Energy Trust of Oregon

2021 Annual Budget and 2021-2022 Action Plan

FINAL PROPOSED

Presented to the Board of Directors
December 11, 2020

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Energy Trust of Oregon

2021 Annual Budget and 2021-2022 Action Plan

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MEMO

Date: December 4, 2020
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: 2021 Budget and 2021-2022 Action Plan

I am pleased to present to you Energy Trust of Oregon's 2021 Budget and 2021-2022 Action Plan, which will be the focus of our December 11 board meeting. A presentation highlighting goals, strategies, expected benefits, public comments received and changes made from the draft budget will be posted online at www.energytrust.org/budget and emailed to you on December 9.

In the materials that follow, a budget overview summarizes the budget and action plan. Copies of all written comments about the draft budget are provided, along with staff's response summary. Individual action plans are provided for general management, including organizational diversity, equity and inclusion; energy efficiency and renewable energy programs; and program support groups. Supporting memos provide additional details on budget components such as planning assumptions, staffing, administrative costs and levelized costs. These budget materials show how 2021 expenditures and activities will help Energy Trust achieve the 2021 organizational goals and make progress to our 2020-2024 Strategic Plan.

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, PGE Smart Battery Pilot funds and business development funds. Some budget materials, such as calculations regarding OPUC performance measures, reference a subset of the budget and are clearly marked.

These documents guide Energy Trust in delivering cost-effective energy efficiency, diversifying Oregon's energy resource mix with small-scale renewable energy generation and ensuring all utility customers have the opportunity to participate and benefit from our programs. Outcomes and benefits of our investments will reduce participant utility bills, deliver system benefits to all customers, avoid greenhouse gas emissions and support our economy.

After board consideration on December 11, the budget and action plan will be submitted to the OPUC by year-end and posted online at 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

2021 Organizational Goals

2021 Organizational Goal 1

Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic.

We will meet 2021 targets of 45.0 average megawatts (aMW) and 6.5 million annual therms of savings and 3.54 aMW of generation while creating opportunities for future savings and generation with a particular focus on:

- Continuing to adapt program design to respond to market changes resulting from the recovery related to the COVID-19 pandemic.
- Meeting the OPUC metrics for cost-effectiveness, diversity, customer service and innovation.
- Targeting savings and generation within specific communities when and where they have the greatest value to the utility grid.

2021 Organizational Goal 2

Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives.

We will focus resources on working with utilities, agencies, communities, and business- and community-based organizations on joint initiatives that help each entity accomplish its purpose with a particular focus on:

- Collaborating with workforce organizations to enhance the diversity of our Trade Ally Network.
- Resolving funding uncertainties to enable continued delivery of clean energy programs and benefits and identifying other funding sources for complementary initiatives.
- Connecting our programs to community planning, housing affordability, economic recovery, resiliency and greenhouse gas reduction efforts.
- Collaborating with the Portland Clean Energy Fund and prospective grantees.
- Working with the OPUC and state agencies to support implementation of the state's energy- and climate-related policies.
- Working with mid-stream market actors to retain our ability to deliver affordable, clean energy at volume.

2021 Organizational Goal 3

Goal 3: Enhance operating processes and internal culture to efficiently respond to change.

We will enhance operating efficiency through process improvements and continued investment in innovation that results in a flexible workforce and work environment with a particular focus on:

- Enhancing employee development and growth with an emphasis on intercultural awareness and inclusion.
- Improving the efficiency of our budget process.
- Continuing policy development and technology adoption to support remote work arrangements and social distancing for staff.
- Learning from experience and adapting our organizational structure to support progress in the focus areas identified in the strategic plan.
- Furthering our efforts to foster and promote innovation.
- Accelerating our use of digital platforms and increased process automation to enhance our customer and contractor experience through increased efficiency.

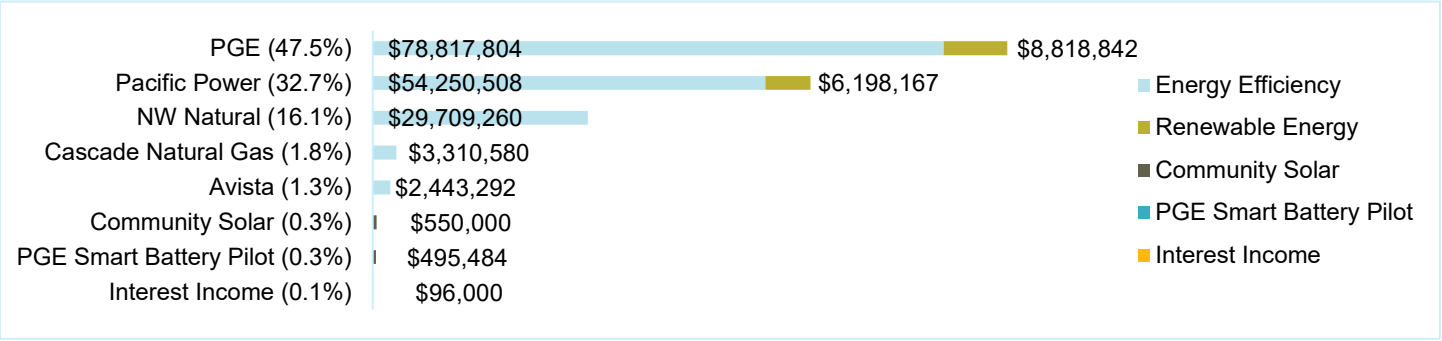
2021 Budget Overview

Investing $206.5 Million to Deliver Significant Benefits

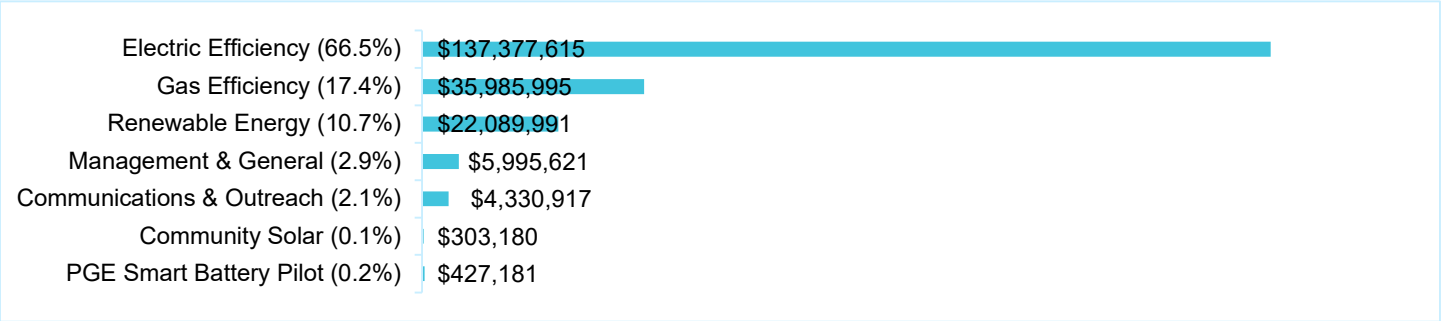
- Participants save $707 million on utility bills over time from projects completed in 2021
- Energy saved at a cost of 3.6 cents/kWh and 44.0 cents/therm (in Oregon), highly cost-effective energy for utilities and utility customers
- Jobs, wages and business income added to the local economy
- Air quality improvements from avoiding 4.0 million tons of carbon dioxide
- Training and support for 1,900 local businesses
- Building and strengthening relationships with communities of color, customers with low incomes and rural communities to better serve everyone

Revenue and Expenses[1]

Annual Revenue: $184.7 Million



Annual Expenses: $206.5 Million



2021 Organizational Goals

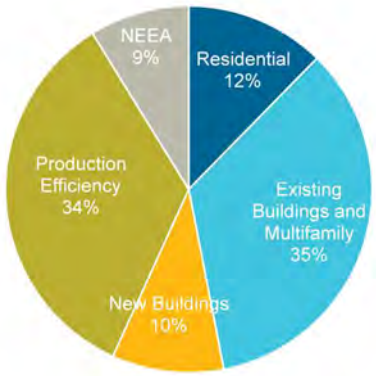
Energy Trust set three organizational goals to guide staff in prioritizing new and existing work during the annual business planning process. These goals ensure alignment of priorities and activities across the organization.

1. **Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
2. **Invest in relationships and collaborations with other entities to meet common needs and future objectives**
3. **Enhance operating processes and internal culture to efficiently respond to change**

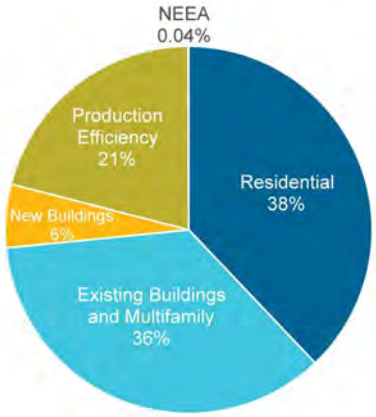
[1] Reserve funds will be used where planned expenses exceed anticipated revenue.

Energy Efficiency and Generation Targets (Oregon and Southwest Washington)[2]

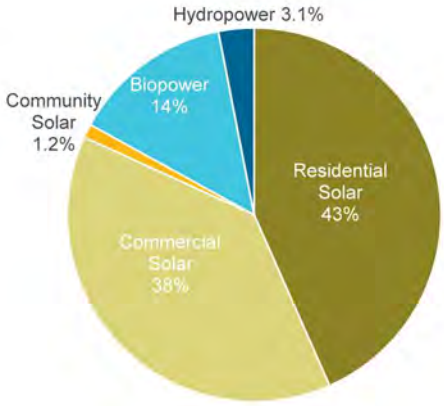
Electric savings
45.0 aMW



Natural gas savings
6.5 MMTh



Renewable generation
3.54 aMW



Year-to-year Comparison of Budgeted Savings, Generation, Levelized Costs

	Electric Savings (aMW)	Gas Savings (MMTh)	Electric Generation (aMW)
2020 Budget	45.4	6.87	3.27
2021 Budget	45.0	6.50	3.54
% change	-1.0%	-5.3%	8.4%

	Electric Levelized Cost (cents/kWh)	Gas Levelized Cost OR (cents/therm)	Gas Levelized Cost WA (cents/therm)
2020 Budget	3.631	38.2	54.6
2021 Budget	3.648	44.0	65.5
% change	0.48%	15.2%	20.1%

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

- In 2021, Energy Trust projects to meet the OPUC performance measures for administrative and program support costs and staffing costs
- Administrative and program support costs are budgeted at $14.3 million
- Staffing costs are budgeted at $16.1 million and are increasing due to healthcare costs and resource demands for community outreach and cross-program delivery coordination

2021 Administrative and Program Support Costs	Current OPUC Performance Measure Compliance
✓7.9% of annual revenues	<8% of annual revenues
✓3.4% year-over-year increase	≤10% year-over-year increase

2021 Staffing Costs	Current OPUC Performance Measure Compliance
✓7.1% year-over-year increase	≤9% year-over-year increase

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

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

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, annual business plan, annual organizational goals and each utility's Integrated Resource Plan (IRP) serve as primary building blocks for the budget and action plan.

In July, August and September, we reference the strategic plan, business plan and organizational goals to develop action plans for each program, support group and major functional area. Energy efficiency program action plans are built to save cost-effective energy efficiency in the upcoming year. We also work to determine planned renewable energy generation and project development activities. We work with and seek input from Portland General Electric (PGE), Pacific Power, NW Natural, Cascade Natural Gas, Avista, the Conservation Advisory Council, the Diversity Advisory Council and the Renewable Energy Advisory Council. In October and November, we post our draft budget online and present it publicly to the board of directors, Oregon Public Utility Commission (OPUC), advisory councils, stakeholders and the public. Revisions are made in November and the final proposed budget is presented for board approval in December.

How can I participate?
Public comments help shape our final proposed budget and action plan presented to the board, and can inform staff implementation of action plans. Public notices and materials for board and advisory council meetings are posted on our website in advance of each meeting and every meeting invites public comment. The OPUC special public meeting is also open to the public.

Written public comments are encouraged and the process promoted at Energy Trust public meetings and through our website, social media accounts and blogs. Comments are invited by email at info@energytrust.org, and by mail to Energy Trust of Oregon, 421 SW Oak St., Suite 300, Portland, Oregon 97204.

Who reviews and approves the budget and action plan?
Budget goals and action plans are reviewed by our board of directors, Conservation Advisory Council, Renewable Energy Advisory Council, Diversity Advisory Council, OPUC, PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista. We also engage the public and a variety of stakeholders and utility customers.

Comments received during the outreach period are considered when revising the draft budget. A summary of comments received and staff responses, as well as copies of actual comments submitted, are provided in the final proposed budget and action plan materials. The board approves the final proposed budget and action plan, and it is also submitted to the OPUC.

Where can I find more information about the 2021 budget and action plan?
Visit our website at www.energytrust.org/budget to find the budget and action plan materials. Budget presentations and materials delivered at board and advisory council meetings are available at www.energytrust.org/about/public-meetings.

What do you consider when setting the budget?
We work closely with all five utilities to update their plans to meet future energy needs for their customers with the goal of acquiring 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 inform our five-year strategic plan and guide our annual budget and two-year action plan.

Annual activities are guided by the organization's annual business plan, annual organizational goals, third-party program evaluations, market research, our experience delivering programs, feedback from installation contractors and customers, and input from our partner utilities, three advisory councils, the OPUC and the board of directors.

What benefits will the budget provide?
Our budget and action plan are designed to serve a range of customers from the residential, commercial and industrial sectors. We seek to expand participation among low-income customers, communities of color and rural communities to ensure all utility customers who pay the public purpose charge have the opportunity to participate in our programs. The benefits we deliver are providing cost-effective energy efficiency that utilities rely on to meet their customers' energy needs; adding clean, renewable power to the electric grid; reducing customer utility bills; helping keep energy costs lower than they otherwise would be for all utility customers; avoiding greenhouse gas emissions; and strengthening local economies.

How are programs and services funded?
The vast majority of our funding comes from customers of PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista in Oregon, and NW Natural customers in Washington. We hold small contracts with Energy Solutions for Oregon's Community Solar Program and with PGE for the utility's smart battery pilot.

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. 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 exceed related costs and are of net financial benefit to the customer. The board of directors' oversight includes review of major contract decisions, monthly financial statements, program evaluations and progress to objectives in the five-year strategic plan.

How do you report on expenditures and progress to goals and performance measures?
We provide public quarterly and annually reports to the board and OPUC and provide information for a public purpose charge report submitted to the Oregon Legislature every two years by the OPUC and Oregon Department of Energy.

MEMO

Date: December 4, 2020
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Planning Assumptions for the 2021 Budget

This memo includes a list of major planning assumptions that shape the direction and content of Energy Trust's 2021 Budget and 2021-2022 Action Plan.

Because of the COVID-19 pandemic, this year's planning assumptions memo will focus largely on the impact of the pandemic as it relates to both Oregon's overall economy as well as potential impacts on Energy Trust programs in 2021.

Executive Summary

Oregon is currently in its deepest recession since 1939 (when records first became available). This current recession is similar in some ways to the most recent 2007-2009 recession in that the reality and extent of the impact emerged inconsistently, businesses and consumers quickly retrenched, there was large federal monetary intervention and utility rate changes were curtailed. However, this recession also remains unique because of its rapid onset due to a pandemic as opposed to pre-existing economic issues or market imbalances, which are typical conditions triggering historical recession events. Because of the lack of these major imbalances in the economy, it is expected that the duration of this recession will be shorter than the recession of 2007-2009.

Despite the relative optimism associated with economic recovery, the pandemic is worsening with cases in Oregon increasing since the spring and rapidly as fall set in. The timing of eventual improvements in circumstances related to the pandemic is uncertain but efforts are underway to mitigate impacts. The Governor announced a two-week stay home order for the latter half of November and into the early part of December. It remains to be seen whether this order will lower the trend of increasing COVID-19 cases. Furthermore, as of November 2020, there are two vaccines pending FDA approval for possible limited distribution in late 2020 and potentially broader distribution in 2021. Final distribution, potential logistic hurdles and some public resistance to vaccines may complicate dissemination of a vaccine that could start to reverse the trends evident from the COVID-related recession.

It is currently anticipated that there will be impacts on Oregon's economy for several years with Oregon Department of Administrative Services economists estimating that the economy will return to health by mid-2023[1]. The rate of recovery will depend on multiple factors including shifts in consumers' willingness to spend due to uneconomic uncertainty, retail and service-related businesses remaining open and ultimately the development of one or more vaccines. According to the Oregon Department of Administrative Services:

> "While the economic recovery continues, the virus remains in control. Expectations were already that growth would slow noticeably over the colder, wetter months ahead. The latest surge in COVID cases all but ensures it. Businesses and consumers are likely to

[1] Oregon Economic and Revenue Forecast, November 2020, Page 5/66. https://www.oregon.gov/das/OEA/Documents/forecast1220.pdf

pull back out of fear of the virus, and more restrictive public health policies are being implemented such that the health care system does not breach capacity. When the weak labor market and spreading virus is combined with months of federal inaction regarding both the pandemic and the economy, it brings the recovery to its most challenging point yet.

Even so, expectations remain that the economic expansion will endure. In fact the forecast continues to expect the current recovery will be faster overall than in past severe recessions here in Oregon. Coming out of the early 1980s and again in the aftermath of the Great Recession, it took Oregon around five years to fully regain all the recessionary job losses once the recovery was underway. Today, the economy is expected to return to health by mid-2023, or about two years faster. There are at least three main reasons for this including key assumptions regarding the timeline for a widely available medical treatment, federal fiscal policy, and the underlying strong economy just prior to the pandemic."[2]

"Bottom Line: All told, the recovery is expected to be faster and more complete than in past severe recessions. However the outlook rests heavily on a widely available medical treatment next year and the amount of permanent damage done being kept to a minimum. If either of those prove inaccurate, the recession will drag on and the recovery will take longer. Additionally, while further federal fiscal policy may not be needed to keep the economic recovery continuing, we know it will greatly assist those most impacted by the pandemic whose job prospects aren't bright until the pandemic is over and who risk falling further behind before that happens. The next few months will be the most challenging yet."[3]

A scenario analysis conducted by Northwest Energy Efficiency Alliance (NEEA) in May 2020 is similar to Oregon's revenue forecast:

"… the epidemic is not seasonal, leading to a long tail of cases throughout the rest of the year. This results in continued social distancing and safety measures remaining in place to varying degree across the world for the remainder of 2020 and potentially beyond. The economic impact is much more severe and prolonged in this scenario, resulting in an 8% annual decline in GDP growth, with a return to pre-crisis levels by Q2 2024."[4]

Finally, in mid-September, Oregon experienced unprecedented damages due to the worst wildfires the state has seen in decades. It will take time to understand the full impact of the fires, which had devastating outcomes for entire communities that we serve. Energy Trust historically provides energy-efficiency and renewable energy programs that can help impacted populations to rebuild and recover and will adapt program offerings and redirect budgets to accommodate customer needs in 2021. Staff is coordinating with impacted communities and understands that most rebuilding will occur in 2022, with planning, cleanup and emergency housing the focus in 2021.

This memo will summarize major factors expected to influence 2021 outcomes for both the State of Oregon as well as Energy Trust. These areas include changes in employment, population and migration trends, utility avoided cost updates, efficiency measure baseline changes, programmatic realization rate results and sector-specific impacts. The memo discusses a range of possible outcomes that is broader than in most years. The course of the pandemic is far from certain as is its impact on economic activity. Energy Trust programs seem slightly less impacted by uncertainty due to the impact of proactive program adjustments, the mix of both positive and negative market impacts

[2] Oregon Economic and Revenue Forecast, November 2020, Page 6/66. https://www.oregon.gov/das/OEA/Documents/forecast1220.pdf

[3] Oregon Economic and Revenue Forecast, November 2020, Page 10/66. https://www.oregon.gov/das/OEA/Documents/forecast1220.pdf

[4] Northwest Energy Efficiency Alliance communication May 2020.

on program activity and trend data showing only moderately reduced program engagements to date, in aggregate.

Based on Energy Trust Q3 2020 forecasts, efficiency programs are on track to achieve 95% of electric and 107% of gas 2020 annual savings targets. These forecasted results are primarily the result of the impact of promotional bonuses launched to stimulate project activity in the midst of the economic impacts associated with COVID-19. These offerings were more successful than anticipated, culminating in the Q3 forecast referenced above and also in an abundant project pipeline in commercial and industrial sectors that will carry into 2021. This will require adjustments to manage more limited incentive funds in some business program areas in 2021. In addition, based on the Q3 forecast, Energy Trust is on track to achieve 144% of 2020 renewable generation targets.

State of Oregon Impacts

Employment

Unemployment trends continue to be impacted by the uneven effects of the pandemic on different market sectors and on the increasing trends in transmission of the COVID-19 virus. April 2020 unemployment statistics reported a 14% rate of unemployment, which was equivalent to about 267,000 jobs lost in Oregon in March and April.[5] Estimates at that time predicted that Oregon would reach a 15% unemployment rate by end of year 2020 with slight improvements year-over-year to about a 7.6% unemployment rate by 2023.[6] Best-case scenarios showed Oregon reaching an unemployment rate of a little over 4% by 2023.[7] The most recent unemployment report from the State of Oregon Employment Department indicates October unemployment at 6.9%, a drop in the forecasted 7.9% rate for October.[8]

The earlier and more recent forecasts are still to be compared to an unemployment rate of 3.5% in early March before the start of the pandemic.[9] According to the Oregon Economic and Revenue Forecast report, "What took 3 weeks to break, takes 30 months to put back together."[10] Even with these large increases in unemployment rates, it's important to note that job losses are concentrated and not as broad as in other downturns. Early Q3 2020 state economic reporting indicates only 5% of jobs that paid more than $40,000 per year were lost. This disproportionate impact on low wage jobs allowed the state to see higher than expected tax revenues due to Oregon's progressive income tax structure and the fact that higher income workers spend more money in aggregate than lower-income households.[11]

Population

Projections in 2019 showed Oregon's population would grow from 4.3 million from 2020 to 4.5 million by 2025.[12] However, migration flows are closely tied to job availability and during recessions migration flows tend to be much smaller than during non-recession market conditions. Furthermore, due to immediate impacts of the pandemic, Oregon will see greater near-term reductions in migration due to people's unwillingness to move due to "shelter in place" policies. Medium-term migration

[5] Oregon Economic and Revenue Forecast, June 2020, Page 3. https://www.oregon.gov/das/OEA/Documents/forecast0620.pdf.
[6] Oregon Economic and Revenue Forecast, June 2020, Page 15. https://www.oregon.gov/das/OEA/Documents/forecast0620.pdf.
[7] Ibid.
[8] State of Oregon Employment Department. News release. https://www.qualityinfo.org/documents/10182/73818/Employment+in+Oregon?version=1.87.
[9] Oregon Economic and Revenue Forecast, June 2020, Page 15. https://www.oregon.gov/das/OEA/Documents/forecast0620.pdf.
[10] Ibid.
[11] "Oregon Insight: Economy is down but tax collections are up – here's why." The Oregonian. September 23, 2020. https://www.oregonlive.com/business/2020/09/oregon-insight-economy-is-down-but-tax-collections-are-up-heres-why.html
[12] Oregon Department of Administrative Services Short-term state forecast. Page 61. https://www.oregon.gov/das/OEA/Documents/appendixc.pdf.

trends will also be affected due to the recession and its impact on employment. Estimates from the 2019 five-year projection of a 200,000-net increase in population will be reduced by 36,000 over the same five-year period[13]. This is equivalent to Oregon losing one year of migration over the next five years.

It is also possible that household demographics may shift:

> "Will households prefer to live in suburbs like Gresham and Hillsboro relative to the Pearl District? Will the potential ability to work from home increase the attractiveness of Oregon and other secondary metros?"[14]

The answers to these questions may have a disproportionate impact on people of color and rural populations within our region. It will be even more important for Energy Trust to continue to 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.

Energy Trust Organizational Program Impacts

The bonuses that Energy Trust offered in 2020 to stimulate project activity achieved their intended impact and this success has resulted in Energy Trust expecting to achieve 95% of electric and 107% of gas 2020 goals and also an abundant commercial and industrial project pipeline for 2021. Although efficiency programs will be impacted by the Oregon employment and migration trends mentioned above, there are several additional economic factors that are expected to impact Energy Trust's eventual 2021 achievements.

