>
<td>$21,164,176</td>
<td>$21,541,576</td>
<td>$22,701,600</td>
<td>$22,064,810</td>
<td>$21,670,820</td>
</tr>
<tr>
<td>Incentives to &gt;1aMW Sites</td>
<td>$4,223,682</td>
<td>$3,993,951</td>
<td>$2,953,604</td>
<td>$4,618,310</td>
<td>$3,168,073</td>
<td>$4,892,441</td>
<td>$3,431,040</td>
<td>$4,056,047</td>
<td>$3,551,925</td>
</tr>
<tr>
<td>&gt;1aMW Sites Incentives as a Percent of 1149 Revenue</td>
<td>23%</td>
<td>20%</td>
<td>15%</td>
<td>22%</td>
<td>15%</td>
<td>23%</td>
<td>15%</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>Cumulative Average</td>
<td>22%</td>
<td>22%</td>
<td>20%</td>
<td>21%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>Number of &gt;1aMW Sites Receiving Incentives</td>
<td>51</td>
<td>50</td>
<td>53</td>
<td>48</td>
<td>49</td>
<td>43</td>
<td>66</td>
<td>57</td>
<td>47</td>
</tr>
<tr>
<td>Savings from &gt;1aMW Sites (kWh)</td>
<td>43,075,265</td>
<td>60,102,118</td>
<td>68,146,982</td>
<td>49,011,387</td>
<td>37,592,519</td>
<td>27,779,471</td>
<td>17,746,357</td>
<td>24,248,691</td>
<td>38,623,933</td>
</tr>
<tr>
<td>Total Savings (kWh)</td>
<td>163,873,693</td>
<td>180,707,979</td>
<td>194,374,912</td>
<td>186,775,439</td>
<td>191,556,490</td>
<td>213,302,647</td>
<td>201,578,561</td>
<td>178,762,991</td>
<td>129,604,925</td>
</tr>
<tr>
<td>Percent of Total Savings from 838-Exempt Sites</td>
<td>26%</td>
<td>33%</td>
<td>35%</td>
<td>26%</td>
<td>20%</td>
<td>13%</td>
<td>9%</td>
<td>14%</td>
<td>30%</td>
</tr>
</tbody>
</table>

*Due to space, 2008 - 2011 figures are not shown*
Chart 1 shows the annual cumulative average of 1149 spending from 2004-2007 and 2008-2019. The horizontal dashed line indicates total cumulative average from 2004-2007, which is the historical baseline and threshold for spending in the post-SB 838 period. While annual 1149 spending on >1aMW customers has fluctuated since 2008, the cumulative average has shifted only slightly from 22% to 19% from 2010 to 2019. The cumulative average of the post-838 period has not exceeded the 27% threshold and is not likely to reach that level without a considerable increase in >1aMW spending relative to recent trends. If current revenue levels remained consistent, it would require an increase of over 100 percent from the current annual >1aMW incentive spending average for over seven years for the cumulative average to reach the 27% threshold.

Chart 1: Cumulative average of SB 1149 revenue spending on >1aMW customer incentives 2004-2019, pre & post-838
Table 4 below shows Pacific Power spending on >1aMW customers by program by year beginning in 2004. Programs include Production Efficiency, Existing Buildings, and New Building Efficiency projects.

Table 4: Summary of incentive spending & savings by program by year on >1aMW customers 2004-2019 pre & post-838