Trade and Tariffs

Program representatives and trade ally contractors working in the market report that increased trade conflicts, barriers and tariffs under the current federal administration are still impacting energy-efficiency project sales and creating increased prices on equipment components and price volatility from unknown tariff adjustments. This has resulted in short-lived price bids and constraining customer decision-making timelines.

The increased tariffs and barriers and COVID-19 related disruptions to global supply chains are acting together to reinforce disruption of the supply of goods and increase the cost of manufacturing and delivering goods. Compared to Q4 2019, air freight costs are currently up about 30% between China and North America and over 60% on some routes between Europe and North America due to travel bans and increases in demand for essential items.[15]

It is assumed this will result in a dampening effect on economic growth of unknown proportions. Resulting increases in equipment prices and possible labor shortages will reduce program opportunities associated with construction and equipment purchases, both in homes and businesses.

Manufacturing and Supply Chains

Manufacturing, supply partners and trade allies will need to continue to adapt to current economic circumstances to keep their operations open and many may need to focus more attention on core business, which could cause project delays or lack of focus on projects that contribute to Energy Trust goals. Goods production often relies on complex international supply chains that take a

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[13] Oregon Economic and Revenue Forecast, June 2020, Page 10. https://www.oregon.gov/das/OEA/Documents/forecast0620.pdf.
[14] Ibid
[15] "COVID-19 and international trade: Issues and actions." June 2020. Organization for Economic Cooperation and Development. https://www.oecd.org/coronavirus/policy-responses/covid-19-and-international-trade-issues-and-actions-494da2fa/.

significant amount of time and effort to ramp up once production resumes. This could potentially subject the manufacturing sector to a long recovery period.[16]

Based on statewide sector unemployment forecasts, manufacturing sectors will follow the average rates of unemployment mentioned above with leisure and hospitality sectors seeing the highest impact and government seeing the lowest impacts.[17]

The leisure and hospitality sector is seeing the greatest immediate impact; however, it is estimated this sector may bounce back sooner than other sectors:

> "Prior to the virus, U.S. households were spending as much money on going out to eat as they were on groceries. This multi-decade, long-run societal trends is unlikely to permanently reverse."[18]

New Construction and Major Renovations Market

There are fewer new construction and upgrade projects currently out for bid. Construction projects are continuing, but project schedules have been delayed, causing a cascade effect on trades and suppliers. From a May 2020 survey of multifamily construction companies, 84% expected their projects to be delayed with 12% reporting delays of more than six months. For projects that were expected to be delayed, delays in getting permits or receiving construction materials were the major factors.[19]

Schools activity remains strong and could even increase in some areas. School districts expect major budget cuts for the 2020-2021 school year, so they are investing in significant overhauls and upgrades in the short-term before funds are no longer available.[20]

Commercial and Industrial Production Market

While industrial shutdowns have grave influence on business cash flows, a significant number of larger Oregon industrial customers have shut down with a positive cash situation; when that happens, they often use shutdowns to upgrade their facilities for when production resumes, presenting efficiency project opportunities.[21]

In contrast to these institutional customers, COVID-19 has created significant unknowns about the viability of business models and/or the design and location of physical spaces. The severity varies based on the market:

- The market for central city office real estate is in a period of unknown prospects, with high degrees of uncertainty regarding when or whether office environments will return to resembling pre-pandemic conditions. Nationally, only 58% of retail rents were paid in May of 2020 compared to 94% a year earlier.[22] Furthermore,

[16] Oregon Economic and Revenue Forecast, June 2020, Page 12. https://www.oregon.gov/das/OEA/Documents/forecast0620.pdf.
[17] Oregon Economic and Revenue Forecast, June 2020, Page 31. https://www.oregon.gov/das/OEA/Documents/forecast0620.pdf.
[18] Oregon Economic and Revenue Forecast, June 2020, Page 13. https://www.oregon.gov/das/OEA/Documents/forecast0620.pdf.
[19] "Impact of COVID-19 on Multifamily Construction." May 2020. National Multifamily Housing Council. https://www.nmhc.org/news/nmhc-news/2020/surveys-third-installment-shows-continued-impact-of-covid-19-on-multifamily-construction/?utm_source=facebook&utm_campaign=nmhc_news&utm_medium=social.
[20] Energy Trust program experience.
[21] Ibid.
[22] "The next big problem for the economy: Businesses can't pay their rent". June 2020. Washington Post. https://www.washingtonpost.com/business/2020/06/03/next-big-problem-businesses-cant-or-wont-pay-their-rent-its-setting-off-dangerous-chain-reaction/.

commercial real estate sales fell 5% year-over-year in Q2 2020, with sales prices also down 3%.[23]

- Grocery outlets and some home supply stores are thriving while smaller retail outlets are not.
- Health businesses have seen severe cash flow impacts from a combination of re-prioritizing their resources for COVID-19 and individuals choosing to delay care.
- Government support for businesses during COVID-19 has had wildly different impacts on different businesses for a complex and varying set of reasons. Federal and state interventions for businesses and individuals have been blunting the near-term worst for the last six months. Similarly, rent freezes and eviction restrictions have also kept the typical impacts from being as significant as usual in a downturn.

There is no analogous event in the last 100 years that provides us with guidance on how this will play out. However, some trends, such as an increasing shift toward remote work for knowledge workers, appear immutable.

Retail Market

Based on March and April data from NEEA, consumer interest in home appliances and products remains less impacted than other sectors. It is assumed there will be a reduction in sales as the year progresses and the lingering impacts of the economic conditions become more pronounced. Consumers with retained spending power will likely remain focused on products that make their homes comfortable and healthy.

Avoided Costs

Avoided costs for Oregon energy-efficiency measures were updated in 2020 for 2021 measure and program planning.

Oregon

Based on the measure mix for 2018 and part of 2019, Oregon saw an average decrease in electric avoided costs of 1.5% and an average increase in gas avoided costs of 27%. On average, electric savings in Oregon will have slightly less value per kilowatt hour whereas gas savings will have more value per therm, which will help to offset increasing savings baselines for some gas measures and will help keep these gas measures cost-effective.

The decrease in Oregon electric avoided costs were driven mainly by changes in transmission and distribution capacity deferral ratios, which shifted summer/winter splits from a 100% winter allocation in 2020 to a 50% winter/50% summer allocation for 2021; this resulted in a shift so that measures that save during summer peak have significantly more value and measures that save during winter peak have less value. The 2021 increase in gas avoided costs were driven by increased future gas price forecasts and increases in carbon and capacity values attributed to gas.

Washington

For Washington, gas avoided cost values increased significantly by an average of 74% due to increased capacity values and Washington legislation putting value on the social cost of carbon. This means on average gas savings in Washington will have more value per therm, which will

[23] "Commercial Market Insights: July 2020". National Association of REALTORS® Research Group. https://www.nar.realtor/research-and-statistics.

help to offset increasing savings baselines for some gas measures and will keep these measures cost-effective.

Prescriptive Measure Baselines

Prescriptive measure baselines for many residential and commercial measures have been updated to reflect changes in federal minimum equipment efficiency standards, state energy building codes, market preferences and new information from evaluations and field tests.

- Staff anticipate the Oregon commercial building code will significantly reduce resource acquisition savings from commercial new construction projects that come through the New Buildings program due to higher baseline standards. However, it is anticipated that some of the savings attributed to code compliance will come in as market transformation savings booked by NEEA and the New Buildings program.
- Increasing adoption of LED products in the commercial and industrial lighting markets has resulted in significant savings. However, this continued strong market adoption has also led to increasing market baselines and will ultimately reduce per-unit program 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 2022 programs in the next budget cycle in 2021.

Energy-Efficiency Program Savings Realization Rates

Realization rates are the percent of savings as estimated by programs through engineering analyses found to occur in post-program evaluation review. Realization rates from prior years are then used to adjust future savings forecasts. The updates below are compared to prior year program-level results. Note that in 2020 we started reporting realization rates at the track level and will compare year-over-year results in next year's memo to these track levels. Please request from staff the 2021-2022 Budget Savings Realization Adjustment Factors Memo from July 31, 2020, for more details.

These rates:

- Increased for Existing Buildings program electric and gas savings
- Decreased for Strategic Energy Management (SEM) electric savings and increased for SEM gas savings
- Stayed the same for Existing Multifamily electric and gas savings
- Increased for New Buildings program electric savings and stayed the same for New Buildings program gas savings
- Decreased for Production Efficiency program electric savings and increased for Production Efficiency program gas savings
- Vary by measure for Residential program electric and gas savings

Line Loss Assumptions

Transmission and distribution system power losses, or line losses, represent the electric energy lost or wasted as a result of transmitting and distributing energy from a generating source to the location where it is consumed. Line losses for 2021 remain the same for residential sites at an average of 8%

but are reduced from 8% to 7% for commercial sites (including multifamily housing sites) and reduced from 6% to 5% for industrial sites.

Efficiency Sector Summary

Energy Trust anticipates continued engagement in all major efficiency market sectors. All programs offered in 2020 will continue. Bonuses that were offered to stimulate activity in 2020 have resulted in strong 2021 pipelines in commercial and industrial sectors. Multifamily retrofit activities will be integrated into the Existing Buildings program. Lighting programs for all existing businesses will be managed through one contract but will continue to interact with other marketing activities, and lighting savings will continue to be accounted for under Production Efficiency and Existing Buildings programs. New Buildings program will undergo redesign in response to increases in building code efficiency.

Solar programs will be influenced by:

- Economic impacts of COVID-19. Solar installation is primarily outdoor work and demand has been resilient to early impacts of the pandemic; however, a longer-term economic downturn will likely reduce investments in solar, particularly from businesses and public entities facing budget constraints.
- Continued declines in solar costs. A global slowdown in solar installations due to COVID-19 may result in an oversupply of modules and other system components, leading to price reductions. Also, import tariffs for modules will step down from 20% to 15% in 2021.
- An assumption of no significant changes to net metering policy in 2020 or 2021.
- The reduction of the 26% Investment Tax Credit that is available in 2020 to 22% in 2021. Under current law, the federal residential tax credit for solar expires and the ITC for businesses drops to 10% in 2022. This could result in heavy demand for incentives at the end of 2021.

Other Renewables program will be influenced by:

- Continued low avoided-cost rates available for renewable projects that sell power on the wholesale energy market, leading to high above-market costs.
- Protracted procurement and project development timelines due to impact of COVID-19 on materials and labor markets and consistently high interconnection costs and challenging access to distribution and transmission.
- Constricting municipal budgets leading to reduced capital available for renewable energy project development and installation and limited direct financial support for renewable energy generation from the state and federal government.
- Growing policy commitments from municipalities to procure 100% renewable electricity for their residents and businesses.
- Continued support for the Irrigation Modernization program from irrigation districts, rural stakeholders and federal/state agencies to modernize aging irrigation infrastructure and develop resulting hydropower opportunities.

Strategic Energy Management

Commercial and industrial Strategic Energy Management (SEM) savings are based on working with occupants to modify their behavior to reduce their on-site energy consumptions. Baselines are based

on what building occupants would have done without modifications to their behavior. For the duration of 2020, savings will be based on the delta between baseline and reduced loads from Q1 applied to loads for Q2 through Q4. It is assumed that savings projections for 2021 will be derived from this methodology.

Large Electric Customers

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.[24] Energy Trust will continue to track SB 838 spending for large electric energy-using customers. If a 2021 analysis indicates that 2020 spending on large electric energy-using customers exceeded the cap, staff will act to reduce commercial and industrial program spending on these customers.

Business Lighting and Industrial Projects

Commercial and industrial lighting (business lighting) activity was significantly accelerated due to bonuses put in place in 2020. The programs ended bonuses in October and instituted a pause in November. The pipeline of 2021 projects is already projected to use a significant portion of the 2021 commercial and industrial lighting budget. These projects are primarily composed of customer investments in LED projects. However, per unit savings are decreasing as baselines for LED products evolve with increased market uptake of LED lamps continuing the trend of requiring more projects to achieve savings commensurate with past results.

Production Efficiency program participant activity for electric equipment rebates and electric efficiency calculated incentives was also significantly accelerated due to bonuses put in place in 2020. The program ended bonuses and paused new applications for these tracks in November. The pipeline for these offers in 2021 is high compared to typical pipelines and if projects come to fruition, a significant portion of the 2021 Production Efficiency standard track budget will be used.

Residential Lighting

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 2021.

Multifamily

Multifamily offers 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, evaluations that showed less-than-expected energy savings from water saving measures and the increasing efficiency of market baselines.

Midstream Programs

Successful market penetration and evolving market conditions will lead to a continued focus on midstream approaches in residential and commercial sectors in 2021-2022.

[24] Certain larger customers are exempt from paying utility charges under one of Energy Trust's electric funding mechanisms as provided for under SB 838. The caps relate to our proportion of electric funding under the other mechanism as provided for under SB 1149. This does not impact gas program funding.

Peak Load Management

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. We will also monitor as utilities track how COVID-19 and other evolving market conditions influence the timing and magnitude of peaks. This will influence which efficiency measures are of highest value. These shifts are related to difficult-to-predict impacts of COVID-19 on business and work patterns.

NEEA

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. Based on analysis conducted by NEEA in June 2020, it is expected that NEEA programs will see a 7% reduction in total projected spending for the year for electric, a 15% reduction for natural gas and a 12% reduction for the total organization.

Diversity, Equity and Inclusion

It is a priority for Energy Trust to ensure that underserved customers can directly participate in and benefit from energy-efficiency and renewable energy programs, especially customers with low incomes, customers of color and customers in rural communities. One driver of this work is the organization's Diversity, Equity and Inclusion Operation Plan that includes 10 goals to be achieved in 2019 and 2020. For 2021, Energy Trust will extend the plan with modified goals based on current market conditions and lessons learned from work in 2019 and 2020. Goals for 2021 were updated in fall of 2020.

Also in 2021, Energy Trust will begin new program management and delivery contracts for commercial programs that incorporate a minimum subcontracting spend with minority-owned businesses, women-owned businesses, emerging small businesses, businesses owned by service-disabled veterans and community-based organizations.

Portland Clean Energy Community Benefits Fund

Energy Trust has included funds to facilitate coordination and project development with nonprofit organizations applying for grant funds as the City of Portland implements the Portland Clean Energy Community Benefits Fund.

Community Solar

The current budget accounts for Energy Trust serving as a subcontractor to support delivery of the Oregon Community Solar Program.

Summary

The COVID-19 pandemic has created unprecedented economic uncertainty, and the resulting recession is unique due to the lack of pre-existing large-scale economic issues or market imbalances. Because this recession was primarily triggered by health-related conditions, economists are forecasting this recession to be shorter in duration than previous events. However, the impacts of the recession are still large in regards to unemployment and the significant reductions and shifts in population migration trends. Furthermore, economists forecast that some Oregon business sectors

like manufacturing will have longer recoveries with average unemployment rates, whereas hospitality and leisure will have quicker recoveries but with higher initial unemployment.

Even though there have been large macroeconomic impacts on Oregon's economy, Energy Trust made immediate adjustments to serve customers while complying with state public health directives and guidelines. Based on Energy Trust Q3 2020 forecasts, programs are on track to achieve 95% of electric and 107% of gas annual 2020 efficiency savings targets largely due to bonuses. The bonuses also contributed to a robust 2021 pipeline of projects and very high pipelines in business lighting and Production Efficiency standard track. In addition, based on the Q3 forecast, Energy Trust is on track to achieve 144% of 2020 renewable generation targets. Eventual results are subject to changing market conditions and will be confirmed and reported in the annual report.

Some efficiency program trends like retail lighting baseline changes and continued market saturation were in process before the pandemic, whereas some program trends such as new construction and major renovations have seen delays in projects due to closures. Energy Trust will continue its strategy to deliver cost-effective programs but will adapt to market conditions.

As specified in its Diversity, Equity and Inclusion Operations Plan, Energy Trust will continue to focus on specific diversity, equity and inclusion goals to ensure the organization is increasing participation among underserved customers and delivering benefits to all who pay into the public purpose charge.

MEMO

Date: December 4, 2020
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Measure Cost-Effectiveness Exceptions Status as of September 18, 2020

In response to the Oregon Public Utility Commission's request to provide the status of Energy Trust requests for cost-effectiveness exceptions, this memo summarizes energy efficiency measures that have received exception approval from the OPUC.

Background

Commission Order No. 94-590 in Docket UM 551 specifies that the Total Resource Cost (TRC) test and Utility Cost Test (UCT) 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%) 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 2021

The OPUC has granted exceptions on 22 measures that will be offered in 2021 in four programs, including:

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

Exceptions that will be active in 2021 are summarized in Table 1.

Recently the OPUC has suggested that Energy Trust pursue more exceptions specifically for measures that would benefit low-income households, improve indoor air quality and reduce carbon emissions. Those discussions may result in additional exceptions active in 2021.

Table 1 List of Measure exceptions that will be active in 2021

Program	Measure	Order Number	Date Granted	Expiration Date
Existing Buildings (multifamily)	Gas tank water heaters	NA – minor	7/16/2020	12/31/2021
Residential	Gas tank water heaters	NA – minor	7/16/2020	12/31/2021
Residential	Gas heated new manufactured homes	NA – minor	7/16/2020	12/31/2023
Residential	New manufactured homes replacement pilot	20-158	5/05/2020	12/31/2021
Existing Buildings (multifamily)	Ductless heat pumps s in heating zone 1	20-105	3/31/2020	3/31/2022
Existing Buildings (multifamily)	Ductless heat pumps with supplemental fuels	20-105	3/31/2020	3/31/2022
Residential	Ductless heat pumps with supplemental fuels	20-105	3/31/2020	3/31/2022
New Buildings	Custom and market solutions tracks	20-018	1/14/2020	12/31/2021
Existing Buildings (multifamily)	Hydronic pumps less than 1/2 hp	NA – minor	10/03/2019	12/31/2021
Existing Buildings (multifamily)	Direct install lighting	NA – minor	9/30/2019	3/31/2021
Residential	Floor insulation (electric)	NA – minor	9/26/2019	12/31/2021
Existing Buildings (multifamily)	Floor insulation (electric)	NA – minor	9/26/2019	12/31/2021
Residential	Floor insulation with incentive cap (gas)	NA – minor	9/26/2019	12/31/2021
Existing Buildings (multifamily)	Floor insulation with incentive cap (gas)	NA – minor	9/26/2019	12/31/2021
Residential	Wall insulation with incentive cap (gas)	NA – minor	9/26/2019	12/31/2021
Existing Buildings (multifamily)	Wall insulation with incentive cap (gas)	NA – minor	9/26/2019	12/31/2021
Existing Buildings (multifamily)	Flat roof insulation (hp)	NA – minor	9/26/2019	12/31/2021
Existing Buildings (multifamily)	Flat roof insulation (gas)	NA – minor	9/26/2019	12/31/2021
Production Efficiency	Irrigation - new or rebuilt brass impact sprinkler	NA – minor	11/21/2018	12/30/2021
Production Efficiency	Irrigation – drop tubes	NA – minor	8/03/2018	12/31/2021
Residential	Clothes washers (gas-only territory)	NA – minor	9/02/2015	N/A
Multiple	Pilots under $500,000	15-029	1/29/2015	N/A

Portion of Energy Trust Savings from Measures with Exceptions in 2019 and 2020

The following tables represent the portion of total Energy Trust savings from measures with exceptions for 2019 and 2020 (year-to-date through September 18, 2020).

In 2019, some of the excepted measures were part of whole-building or whole-home packages, which are groups of measures applied to a single project. These are not tracked independently in Energy Trust's databases, and as a result, their savings that are not cost-effective cannot be reported accurately. The values in Table 2 for packages include savings for both cost-effective and non-cost-effective measures.

Table 2 Savings from measures with exceptions in 2019

	kWh	kWh % of total	Therms	Therms % of total
Savings from measures with cost-effectiveness exceptions	4,743,610	1.01%	62,995	0.99%
Savings from packages that contain measures with cost-effectiveness exceptions	2,787,805	0.59%	26,791	0.42%
Total	470,554,242		6,375,810	

Table 3 Savings from measures with exceptions in 2020, year to date through 9/18/2020

	kWh	kWh % of total	Therms	Therms % of total
Savings from measures with cost-effectiveness exceptions	2,203,223	1.34%	23,741	0.71%
Total	164,525,464		3,323,234	

In 2020, with Order 20-018 the New Buildings program was granted an exception for TRC testing for custom and new Market Solutions projects permitted under the new commercial building code. This was in response to flexible code options that make calculating measure-level TRC difficult. Savings from these projects will have unknown cost-effectiveness; most likely there will be a mix of cost-effective and non-cost-effective measures. Due to the long lead time of New Buildings projects, no savings have been recorded under this exception to date.

Exception History

There are 127 measure exceptions on record granted by the OPUC since 2012 when counted per measure and per program. Past memos reported this value differently.

Of the 127 measure exceptions, 56 are considered minor. A minor exception is one where the total dollars and savings associated with the measure are less than 5% of total annual program activity and TRC is greater than 0.8. Minor exceptions do not require commission approval and are approved by OPUC staff.

Measure exceptions were approved by the OPUC according to the criteria outlined in the Background section above. Table 4 identifies how many exceptions were granted based on each criterion. Some measures meet multiple criteria.

Table 4 Number of all-time exceptions granted based on measure exception criteria

Exception Criteria	Number of Instances
A	49
B	27
C	52
D	49
E	8
F	9
G	6

MEMO

Date: December 4, 2020
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Levelized Cost Trends and Managing Future Costs

Energy Trust's 2021 Budget and 2021-2022 Action Plan shows that levelized costs for energy efficiency are holding steady for electric efficiency and increasing for natural gas efficiency in comparison to Energy Trust's 2020 approved budget. Due to changes in energy savings, expenditures and measure lives between the draft and final proposed 2021 budgets, levelized costs for both gas and electric are now lower than what was presented in the draft published in October. Additionally, NW Natural Washington levelized costs were impacted by the addition of a new large commercial project.

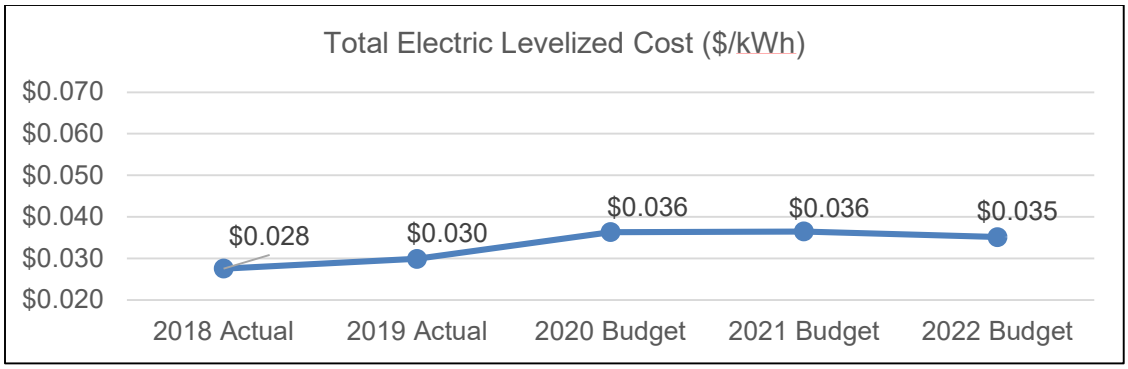
Levelized cost trends are of interest to stakeholders as Energy Trust's savings portfolio evolves and new strategies and approaches are under development. We highlighted it for discussion last year and again this year as we presented the draft 2021 budget with the board, Oregon Public Utility Commission (OPUC), utilities and other stakeholders. This memo details the reasons levelized costs for energy efficiency are holding steady and increasing in 2021 as total annual budgeted savings decrease for Oregon electric efficiency, decrease for Oregon gas efficiency and increase for Washington gas efficiency from 2020 to 2021 budgets, and identifies actions to manage levelized costs over time.

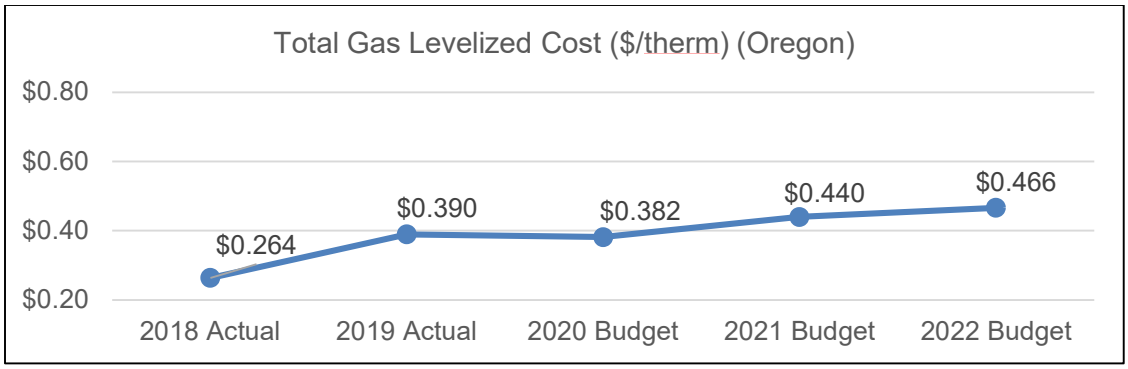
Levelized costs for renewable energy are not covered in this memo because above market cost is the basis for Energy Trust's investment in renewable energy, not cost-effectiveness or levelized cost.

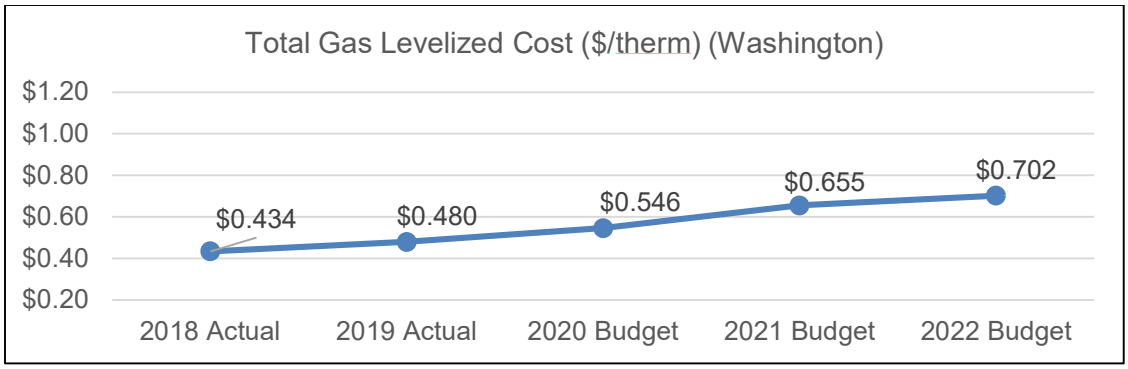
Levelized Costs in 2021 Budget

The 2021 budget delivers electric savings at a cost of 3.6 cents per kilowatt hour (kWh) and 44.0 cents per therm (Oregon only) levelized. This is a negligible 0.5% increase (0.02 cents/kWh) over 2020 electric levelized costs and a 15% increase over 2020 gas levelized costs. Levelized cost for NW Natural Washington programs are 65.5 cents per therm, a 20% increase over 2020 gas levelized costs. Nevertheless, the savings Energy Trust acquires for utility customers remains a very low-cost resource to meet ratepayer energy needs.

The 2022 budget projection shows electric levelized costs decreasing to 3.5 cents per kWh. Gas levelized costs are projected to decrease to 47.0 cents per therm (Oregon only) in 2022. Projected levelized cost for NW Natural Washington programs in 2022 is 70.2 cents per therm, a 7% increase over 2021.







Levelized Cost Drivers

There are several drivers contributing to steady or increased levelized costs in the 2021 budget compared to the 2020 budget. We identify and describe them below.

- In 2021, Energy Trust will continue to report fewer savings for some measures than what we are reporting for the same measures in 2020. 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 fewer savings for these measures in 2021. LEDs provided some of the lowest-cost savings in our portfolio.
    - In addition, evaluation studies indicate that electric and gas savings associated with water-saving devices delivered through mass market channels (e.g., Energy Saver

Kits) are not as robust as previous analysis had indicated. Therefore, Energy Trust will no longer offer these measures in 2021 except for in a few targeted markets where savings opportunities remain.

    - Evaluations have also indicated that actual savings realized from custom industrial projects, while still relatively high, are lower than previously thought.

- On average, we are claiming fewer savings per project in business programs. This trend arises from prior success at completing large savings projects and efforts to increase participation from more small- to medium-sized business customers, where project opportunities are smaller in scale and yield lower savings.
- The majority of electric savings from a very large multi-year industrial project were acquired from 2017-2020. The project is now complete and will no longer contribute low-cost savings in 2021.
- Northwest Energy Efficiency Alliance (NEEA) is in the second year of its five-year business cycle. NEEA electric savings in 2021 will increase by 16% over the 2020 budget, and costs of these electric savings are up by 10%. NEEA gas programs are still under development, and savings from these efforts are nominal in comparison to the rest of the savings that Energy Trust is expected to acquire in 2021. Energy Trust will continue to invest in developing NEEA gas savings programs in 2021, and expenses will increase by 11% over the 2020 budget due to more focus in developing residential gas market transformation savings opportunities. The increases in NEEA expenditures are not coupled with commensurate increases in savings, resulting in levelized cost increases in 2021. However, as past experience indicates, it is anticipated that these investments will result in future market transformation savings from investments in market infrastructure for more efficient window systems, consumer products, motor/pump systems, HVAC products, advanced lighting controls, and future codes and standards related to water heating measures and commercial and residential new construction.
- 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 builders above code than we did before the code change.
- We increased incentive offerings in 2020 to help the market adapt to market conditions associated with the COVID-19 pandemic. In 2021, some of these higher incentive offerings will remain in place to continue to offset market uncertainties and economic impacts associated with the pandemic. In residential programs, we are partnering with more community-based organizations to reach underserved customer segments.
- We expect the mix of actions taken by customers will shift for some programs to lower-cost measures with shorter measure lives. Shorter average measure lives add to the upward pressure on levelized costs.
- For NW Natural Washington, levelized costs are up more than levelized costs for gas savings in Oregon. Many of the drivers described above are applicable. In addition, Energy Trust's portfolio in Washington only serves residential and commercial customers. There are no industrial customer services or savings. These relatively cheaper industrial savings help moderate increasing levelized costs in the Oregon portfolio.

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. Managing levelized cost becomes more complicated during efforts to help customers offset energy costs during challenging economic conditions and the COVID-19 pandemic. Regardless, the same strategies apply. These activities have been embedded in our budgets and action plans for years, and we continue to prioritize work in this area as we adapt programs to customer needs and align with cost-effectiveness requirements.

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 2020, we completed measure development work resulting in the following new measures for 2021:

   - Commercial and multifamily advanced rooftop controls retrofit
   - Small commercial heat pump water heaters
   - Small commercial heat pump prescriptive measure
   - Small commercial condensing gas furnaces
   - Commercial pre-rinse spray valves
   - Commercial and industrial midstream lighting
   - Self-cleaning wastewater lift pumps
   - Residential direct installation ceiling insulation
   - Residential gas tankless water heater retrofit
   - Residential and small multifamily high-efficiency window tier
   - Industrial pipe insulation direct installation

   In 2020, Energy Trust continued to update existing measures and add new measures for targeted offerings in 2021. These targeted offers are intended to reach underserved customers and communities who have not participated in Energy Trust programs or would otherwise not be able to make energy-efficient upgrades. These important offers typically require higher incentives, which adds to overall program costs. Some examples include:

   - Single-family direct installation ceiling insulation
   - Residential lighting measures targeting underserved customers and community organizations
   - Residential and small multifamily gas furnaces
   - Direct ship smart thermostats for homes
   - Small business lighting and refrigeration measures
   - Multifamily instant savings measures for individual units

   Energy Trust staff have identified at least 20 additional new measures to explore in 2021 for potential implementation in 2022, including the following examples:

   - Line voltage thermostats for residential and multifamily
   - Large multifamily central heat pump water heaters
   - Small commercial smart thermostats devices and optimization technology
   - Advanced ventilation controls for commercial kitchens

- Indoor air quality and ventilation for residential and commercial buildings
- Engine block heater controls
- Ultralow temperature freezers for medical facilities
- Very high-efficiency refrigerators
- Home Energy Reports
- Room air conditioners for homes

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 opportunities, such as market saturation, to reexamine and redesign our programs to work more effectively in new market conditions. We may remove some services and reconfigure others to effectively target resource potential in various markets.

   We are always looking for ways to reach more customers. In 2020, we developed more new program approaches and pilots for implementation in 2021, including the following examples:

   - Test streamlined industrial Strategic Energy Management
   - Commercial and industrial network lighting controls pilot
   - Commercial direct installation 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
   - Targeted load management pilots
   - Using home heating and cooling tune up to install thermostats or efficient motors
   - Net zero new home construction
   - Residential new construction grid harmonization
   - Exploration of multiple funding sources for direct installation of heat pump water heaters
   - Windows in stacked multifamily properties

   Additionally, Energy Trust is focusing on reaching underserved customers, especially communities of color, customers with low incomes and rural communities. By designing measures and programs to reach and serve these customers, we will create new sources of savings in the future. Some examples of measures and approaches developed in 2020 that will be implemented in 2021 are:

   - Co-funding low-income projects with community action agencies funded through Oregon Housing and Community Services Low-Income Weatherization Program
   - Coordinated energy audits with low-income agencies and community organizations
   - Delivery of free LEDs through community-based organizations
   - Direct installation ceiling insulation
   - Ductless heat pump initiative for limited income housing with nonprofit Verde
   - Savings Within Reach for moderate-income customers in multifamily housing
   - Do-it-yourself cooling workshops in multifamily housing
   - On-bill repayment in multifamily housing
   - Fixed price ductless heat pump in multifamily housing
   - Additional channels for home thermostat direct installation
   - Umatilla County new home construction development planning

- Continuation of tubular LEDs in targeted rural areas, which started in 2020

3) **Ensuring efficient and effective operations** enables us to continue processing 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, save time for customers and staff, and streamline administrative processing.

   In 2021, we will continue to apply DocuSign to more customer and internal forms and continue multi-year efforts to invest in a more efficient budget system. The Information Technology and Operations Analysis action plans 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 help us make decisions, explore new ideas and develop new program approaches more efficiently. They also ensure we apply limited staff resources to highest priority work.

MEMO

Date: December 4, 2020
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Long-Range Forecast for Other Renewables and Solar Projects

Energy Trust's renewable energy programs provide 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 commercial operation, with the rest of a committed incentive paid over the first several years. 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 three generation projects that have reached commercial operation or are 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) - achieved commercial operation June 2020	0.9 aMW	$306,250 based on reaching milestones $1,244,250 in four payments based on reaching milestones $949,500 in three payments based on reaching milestones	December 2020 January, April, July, October 2021 January, April, July 2022
Water Environment Services—Tri-City Wastewater Treatment Facility (biopower) - under construction	0.5 aMW	$1,000,000 upon completion $800,000 based on reaching milestones	January 2021 January 2022

City of Hillsboro Gordon Faber Recreation Complex (hydropower) - under construction	0.02 aMW	$85,000 upon completion	December 2020
TOTAL		**$4,385,000**	

In Pacific Power service territory, Energy Trust has existing commitments of incentives for two generation projects. One is completed and one is under construction.

Installation Incentive Funding Commitments for Other Renewables Projects in Pacific Power Territory

Project	Generation	Expected payments	Scheduled payment dates
Deschutes Valley Water District—Opal Springs (hydropower) – achieved commercial operation December 2019	0.1 aMW	$225,000 based on reaching milestones	December 2020
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	December 2021 December 2022 December 2023 December 2024 December 2025
TOTAL		**$1,090,000**	

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

Project Development Assistance Incentive Commitments for Hydropower and Biopower Projects in PGE and Pacific Power territories

	Q4 2020	2021	2022	2023
Portland General Electric	6 projects $246,027	4 projects $314,159 REC registration costs for two projects: $2,124	REC registration costs for two projects: $2,124	REC registration costs for two projects: $2,124
Pacific Power	12 projects $512,688	10 projects $330,928	n/a	n/a
TOTAL	**18 projects** **$758,715**	**14 projects** **$647,211**	**2 projects** **$2,124**	**2 projects** **$2,124**

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 haven't been reduced from the total existing applications to reflect expected project cancellations. Historically, about 10% of residential applications and about 20% of commercial applications result in canceled incentive reservations.

Aggregated Incentive Commitments for Solar Projects

	2021	2022	Total
Portland General Electric	$2,822,749 1.40 aMW	$96,302 0.11 aMW	$2,919,051 1.51 aMW
Pacific Power	$1,958,444 0.84 aMW	$79,706 0.08 aMW	$2,038,150 0.92 aMW
TOTAL	**$4,781,193** **2.24 aMW**	**$176,008** **0.19 aMW**	**$4,957,201** **2.43 aMW**

MEMO

Date: December 4, 2020
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Community Solar Development Assistance Commitments

In 2019, Energy Trust began to offer Community Solar Development Assistance incentives to support public and nonprofit organizations developing community solar projects for participation in the Oregon Community Solar Program as well as private companies developing small community solar projects. The Renewable Advisory Council advised during the development of this program that these are the types of projects most in need of early stage assistance.

The objective of Energy Trust's Community Solar Development Assistance is to increase the feasibility and success of these community-driven projects and provide public and nonprofit organizations with additional support so that they have an equitable opportunity to participate in the community solar market. A project may receive up to $20,000 for expenses and activities such as staff time needed for pre-development work, permitting, market analysis, site-leasing, grant writing, feasibility studies, pre-design and design work, and other early stage project development activities that help projects overcome market barriers. This is a critical role that Energy Trust has played for all renewable technologies in the territories it serves. The funds for this program are public purpose charge dollars. Supporting community solar projects helps Energy Trust reach people who do not have access to rooftop solar including renters, low-income families or people whose homes have too much shading.

Eventually, generation from projects that are developed and receive installation incentives from Energy Trust will be reported in Energy Trust's quarterly and annual reports.

Energy Trust has committed Community Solar Development Assistance to nine projects. Following is an aggregated summary. All of these projects are expected to complete their development activities by the end of 2020. None of the projects are operational at this time.

Utility	Project count	Committed Energy Trust incentives	Capacity (AC)
Pacific Power	7 projects	$85,970	6,480 kW
Portland General Electric	2 projects	$19,920	400 kW

MEMO

Date: December 4, 2020
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Staffing for 2021 Budget and 2021-2022 Action Plan

Energy Trust's staffing budget balances the cost of the staffing resources needed to accomplish 2021 goals and compliance with Oregon Public Utility Commission performance measures.

This memo provides background and information about staffing planning and considerations in 2021, staffing cost drivers and compliance with the OPUC minimum performance measure for applicable staffing costs.

1. 2021 Staffing Planning

Energy Trust employees are the basis of the organization's strategic and operations management and accountability. Energy Trust's staffing planning is guided by its 2020-2024 Strategic Plan. The 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 envisions deeper relationships with customers, communities, utilities, OPUC and policymakers in order to strengthen Energy Trust's capacity to quickly and effectively provide solutions and respond to opportunities in the evolving clean energy future.

Energy Trust's staffing planning for 2021 is aimed at taking incremental steps toward an organizational structure and the resources to accomplish work envisioned in strategic plan focus areas. Even with this future focus, management and human resources staff members 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[1] at 9%.

In planning for the 2021 budget, Energy Trust management undertook an extensive business and staffing planning exercise that began by setting three 2021 organizational goals:

- Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic
- Invest in relationships and collaborations with other entities to meet common needs and future objectives
- Enhance operating processes and internal culture to efficiently respond to change[2]

Energy Trust's proposed 2021 staffing budget is based on identifying priority work to support its 2021 goals and its strategic plan focus areas and matching staffing capacity to that prioritized work. This plan provides all program, support and administrative functions for programs and

[1] The OPUC oversees the largest portion of Energy Trust expenditures under a grant agreement. That includes all expenditures for programs funded by Oregon customers of PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista. Energy Trust's NW Natural Washington and Oregon Community Solar Program expenditures are not overseen by the OPUC.
[2] The full text of Energy Trust's 2021 annual goals includes additional information on how we will focus our efforts under each of the goals. Please see the complete 2021 annual goal statements at the front of the draft budget and action plan for this detail.

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. Through this process, lower priority work is eliminated to make room for work that is tied to annual and strategic plan goals. We identify staffing gaps and managers plan for re-alignment of staff resources as needed. Energy Trust has and will continue to change staffing positions and shift roles and responsibilities consistent with organization needs and priorities. This process occurs during staffing planning and when any vacant position arises during the year.

For 2021, this process resulted in changes to existing roles and a shift of FTE from one group to another. Those changes are described in the staffing shifts section below. In addition to the FTE shifts, the 2021 staffing budget includes four new additional staff positions, proposed primarily to advance and support Energy Trust's efforts in achieving its diversity, equity and inclusion goals and internal staffing objectives. More information is provided in the new staff section below.

Energy Trust executive staff applied the organization's Diversity, Equity and Inclusion Lens to the staffing plan and views diversity, equity and inclusion as a key driver and outcome in both shifted and new positions for 2021. More information can be provided upon request.

2. Total Staffing Costs and Cost Drivers for the 2021 Budget

In the 2021 budget, total staffing costs across all major funding sources represent 8.2% of total costs. The increase in total staffing costs from 2020 to 2021 is 7.2%. 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 subcontract through Energy Solutions. The following table provides a breakout of staffing costs by major funding source. Staff costs in administrative and other shared services have been allocated across funding sources.

Staffing Cost by Major Funding Source	2018 Actual	2019 Actual	2020 Budget	2021 Budget	2022 Budget
Oregon PUC Grant	12,904,850	13,465,688	15,053,097	16,126,918	16,826,495
Washington	279,520	304,271	358,712	394,545	396,844
Community Solar	-	139,601	273,979	235,436	242,002
PGE Storage	-	-	-	51,313	48,952
LMI Federal Grant and other	12,942	27,179	-	-	-
Total	13,211,234	13,942,991	15,685,787	16,808,212	17,514,293

Healthcare Costs

Employee healthcare premium increases for 2021 are somewhat higher than expected at this time last year due to unusual utilization. The 2021 rate increase is now estimated to be 20% compared to the 15% increase projected for 2021 in the 2020-2021 Budget. Healthcare benefits continue to be the largest cost driver in Energy Trust's benefit package. Energy Trust projects a 20% increase in healthcare premiums for 2022 based on discussions with its insurer.

Staff Compensation

The draft budget includes 3% for staff compensation adjustments, which allows for minimal annual increases consistent with market information from the 2020-2021 World at Work survey on salary budget adjustments and to support staff in an ongoing COVID-19 work environment. This budget also provides remaining dollars to support promotions and other pay adjustments if needed to ensure pay equity compliance.

Staffing Shifts

Legal/Contracts to Human Resources

In 2020, a retirement in the Legal/Contracts group provided the opportunity to examine critical staffing needs to support strategic goals. Given the organizational focus on staff diversity and the complexity of human resource challenges, including a shift to a remote work environment as a result of COVID-19, staffing budget was shifted from Legal/Contracts to HR to support a new HR position.

Planning and Evaluation to Programs

In 2018, a group of Energy Trust staff reviewed Energy Trust's organizational processes and structures and recommended process and structure changes to advance Energy Trust's ability to adapt well to future changes. The recommendations call for more positions that are cross-functional and cross program. Since that review, several staffing shifts have occurred including, but not limited to, the redeployment of staff in cross-functional roles, such as a cross-program marketing lead and a measure development manager to coordinate between Energy Trust's Planning and Evaluation and Program groups.

In 2021, Energy Trust plans to redeploy a position open in the Planning and Evaluation group to serve as a cross-integration lead who would oversee and coordinate the many cross-functional activities across Energy Trust. The person who fills this position is expected to work closely with the four program sectors to ensure alignment of strategy and implementation of cross-program offerings. In addition, the cross-integration lead will work with the diversity, equity and inclusion lead and Communications and Customer Service staff focused on community outreach and diversity, equity and inclusion goals for contractor and community-based organization engagement. This position will also support teams to bring new cross-program offerings to market and ensure implementation activities are aligned with other organizational initiatives.

New Staff

RAY Conservation Diversity Fellows

The 2021 staffing budget includes two new Roger Arliner Young (RAY) Conservation Diversity Fellows[3]. These fellowship positions, which are two-year, full-time commitments, support Energy Trust's efforts to diversify its staff, bring diverse life experiences to Energy Trust's energy efficiency program design and delivery and build a

[3] Inspired by efforts to increase racial diversity in conservation, the Roger Arliner Young (RAY) Conservation Diversity Fellowship Program aims to increase and facilitate conservation-related career pathways for emerging leaders of color. The RAY Fellowship Program is a paid fellowship designed to equip recent college graduates with the tools, experiences, support and community they need to become leaders in the conservation sector—one that, in our visions of the future, fully represents, includes and is led by the diverse communities, perspectives and experiences of the United States.

pipeline for future energy efficiency industry leaders. The RAY program provides expertise, training and support to both the RAY fellows and Energy Trust leadership to create and sustain a more inclusive environment.

Solar Project Manager

The 2021 staffing budget also includes budget to convert an agency contractor solar program coordinator resource to a regular staff position. This conversion to a staff position will result in more stability in the position. This position will support streamlining of the application process and work on strategic efforts to bring solar to underserved customers.

Two Outreach Staff to Support and Build Deeper Community Relationships, Particularly in Underserved Communities

Energy Trust's strategic plan, its annual goals and its Diversity, Equity and Inclusion Operations Plan all call for building deeper stakeholder and community relationships, particularly in underserved communities. Energy Trust's 2021 staffing plan budgets for two additional outreach staff. These outreach roles, one a lead and the other a coordinator, are aimed at supporting Energy Trust's efforts to expand its reach in previously underserved communities and will have a focus on building relationships with and creating opportunities for communities of color throughout the state. They will join existing outreach resources dedicated to serving Eastern and Southern Oregon and rural customers in those regions.

Energy Trust is prioritizing these new positions as opportunities to address two important diversity, equity and inclusion priorities: (i) expanding program participation in underserved communities and (ii) recruiting more staff with lived experience and direct connections to communities of color and underserved communities in Energy Trust's service territories.

Energy Trust outreach staff build and retain knowledge regarding community needs and serve as an organization representative and trusted resource within those communities. They inform and educate individual program field representatives and staff, and they provide a consistent and cross-program perspective to ensure the most effective and efficient approaches are utilized to engage the community and achieve all program goals. Just as existing regional outreach managers working in Eastern and Southern Oregon focus on general outreach initiatives to increase participation of customers and communities in their regions, both of the new positions will carry out outreach initiatives with the long-term objective of increasing participation and delivery of benefits to customers and communities of color.

Importantly, adding these positions builds out Energy Trust's ability to reach customers and communities of color by providing close, in-community connections on a regular basis in a way that the diversity, equity and inclusion lead role does not. The diversity, equity and inclusion lead has a broad scope of leadership and guidance for the organization's diversity, equity and inclusion work through the Diversity, Equity and Inclusion Operations Plan; internal diversity, equity and inclusion committee; Diversity Advisory Council; inclusive culture initiatives and supplier diversity program development. As we've learned from our experience with our regional outreach staff, effective outreach requires consistent presence and community trust. Working closely with the diversity, equity and inclusion lead to advance Energy Trust's diversity, equity

and inclusion work, new outreach staff will be able to build, implement and coordinate with stakeholders and underserved communities.

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.

	2018 Actual	2019 Actual	2020 Budget	2021 Budget	2022 Budget
Total Company Employee Cost	13,211,234	13,942,991	15,685,787	16,808,212	17,514,293
Drivers					
Employee count (FTE)	108.5	109.0	112.0	115.5	115.5
Interns (FTE)	7.5	6	4.4	3	3
RAY fellows (FTE)				2	2
Compensation adjustment pool	4%	5%	5%	3%	3%
Benefits rate increase	11%	24%	5%	20%	20%
Oregon PUC Grant Funded Employee Cost and Performance Measure					
Employee Cost	12,904,850	13,465,688	15,053,097	16,126,918	16,826,495
Employee Count (FTE)	107.5	107.5	109.0	112.0	112.0
Year over Year $ change	890,308	560,839	1,587,409	1,073,821	699,577
Year over Year % change	7.4%	4.3%	11.8%	7.1%	4.3%
Maximum % Increase Allowed by	10%	10%	9%	9%	9%
Maximum Increase Allowed by	1,201,454	1,290,485	1,211,912	1,354,779	1,451,423

** The 2020 budget versus 2019 actual increase of 11.8% was due to 2019 actuals spending below plan, with certain positions vacant part of the year.*

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 determine an appropriate indicator of reasonable management costs. As a result of those conversations and following public comments and a public workshop discussion in July 2019, the OPUC adopted a single revised measure for 2020 and 2021 focusing on year-over-year cost increases. Under this staffing performance measure, Energy Trust must limit staff cost growth to 9% annually. This measure remains in place for two years while Energy Trust and OPUC staff continue to work collaboratively with stakeholders to review staffing costs and trends to consider potential new staffing metrics for the 2022 Budget and 2022-2023 Action Plan.