<table>
<thead>
<tr>
<th>PAC</th>
<th>Industrial</th>
<th>Existing Building Retrofit</th>
<th>New Building</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>kWh</td>
<td>$</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>kWh</td>
<td>$</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>kWh</td>
<td>$</td>
<td>kWh</td>
</tr>
<tr>
<td>Pre-838 Results</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>$7,437,150</td>
<td>59,431,460</td>
<td>$672,694</td>
<td>4,655,061</td>
</tr>
<tr>
<td>2005</td>
<td>$3,001,897</td>
<td>32,462,637</td>
<td>$191,317</td>
<td>1,471,116</td>
</tr>
<tr>
<td>2006</td>
<td>$2,064,894</td>
<td>12,915,875</td>
<td>$129,162</td>
<td>1,954,899</td>
</tr>
<tr>
<td>2007</td>
<td>$1,829,793</td>
<td>26,303,769</td>
<td>$37,848</td>
<td>1,007,273</td>
</tr>
<tr>
<td>Post-838 Results</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>$2,228,208</td>
<td>26,993,981</td>
<td>$81,581</td>
<td>558,736</td>
</tr>
<tr>
<td>2009</td>
<td>$2,205,999</td>
<td>19,304,368</td>
<td>$196,508</td>
<td>1,172,455</td>
</tr>
<tr>
<td>2010</td>
<td>$2,637,471</td>
<td>43,403,777</td>
<td>$701,914</td>
<td>3,988,196</td>
</tr>
<tr>
<td>2011</td>
<td>$3,068,225</td>
<td>36,323,836</td>
<td>$739,033</td>
<td>4,439,079</td>
</tr>
<tr>
<td>2012</td>
<td>$2,484,773</td>
<td>33,870,298</td>
<td>$704,960</td>
<td>2,905,115</td>
</tr>
<tr>
<td>2013</td>
<td>$1,803,408</td>
<td>21,747,738</td>
<td>$578,404</td>
<td>2,628,407</td>
</tr>
<tr>
<td>2014</td>
<td>$2,974,893</td>
<td>33,411,070</td>
<td>$1,009,363</td>
<td>10,392,722</td>
</tr>
<tr>
<td>2015</td>
<td>$1,839,594</td>
<td>22,287,566</td>
<td>$889,313</td>
<td>3,725,733</td>
</tr>
<tr>
<td>2016</td>
<td>$2,870,429</td>
<td>17,865,468</td>
<td>$748,341</td>
<td>3,232,974</td>
</tr>
<tr>
<td>2017</td>
<td>$2,809,164</td>
<td>15,188,554</td>
<td>$436,588</td>
<td>1,673,437</td>
</tr>
<tr>
<td>2018</td>
<td>$3,684,166</td>
<td>21,900,153</td>
<td>$324,615</td>
<td>2,158,342</td>
</tr>
</tbody>
</table>
Chart 2 below shows spending by program by year in graphical form. Each program category demonstrates unique year to
year incentive spending patterns.

- Production Efficiency program spending in 2019 decreased 11% from 2018 levels
- New Buildings program spending increased by 189% from 2018, due to a high volume of custom and lighting
  upgrades
- Existing Buildings program spending has been experiencing a decline in spending since 2015

Chart 2: Pacific Power >1aMW incentives by program 2004-2019, pre & post-838

**METHODOLOGY**

The Utility Customer Information (UCI) agreement allows utilities to share information with Energy Trust. UCI contains data on
sites which consume over 1 aMW and are therefore exempt from paying 838 funds. The source data is housed in the
‘Over1aMW’ table of the UCI database. To associate this information with Energy Trust site data, Energy Trust appends CRM
sites with an “Exempt from 838 charges” label. Because UCI only provides customer name and site address, marking exempt
sites in CRM is a manual process. Many exempt sites are related to other sites as a campus or building with multiple units, in
which case every unique site is marked with the exempt marker in CRM. This ensures higher accuracy when reporting on
customers who are exempt from 838.

Every year, sites can become exempt from 838 rate schedule, or fall off the rate schedule, depending on the previous year’s
usage. Energy Trust consults UCI and updates CRM sites annually, prior to generating the data for the 838 customer analysis.
“To” and “From” dates are used in the CRM site status to indicate when sites are added to or removed from the exempt list for
the year. Below are some scenarios where updating is required.

A site receives an exempt from 883 status when:

- A customer’s annual electric consumption exceeds 1 aMW (often the utility customer is unaware of this change)
- An expansion with a new meter is added to an existing exempt from 838 customer, thus possibly creating a new CRM
  site
- New sites are added to existing campuses or site hierarchies in CRM during project-related data entry

A site’s 838 status is deactivated when:

- The customer’s annual electric consumption falls below 1 aMW

There were several challenges to using addresses as the primary identifying characteristic of an exempt site. The following
scenarios highlight these challenges:

- Some sites include multiple addresses
- Campuses or buildings may have multiple associated sites
- The address of an existing meter may change, leading to duplicate sites in CRM
- Some addresses have multiple customer names (typically, multiple divisions or business lines at one address)
- Multiple addresses exist for the same physical location (i.e., one data set uses an address on a particular street, and the other uses an address on the cross street or a parallel street)
- Discrepancies in spelling or entry of addresses between data sets
- Generic locations are listed on the PGE >1aMW customer list instead of addresses; for example, “Warehouse” instead of “123 Main Street”
- For large industrial sites, the >1aMW customer list may contain an address for an adjacent office building, and may not include every building address within the site

**ASSUMPTIONS**

The crucial element of this analysis is the site definition. The OR SB 1149 definition of a site is: “Site’ means a single contiguous area of land containing buildings or other structures that are separated by not more than 1,000 feet, or buildings and related structures that are interconnected by facilities owned by a single retail electricity consumer and that are served through a single electric meter.” Energy Trust often must infer which buildings in the campus are included in the exempt from 838 rate structure and which buildings are excluded.

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