Staffing costs in Energy Trust's proposed 2021 Budget and 2021-2022 Action Plan comply with the new single staffing cost year-over-year percentage cap performance measure. The 2021 staffing costs under the OPUC grant increase 7.1% over 2020 costs under the OPUC grant.

MEMO

Date: December 4, 2020
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Administrative and Program Support Costs for 2021 Budget and 2021-2022 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 nonprofits typically and the benchmarks that are customarily applied to nonprofits. The second section describes administrative and program support costs as they are measured by the Oregon Public Utility Commission and the performance measure the OPUC established to set limits on administrative and program support costs.

SECTION 1: Administrative Costs Defined Generally and Comparable to Other Nonprofits

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% 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 expanded the organizational development cost center to incorporate innovation and program development.

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 2021 Budget and 2021-2022 Action Plan includes administrative costs of $10.3 million, or 5% 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 OPUC 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 nonprofits. The performance measure limits this total to less than 8% of utility revenue. The performance measure also caps administrative and program support cost increases to no more than 10% from year to year. NW Natural Washington, Oregon Community Solar and PGE storage programs are not included in the calculation under the OPUC performance measure.

Administrative costs include management and general costs and communications and outreach costs. 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 2021 Budget

	Oregon PUC Grant Funded Expenditure		
	Total	Program Costs	Administrative and Program Support
Incentives	112,563,205	112,563,205	-
Program Delivery Contractors	55,069,062	55,069,062	-
Employee Salaries & Fringe Benefits	16,126,918	7,823,967	8,302,951
Agency Contractor Services	2,325,775	1,294,786	1,030,989
Planning and Evaluation Services	3,918,799	3,891,227	27,572
Advertising and Marketing Services	3,364,531	2,204,599	1,159,931
Other Professional Services	6,081,437	5,254,880	826,556
Travel, Meetings, Trainings & Conferences	246,221		246,221
Dues, Licenses and Fees	283,482		283,482
Software and Hardware	809,774		809,774
Depreciation & Amortization	264,397		264,397
Office Rent and Equipment	1,192,849		1,192,849
Materials Postage and Telephone	146,183		146,183
Miscellaneous Expenses	5,318		5,318
Expenditures	202,397,951	188,101,728	14,296,224

The administrative and program support costs in the 2021 budget are $14,296,224, or 7.9% of total revenue. **Costs are compliant with the OPUC performance measure capping applicable administrative and program support costs at less than 8% of total revenue.**

Historical View of Administrative and Program Support Costs Subject to the OPUC Performance Measure[1]

	2017	2018	2019	2020 Budget	2021 Budget	2022 Projection
Annual Revenue	194,236,916	188,075,428	183,141,017	177,369,785	180,547,579	192,899,310
Performance measure	8%	8%	8%	8%	8%	8%
Maximum cost allowed per measure at 8%	15,538,953	15,046,034	14,651,281	14,189,583	14,443,806	15,431,945
Administrative and program support costs	10,344,137	10,808,953	11,422,288	13,831,271	14,296,224	14,741,728
as percent of revenue	5.3%	5.7%	6.2%	7.8%	7.9%	7.6%
Increase from prior year		464,816	613,335	2,408,982	464,953	445,504
Increase percentage		4.5%	5.7%	21.1%	3.4%	3.1%

Some administrative costs increased as the organization continues investments in diversity, equity and inclusion initiative activities and formalizes the activities of an innovation team to support developing new pathways to reach customers, as recommended in the 2018 Organization Review. Other costs decreased, notably travel and conferences as the organization adapts to COVID-19-related restrictions. **For costs subject to OPUC oversight, administrative and program support costs in the 2021 budget increased 3.4% over 2020, 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 2021 that will enable it to process high volumes of transactions, serve customers more efficiently and continue maintaining high customer satisfaction in future years. Some specific projects identified in the 2021 action plans include enabling more electronic signatures in customer and vendor forms using DocuSign and implementing the next phase of new budget tools.

[1] The 2020 budget versus 2019 actual increase of 21.1% was due to 2019 actuals spending below plan, with certain projects deferred or costs managed differently.

MEMO

Date: December 4, 2020
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Net Assets for the 2021 Budget and 2021-2022 Action Plan

This memo provides information about the net assets of the organization to provide context and rationale on the 2021 net asset levels.

Background

Net assets appear on the balance sheet as the difference between total assets and total liabilities, and they are the balance of cumulative revenues in excess of expenses. An organization should carry net assets sufficient to meet upcoming needs and to weather any downturns or variations in cash flow.

Net assets are sometimes called carryover or reserves. In a for profit business, net assets would be called owner equity. Net assets is the term used by nonprofits and by Energy Trust.

Energy Trust maintains four categories of net assets:

- Efficiency Program Reserves by Utility
- Renewable Program Reserves by Utility
- Other Funding Sources
- Contingency Reserves

Efficiency Program Reserves by Utility are discussed with each of the five partner utilities during the budget process, given to pursuing all cost-effective energy savings, establishing an appropriate reserve amount exclusive to each utility with consideration to customer rate impacts. Efficiency Program Reserves by Utility are budgeted to decrease from $19 million to $5 million during 2021.

The Renewable Program Reserves by Utility are based on SB 1149 revenue receipts and not negotiated. Renewable Program Reserves by Utility are budgeted to be reduced by $8.2 million in 2021, going from $21.5 million to $13.3 million. Renewable Program Reserves by Utility are held to ensure funds are available to meet outstanding commitments which will be paid in the future.

Contingency Reserves are maintained and controlled through board policy. Contingency Reserves are divided into two pools: Emergency Contingency Reserve and Operational Contingency Reserve. Ongoing analysis ensures Contingency Reserves are sufficient for unanticipated and emergency needs to avoid business interruption.

Contingency Reserves have been used in the past to temporarily or permanently cover for program needs, and $2.3 million of contingency reserves are loaned through Craft3 for low-income energy improvements and manufactured home replacements.

Net assets are invested conservatively to earn a modest, but secure, return. Beginning in 2018, investment returns are distributed back to the individual net asset category. Investment returns help offset ratepayer impact in energy efficiency programs and contribute to further renewable energy activity. Since Q2 2020 the rate of return on investments has fallen due to decisions by the Federal Reserve in response to COVID-19. The return for 2021 is forecasted to be 0.25% (25 basis points).

Energy Trust total net assets are forecast to be $52 million by the end of 2020 and will drop further to $30 million by the end of 2021. See Table 1.

At $30 million, net assets are just 1.7 months of average monthly expenditures. The decrease in net assets is consistent with plans to minimize impacts on ratepayers' bills, while continuing to pursue all cost-effective savings and renewable generation.

While the ratio of net assets to total budget is far below nonprofit best practice of 6-12 months, Energy Trust revenue flow is well established and therefore this low ratio is a manageable risk to the organization.

Table 1: Multi-year View of End-of-year Net Asset Balances, Expenditure Coverage Ratio

	2017 Actual	2018 Actual	2019 Actual	2020 Forecast	2021 Budget	2022 Projection
Efficiency Program Reserves	24,934,949	36,385,826	34,268,936	19,037,237	5,451,425	3,728,847
Renewable Program Reserves	13,341,150	16,001,476	19,094,978	21,482,427	13,287,625	8,110,944
Washington and Other Programs	13,517,656	16,502,547	19,621,275	922,895	858,800	1,188,229
Development Funds Before Replenishment	38,709	24,896	19,219	9,333	9,355	9,389
Loans for Low Income and Manufactured Homes	800,000	800,000	1,800,000	2,300,000	2,300,000	2,300,000
Operational Contingency	3,841,309	4,091,485	3,352,208	2,933,728	2,957,851	2,994,940
Emergency Contingency	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Company	48,132,624	62,804,754	64,061,637	51,685,620	29,865,056	23,332,349
Annual Expenditures	182,387,525	176,994,343	186,038,915	192,533,983	206,510,501	203,416,091
Monthly Expenditures	15,198,960	14,749,529	15,503,243	16,044,499	17,209,208	16,951,341
# of months coverage ratio	3.2	4.3	4.1	3.2	1.7	1.4

Seasonality by quarter

Net assets are expected to increase temporarily in mid 2021, and then decline with the seasonal increase in incentive expenditures in quarter four, as illustrated in the following chart. With revenues steady, and somewhat front-loaded in the beginning of the year, and incentives heavily weighted to the end of the year, this is a typical pattern for the organization.

Chart 1: 2021 Budget Quarterly Change and Ending Balances of Net Assets

	Q1	Q2	Q3	Q4
Revenue	$58M	$44M	$40M	$43M
Expenditures	$-51M	-48M	-46M	$-62M
Change	$6.9M	$-4.6M	$-5.3M	$-18.8M
Ending Net Assets	$58.5M	$53.9M	$48.6M	$29.9M

2021 Draft Budget Public Comment Summary

Overview of Public Comment Process and Purpose

Staff invited public feedback on the draft budget and action plan to prepare a final proposed budget for the board of directors' consideration and adoption. The formal public comment period was from October 7 to October 28, 2020, with opportunities for informal feedback made available prior to and after these three weeks.

Written comments and informal feedback were shared with Executive Team members and budget managers across the organization. The full board also heard feedback provided at a virtual workshop and board liaisons attended public advisory council meetings where draft program action plans were discussed.

Public feedback can result in revisions to budget and action plan details or can influence how staff implements budgeted activities the following year. Comments also provide an opportunity for staff to better understand the priorities of organizations and individuals, and how the budget and action plan supports those priorities.

The board of directors receives all submitted written comments with staff's summary and response to reference during its consideration and vote to adopt the final proposed budget.

How Comments Were Collected

Staff promoted the public comment period on Energy Trust's website, on social media accounts and blogs, through email and at a virtual workshop. Communications directed people to www.energytrust.org/budget for all budget materials and encouraged written comments.

Staff received written comments from 11 organizations, including the Oregon Public Utility Commission (OPUC), four of five partner utilities, three nonprofit organizations, a trade association, an installation contractor and a member of the public. Copies of written comments follow in ***Appendix 1***.

In addition to requesting written comments, staff welcomed informal feedback on the entire draft budget and in-progress material:

- At September meetings of the Conservation Advisory Council and Renewable Energy Advisory Council
- At September and October board Finance Committee meetings
- During multiple individual meetings with each utility and OPUC staff from August through November
- At a virtual workshop on October 14 with about 40 participants, including the board and members of the three advisory councils; areas of feedback included:
    - Support for community engagement, partnerships and co-creation
    - Urgency and support for Energy Trust to play a role in wildfire recovery and economic recovery
    - Support for work to reach underserved customers and internal diversity, equity and inclusion investments
    - Interest in the organization's innovation approach and priorities

Written Comments and Staff Responses

Staff appreciates all the written comments and informal feedback stakeholders and members of the public provided on the Draft 2021 Budget and 2021-2022 Action Plan. We recognize the time commitment involved with attending a budget workshop, reviewing our budget materials and putting together written comments. We understand the vast majority of comments are supportive of our plans and intentions.

All feedback was shared with program and outreach staff. This resulted in real-time adjustments to the wildfire response team by dedicating a point of contact from the team for direct community and utility engagement. No significant changes were made to the final proposed budget and action plan based on the written comments and informal feedback beyond slight adjustments to provide more detail in the action plan.

Staff is planning on or has already started assessing how action plan activities will be executed next year based on comments related to a new outreach position, community engagement and co-creation of initiatives with community members where possible. In some areas, the feedback affirms our planned activities and we will consider it when weighing priorities as the year progresses.

Summary

Nine of the 11 commenters indicated general support for the draft budget: Avista, CASA of Oregon (CASA), Network for Oregon Affordable Housing (NOAH), NW Natural, OPUC, Oregon Solar Energy Industries Association (OSEIA), Pacific Power, Portland General Electric (PGE) and Rogue Climate.

Many of them requested more information on certain initiatives or customer outreach strategies. Some made specific requests in areas not budgeted or planned for in the draft budget, including:

- increasing the budget for manufactured home replacement incentives
- developing a longer-term staffing strategy to align with outreach objectives
- keeping administrative costs for 2022 below the OPUC minimum performance measure
- adding an external representative to the internal wildfire response team
- adjusting incentives for wildfire rebuilding efforts
- developing peak modeling capabilities
- including the value of non-energy benefits in reporting

OPUC and OSEIA noted areas of concern, while two commenters, Attic Access and Caroline Amann, disagreed with Energy Trust's investment of utility customer funds.

Staff observed common themes in the written comments: community outreach and collaboration; coordination with utilities; diversity, equity and inclusion; ratepayer and internal cost management; Residential program implementation; response to wildfires and economic recovery; and Solar program implementation.

The following section discusses each theme and provides for each one a staff overview, staff response and relevant comments from the letters submitted.

Community outreach and collaboration

Staff overview:

Comments were made from a nonprofit that collaborating with community agencies is needed to achieve shared goals. There were requests for a staffing strategy that aligns with our outreach goals and for more information on what we mean by serving as a resource to communities in their planning efforts. Two utilities expressed interest in how Energy Trust engages with communities.

Staff response:

We recognize that our work is increasingly connected to the goals of other organizations beyond our partner utilities. We agree that collaborating with local service providers, community-based organizations and others is necessary to reach and serve all utility customers. As communities initiate energy planning for climate, resilience or wildfire recovery, we will provide data, information and resources to align plan outcomes with our programs and services and to identify projects that save energy and create opportunities for renewable generation. The new outreach staff positions will help us make more of these connections throughout the state and be more present and effective in communities of color.

We will develop a staffing strategy to review with OPUC staff and will provide quarterly updates on our community outreach to the commission. We will also provide all utilities with more details on our community support through regular communication, staff meetings and other coordination channels.

Relevant comments from letters:

CASA of Oregon – noted collaboration with community agencies is integral to accomplishing each organization's shared goals

OPUC – noted support for the outreach positions and recommended a longer-term strategy that aligns staffing with outreach goals be completed before any future proposals to increase staffing

Pacific Power – noted the two organizations should continually improve mutual engagement on community initiatives

PGE – requested additional information on the scope of Energy Trust's response to serving as a resource to communities in their energy, wildfire rebuilding and other planning efforts

Coordination with utilities

Staff overview:

Utility suggestions were made to continue and, in some cases, increase collaboration and coordination on customer education, customer outreach, online tools, marketing and co-branding, program development, clean energy industry diversification and identifying other funding sources as listed in the second 2021 organizational goal.

Staff response:

It is noteworthy that each utility providing written comments requested coordination on a variety of topics. Energy Trust values utility coordination and dedicates staff time for regular meetings with each utility every other month and encourages staff to maintain informal email and phone communications between meetings. Coordination meetings are where we inform,

consult and jointly identify strategic opportunities and work to resolve emerging issues. We also hold regular meetings with utility marketing teams to review plans for customer engagement and line up joint activities.

Of the suggestions presented in the comments, those on co-branding and joint marketing initiatives are notable, as we recognize utility-owned communication channels are some of the most successful ways for us to reach customers. In addition, we think alignment in messaging and strategy is vital among outreach staff at utilities and Energy Trust. We appreciate these requests for more coordination and will work with each utility liaison to assess our current coordination approaches and ways to maximize coordination with minimal resources.

Relevant comments from letters:

Avista – noted looking forward to continued collaboration on customer outreach and education

NW Natural – noted looking forward to working closely as programs are developed to meet the needs of all community members, and they are eager to further collaborate and strengthen collective programs

Pacific Power – noted successful coordination efforts to serve customers in 2020 (see Pacific Power's letter) and also interest in working with us to see how other potential funding sources enhance customer access to energy efficiency and small-scale renewable energy

PGE – noted appreciation for current marketing and brand coordination efforts, and multiple opportunities and areas for new or greater coordination (see PGE's letter)

Diversity, equity and inclusion

Staff overview:

There was broad support for diversity, equity and inclusion activities and the prioritization of low-income ratepayers, rural customers and communities of color. There was interest from PGE in co-developing efforts to diversify lighting contractors in the Trade Ally Network.

Staff response:

We appreciate the support for our DEI priorities and activities, which are critical to our meeting savings and generation goals and creating future opportunities for all customers. We continue to seek external perspectives on how to become a more diverse, equitable and inclusive organization—from program design and delivery to hiring and contractor selection. We look forward to working with our partners, new and existing, on furthering this work.

Relevant comments from letters:

NW Natural – noted support for the prioritization of DEI in the budget

OPUC – recommended the supplier diversity tracking system be implemented to enable measurement and tracking of diversity in different levels of contracting

OSEIA – noted support for the focus on serving low-income ratepayers and communities of color

PGE – noted interest in co-developing or receiving more information on efforts to diversify lighting contractors in the Trade Ally Network

Ratepayer and internal cost management

Staff overview:

Utilities and the OPUC noted that we are presenting a budget that avoids significant customer rate impacts. The OPUC expressed concern about increasing staffing costs and administrative and program support costs. Other parties voiced disagreement with how some funds are spent on office amenities and tenant improvements and on how residential funds are spent. A comment was made that Energy Trust investments widen the wealth gap.

Staff response:

We appreciate the comments on the rate impacts of the budget. We work closely with each utility to assess the coming year's energy savings potential against the possible rate impact for customers—meaning how much a customer's bill could change to fund our programs to acquire all cost-effective energy efficiency. This is an important consideration with any budget and especially during a year when the COVID-19 pandemic's effects on customers and businesses are unknown. We are pleased to put forward a final proposed budget that avoids 2021 rate increases for the five utilities we work with.

We acknowledge the OPUC's comments on our staffing cost and administrative cost trends. The budget has been adjusted to bring the 2022 administrative costs below 8 percent of annual revenues. We will continue to inform and seek feedback from OPUC staff regarding 2022 cost mitigation efforts.

We maintain a modest budget for office amenities and tenant improvements in keeping with our need to provide adequate workspace, technology and meeting facilities and accommodations to accomplish our purpose and work with stakeholders, businesses, partnering organizations and the public. Tenant improvements are weighed against this modest budget, are negotiated with the building owner and bids are solicited for cost-competitive work.

Regarding how we manage and invest public purpose charge funds for the benefit of utility customers, we note that our third-party, independent nonprofit approach to investing customer funds decreases the cost of energy-efficient investments in homes, businesses and industry and serves customers holistically by addressing dual fuel needs. We manage a portfolio of programs serving residential, commercial, industrial, agricultural and public sector customer types, and do so while delivering cost-effective energy efficiency and renewable energy services. We are viewing the comment from Attic Access about the wealth gap as affirmation of our efforts to serve renters and homeowners who have not yet benefited directly from our programs.

Relevant comments from letters:

Attic Access – noted Energy Trust actions are regressive, widen the wealth gap and include spending all of the residential ratepayer contributions with few homes weatherized
Caroline Amann – noted Energy Trust spends utility customer funds on non-essential purchases and staff amenities
NW Natural – noted that Energy Trust was able to avoid significant customer rate impacts while budgeting for programming, staffing and the ongoing impacts of the pandemic

OPUC – noted the use of carryover funds minimizes the need for rate increases in 2021
OPUC – noted ongoing concern about administrative costs growing as a percentage of revenue and recommended they be held to the limit of 8 percent of revenue for the 2022 budget
OPUC – noted ongoing concern about staffing cost growth
OPUC – recommended the cost impacts of measures under cost-effectiveness exceptions be provided in future budgets

Residential program implementation

Staff overview:

The OPUC recommended staff continue to focus on residential measure development. Two nonprofits expressed support for the Manufactured Home Replacement Pilot, including a request from one to increase the incentive budget for this pilot. PGE expressed support for helping all residential customers understand their energy solutions.

Staff response:

We will continue to look for innovative ways to evolve the Residential program and continue to explore how to bring more benefits to low-income customers, rural customers and communities of color. We recognize there is growing interest from the OPUC, utilities, customer advocates and environmental justice advocates for more support to be available to residential customers. We will work with the OPUC to ensure our programs align with and help advance broader state objectives to reduce customer costs, reduce greenhouse gas emissions and maintain delivery of cost-effective measures and programs. We note the OPUC's flexibility by allowing us to extend our Manufactured Home Replacement Pilot and expand our low-income co-funding with community action agencies across the state.

While the incentive budget is set for the Manufactured Home Replacement Pilot, we note the request that more funding be made available for this initiative. The incentive budget needs to stay within the cap allowed by the OPUC for this pilot and remaining incentives are in reserve for when a statewide replacement program is launched. Pilots are a research tool for the organization to learn about a measure's quantifiable energy and non-energy benefits and whether it can be cost-effective before scaling up and potentially providing a larger incentive budget.

Relevant comments from letters:

CASA of Oregon – noted support for the Residential program's budget, listed the statewide benefits to about a half dozen Energy Trust offers and noted Energy Trust's leadership role in manufactured home replacement (see CASA of Oregon's letter)
NOAH – noted support for the Manufactured Home Replacement Pilot incentives and requested significant funding be budgeted for manufactured home replacement incentives
OPUC – recommended continued focus on residential measures, both for future savings opportunities and to support customers during the COVID-19 pandemic; focus to include residential measures with greater peak impacts
PGE – noted there is value in helping all residential customers understand their energy solutions and engaging customers with a home energy score or report

Response to wildfires and economic recovery

Staff overview:

Two nonprofits commented on how our programs and incentives can ensure homes rebuilt after wildfires are affordable, energy efficient and solar powered. A request was made for more information on our economic recovery activities. A utility noted the significant community rebuilding to occur in 2021 and 2022 and the need to stay coordinated.

Staff response:

As some communities are starting to turn to rebuilding after the Labor Day wildfires, we have formed an internal team to ensure coordination and information sharing between programs so that communities can understand what we have available to support their rebuilding efforts. That team is leading our outreach and response to impacted communities. Our goal is to support all entities in the region with information about our programs and services, and while we are not in the lead on rebuilding, we are an information and financial resource that can be part of the conversation. We also believe that homes and businesses that will be rebuilt over the coming months and years can be done so with high levels of energy efficiency and possibly rooftop solar paired with storage.

Staff is coordinating with impacted communities and understands that most rebuilding will occur in 2022, with planning, cleanup and emergency housing the focus in 2021. We can share our experience through our Manufactured Home Replacement Pilot and we agree on the importance of maintaining manufactured homes and parks as a source of affordable housing for residents. Energy Trust is providing some financial assistance to help the Housing Authority of Jackson County fund a Housing Recovery Specialist who will focus on property acquisition and redevelopment to secure and preserve affordable housing for Rogue Valley residents, including manufactured housing. This person will be positioned to help apply for Energy Trust incentives as affordable housing redevelopment is considered.

We will follow-up with PGE to provide more information on program adjustments to spur participation as customers face economic impacts related to COVID-19. Given the unprecedented nature of the pandemic, we faced significant uncertainty in spring 2020. After increasing incentives and instituting bonus incentives, some customers moved forward with more projects than we expected. We have since made downward adjustments to incentives and other changes to manage demand. We will be managing large project pipelines in business lighting and other programs as we enter 2021.

Relevant comments from letters:

NOAH – noted manufactured home replacement incentives are an essential component of rebuilding wildfire damaged communities with energy-efficient homes
OPUC – noted the budget does not include assumptions about Energy Trust's role in the rebuilding effort
Pacific Power – noted 2021 and 2022 will be years of significant rebuilding from COVID-19 and wildfires and for the two organizations to remain in close alignment
PGE – requested additional detail on economic recovery activities and strategies
Rogue Climate – requested the internal wildfire response team include external community members, requested incentives be adjusted to ensure impacted ratepayers qualify for

incentives, and noted ways for Energy Trust to support rebuilding efforts (see Rogue Climate's letter)

Solar program implementation

Staff overview:

Comments were supportive of the Solar program's DEI activities. There were multiple requests for more information on activities listed in the Solar program's action plan or for more opportunities to work directly with solar staff. A commenter asked whether the renewables budget is adequate for all budgeted activities and where staff would apply more funding.

Staff response:

Solar and renewable energy are potential clean energy solutions for all customers, and it is Energy Trust's responsibility to develop different and more effective ways to bring the benefits of renewable energy to more homes and businesses. We appreciate the interest in the evolution of our Solar program and will follow up with OSEIA with more information on our DEI-focused solar initiatives and how staff budgets for all initiatives. Program budgets allow for robust work on equity offers. Staff will work with the Renewable Energy Advisory Council in 2021 as we develop and refine program offers and engagement plans to ensure that we hear from stakeholders.

Relevant comments from letters:

OSEIA – noted support for higher incentives for certain customer groups, incentives for community solar and resilience projects, and other program activities, and requested more information on or opportunities to work with staff on multiple topics (see OSEIA's letter)
OSEIA – noted questions on whether the renewables budget is adequate for both standard incentives and new programs, and what Energy Trust renewable energy programs should receive additional funding
Rogue Climate – noted Energy Trust should invest in solar + storage for low-income families and seniors most vulnerable to power outages

Other topics

Staff overview:

Two utilities and the OPUC commented on how the budget addresses uncertainties due to the COVID-19 pandemic; at the same time, the OPUC expressed concern that some activity level projections are too optimistic. The OPUC indicated support for peak load management research and suggested providing such information externally. A utility requested we transparently report on the non-energy impacts of our work. An installation contractor commented that Energy Trust has become more detached from public concern since 2018 and cited trade ally meeting and advertising concerns.

Staff response:

We appreciate the comments on how the budget addresses COVID-19. Our first organizational goal for 2021 is to meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the pandemic. We recognize the level of response by customers to these new innovations

may differ from our projections and we will continue to adapt program design to respond to the market trends and changes from the pandemic, just as we are working to do so in 2020.

In our Planning group, we are allocating staff time to exploring the peak demand benefits of measures with an early focus on residential measures. We will work with OPUC staff to determine how we can support external organizations interested in this work. We will also explore in our Planning group how we might report on the non-energy benefits of our work.

While we note the comment on Energy Trust being detached from public concern, this budget allows us to invest utility customer funds that will help all residential and business customers take action to save money, generate renewable power, accomplish individual, business and community goals, and improve quality of life in Oregon and Southwest Washington.

Relevant comments from letters:

Attic Access – noted that since 2018, Energy Trust has become more detached from public concern
OPUC – noted the timing of the economic recovery is uncertain and concern that projections for growth in Strategic Energy Management and New Buildings savings is optimistic
OPUC – noted encouragement for Energy Trust to develop tools to assist utilities and stakeholders in targeting resources to match the needs in targeted time periods and regions
OPUC – noted support for improving staff understanding of peak loads and targeting key periods where energy efficiency can provide more value
OPUC – recommended developing peak modeling capability
Pacific Power – requested we include the annual and present value of non-energy impacts in our reporting
Pacific Power – noted support for utilizing reserves for the 2021 budget and acknowledged a mid-year budget review may be needed to determine appropriate funding levels
PGE – noted support for the action necessary to address potential budget constraints in 2021 brought about by Energy Trust's necessary response in 2020 to the COVID-19 pandemic

APPENDIX 1: Copies of Written Comments

The list below includes the organizations and individuals that submitted written comments for consideration by staff and the board of directors. Copies of their letters or emails follow in alphabetical order.

1. Attic Access (installation contractor)
2. Avista (utility)
3. Caroline Amann (individual)
4. CASA of Oregon (nonprofit)
5. Network for Oregon Affordable Housing, NOAH (nonprofit corporation)
6. NW Natural (utility)
7. Oregon Public Utility Commission, OPUC (state agency)
8. Oregon Solar Energy Industries Association, OSEIA (trade association)
9. Pacific Power (utility)
10. Portland General Electric, PGE (utility)
11. Rogue Climate (nonprofit)

Phillip J. Norman
Attic Access
1764 Bonniebrae Dr.
Lake Oswego, OR 97034
Phone 503-255-4350
pjnorman@gmail.com
Bonded and Insured, CCB #165715

ATTIC
ACCESS

Date: October 28, 2020

To: Energy Trust

Subject: Energy Trust 2021 Budget Review and Comments

I believe that Oregon's Public Purpose Fund, a tolerable small carbon consumption tax, has been welcomed or tolerated for the hope Oregonians would lead the nation in delivering energy efficiency, equally to all. Leadership to ensure quality and affordability of this work, has surely been the principal mission we imagined of Energy Trust, as a Fund administrator. Funds managed by Energy Trust now totaling about 200 million dollars per year come about-equally from residential ratepayers, and commercial ratepayers. I imagine funds from residential ratepayers should always have been applied for quality of life, in all homes, a cumulative total now of over one billion dollars. Further, that expenditure should have been as loans only, then growing to that billion dollars and more, of retained value as a fund should. Yet further, let the accumulation have been in an Oregon State Bank, enabling loans of deposits times twelve. Where would we be if twelve billion dollars had been invested in loans upon the value of our homes in matters of durability, efficiency and safety, from our Public Purpose Fund?

I have always been unhappy with meanly-regressive action of Energy Trust, each year spending down all of the residential ratepayer contributions, and accomplishing very little home weatherization. The work done has been tilted consciously toward the more-affluent with means to pay for work up-front. Enticement in the form of rebates has been poor, where clearly, full up-front financing has been what is wanted even by the more-affluent. We have watched decline of achievement from a tiny high of 4000 homes served in 2009, to about 1000 homes served in 2018.

Since 2018, Energy Trust has become more detached from public concern. There no longer are on-offer, Trade Ally meetings I might attend to try to keep up with the deteriorating performance of Energy Trust in its core mission, residential weatherization. Recent radio and television advertising only mentions service to businesses. A web ad I see often touts support of heat pump water heater conversion, and only links to installation by ally contractors, and none are in Metro Portland.

The total number of homes served with comprehensive weatherization by Energy Trust, even at Fall 2020 is perhaps a mere 50,000. This is practically negligible progress and an awful

outcome of a billion dollars expended. Incomprehensible numbers of therms and kilowatt hours saved, seem unrelated to actual weatherization achieved. Surely Energy Trust can not justify to OPUC, that it serves the required mission of Oregon's Public Purpose Fund

There could never have been stated intent to widen the wealth gap through action of the Public Purpose Fund. Carbon taxes will be accepted only where they relieve poverty. Base costs of living, in staying healthy, educated, happy and productive, are the acceptable expenditures of carbon tax revenue. Let local carbon tax revenue be deposited locally in public banks, then to finance many actions for the common good. Actions shall include investment in home integrity and efficiency where judged as good loans, to be paid down at modest interest at next sale of the home. Good investments will include wiring and plumbing safety, shell integrity and energy efficiency.

Phillip Norman
Attic Access

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

October 28, 2020

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 2021 Budget and Action Plan

Dear Michael:

The following comments of Avista Corporation, dba Avista Utilities (Avista or Company) are in response to the 2021 Annual Budget and 2021-2022 Action Plan ("Plan") of the Energy Trust of Oregon (ETO), as it applies to the energy efficiency programs administered by ETO on behalf of Avista.

Avista appreciates the steps the ETO has taken to engage our communities in energy efficiency, and the Company looks forward to continued collaboration to ensure customer outreach and education into the future. The changing landscape of the energy industry necessitates such support to keep energy efficiency a least cost resource and to keep natural gas affordable for Oregon utility customers. The Company is, overall, supportive of the Plan. The work that the Energy Trust of Oregon has done, and continues to do, to make energy efficiency an easy choice for Avista customers is much appreciated, especially during this unprecedented year.

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

Sincerely,

Lisa McGarity
Energy Efficiency Program Manager

_____

From: Caroline Amann <orangedaisylop@yahoo.com>
Sent: Thursday, October 29, 2020 10:20 PM
To: Energy Trust of Oregon Info
Subject: Budget Comment
[EXTERNAL]

Customers of PGE and NW Natural pay a fee to fund Energy Trust if Oregon. It is a fantastic program. What I find issues with is that they stock the break rooms with coffee, tea, milk, creamer, etc.. That's money out off utility customers pockets to fund non-essentials. And lunches for Board Meetings. I have worked for non-profits, we being our own coffee, snacks, and lunches. Also, building showers for employees? The building already has showers. Again, it is upsetting to see money I "have" to pay going to luxury for a non-profit organization. Where we don't get a say on where the money we are forced to pay goes.

From: Bayoan Ware <bayo@casaoforegon.org>
Sent: Thursday, October 22, 2020 2:12 PM
To: Energy Trust of Oregon Info
Subject: Comments on the 2021 Budget

[EXTERNAL]

Good afternoon,

I am Bayo Ware, the Manufactured Home Placement & Replacement Manager at CASA of Oregon. CASA is a community development nonprofit organization that primarily serves rural Oregonians with housing assistance and financial education.

I write to express support for Energy Trust of Oregon's 2021 Budget, specifically as it relates to the Residential Program. As the co-Chair of the HB 2896 Manufactured Home Replacement Subcommittee, I see firsthand how ETO's leadership role in developing the manufactured home replacement pilot has been and continues to be invaluable. The manner in which it approaches the challenges created by the 2020 wildfires provides the flexibility we will continue to need to solve them.

Additionally, the referrals for free duct sealing services, floor insulation promotions, HVAC fixed price offers, lighting, and appliances improve physical and financial wellbeing of residents throughout the state. Its collaboration with community agencies is integral to accomplishing all of our shared goals.

Thank you for committing to serving Oregonians throughout our state in 2021.

Grace & Peace,

BAYO WARE
RECD PLACEMENT AND REPLACEMENT MANAGER
20508 SW Roy Rogers Rd. Suite 155, Sherwood, OR 97140
C: 708-227-3358 **P:** 503-687-3326 **F:** 503-537-0558
bayo@casaoforegon.org | CASAOFOREGON.ORG

From: Bill Van Vliet <billv@noah-housing.org>
Sent: Tuesday, October 20, 2020 5:38 PM
To: Energy Trust of Oregon Info
Subject: Draft Budget--manufactured housing

[EXTERNAL]

I am sending this email to voice support for significant funding for the replacement of old manufactured homes. I cannot find the proper reference in the budget document manufacture home replacement incentives and am instead making this general statement of support. The pilot program operated by Energy Trust has been well received and represents a critical resource to support significant reductions in energy consumption through replaced dwellings. Without this resource it is likely the majority of potential home replacements would not be feasible for the low income homeowner. Oregon has approximately 80,000 pre-1980 manufactured homes and the potential for energy savings is tremendous, but can only occur with strong incentive programs for these long-lived assets. Moreover, the new state subordinate financing is just now being released. The new state resources were secured in part to leverage energy efficiency incentive resources.

To add urgency to this resource, recent wildfires wiped out over 1,700 manufactured homes in Southern Oregon alone. Availability of energy incentives for those homeowners will be an essential component of rebuilding damaged communities with energy efficient homes. The incentives will likely mean the difference between former homeowners remaining homeowners or becoming renters.

Over the course of the next several years, reconstruction will provide a rare opportunity to transform communities from unhealthy and inefficient homes to new, healthy and energy efficient communities. Please budget significant resources for this purpose.

Thank you.

Bill Van Vliet
Executive Director
Network for Oregon Affordable Housing
1020 SW Taylor St., Suite 585
Portland, OR 97205
503.501.5680
www.noah-housing.org

From: Hodges, Rick <Rick.Hodges@nwnatural.com>
Sent: Monday, November 2, 2020 6:28 PM
To: Steve Lacey <Steve.Lacey@energytrust.org>
Cc: Moerlins, Mary <Mary.Moerlins@nwnatural.com>
Subject: NW Natural Energy Trust Budget Comments
[EXTERNAL]
To the Energy Trust Board of Directors,
NW Natural appreciates the efforts Energy Trust Staff have exerted in these unprecedented times. Working to limit the Public Purpose Charge adjustments and avoiding significant customer rate impacts from Energy Trust's programing and staffing while planning for the ongoing impacts of a pandemic was a notable initiative. We are encouraged by the prioritization of Diversity Equity and Inclusion efforts in the Work Plan and look forward to working closely as programs are developed to meet the efficiency needs of all community members. Our organization's goals continue to be aligned and we are eager to further collaborate and strengthen our collective programs as we strive to achieve cost effective savings on behalf of all of our customers.
Sincerely,
Rick Hodges, CEM, LEED AP
NW Natural – Energy Efficiency Manager
503.610.7059 I nwnatural.com
Join us in Less We Can

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 23, 2020

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 2021-2022 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 12, 2020 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 results in 2020 obtaining significant least-cost resources for utility customers that contribute to controlling overall bills, even despite the unique challenges associated with the pandemic. We look forward to those results continuing into 2021, and 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	**Letha Tawney**	**Mark R. Thompson**
Chair	Commissioner	Commissioner

ITEM NO. 1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: November 12, 2020

REGULAR X CONSENT ____ EFFECTIVE DATE NA

DATE: November 4, 2020

TO: Public Utility Commission

FROM: Anna Kim

THROUGH: Bryan Conway, JP Batmale, Sarah Hall **SIGNED**

SUBJECT: ENERGY TRUST OF OREGON:
Presentation of 2021 Draft Budget and 2021-22 Action Plan.

STAFF RECOMMENDATION:

Adopt Staff's comments and recommendations on Energy Trust of Oregon's (Energy Trust) Draft 2021 Budget and 2021-2022 Action Plan.

DISCUSSION:

Issue

Whether the Commission should adopt Staff's comments and recommendations on Energy Trust's Draft 2021 Budget and 2021-2022 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.

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 $209.6 million in expenditures for 2021. The vast majority of these funds (96.2 percent) are for the Oregon Public Utility Commission (OPUC) grant and orders that supports energy efficiency and small-scale renewables.[1] The remaining 3.8 percent of planned expenditures support separate contracts for

[1] The OPUC Grant for energy efficiency and small-scale renewables directs the administration of electric utility funding, under the Public Purpose Charge. This was created under SB 1149 in 1999. The remaining portion of OPUC-governed electric 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. A third source of revenue for Energy Trust comes from regulatory agreements with investor-owned natural gas utilities serving Oregon customers, which are supported through public purpose tariffs, as authorized by the Commission. See, e.g., *In the Matter of Avista Corporation, Request for General Rate Revision,* Docket No. UG 288, Order No. 16-075 (February 29, 2016), *In the Matter of Cascade Natural Gas* Corporation, Docket No. UG 167, Order No. 06-191 (April 19, 2006), *In the Matter of NW Natural, Request for General Rate Revision*, Docket No. UG 221, Order No. 12-408 (October 26, 2012).

Northwest Natural in Washington, the OPUC's Community Solar Program, PGE's Smart Battery Pilot, and development funds.

The numbers presented in this memo refer to the OPUC portion of Energy Trust's budget minus Community Solar unless otherwise noted. These numbers come from Energy Trust's Draft 2021 Budget for 2021 and 2022 and 2020 Final Approved Budget for 2020, unless otherwise noted.

Overall, Staff finds that this budget and action plan illustrate how effectively Energy Trust has already adjusted to operating conditions under the COVID-19 pandemic, while continuing to provide valuable services to customers and reducing energy costs for all ratepayers. After completing this swift transition, Energy Trust was very well-positioned to look ahead and plan for the future. However there are ongoing concerns about increasing costs, which Staff and Energy Trust have been working steadily to address.

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 on October 7, 2020. Energy Trust presented an overview of the 2021 Budget and Draft 2021-2022 Action Plan at a public workshop on October 14, 2020.

Energy Trust discussed the Draft Budget and Action Plan with OPUC Staff at an informal workshop on September 24. Energy Trust met separately with individual utilities with the first round of budget discussion the week of August 24, and the second round the week of September 20. A final round of meetings will be held in early November to finalize revenue requirements. Additional meetings with utilities are scheduled as needed throughout the process.

The Commission's Special Public Meeting scheduled for November 12, 2020, 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 2021 Budget and 2021-2022 Action Plan in early December and will consider it for adoption at the December 11, 2020 Board meeting.

This budget was developed over the course of Q3 2020 and includes assumptions about COVID-19 response. Notably, it does not include assumptions about the impact of the Labor Day wildfires and Energy Trust's role in the rebuilding effort where Energy Trust will provide incentives for efficiency in construction and rebuilding. If there are any significant changes to the budget based on this or other reasons between the first draft

and the final approved budget, Energy Trust will report on the changes at their Q3 presentation on December 15, 2020.

Status of 2020 Budget Action Items

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 2020 Budget contained specific action items to be conducted in 2020. The table below captures the Commission-approved recommendations from last year's budget, and Energy Trust's progress toward completing them. Energy Trust has executed every recommendation in 2020. Some of these activities are ongoing.

2020 OPUC Recommendations	Status
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.	**Completed and ongoing**
2. Complete the measure development automation project in 2020.	**Completed**
3. Continue to work with OPUC on future staffing costs given the forecasted decline in savings.	**Completed and ongoing**
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.	**Completed and ongoing**
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.	**Completed and ongoing**
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.	**Completed and ongoing**
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.	**Completed**
8. Complete the implementation of the budget tracking tool. Update in quarterly reports on progress.	**Completed**

Action Items No. 1, 2, and 8 were particularly timely given the need to adjust under COVID-19 pandemic conditions. In order to decrease transaction costs (No. 1), Energy Trust accelerated the conversion of forms and payment processes to electronic

versions. This enabled Energy Trust to interact with customers and vendors electronically and reduced the need for in-office activities. The measure development automation project (No. 2) freed up roughly 0.5 FTE and also streamlined internal communications, eliminating many in-person interactions. The budget tracking tool (No. 8) improved Energy Trust's scenario development capability, which proved critical to planning amidst today's uncertainties.

Action Item No. 5, to focus on the future of residential and multifamily savings, is also particularly important now that many customers are spending more time at home. Staff recommends that Energy Trust continue to focus on residential measures, both for future savings opportunities, and other short-term adjustments to support the current needs and interests of customers under the COVID-19 pandemic.

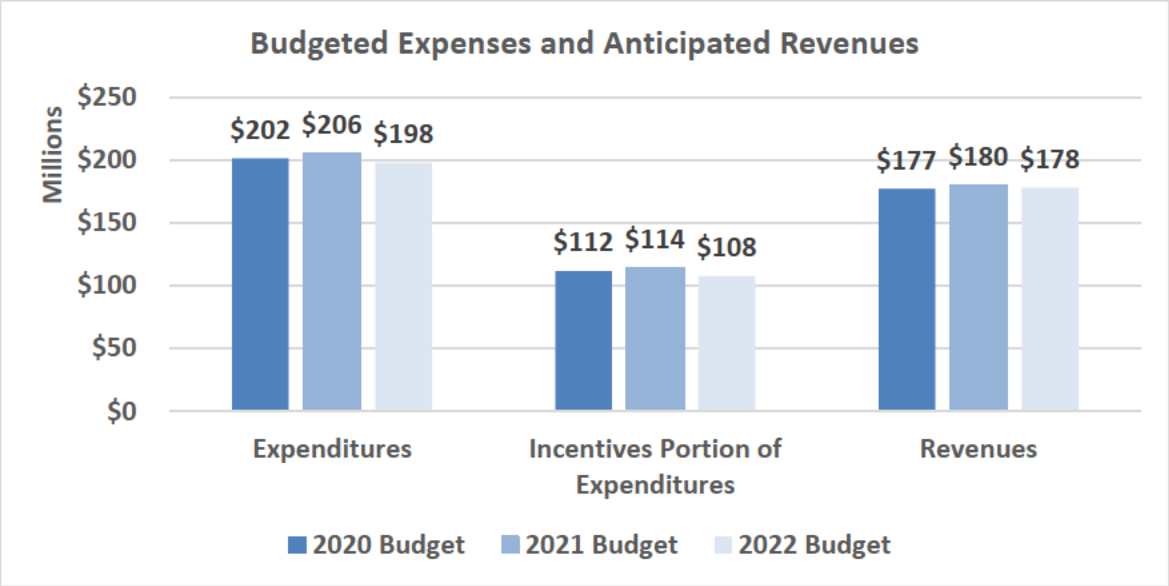
Energy Trust has worked closely with Staff in 2020 on addressing staffing costs (No. 3) and DEI goals (No. 4), and this work will continue through 2021.

2021 Budget Overview

Energy Trust proposes $205.8 million in expenditures in 2021 for OPUC grant activities, out of a total $209.6 million budget for the entire organization. This is an increase of 2.1 percent over the final 2020 budget. Over half of these expenditures are expected to be paid out as incentives. Incentives are projected to increase by 2 percent in 2021.

In 2021, Energy Trust proposes to collect $179.7 million in revenues, an increase of 1.3 percent. The difference between expenditures and revenues is covered through the carryover of funds from 2020. Energy Trust plans to draw down on these carryover funds to minimize the need for rate increases in 2021. Carryover is forecasted at $15 million more than budgeted due to spending less in the first part of 2020 due to COVID-19 economic impacts. Funds that are not spent in 2020 can be carried into 2021 for expenditure.

***Budget Expenses vs. Revenues*[2]**



	2020 Budget	2021 Budget	2022 Projection
Expenditures	$201,621,095	$205,846,952	$198,386,771
Incentives Portion of Expenditures	$111,909,140	$114,195,019	$107,828,289
Revenues	$177,369,785	$179,681,483	$178,333,383

The table below shows revenue changes by utility. By drawing down on reserves, Energy Trust can keep rates steady for the electric utilities. The natural gas utilities have smaller budgets with smaller reserves, and see larger fluctuations. Despite these changes, in its initial draft budget, Energy Trust was able to use reserves to carry over into 2021 and negate the need for rate increases.

[2] *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

	2020 Budget	2021 Budget	% Change
PGE	$87,636,646	$87,636,646	0.00%
PacifiCorp	$60,072,381	$60,448,676	0.63%
NW Natural	$24,543,729	$26,460,177	7.81%
Cascade	$3,043,738	$3,312,693	8.84%
Avista	$2,073,292	$1,823,292	-12.06%

Predicted Outcomes

Energy Trust's budget forecasts gas and electric savings, as well as electric renewable generation. There is a range of additional benefits expected for next year. In addition to energy savings and generation, this memo focuses on diversity, equity, and inclusion outcomes and greenhouse gas impacts.

Energy Efficiency Savings

In 2021, Energy Trust predicts acquiring 41.5 aMW of savings (8.5 percent less than 2020) and 6.09 million therms (6.5 percent less).

Energy Savings

	2020 Budget	2021 Budget	2022 Projection
Electric savings (aMW)	45.40	41.53	47.35
Gas savings (MMth)	6.53	6.09	6.24

Looking at the sector level, compared with the pre-COVID-19 budget of 2020, Energy Trust predicts a slight increase in residential electric savings with decreases in commercial and industrial for 2021. These numbers assume a shift from reductions in commercial investments, especially restaurants and hospitality. It also reflects expected ongoing increases in residential investments. Industrial savings are expected to dip in 2021 and increase again in 2022. This is primarily based on the anticipated timing of very large industrial projects that individually account for thousands of MWh.

Sector-level Electric Savings

	2020 Budget	2021 Budget	2022 Projection
Residential (aMW)	7.4	7.6	9.4
Commercial (aMW)	20.0	18.3	19.5
Industrial (aMW)	17.9	15.6	18.5
Total (aMW)	45.40	41.53	47.35

As discussed in last year's memo, the federal Energy Independence and Security Act (EISA) standards for the efficiency of screw-in lamps did not take effect in 2019. Despite this, the lighting market has continued to transition to efficient LEDs. Energy Trust continues to phase out incentives for these low-cost energy efficiency measures, claiming fewer savings, and is focusing on uses and customer segments that are less likely to have adopted these lighting trends.

Energy Trust is also updating savings estimates for showerheads and faucet aerators. Recent studies have found that customers are using much less water now than they used to, because of the success in installing measures that save energy by reducing water flow. These studies indicate that low-flow showerheads and faucet aerators have been adopted by customers. These types of equipment were a staple of residential and multifamily do-it-yourself energy saving kits. Energy Trust will be phasing out these low cost measures in 2021 in many situations and considering ways to re-configure energy saving kits.

On the gas side, compared to the pre-COVID-19 2020 budget, Energy Trust predicts an increase in commercial savings and declines in residential and industrial.

Sector-level Gas Savings

	2020 Budget	2021 Budget	2022 Projection
Residential (MMth)	2.50	2.15	1.97
Commercial (MMth)	2.51	2.60	2.95
Industrial (MMth)	1.51	1.35	1.32
Total (MMth)	6.53	6.09	6.24

As seen on the electric side, increased water efficiency leads to declines in savings from showerheads and aerators in residential. On the commercial side, Energy Trust expects growth in a few areas, notably Strategic Energy Management and New Buildings. Some of these predictions are based on the assumption of some economic recovery in commercial buildings in 2021. Staff finds the timing of economic recovery to be particularly uncertain and is concerned this is optimistic.

Measure Exceptions

In a memo on the subject that is included in the budget proposal, Energy Trust lists measures currently under exception for 2021. These measures account for 1.34 percent of electric savings and 0.71 percent of natural gas savings through September 16, 2020. While these exceptions collectively account for a small fraction of savings, Staff expects that this percentage will increase in 2021 as a result of

discussions with stakeholders on a COVID-19 response. In these discussions, the following categories are the likely route of exception:

A. Under the Category A exception, 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.

G. Under the Category G exception, the measure is required by law or is consistent with commission policy and/or direction.

This means the Commission will be called upon to consider additional measures in 2021 that have significant benefits that are not necessarily quantifiable. Staff anticipates the Commission will also consider exceptions for some measures that are not cost-effective, but are consistent with the Commission's direction on large policy matters. This could include measures that reduce greenhouse gases in support of EO 20-04, or help lower the energy burden of customers as proposed in UM 2114. Specifically, the following action in the COVID-19 term sheet was presented to the Commission on November 3, 2020:

> 31. All interested stakeholders will work with the PUC and Energy Trust (or program administrators) to propose exceptions to cost effectiveness tests and leverage other funding sources to increase availability of no-cost low-income weatherization, smart thermostats, manufactured home replacements, and other energy efficiency savings solutions such as ductless heat pumps. The Commission's Energy Efficiency Staff shall convene and schedule these meetings.[3]

Any approved measures would be added to the existing list of measures already under exception for these reasons.

Also of note regarding exceptions, during the last two years, Staff worked with Energy Trust's measure development team to apply process improvements in coordination between organizations, reducing the timeline by weeks for measure exception review. This streamlined process will result in swifter implementation of new measure exceptions proposed by stakeholders in 2021.

[3] Staff Report, Docket No. UM 2114, Investigation into the Effects of the COVID-19 Pandemic on Utility Customers. October 23, 2020, p. 22.

Staff notes that this year's memo does not include costs associated with these measure exceptions. Staff recommends that this information be provided in future budgets to show the cost impacts of measures under exception.

Future Savings Potential

In 2019 and 2020, Energy Trust undertook several activities to invest in new methods and opportunities to increase savings in the future. Energy Trust prioritized new opportunities in the residential and multifamily sectors through the development of new measures, the testing of new delivery mechanisms (including collaborations on co-funded offerings), and the ongoing work to redesign the multifamily program. Further, 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, and Inclusion initiative (DEI), where additional savings could be found among traditionally underserved communities. This past work is paying off in the current action plan, as opportunities develop into stable offers.

The focus on residential and multifamily measures continues to be a major priority as a way to assist customers who are spending less time at work and more time at home. As noted in last year's memo, the Commission expressed interest in seeing more investment in these sectors before the COVID-19 pandemic, and this continues to be a priority.

Furthermore, Energy Trust describes in its 2021-2022 action plan the importance of improving its understanding and targeting of peak loads. Staff supports Energy Trust's proposal to better target these key periods where energy efficiency can provide more value to the utility system and ratepayers. Staff appreciates this additional focus and encourages Energy Trust to develop tools to assist utilities and stakeholders in targeting the resources that match needs in targeted time periods and regions. Staff feels this is especially important in the residential sector, where shifts in usage during the COVID-19 pandemic may lead to increased infrastructure costs.

Renewables Generation Acquisition

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

Generation Supported by Energy Trust

	2020 Budget	2021 Budget	2022 Projection
Other Renewables (aMW)	1.03	0.50	0.32
Solar (aMW)	2.25	3.01	2.49

Solar installations remain robust despite (or perhaps because of) the COVID-19 pandemic, and this interest is expected to continue into 2021. Other Renewables acquisitions are more variable. Two projects are expected to begin operations in 2021. Combined, the Renewables program expects increased generation over 2020.

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. Based on an action item from last year's budget review, Energy Trust provided a report on projected Community Solar Program project support.

Energy Trust reports that they have committed $105,890 from the Public Purpose Charge for development assistance on nine Community Solar projects, which are not yet operational. While Energy Trust is considering additional opportunities to assist in Community Solar projects, additional funds have not yet been committed beyond 2020.

Diversity, Equity and Inclusion (DEI) Activities
Energy Trust established an internal initiative for diversity, equity and inclusion, which aims to increase participation among those who are currently under-represented among participants. The customers that Energy Trust has prioritized in this initiative are minorities, low income, and rural customers.

In February 2020, the Commission endorsed its support for Energy Trust's DEI goals by establishing a DEI category for performance metrics with the following goals for 2020:

- Implement the data enhancement project as outlined in the 2020 Budget and Action Plan and deliver a minimum of four reports to the Diversity Advisory Council.
- Implement and publish the "DEI Lens" project as outlined in the 2020 Budget and Action Plan and approved by the Diversity Advisory Council.
- Complete 1,000 projects with trade allies that are minority-owned businesses in 2020.
- Implement a rural-focused workshop as outlined in the 2020 Budget and Action Plan.

Since the establishment of these metrics, Staff held one workshop in July 2020 to review these activities and another workshop in August 2020 that discussed diversity in staffing at Energy Trust. From these workshops, Staff understands that the categories stakeholders are most interested in right now are:

- Contract spend;
- Trade ally diversity; and
- Staffing diversity.

Staff is working with Energy Trust to develop tools that will enable setting robust and meaningful goals in the areas of contract spend and trade ally diversity. To that end, Staff recommends that Energy Trust implement the supplier diversity tracking system as described in the budget. This will enable the measurement and tracking of diversity in different levels of contracting.

Staff also supports Energy Trust's staffing proposal to add three regular staff, and two energy program fellows, which will improve Energy Trust's overall outreach capability and further its DEI efforts. Please see the staffing section for further discussion on staffing.

Budgeting for these key activities will improve our ability to target performance metrics going forward. Staff understands that there is significant work required to increase stakeholder engagement and improved dialogue with those stakeholders. Staff will continue work in these areas and will work to extend outreach in 2021.

In the 2021 action plan, Energy Trust lists a number of other initiatives that are explicitly pursuing DEI goals, illustrating how Energy Trust will operationalize its DEI initiative. Staff commends Energy Trust on identifying deliverables across its organization, and making the DEI components visible throughout the action plan. These activities build off of past and ongoing work, particularly in response to stakeholder feedback in 2020. Some of these initiatives include development of a rural, community-centered energy planning process, piloting different community engagement models, a healthcare partnership pilot, and workforce development research.

As part of the overall COVID-19 response discussions at the OPUC, the Commission has committed to engage with Energy Trust and interested stakeholders to explore additional exceptions to cost effectiveness. As these targeted projects have not yet been identified, they are not reflected in the proposed budget.

Greenhouse Gases

Energy Trust anticipates that the 2021 action plan will result in 3.9 million tons of carbon dioxide reductions. In addition to these projections, Energy Trust is a key partner in implementing the Commission's Executive Order 20-04 workplan. This collaborative work during 2021 will go beyond what is currently in the budget and lead to additional, long-lasting opportunities to better target and reduce carbon and other greenhouse gas emissions, especially at peak times.

Delivery Costs

Overall, expenditures on electric savings acquisition will decrease by 4.4 percent and natural gas expenditures will increase by 15.6 percent.

Expenditures by Fuel

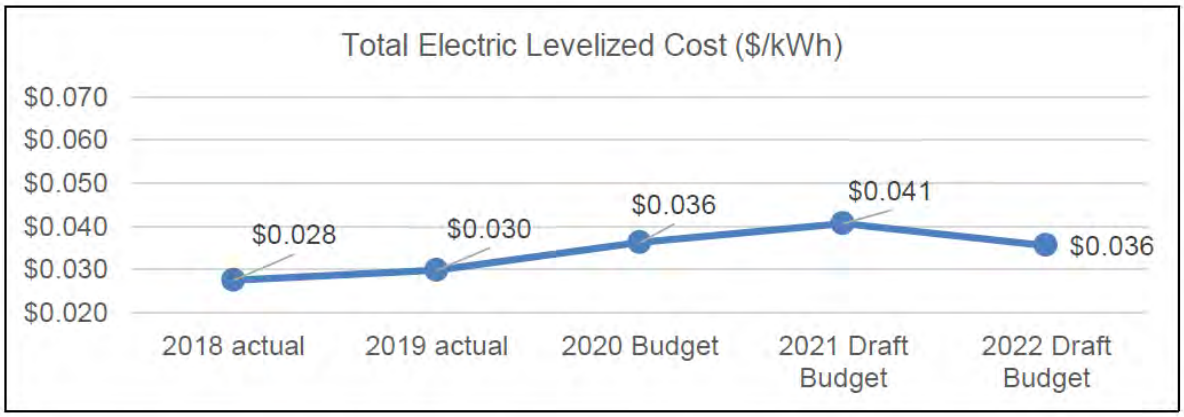
	2020 Budget	2021 Budget	2022 Projection
Electric	$152,065,621	$145,395,062	$144,188,581
Gas	$31,050,048	$35,893,796	$35,372,725

What is more indicative of costs is the average cost per therm and kWh. Levelized costs are the average dollars per unit saved amortized over the lifetime of the measures. The estimated levelized cost is increasing 12 percent for electric, and 22 percent for gas.

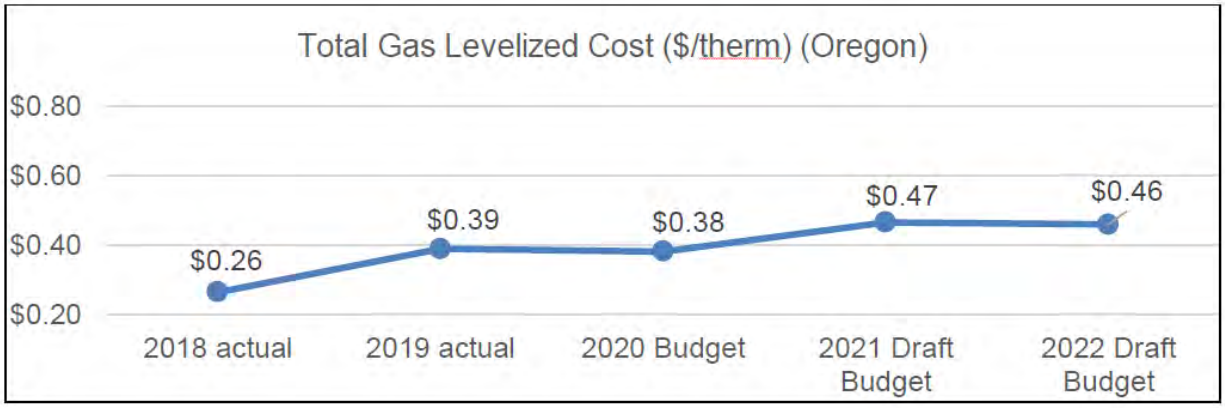
While electric expenditures have decreased, overall savings have decreased even more rapidly. This results in an increased levelized cost for 2021. As mentioned earlier, the market baseline for lighting has improved. As was noted in the 2020 budget memo, Energy Trust's success – along with NEEA – in transforming this regional lighting market results in continued declines in this inexpensive source of savings, leaving a higher average cost per kWh.

Energy Trust also notes a large, multi-year electric industrial project completed in 2020, and another is expected to complete in 2022. These projects are very cost-effective, and reduce levelized costs in years that they complete.

Electric Levelized Costs[4]



Gas Levelized Costs[5]



Similarly, we are seeing prior success in low cost water-saving measures, such as showerheads and faucet aerators, impacting gas savings. In addition to these trends, Energy Trust increased incentives in 2020 to encourage continued adoption of energy efficient technologies during the COVID-19 pandemic, and to keep incentives flowing into the economy. Many of these increased incentives will continue into 2021 based on market trends. By providing higher incentives for the same measure, the levelized cost increases while remaining cost-effective.

Operational Improvements to Lower Costs

In 2020, Energy Trust worked on a number of activities to implement increased operational efficiency in product development and program delivery. These activities also improved Energy Trust's ability to adapt quickly to COVID-19 conditions. Of particular note was the effort underway to accelerate the conversion of forms and

[4] *Energy Trust's Draft 2021 Annual Budget and 2021-2022 Action Plan p. 25.*
[5] *Energy Trust's Draft 2021 Annual Budget and 2021-2022 Action Plan p. 26.*

payment processes to electronic versions, which converted many transactions, both internal and external, to a contactless format. This timely investment was pivotal to a swift transition to working remotely with customers and contractors.

In 2020, Energy Trust put out an RFP that combined Existing Buildings, Commercial Lighting, and Multifamily. The new contract will save $1.7 million while also incorporating a robust DEI component.

Energy Trust also completed the measure approval project early in 2020. This not only saved hundreds of hours of work annually, it also converted many internal transactions to electronic processes, in time to help the transition to remote work. This activity and the implementation of a measure development manager enhanced coordination between planning and programs, leading to a streamlined review process, which helps Energy Trust bring products to market faster.

Administrative Costs
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 $535,930 – or 3.9 percent – in 2021. Overall, the total administrative costs for 2021 are just barely under the performance metric limit, which is a maximum 8 percent of revenues. Further, current projections show Energy Trust exceeding that metric in 2022 without corrective action.

Administrative Costs

	2020 Budget	2021 Budget	2022 Projection
Administrative Costs	$13,831,271	$14,367,201	$14,955,793
Revenues	$177,369,785	$179,681,483	$178,333,383
Percent of Revenues	7.798%	7.996%	8.386%

This increasing percentage of revenues is due to a combination of increasing administrative costs while also attempting to avoid utility rate increases by drawing down net assets to cover expenditures. The primary source of the increase is staffing costs associated with administrative activities, followed by software and hardware costs, which is a combination of the new budgeting software, changes in technology business models (cloud subscriptions) and supporting the transition to working remotely. These increasing costs outpace the decreases in travel, trainings, and general professional services. Please see the staffing costs section below for more on overall staffing costs.

As planned in last year's memo, Energy Trust has implemented its new budget software, leading to a less labor-intensive process and providing additional flexibility for planning different scenarios. This has been particularly beneficial under the changing circumstances of 2020 and the need to consider different scenarios for 2021 under the uncertainties of today.

While Staff believes that Energy Trust is managing administrative costs appropriately, particularly under current circumstances, Staff continues to be concerned about the increasing percentage share of administrative costs and recommends that Energy Trust be held to the 8 percent limit for their 2022 budget.

Staffing Costs

The proposed budget includes an 8.7 percent increase in staffing costs. These increases are a combination of a forecasted 35 percent increase in healthcare costs and proposed additions to staff. This budget assumes a three percent overall increase in compensation. This is inclusive of all raises and promotions—there is not a separate adder for inflation or cost of living.

Staffing Costs

	2020 Budget	2021 Budget	2022 Projection
Staffing Budget	$15,053,097	$16,368,909	$17,266,652
Annual Change ($)		$1,315,812	$897,742
Annual Change (%)		8.7%	5.5%

In this budget, Energy Trust proposes to hire:

- Two full-time energy program fellows with 2-year terms in partnership with an organization dedicated to increasing diversity in the energy industry. These staff additions will provide a fresh perspective to program design and delivery.
- One solar project manager, converting a full-time contractor to permanent staff. This contract work was determined to be ongoing.
- Two outreach staff to support relationships with underserved communities. One is a senior-level manager and the other is support. These staff would join the existing outreach team

OPUC Staff understands that the latter two positions are part of a strategy to build out the outreach team, expanding on the success of the two existing outreach managers serving rural communities based out of southern and eastern Oregon. However, Staff would like to see a better articulated longer-term strategy when it comes to community outreach, and how outreach staff will align with Energy Trust's savings goals within the existing program delivery framework. Staff understands that this may take some time to develop, and will be done with the input of the future outreach manager. Staff would like to see this strategy before the next proposal for any additional staff.

In 2020, Energy Trust implemented a demographic tracking system for job applicants, and requires all hiring managers to undergo implicit bias training before hiring. The new positions will benefit from these and other recent enhancements to the hiring process and retention program.

Overall, Staff supports the proposal to hire these additional staff. However, much like in previous years, Staff remains concerned about this portion of the budget. Staff is in the midst of developing new staffing metrics for Energy Trust, and the proposed changes seem appropriate for adapting to the renewables and energy efficiency opportunities and needs of 2021. OPUC Staff plans to work with Energy Trust to reduce 2022 staffing cost growth as Staff finalizes a recommendation on staffing performance metrics through UM 1158, to be presented February 2022. These recommendations may include specific metrics on compensation increases.

In 2019, Staff worked closely with Energy Trust to understand trends in the organization's change in performance metrics for 2020, implementing a temporary metric limiting staffing costs to 9 percent year-over-year increases. This will be in place until 2022, when Staff will bring a new recommendation to the Commission.[6] Staff has held two public workshops in 2020, and expects to hold additional meetings in 2021.

[6] Order No. 20-048.

Staffing costs continue to be a concern in 2021 as the proposed budget predicts an 8.7 percent increase in staffing costs, which is close to the 9 percent annual growth limit set last year.

Emerging Cost Considerations

While currently a small portion of Energy Trust's budget and savings, there are some significant measure exceptions that may become a much larger share of future costs. Of particular note is the major exception that covers the custom and market tracks of the New Buildings program. Staff is still working with Energy Trust to develop a method that addresses savings and costs for this program.

As discussed earlier, there will be additional measure exceptions implemented in 2021 as a result of discussions on a COVID-19 response in Docket No. UM 2114 and in support of EO 20-04. These measures will reflect the value of non-energy benefits, but will increase levelized costs.

In response to the 2020 Oregon wildfire season, Energy Trust established an internal team to coordinate the response effort and streamline communications with communities and impacted individuals. Energy Trust anticipates that much of the activity will not impact the budget until 2022. However, Energy Trust will provide an update of any anticipated impacts in the final proposed 2021 budget presentation to the Board.

Conclusion

Energy Trust has adapted quickly and effectively in response to COVID-19 impacts by adjusting both internal and external processes. Staff commends the rapid success of this organization in transitioning to changing conditions. At the same time, there are underlying concerns about increasing costs, notably administrative and staffing. While these issues persist, Staff acknowledges that we are also asking this organization to invest in change to improve participation from a wider range of customers, to assist in the economic recovery, and to increasingly target greenhouse gas reductions. Staff concludes that there is a need today to enhance modeling of costs, alignment with peak value, and tracking of factors to effectively target DEI.

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

1. Continue to focus on identifying and developing residential measures, particularly those with greater peak impacts.
2. Continue to develop peak modeling capability. Meet with Staff quarterly to review progress.

3. In future budgets, include measure exception costs in the measure exception memo.
4. Implement a supplier diversity tracking system. Report quarterly on progress.
5. Develop a longer-term strategy to align staffing with outreach goals. Complete before next proposal to increase staffing.
6. Ensure administrative costs in the 2022 budget do not exceed 8 percent of revenues.

PROPOSED COMMISSION MOTION:

Adopt Staff's comments and recommendations on the Draft 2021 Budget and Draft 2021-2022 Action Plan for Energy Trust of Oregon.

Oregon Solar Energy Industries Association

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

October 28, 2020

Dear Michael,

Thank you for the opportunity to comment on the Energy Trust of Oregon's (ETO) 2021 budget. Overall we are encouraged by the direction ETO is taking to focus on serving low-income ratepayers and communities of color. Our comments seek to clarify several of the proposals and further our work together for 2021.

Overall, while OSEIA agrees with the funding priorities in the budget, we are interested in knowing if the renewables budget is adequate for both continuing standard incentives at current demand levels and also funding new programs such as community solar incentives and others. OSEIA requests a more detailed budget breakdown of the renewables section and information on whether existing programs are seeing decreases in funding in the 2021 budget.

The budget plan includes many pieces that OSEIA strongly supports including:

- ETO's plans to provide higher incentives to non-profit service providers, tribes, affordable housing and other organizations
- Expanding Solar Within Reach
- New incentives for community solar and resilience projects
- Expanding solar + storage assistance
- Supporting PGE's battery storage pilot

Addressing barriers to incorporating solar + storage is also a good area of focus, but OSEIA would like more clarity on which barriers are being addressed and how. This information is critical to evaluate the cost benefit analysis of funds not being spent directly on incentives.

OSEIA also supports ETO's proposal for working with communities on feasibility and best practices for microgrids. As this year's wildfires demonstrated, microgrids will play an important role as Oregon experience more power outages from wildfires and other disasters. OSEIA would like to learn more about this proposal and work with ETO staff as they develop this program.

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OSEIA
Oregon Solar Energy Industries Association

Increasing access and awareness of solar and storage is critical and OSEIA is excited to see plans for ETO to increase its educational efforts to community-based organizations. OSEIA and our partner organization, the Oregon Solar Energy Education Fund, would like to work closely with ETO as they create this education plan, so we can stay coordinated on outreach efforts.

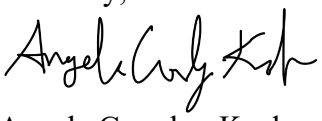
OSEIA supports ETO's proposed collaboration with utilities regarding storage, smart inverters and other controls. However, it is very important that OSEIA and our members be consulted during this collaboration, to ensure that ETO's efforts correspond to what OSEIA members are hearing from customers and from the utilities.

While working to increase net zero housing for low-income ratepayers is important, it is unclear how effective this work is if it is not paired with an incentive for builders. OSEIA requests to see an accounting of how much actual solar is built on homes that ETO has worked to make solar ready. It would be helpful to understand what the measure of success is and what kind of return on investment these efforts provide.

Lastly, we are curious to know what programs ETO would prioritize if it received an increase in funding for incentives. Large commercial projects currently receive no incentive funding in Oregon and would benefit from such a program. It would be useful to see what other programs ETO believes should receive additional funding.

Thank you for your consideration and we look forward to working with you for a successful 2021.

Sincerely,



Angela Crowley-Koch

Executive Director

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Email: admin@oseia.org
www.oseia.org

PACIFIC POWER
A DIVISION OF PACIFICORP

825 NE Multnomah, Suite 2000
Portland, Oregon 97232

November 30, 2020

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

RE: Comments on Energy Trust 2021 Annual Budget and 2021-2022 Action Plan

Dear Mike,

For the past 20 years, our customers have contributed to Energy Trust of Oregon and in turn have received valuable assistance in lowering their energy use and investing in renewable energy. The resulting energy savings and renewable generation are important resources within the larger portfolio that contribute toward our ability to deliver safe, reliable, clean, affordable and equitable service to our customers. We appreciate the work Energy Trust has invested in developing and presenting your draft 2021 budget and 2021-2022 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:

- Looking forward, 2021 and 2022 will be years of significant rebuilding for our communities. Wildfires, COVID, and the resulting infrastructure and economic impacts have been felt by all our customers, most significantly by low income families throughout rural Oregon. Energy Trust and Pacific Power have already begun this work and we should remain in close alignment. Additionally, as communities heal and emerge from the social and economic impacts of 2020, Energy Trust and Pacific Power should continually improve mutual engagement on community initiatives.

- As non-energy impacts become an increasingly larger contributor to the net benefits delivered by Energy Trust's portfolio, Pacific Power would like to see more transparency in reporting. Specifically, include the value (annual and present) of those non-energy impacts in the annual portfolio. We would also like to see this data provided in customer friendly terms such that a direct comparison with traditional utility system benefits from saved energy is possible.

- As we reflect on Energy Trust's Annual Budget Goal 2 to identify "other funding sources" to invest in relationships and collaborations to meet common interests, we are interested in working with Energy Trust to see how those other sources enhance our shared customers' energy efficiency and small scale renewable energy access. Pacific Power customers already fully fund Energy Trust to plan for and pursue all cost-effective energy efficiency.

- Pacific Power appreciates Energy Trust's willingness to quickly adjust 2020 bonus incentives and spend down reserve funds to meet the current and 2021 budget. We recognize that we may need to do a mid-year budget review to determine appropriate funding levels.

- We appreciate and want to recognize Energy Trust's creative response to COVID impacts on our customers and the program designs to address a tough economic climate. Energy Trust's commercial lighting bonus was a significant part of achieving Pacific Power's Oregon energy efficiency acquisition goal for 2020. Additionally, new opportunities for collaboration were developed that supported the successful delivery of 10,000 energy saver kits primarily to Pacific Power's rural and low-income communities and we are looking forward to the rollout and buildup of home energy reports across the state.

Pacific Power continues to value the resource acquisitions and customer benefits delivered by Energy Trust of Oregon on behalf of our customers. We look forward to working with Energy Trust and Oregon Public Utility Commission (OPUC) to address Governor Brown's Executive Order 20-04 on Climate Change. In conclusion, we are looking forward to continuing good work in 2021.

Sincerely,

Cory Scott
Managing Director, Customer Solutions

Memo

To: Steve Lacey, Director, Energy Efficiency Program Energy Trust of Oregon

From: Jason R. Salmi Klotz, Manager, Regulatory and Policy Strategy, Grid Architecture, Integration and System Operations, Portland General Electric

Date: November 2020

Energy Trust of Oregon Draft 2021-2022 Action Plans: Portland General Electric Comments

Portland General Electric (PGE) supports the action outlined by Energy Trust of Oregon (Energy Trust) in the *Draft 2021-2022 Action Plans*. Additionally we are supportive of the planned expenditures communicated and shared with PGE staff by members of the Energy Trust staff including action necessary to address potential budget overruns in 2021 brought about Energy Trust's necessary response to the Covid-19 outbreak.

PGE believes the nation, the region, the State and our two entities are in a period of energy sector transition if not transformation as our businesses, customers, stakeholders, communities, regulators respond to the distressing effects of climate change, the refocusing of utility investment to demand side measures and community resiliency. PGE's customer centric approach and customer solutions are a business focus seeing increasing intensity and investment. Managing a decarbonized grid will require engagement and participation of customers at a level never experienced in our industries' long history of delivering necessary public services.

The adjustment necessary to address and rapidly move to a decarbonized system is well known, written in countless articles where resource strategies re-emphasis the importance of energy efficiency as the first fuel. Our collective new direction also requires the building of new utility resources in partnership with our customers. Distributed Energy Resource (DER) development includes a strong role for Energy Trust as the provider of Energy Efficiency programs and strategies for utility customers across Oregon. Other DER buildout within the utility system by the utility has and will see an ever increasing investment by PGE in order to build a dynamic flexible system capable of responding in real time to new grid operation paradigms as greater levels of renewable energy are incorporated into grid system operations.

Given this background PGE's comments on *Energy Trust's 2021-2022 Action Plan* are tightly focused on identifying collaboration, clarifying roles, and co-managing our duty to lower delivery costs of solutions to our customers. PGE will be submitting a Flexible Load Plan (Plan)

for Commission consideration later this month, outlining a maturity of program development practices and structures. With Commission acceptance of the Plan PGE will follow with a multi-year plan and budget filing by Q2 of 2021. It is our sincere hope that these actions by PGE will enable better coordination between our two entities as details of activity, timing and budget clarify how such coordination may materialize. This work will enhance the present activity undertaken by Energy Trust to assist PGE with our program delivery and development for which PGE is grateful.

Comments:

Energy Trust Support Structure

General Communication and Outreach

- PGE understands the importance of brand awareness and brand value. At present we are support of Energy Trust's efforts to build an energy efficiency brand; now nationally recognized. Additionally, we are appreciative of Energy Trust's effort to coordinate marketing and branding efforts between our two entities. As PGE makes greater efforts to build and offer our customer a greater array of customer solutions, through new channels we see the need for greater coordination of customer engagement and co-branding.
- PGE is supportive of Energy Trust's role in our States economic recovery however we ask that Energy Trust better detail the activities and strategies Energy Trust intends to employ.

2021 Key Activities

- PGE is supportive of the key activities outlined however we find the following statement to be overly broad, "Serve as a resource for communities in their energy, sustainability and climate planning and energy efforts. Connect communities rebuilding from natural disasters to relevant program offers." We suggest adding a phrasing which outlines the scope of Energy Trust's activity.

2021 Goals and Strategic Focus

- Regarding Goal 1, PGE is interesting in partnering with Energy Trust on the development of a web-based "Find a Contractor" tool.

General Management

2021 Goals and Strategic Focus

- Regarding Goal 2 PGE would be interesting in working together to develop a work study, internship, and job placement program(s).

Draft 2021-2022 Program Action Plans

Commercial and Industrial Lighting

2021 Goals and Strategic Focus

- Regarding Goal 2 we see great value in expanding relationships with National Association of Minority Contractors, Professional Business Development Group, and Latino Builds to bring more COBID eligible trade allies into the program. We would like to discuss further with the Energy Trust how this work could be co-developed or how such work can inform PGE practices.

2021 Key Activities

- PGE agrees with the Energy Trust's key activity to develop and enhance marketing strategies to build market interest in new program delivery models and offerings, particularly for diverse audiences. PGE believes diverse staff representation is a prerequisite for building market interest for diverse audiences. We also believe that we could open discussion between Energy Trust and PGE regarding how our two entities could partner to aid PCEF applicants.

New Buildings Program

2021 Goals and Strategic Focus

- Regarding Goal 1 PGE believes that by showing up together we can stack incentives to accelerate net zero building development.
- Regarding Goal 2 PGE also sees great value in supporting community-based organizations and therefore recommend coordinating our efforts to support entities such as Community Energy Project, other community-based organizations and BIPOC led organizations.

2021 Goals and Strategic Focus

- PGE sees great value in partnering to provide mutually beneficial online educational resources and trainings for customers.

Residential Program

2021 Goals and Strategic Focus

- Regarding Goal 1 broadly PGE believes there is value in aligning all current residential energy offerings to help guide customers in understanding their energy solutions and making the best choices for their home. Providing residential customers some type of home energy score or report, along with carbon dashboards, is critical to engagement. This work can also provide better insight into the specific needs of diverse or impacted customers/communities.
- Regarding Goal 2 we believe Energy Trust and PGE could work together to enhance our collective market research and marketing efforts to better engage our BIPOC and Environmental Justice customers.

www.rogueclimate.org || PO BOX 1980 || Phoenix OR, 97535 || 541.301.9204

Recommendations for 2021 Energy Trust of Oregon Budget
Important context: The Almeda Fire has had devastating impacts on our communities-- the ratepayer communities of Talent, Phoenix and Medford Oregon.
2,357 residential structures were lost, with roughly 74% of those being mobile homes (1,748 units) which we know is where already-burdened, LMI community members live.

We've learned from other fire-impacted communities the importance of balancing immediate needs with planning for the long term rebuilding efforts.

The following are comments related to short-term support that our communities are asking the ETO to consider bolstering:

- Immediately **open the internal fire response committee to work alongside or seek guidance/input from community members** and organizations leading fire relief efforts in Southern Oregon. Or set up liaison meetings with local community leads on a recurring basis as things are shifting quickly and oftentimes without notice.
- **Make immediate adaptations to incentive structure and requirements** since many ratepayers no longer have stable housing and therefore do not qualify for existing incentive structures (i.e. they do not have homes nor the resources to consider being energy-efficient in this time) created before September 8, 2020*:*
    - One adaptation suggestion is that ETO **increase the size and scope of its small capacity building grants** going into these communities immediately. While community-based grantees may not directly be attending to energy efficiency, they are meeting the direct needs of the community in this moment of crisis, *ensuring that the ratepayers are still receiving benefits from the money they already paid in.* Some ways this could be achieved:
        - Divert money into community-led efforts to support community members as they respond to the fire, and settle into transitional housing through direct grants to community groups.
        - Many in our communities are still living in family and friends' garages, tents, or unheated spaces. Expand and expedite incentive programs to **purchase 300 energy efficient space heaters that could be distributed by community-based groups.**

The following comments pertain to specific long-term rebuilding and resiliency goals that our communities have named that could directly be supported by ETO.

- **Get families and communities HOME as many people are displaced but ready to come back home, as whole communities**
    - ETO leverage their power to advocate for affordable housing to be rebuilt and to have mobile home parks remain the sites for affordable housing.
    - ETO using their power to advocate for renewable energy and energy efficiency in the rebuild, setting the new standard as affordable AND energy-efficient.
        - Solar + Storage, and Net Zero home design.

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- **Early design assistance**
  - We are excited to see Energy Trust play an active role in supporting our communities in the rebuild- it is critical that Energy Trust is an active partner in ensuring that these processes are ***language accessible in Spanish,*** and done in culturally competent ways every time. Especially for these impacted communities.
- **Expand Solar + Storage access for low income communities**
  - For over 7 days, people who were able to stay in Talent didn't have power, and we know that fires in our region will continue. Energy Trust needs to be investing in Solar + Storage capacity for low income families and seniors that ensures homes are able to withstand power outages. These investments need to be made in low income communities that are most vulnerable to the impacts of power outages.

Many thanks for considering these suggestions from on-the-ground fire impacted communities as things are changing, and we honor the time and energy that goes into creating budgets. We are grateful to ETO for being open to adapting alongside us in this critical rebuilding phase to support ratepayers now and community resiliency well into the future.

-*Veronica Silva (she/ella)*
Diversity Advisory Council for Energy Trust of Oregon

Rogue Climate

Energy Trust of Oregon
Income Statement- Budget, Forecast and Projection

	Board Approved Budget 2020	Reforecast 2020	2021 Budget	2022 Projection
Revenue from Utilities	179,926,067	179,090,884	183,548,453	195,900,184
Contract Revenue	546,896	594,954	1,045,484	887,200
Grant Revenue		9,567		
Investment Income	1,000,000	462,561	96,000	96,000
Revenue	181,472,963	180,157,967	184,689,937	196,883,384
Incentives	113,220,092	105,104,045	114,809,562	111,149,936
Program Delivery Contractors	58,123,983	58,344,435	55,850,624	56,266,203
Employee Salaries & Fringe Benefits	15,685,787	15,449,536	16,808,212	17,514,293
Agency Contractor Services	1,730,794	1,797,312	2,354,165	2,283,566
Planning and Evaluation Services	3,512,048	2,910,565	3,942,785	4,051,456
Advertising and Marketing Services	3,309,550	3,017,046	3,400,100	3,191,199
Other Professional Services	5,907,948	3,343,443	6,239,258	5,647,691
Travel, Meetings, Trainings & Conferences	573,760	149,753	260,630	465,275
Dues, Licenses and Fees	280,501	194,981	334,420	343,340
Software and Hardware	638,721	706,783	831,203	833,748
Depreciation & Amortization	273,112	271,393	275,295	246,408
Office Rent and Equipment	1,140,433	1,106,458	1,247,500	1,255,750
Materials Postage and Telephone	154,050	133,272	151,250	161,225
Miscellaneous Expenses	5,350	4,963	5,500	6,000
Expenditures	204,556,129	192,533,983	206,510,501	203,416,091
Net Income	**(23,083,166)**	**(12,376,017)**	**(21,820,564)**	**(6,532,707)**

Energy Trust of Oregon
2021 Budget vs Draft

SAVINGS & GENERATION

	Draft	Budget	Change	Percent Change
PGE	23.40	24.82	1.42	6.1%
Pacific Power	18.13	20.14	2.01	11.1%
Total Electric Savings (aMW)	41.53	44.96	3.43	8.3%
NW Natural	5.09	5.09	0.00	0.0%
Cascade Natural Gas	0.56	0.57	0.01	2.1%
Avista	0.44	0.45	0.02	3.5%
NWN Washington	0.28	0.39	0.11	39.8%
Total Gas Savings (MM Therms)	6.37	6.50	0.14	2.2%
PGE Generation	2.29	2.25	(0.04)	-1.7%
Pacific Power Generation	1.22	1.29	0.08	6.2%
Total Generation (aMW)	3.51	3.54	0.04	1.1%

FINANCIALS

REVENUE	**183,331,522**	**184,689,937**	**1,358,415**	**0.74%**
Expenditures by Function				
Electric Efficiency	138,198,388	137,377,615	(820,774)	-0.59%
Gas Efficiency	34,094,201	32,809,454	(1,284,747)	-3.77%
Renewable Energy	23,339,408	22,089,991	(1,249,417)	-5.35%
Washington	2,882,193	3,176,541	294,348	10.21%
Community Solar	299,353	303,180	3,827	1.28%
PGE Storage	427,616	427,181	(435)	-0.10%
Management & General	6,027,155	5,995,621	(31,534)	-0.52%
Communications and Outreach	4,376,317	4,330,917	(45,400)	-1.04%
TOTAL	209,644,631	206,510,500	(3,134,131)	-1.49%
Expenditures by Nature				
Efficiency Incentives	96,349,198	95,956,634	(392,564)	-0.41%
Renewable Incentives	17,845,821	16,606,571	(1,239,250)	-6.94%
Washington Incentives	1,604,278	1,946,356	342,078	21.32%
Program Delivery Contractors	58,473,145	55,850,624	(2,622,521)	-4.49%
Employee Salaries & Fringe Benefits	17,046,103	16,808,212	(237,891)	-1.40%
All Other Expenses	18,326,086	19,342,103	1,016,017	5.54%
TOTAL	209,644,631	206,510,500	(3,134,131)	-1.49%
Expenditures by Funding Source				
Electric	145,395,062	144,608,762	(786,300)	-0.54%
Gas	35,893,796	34,536,446	(1,357,350)	-3.78%
Renewables	24,558,093	23,252,742	(1,305,351)	-5.32%
Washington	3,032,753	3,343,744	310,992	10.25%
Community Solar	314,983	319,139	4,155	1.32%
PGE Storage	449,944	449,667	(277)	-0.06%
TOTAL	209,644,631	206,510,500	(3,134,131)	-1.49%
Expenditures by Sector				
Commercial Sector	78,482,109	79,884,478	1,402,369	1.79%
Industry and Agriculture Sector	42,718,746	40,446,688	(2,272,058)	-5.32%
Residential Sector	49,755,033	49,807,020	51,988	0.10%
Renewables	24,558,093	23,252,742	(1,305,351)	-5.32%
Washington	3,032,753	3,343,744	310,992	10.25%
NEEA Combined	10,332,971	9,007,023	(1,325,948)	-12.83%
Community Solar	314,983	319,139	4,155	1.32%
PGE Storage	449,944	449,667	(277)	-0.06%
TOTAL	209,644,632	206,510,501	(3,134,131)	-1.49%

Budget Recap Spending and Savings Goals
For the period 2021

Program	Budget ($M)			Electric		Gas	
	Electric	Gas	Total	Electric Savings Goal (aMW)	Levelized Cost per kWh	Annual Therms	Levelized Cost per Therm
Existing Buildings with MF	$ 49.9	$ 12.5	$ 62.5	15.6	$ 0.036	2,072,244	$ 0.529
New Buildings	$ 15.8	$ 1.6	$ 17.4	4.4	$ 0.037	363,531	$ 0.406
NEEA Commercial	$ 3.3	$ 0.3	$ 3.6	1.2	$ 0.053	609	$ 35.073
Commercial Sector	$ 69.0	$ 14.5	$ 83.5	21.2	$ 0.036	2,436,384	$ 0.522
Industry and Agriculture	$ 36.7	$ 3.7	$ 40.4	15.5	$ 0.027	1,362,290	$ 0.267
NEEA - Industrial	$ 0.0	$ -	$ 0.0	0.7	$ 0.001	-	
Industry and Agriculture Sector	$ 36.7	$ 3.7	$ 40.5	16.1	$ 0.026	1,362,290	$ 0.267
Residential	$ 34.7	$ 15.1	$ 49.8	5.5	$ 0.070	2,317,348	$ 0.427
NEEA Residential	$ 4.1	$ 1.3	$ 5.4	2.1	$ 0.023	2,140	$ 36.192
Residential Sector	$ 38.9	$ 16.3	$ 55.2	7.6	$ 0.057	2,319,488	$ 0.463
Oregon Efficiency Programs	**$ 144.6**	**$ 34.5**	**$ 179.1**	**45.0**	**$ 0.036**	**6,118,162**	**$ 0.440**
Solar	$ 14.0		$ 14.0	2.9	$ 0.042		
Other Renewables	$ 9.2		$ 9.2	0.6	$ 0.153		
Renewables Programs	**$ 23.3**		**$ 23.3**	**3.5**	**$ 0.059**		
Commercial Washington		$ 1.5	$ 1.5			238,107	$ 0.536
NEEA Commercial Washington		$ -	$ -			-	
Residential Washington		$ 1.8	$ 1.8			148,573	$ 0.824
NEEA Residential Washington		$ -	$ -			-	
Washington Programs		**$ 3.3**	**$ 3.3**			**386,680**	**$ 0.655**
Community Solar			$ 0.3				
PGE Storage			$ 0.4				
LMI			$ -				
Total Programs			**$ 206.5**				

Energy Trust of Oregon
Budget Income Statement by Funding Source
2021 Budget

	Oregon OPUC Efficiency Funders							Oregon OPUC Renewables			Other Funding Sources					TOTAL
	PGE	PAC	NWN IND	NWN	CNG	AVI	Total Oregon OPUC Efficiency	PGE	PAC	Total Renewables	Washington	Community Solar	PGE storage	Fund Development	Investments / Contingency	
Beginning Net Assets	9,673,128	5,166,578	597,065	1,832,543	1,400,275	367,647	19,037,237	15,434,093	6,048,334	21,482,427	540,698	330,983	51,214	9,333	10,233,728	51,685,620
Revenue	78,817,804	54,250,508	5,381,586	21,326,800	3,310,580	2,443,292	165,530,570	8,818,842	6,198,167	15,017,009	3,000,874	550,000	495,484		96,000	184,689,937
detail: Incentives	46,423,152	32,048,131	3,619,392	10,736,148	1,926,980	1,202,830	95,956,634	11,063,484	5,543,087	16,606,571	1,946,356		300,000			114,809,562
detail: Program Delivery	26,199,788	17,091,496	1,228,052	7,694,857	1,547,597	959,202	54,720,992	223,305	124,765	348,070	751,062		30,500			55,850,624
Total Expenditures	86,179,444	58,429,319	5,719,498	22,160,341	4,096,949	2,559,658	179,145,209	15,361,645	7,891,097	23,252,742	3,343,744	319,139	449,667			206,510,501
Net Income	(7,361,640)	(4,178,810)	(337,912)	(833,541)	(786,369)	(116,366)	(13,614,639)	(6,542,803)	(1,692,930)	(8,235,733)	(342,870)	230,861	45,817		96,000	(21,820,564)
Interest Attribution	14,125	7,253	1,009	3,337	2,374	729	28,828	28,669	12,262	40,931	870	1,052	175	22	(71,878)	0
Ending Net Assets After Interest Attribution	2,325,612	995,021	260,162	1,002,339	616,280	252,011	5,451,425	8,919,960	4,367,665	13,287,625	198,698	562,897	97,205	9,355	10,257,850	29,865,056
less:Renewables Dedicated								(1,845,802)	(479,706)	(2,325,508)						
Renewables funds yet to be dedicated for future periods								7,074,158	3,887,959	10,962,117						

Energy Trust of Oregon
Budget Statement of Administrative Cost OPUC Performance Measure

		2021 Budget		2020 Approved Budget	
		OPUC Programs	Total Company	OPUC Programs	Total Company
1	Incentives	112,563,205	114,809,562	111,909,140	113,220,092
2	Program Delivery Contractors	55,069,062	55,850,624	57,409,844	58,123,983
3	Employee Salaries & Fringe Benefits	7,823,967	8,306,352	7,404,773	7,889,931
4	Services	12,645,493	12,824,092	11,066,068	11,149,881
5	Total Program Direct Costs	188,101,728	191,790,629	187,789,824	190,383,887
6	Program Support (under GAAP, program / under OPUC, support)	4,175,333	4,393,334	4,269,343	4,471,119
7	Communications and General Outreach	4,244,669	4,330,917	4,098,589	4,158,253
8	Management & General	5,876,222	5,995,621	5,463,339	5,542,869
9	Total Administrative	10,120,891	10,326,538	9,561,928	9,701,123
10	Total Administrative and Program Support	14,296,224	14,719,872	13,831,271	14,172,242
11	Total Expenditures	202,397,951	206,510,501	201,621,095	204,556,129
12	Total Revenue	180,547,579	184,689,937	177,369,785	181,472,963

For Organization wide "GAAP" reporting, comparison to other non-profits				
Programs (rows 5 + 6)		196,183,963		194,855,006
Administration (row 9)		10,326,538		9,701,123
Administrative percent of total Expenditure		5.00%		4.74%
For Oregon Performance Measure, comparison to measure and other 1149-funded programs				
Programs (row 5)	188,101,728		187,789,824	
Administrative and Program Support (rows 6+9)	14,296,224		13,831,271	
Administrative and Program Support percent of Revenue	7.92%		7.80%	
Administrative and Program Support Year over Year Increase	3.36%			

Energy Trust of Oregon
2021 Budget

All Funding Sources

Expenditures Detail	OPUC Efficiency	OPUC Renewables	Washington	Community Solar	PGE Storage	Community Solar, PGE Storage and Grants	Programs
Incentives	95,956,634	16,606,571	1,946,356		300,000	300,000	114,809,562
Program Delivery Contractors	54,720,992	348,070	751,062		30,500	30,500	55,850,624
Employee Salaries & Fringe Benefits	13,521,137	2,605,781	394,545	235,436	51,313	286,749	16,808,212
Agency Contractor Services	2,126,249	199,526	23,917	2,693	1,779	4,472	2,354,165
Planning and Evaluation Services	3,798,156	120,644	23,881	43	61	105	3,942,785
Advertising and Marketing Services	2,928,446	436,084	19,163	1,829	14,577	16,406	3,400,099
Other Professional Services	3,878,849	2,202,588	75,103	42,821	39,898	82,719	6,239,258
Travel, Meetings, Trainings & Conferences	203,095	43,126	11,179	2,957	272	3,229	260,630
Dues, Licenses and Fees	249,398	34,084	50,651	131	156	286	334,420
Software and Hardware	412,169	397,605	10,651	5,858	4,920	10,778	831,203
Depreciation & Amortization	227,394	37,003	6,050	3,957	890	4,847	275,295
Office Rent and Equipment	990,693	202,156	28,169	21,620	4,862	26,482	1,247,500
Materials Postage and Telephone	127,449	18,734	2,908	1,738	421	2,158	151,250
Miscellaneous Expenses	4,548	771	108	56	17	73	5,500
Expenditures	179,145,209	23,252,742	3,343,744	319,139	449,667	768,805	206,510,501
Expenditure break down by function:							
Program Costs	170,187,070	22,089,991	3,176,541	303,180	427,181	730,361	196,183,963
Communications and Outreach	3,757,015	487,654	70,125	6,693	9,430	16,123	4,330,917
Management & General	5,201,125	675,097	97,079	9,266	13,055	22,321	5,995,621
Total Administrative	8,958,139	1,162,751	167,204	15,958	22,486	38,444	10,326,538
Expenditures	179,145,209	23,252,742	3,343,744	319,139	449,667	768,805	206,510,501

Energy Savings and Generation Detail

Efficiency electric kWh savings	393,853,663						393,853,663
Efficiency gas therms savings	6,118,162		386,680				6,504,842
Renewables electric kWh generation		31,045,800					31,045,800

Energy Trust of Oregon
2021 Budget

All Programs

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	NEEA - Industrial	Residential	NEEA Residential	**OPUC Efficiency**	Solar	Other Renewables	**OPUC Renewables**	**Washington**	**Community Solar, PGE Storage and Grants**	**Programs**
Incentives	8,870,097	35,252,533		24,912,005		26,921,999		95,956,634	9,557,950	7,048,621	16,606,571	1,946,356	300,000	114,809,562
Program Delivery Contractors	5,806,959	17,931,863	3,369,227	9,135,922	11,917	13,355,248	5,109,856	54,720,992	348,070		348,070	751,062	30,500	55,850,624
Employee Salaries & Fringe Benefits	1,389,114	4,337,899	132,866	3,230,849	8,941	4,228,072	193,397	13,521,137	1,645,419	960,361	2,605,781	394,545	286,749	16,808,212
Agency Contractor Services	152,769	893,398	12,646	480,131	493	568,062	18,750	2,126,249	152,177	47,350	199,526	23,917	4,472	2,354,165
Planning and Evaluation Services	576,713	1,291,472	5,897	564,344	2,546	1,350,658	6,525	3,798,156	62,892	57,752	120,644	23,881	105	3,942,785
Advertising and Marketing Services	208,942	868,821	20,481	631,798	145	1,167,266	30,993	2,928,446	321,094	114,990	436,084	19,163	16,406	3,400,099
Other Professional Services	201,498	1,109,897	14,468	971,507	565	1,559,463	21,450	3,878,849	1,332,667	869,921	2,202,588	75,103	82,719	6,239,258
Travel, Meetings, Trainings & Conferences	17,175	69,054	2,155	48,661	80	62,771	3,199	203,095	21,641	21,485	43,126	11,179	3,229	260,630
Dues, Licenses and Fees	21,807	137,914	2,340	34,577	543	49,181	3,037	249,398	21,551	12,532	34,084	50,651	286	334,420
Software and Hardware	46,880	126,706	2,376	90,897	17	141,696	3,596	412,169	376,836	20,769	397,605	10,651	10,778	831,203
Depreciation & Amortization	24,361	71,679	1,590	53,037	11	74,310	2,406	227,394	23,835	13,168	37,003	6,050	4,847	275,295
Office Rent and Equipment	94,002	325,641	8,688	255,556	62	293,597	13,147	990,693	130,218	71,938	202,156	28,169	26,482	1,247,500
Materials Postage and Telephone	10,891	44,418	972	36,298	7	33,392	1,471	127,449	11,603	7,132	18,734	2,908	2,158	151,250
Miscellaneous Expenses	436	1,539	64	1,106	0	1,305	97	4,548	485	286	771	108	73	5,500
Expenditures	17,421,644	62,462,834	3,573,771	40,446,688	25,327	49,807,020	5,407,925	179,145,209	14,006,437	9,246,305	23,252,742	3,343,744	768,805	206,510,501
Expenditure break down by function:														
Program Costs	16,550,476	59,339,386	3,395,065	38,424,155	24,061	47,316,425	5,137,502	170,187,070	13,306,047	8,783,944	22,089,991	3,176,541	730,361	196,183,963
Communications and Outreach	365,365	1,309,964	74,949	848,244	531	1,044,548	113,414	3,757,015	293,742	193,913	487,654	70,125	16,123	4,330,917
Management & General	505,803	1,813,484	103,757	1,174,289	735	1,446,048	157,008	5,201,125	406,649	268,448	675,097	97,079	22,321	5,995,621
Total Administrative	871,168	3,123,448	178,706	2,022,533	1,266	2,490,595	270,423	8,958,139	700,391	462,361	1,162,751	167,204	38,444	10,326,538
Expenditures	17,421,644	62,462,834	3,573,771	40,446,688	25,327	49,807,020	5,407,925	179,145,209	14,006,437	9,246,305	23,252,742	3,343,744	768,805	206,510,501

Energy Savings and Generation Detail

Efficiency electric kWh savings	38,841,280	136,292,135	10,399,136	135,521,221	5,872,505	48,541,869	18,385,516	393,853,663						393,853,663
Efficiency gas therms savings	363,531	2,072,244	609	1,362,290	-	2,317,348	2,140	6,118,162				386,680		6,504,842
Renewables electric kWh generation									25,768,800	5,277,000	31,045,800			31,045,800

Energy Trust of Oregon
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PGE

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	NEEA - Industrial	Residential	NEEA Residential	**OPUC Efficiency**	Solar	Other Renewables	**OPUC Renewables**
Incentives	5,130,324	18,235,122		12,205,459		10,852,247		46,423,152	6,252,950	4,810,534	11,063,484
Program Delivery Contractors	3,379,643	9,474,924	1,758,071	4,177,975	6,793	5,179,889	2,222,492	26,199,788	223,305		223,305
Employee Salaries & Fringe Benefits	804,588	2,260,328	69,330	1,554,180	5,096	1,680,645	84,117	6,458,284	1,075,725	644,443	1,720,168
Agency Contractor Services	88,488	465,439	6,599	230,969	281	225,716	8,155	1,025,647	99,488	31,774	131,262
Planning and Evaluation Services	318,581	688,289	3,077	263,758	1,451	562,848	2,838	1,840,842	41,117	38,754	79,871
Advertising and Marketing Services	121,012	452,695	10,687	303,924	83	467,830	13,480	1,369,711	209,922	74,440	284,361
Other Professional Services	116,720	578,222	7,550	468,333	322	619,208	9,330	1,799,684	871,257	508,089	1,379,345
Travel, Meetings, Trainings & Conferences	9,946	35,983	1,125	23,408	46	24,958	1,391	96,856	14,148	12,988	27,136
Dues, Licenses and Fees	12,633	71,846	1,221	16,633	309	19,546	1,321	123,509	14,090	7,681	21,771
Software and Hardware	27,158	66,015	1,240	43,726	10	56,289	1,564	196,003	246,364	13,937	260,301
Depreciation & Amortization	14,111	37,347	830	25,513	6	29,528	1,047	108,383	15,583	8,836	24,419
Office Rent and Equipment	54,444	169,680	4,533	122,934	35	116,719	5,718	474,064	85,133	48,274	133,406
Materials Postage and Telephone	6,308	23,143	507	17,461	4	13,275	640	61,338	7,585	4,722	12,307
Miscellaneous Expenses	252	802	34	532	0	520	42	2,182	317	192	509
Expenditures	10,084,209	32,559,836	1,864,802	19,454,806	14,436	19,849,219	2,352,135	86,179,444	9,156,983	6,204,662	15,361,645
Expenditure break down by function:											
Program Costs	9,579,949	30,931,685	1,771,553	18,481,970	13,715	18,856,661	2,234,517	81,870,049	8,699,089	5,894,398	14,593,487
Communications and Outreach	211,485	682,842	39,108	408,004	303	416,276	49,329	1,807,346	192,039	130,124	322,163
Management & General	292,775	945,310	54,141	564,832	419	576,283	68,290	2,502,049	265,855	180,140	445,995
Total Administrative	504,260	1,628,152	93,249	972,836	722	992,558	117,618	4,309,395	457,894	310,264	768,158
Expenditures	10,084,209	32,559,836	1,864,802	19,454,806	14,436	19,849,219	2,352,135	86,179,444	9,156,983	6,204,662	15,361,645

Energy Savings and Generation Detail

Efficiency electric kWh savings	23,147,496	83,413,494	5,927,508	70,537,688	3,347,328	20,538,645	10,479,744	217,391,902			
Efficiency gas therms savings	-	-	-	-	-	-	-	-			
Renewables electric kWh generation									15,411,600	4,324,000	19,735,600

Energy Trust of Oregon
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PacificPower

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	NEEA - Industrial	Residential	NEEA Residential	**OPUC Efficiency**	Solar	Other Renewables	**OPUC Renewables**
Incentives	2,892,090	10,346,957		10,771,288		8,037,797		32,048,131	3,305,000	2,238,087	5,543,087
Program Delivery Contractors	1,913,049	4,436,689	1,326,264	3,752,526	5,124	3,981,225	1,676,617	17,091,496	124,765		124,765
Employee Salaries & Fringe Benefits	454,876	1,206,892	52,301	1,378,530	3,845	1,261,156	63,456	4,421,056	569,694	315,918	885,612
Agency Contractor Services	50,027	248,519	4,978	204,865	212	169,377	6,152	684,131	52,688	15,576	68,264
Planning and Evaluation Services	186,111	379,508	2,321	241,948	1,095	436,361	2,141	1,249,486	21,775	18,998	40,773
Advertising and Marketing Services	68,414	241,714	8,062	269,575	62	348,553	10,169	946,550	111,173	40,550	151,723
Other Professional Services	65,988	308,739	5,695	415,403	243	464,654	7,038	1,267,760	461,410	361,832	823,242
Travel, Meetings, Trainings & Conferences	5,623	19,213	848	20,762	34	18,729	1,050	66,259	7,493	8,498	15,991
Dues, Licenses and Fees	7,142	38,362	921	14,753	233	14,667	997	77,075	7,462	4,851	12,313
Software and Hardware	15,354	35,249	935	38,784	7	42,239	1,180	133,749	130,472	6,832	137,304
Depreciation & Amortization	7,978	19,941	626	22,630	5	22,158	790	74,127	8,252	4,332	12,584
Office Rent and Equipment	30,780	90,600	3,420	109,040	26	87,586	4,314	325,767	45,085	23,665	68,750
Materials Postage and Telephone	3,566	12,357	383	15,488	3	9,961	483	42,241	4,017	2,410	6,427
Miscellaneous Expenses	143	428	25	472	0	390	32	1,490	168	94	262
Expenditures	5,701,143	17,385,169	1,406,781	17,256,065	10,891	14,894,854	1,774,418	58,429,319	4,849,455	3,041,643	7,891,097
Expenditure break down by function:											
Program Costs	5,416,057	16,515,825	1,336,435	16,393,177	10,346	14,150,038	1,685,688	55,507,566	4,606,958	2,889,546	7,496,504
Communications and Outreach	119,564	364,600	29,503	361,892	228	312,373	37,213	1,225,374	101,702	63,789	165,491
Management & General	165,521	504,744	40,843	500,995	316	432,442	51,517	1,696,379	140,794	88,308	229,102
Total Administrative	285,085	869,344	70,346	862,888	545	744,816	88,730	2,921,753	242,497	152,097	394,594
Expenditures	5,701,143	17,385,169	1,406,781	17,256,065	10,891	14,894,854	1,774,418	58,429,319	4,849,455	3,041,643	7,891,097

Energy Savings and Generation Detail

Efficiency electric kWh savings	15,693,785	52,878,642	4,471,628	64,983,532	2,525,178	28,003,224	7,905,772	176,461,761			
Efficiency gas therms savings	-	-	-	-	-	-	-	-			
Renewables electric kWh generation									10,357,200	953,000	11,310,200

Energy Trust of Oregon
2021 Budget

NWN - Industrial

Expenditures Detail	New Buildings	Existing Buildings with MF	Industry and Agriculture	**OPUC Efficiency**
Incentives	73,216	2,215,777	1,330,399	3,619,392
Program Delivery Contractors	6,800	309,405	911,847	1,228,052
Employee Salaries & Fringe Benefits	7,601	205,634	212,853	426,089
Agency Contractor Services	836	42,380	31,625	74,841
Planning and Evaluation Services	4,058	52,544	41,864	98,466
Advertising and Marketing Services	1,144	41,192	41,621	83,958
Other Professional Services	1,102	52,652	62,663	116,417
Travel, Meetings, Trainings & Conferences	94	3,273	3,206	6,573
Dues, Licenses and Fees	119	6,544	2,278	8,941
Software and Hardware	256	6,009	5,987	12,252
Depreciation & Amortization	133	3,399	3,494	7,026
Office Rent and Equipment	515	15,437	16,836	32,787
Materials Postage and Telephone	60	2,106	2,391	4,557
Miscellaneous Expenses	2	73	73	148
Expenditures	95,937	2,956,424	2,667,138	5,719,498
Expenditure break down by function:				
Program Costs	91,139	2,808,588	2,533,768	5,433,495
Communications and Outreach	2,012	62,002	55,935	119,949
Management & General	2,785	85,834	77,435	166,054
Total Administrative	4,797	147,836	133,370	286,003
Expenditures	95,937	2,956,424	2,667,138	5,719,498

Energy Savings and Generation Detail

Efficiency electric kWh savings	-	-	-	-
Efficiency gas therms savings	13,408	620,662	1,006,646	1,640,716
Renewables electric kWh generation				

Energy Trust of Oregon
2021 Budget

NWN

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	Residential	NEEA Residential	**OPUC Efficiency**
Incentives	624,500	2,902,526		400,812	6,808,311		10,736,148
Program Delivery Contractors	409,201	2,419,121	207,452	200,887	3,576,555	881,641	7,694,857
Employee Salaries & Fringe Benefits	98,466	433,458	8,181	57,118	1,094,474	33,368	1,725,066
Agency Contractor Services	10,825	89,332	779	8,487	147,177	3,235	259,835
Planning and Evaluation Services	55,371	111,957	363	11,234	316,341	1,126	496,392
Advertising and Marketing Services	14,822	86,829	1,261	11,169	299,458	5,347	418,886
Other Professional Services	14,271	110,986	891	16,815	404,684	3,701	551,348
Travel, Meetings, Trainings & Conferences	1,220	6,899	133	860	16,239	552	25,902
Dues, Licenses and Fees	1,544	13,793	144	611	12,736	524	29,352
Software and Hardware	3,317	12,666	146	1,607	36,731	620	55,088
Depreciation & Amortization	1,725	7,164	98	938	19,251	415	29,591
Office Rent and Equipment	6,666	32,539	535	4,518	75,977	2,268	122,504
Materials Postage and Telephone	772	4,439	60	642	8,642	254	14,809
Miscellaneous Expenses	31	154	4	20	337	17	562
Expenditures	1,242,733	6,231,864	220,047	715,717	12,816,912	933,069	22,160,341
Expenditure break down by function:							
Program Costs	1,180,590	5,920,240	209,043	679,928	12,176,003	886,411	21,052,215
Communications and Outreach	26,062	130,694	4,615	15,010	268,795	19,568	464,744
Management & General	36,080	180,930	6,389	20,779	372,114	27,090	643,381
Total Administrative	62,143	311,624	11,003	35,789	640,908	46,658	1,108,126
Expenditures	1,242,733	6,231,864	220,047	715,717	12,816,912	933,069	22,160,341

Energy Savings and Generation Detail

Efficiency electric kWh savings	-	-	-	-	-	-	-
Efficiency gas therms savings	271,751	1,000,963	443	264,322	1,912,374	1,558	3,451,410
Renewables electric kWh generation							

Energy Trust of Oregon
2021 Budget

Cascade Natural Gas

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	Residential	NEEA Residential	**OPUC Efficiency**
Incentives	103,044	955,511		165,614	702,811		1,926,980
Program Delivery Contractors	67,519	795,343	52,842	76,862	330,459	224,571	1,547,597
Employee Salaries & Fringe Benefits	16,203	142,578	2,084	23,018	107,633	8,500	300,016
Agency Contractor Services	1,781	29,384	198	3,420	14,474	824	50,082
Planning and Evaluation Services	8,651	36,431	92	4,527	19,702	287	69,691
Advertising and Marketing Services	2,439	28,561	321	4,501	28,859	1,362	66,043
Other Professional Services	2,348	36,507	227	6,776	39,798	943	86,599
Travel, Meetings, Trainings & Conferences	201	2,269	34	347	1,597	141	4,588
Dues, Licenses and Fees	254	4,537	37	246	1,252	133	6,460
Software and Hardware	546	4,166	37	647	3,612	158	9,167
Depreciation & Amortization	284	2,356	25	378	1,893	106	5,042
Office Rent and Equipment	1,097	10,703	136	1,821	7,472	578	21,807
Materials Postage and Telephone	127	1,460	15	259	850	65	2,776
Miscellaneous Expenses	5	51	1	8	33	4	102
Expenditures	204,500	2,049,859	56,050	288,424	1,260,445	237,671	4,096,949
Expenditure break down by function:							
Program Costs	194,274	1,947,356	53,247	274,001	1,197,417	225,786	3,892,082
Communications and Outreach	4,289	42,989	1,175	6,049	26,434	4,984	85,921
Management & General	5,937	59,514	1,627	8,374	36,595	6,900	118,947
Total Administrative	10,226	102,503	2,803	14,423	63,028	11,885	204,868
Expenditures	204,500	2,049,859	56,050	288,424	1,260,445	237,671	4,096,949

Energy Savings and Generation Detail							
Efficiency electric kWh savings	-	-	-	-	-	-	-
Efficiency gas therms savings	46,153	266,853	113	68,066	191,177	397	572,759
Renewables electric kWh generation							

Energy Trust of Oregon
2021 Budget

Avista Gas

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	Residential	NEEA Residential	**OPUC Efficiency**
Incentives	46,923	596,640		38,434	520,834		1,202,830
Program Delivery Contractors	30,746	496,380	24,597	15,824	287,119	104,535	959,202
Employee Salaries & Fringe Benefits	7,378	89,008	970	5,151	84,163	3,956	190,626
Agency Contractor Services	811	18,344	92	765	11,318	384	31,714
Planning and Evaluation Services	3,939	22,743	43	1,013	15,406	133	43,278
Advertising and Marketing Services	1,111	17,830	150	1,007	22,566	634	43,297
Other Professional Services	1,069	22,790	106	1,516	31,119	439	57,040
Travel, Meetings, Trainings & Conferences	91	1,417	16	78	1,249	65	2,916
Dues, Licenses and Fees	116	2,832	17	55	979	62	4,062
Software and Hardware	249	2,601	17	145	2,825	74	5,910
Depreciation & Amortization	129	1,471	12	85	1,480	49	3,226
Office Rent and Equipment	500	6,682	63	407	5,842	269	13,764
Materials Postage and Telephone	58	912	7	58	665	30	1,729
Miscellaneous Expenses	2	32	0	2	26	2	64
Expenditures	93,123	1,279,682	26,091	64,539	985,590	110,633	2,559,658
Expenditure break down by function:							
Program Costs	88,466	1,215,692	24,786	61,311	936,306	105,101	2,431,662
Communications and Outreach	1,953	26,837	547	1,353	20,670	2,320	53,681
Management & General	2,704	37,153	757	1,874	28,615	3,212	74,315
Total Administrative	4,657	63,990	1,305	3,227	49,284	5,532	127,995
Expenditures	93,123	1,279,682	26,091	64,539	985,590	110,633	2,559,658

Energy Savings and Generation Detail							
Efficiency electric kWh savings	-	-	-	-	-	-	-
Efficiency gas therms savings	32,219	183,767	53	23,256	213,797	185	453,277
Renewables electric kWh generation							

Energy Trust of Oregon
2021 Budget

NWN Washington

Expenditures Detail	**Washington**
Incentives	1,946,356
Program Delivery Contractors	751,062
Employee Salaries & Fringe Benefits	394,545
Agency Contractor Services	23,917
Planning and Evaluation Services	23,881
Advertising and Marketing Services	19,163
Other Professional Services	75,103
Travel, Meetings, Trainings & Conferences	11,179
Dues, Licenses and Fees	50,651
Software and Hardware	10,651
Depreciation & Amortization	6,050
Office Rent and Equipment	28,169
Materials Postage and Telephone	2,908
Miscellaneous Expenses	108
Expenditures	3,343,744
Expenditure break down by function:	
Program Costs	3,176,541
Communications and Outreach	70,125
Management & General	97,079
Total Administrative	167,204
Expenditures	3,343,744

Energy Savings and Generation Detail

Efficiency electric kWh savings	
Efficiency gas therms savings	386,680
Renewables electric kWh generation	

Capital Expenditure Budget

Description	Useful Lives / Depreciation Policy	2021	2022
Information Systems			
Servers and Storage	3 years	63,000	
Leasehold Improvements			
none			
TOTAL CAPITAL PURCHASES		63,000	-

Executive Summary

Energy Trust's 2021-2022 Action Plan highlights strategies and activities for all programs, program support groups and general management. In each action plan, we highlight the program's or function's strategic focus in relation to 2021 organizational goals. We also provide relevant context, key activities and summary expenditures with savings and generation goals, where applicable.

2021 Goal Alignment

Three 2021 goals were established early in the organization's annual business planning process. To draft the goals, staff looked to Energy Trust's 2020-2024 strategic plan and identified what would be most important to accomplish in the plan's second year to fully realize the plan by 2024. Oregon Public Utility Commission staff reviewed and provided input on the draft goals. The resulting three 2021 goals provide detail specifying where Energy Trust will focus efforts.

1 Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic.

We will meet 2021 targets of 45.0 aMW and 6.5 million therms of savings and 3.54 aMW of generation while creating opportunities for future savings and generation with a focus on:

- Continuing to adapt program design to respond to market changes resulting from the recovery related to the COVID-19 pandemic.
- Meeting the OPUC metrics for cost-effectiveness, diversity, customer service and innovation.
- Targeting savings and generation within specific communities when and where they have the greatest value to the utility grid.

2 Invest in relationships and collaborations with other entities to meet common needs and future objectives.

Energy Trust will focus resources on working with utilities, agencies, communities, and business- and community-based organizations on joint initiatives that help each entity accomplish its purpose with a focus on:

- Collaborating with workforce organizations to enhance the diversity of our Trade Ally Network.
- Resolving funding uncertainties to enable continued delivery of clean energy programs and benefits and identifying other funding sources for complementary initiatives.
- Connecting our programs to community planning, housing affordability, economic recovery, resiliency and greenhouse gas reduction efforts.
- Collaborating with the Portland Clean Energy Fund and prospective grantees.
- Working with the OPUC and state agencies to support implementation of the state's energy- and climate-related policies.
- Working with midstream market actors to retain our ability to deliver affordable, clean energy at volume.

3 Enhance operating processes and internal culture to efficiently respond to change.

Energy Trust will enhance operating efficiency through process improvements and continued investment in innovation that results in a flexible workforce and work environment with a focus on:

- Enhancing employee development and growth with an emphasis on intercultural awareness and inclusion.
- Improving the efficiency of our budget process.
- Continuing policy development and technology adoption to support remote work arrangements and social distancing for staff.
- Learning from experience and adapting our organizational structure to support progress in the focus areas identified in the strategic plan.
- Furthering our efforts to foster and promote innovation.
- Accelerating our use of digital platforms and increased process automation to enhance our customer and contractor experience through increased efficiency.

Action Plan Table of Contents

General Management

Key Contact: Michael Colgrove, Executive Director

Programs

Key Contact: Peter West, Director of Energy Programs

Program Support Groups

General Management

The general management group represents the executive, legal, financial, human resources, project management and facility operations functions at Energy Trust, along with board relations and organizational development. It provides leadership to support Energy Trust's strategic goals and operations.

Context

Several significant challenges, uncertainties and opportunities are expected in 2021. The effects and uncertainties related to COVID-19, the increasing focus on and awareness of racial inequities and continued changes in the clean energy industry will require Energy Trust to be even more flexible, adaptable and nimble. The management strategies identified in this action plan are designed to ensure Energy Trust remains responsive and successful in this dynamic environment.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Ensure support for and alignment with savings and generation goals by engaging the Oregon Public Utility Commission, utilities and stakeholders.

- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Develop a standardized set of equity metrics for the clean energy industry by working with multiple organizations across the country.
  - Create a pipeline of diverse clean energy professionals by working with various work study, internship and job placement programs.

- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Ensure the board is fully equipped to lead the organization in a changing environment by continuing to enact recommendations from a 2019 assessment of the organization's board related to its structure, culture and processes.
  - Nurture and accelerate the development of innovative ideas by continuing to test and refine tools and approaches.
  - Develop and pilot test a new multi-year planning process that better engages customers, communities and stakeholders to guide the development of our annual budgets.

2021 Key Activities

- Provide support to the board of directors that enables it to perform its fiduciary responsibilities. This includes supporting the implementation of various changes to the board's structure and processes and responding to requests for information from the board and its committees.
- Review, draft and negotiate contracts that support organizational goals, manage the organization's legal risks and ensure efficient and effective operations. In 2021, significant time and focus will be on contracts for tools and services arising out of the new programs' structures for commercial, multifamily and business lighting programs.
- Manage and research competitive purchasing from local diverse and environmentally friendly vendors for office supplies, furniture, office enhancements, food vendors and customer service while reducing costs on all purchasing.
- Provide project management support for 20 projects across the organization, including projects focused on increasing diversity, equity and inclusion of program offers.
- Modify and maintain office support to provide a safe and efficient environment for staff to perform, whether in the office or remote.
- Oversee the management and mentoring of interns from De La Salle North Catholic High School to expose students of color to the clean energy industry.
- Ensure people of color are included in the development of significant activities and on key committees and project teams by recruiting external resources as needed.
- Enhance innovation capabilities by nurturing early development of promising ideas and accelerating pursuit of new opportunities in a dynamic environment.
- Adopt decision-making tools and best practices, providing staff with clearer authority and autonomy to address the needs of internal and external customers.
- Create and test new approaches to developing business plans that better engage customers, communities and stakeholders and guide the development of Energy Trust's annual budgets.
- Create a diversity, equity and inclusion employee retention strategy to improve the retention rate and support Energy Trust in becoming a move inclusive and innovative environment.
- Enhance the organization's ability to pursue and manage new sources of funding.

2022 Expected Changes

- A new, multi-year planning process will be further refined and expanded to support the development of Energy Trust's annual budgets.
- Staff who identify as Black, Indigenous or other persons of color will be more supported through the development and implementation of a diversity, equity and inclusion (DEI) employee retention action plan.
- Energy Trust will continue its operational support for staff working at the office or remotely to conduct its business effectively and efficiently in both situations.
- Staff will better understand the roles and responsibilities related to internal decision-making and how to explore and develop new ideas.

Budgeted Expenditures

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$5.0	$5.7	$5.9

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

Diversity, Equity and Inclusion

Energy Trust's strategic goals recognizes our diverse pool of customers and the obligation to ensure all customers benefit equitably from services and investments. This action plan provides 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. Program and support group activities implemented throughout the organization are integrated into program and support group action plans and are not called out separately in this budget.

Context

The coming year will be another significant year for Energy Trust's diversity, equity and inclusion activities. At the end of 2020, Energy Trust measures its progress to the goals set in its initial Diversity, Equity and Inclusion Operations Plan, which launched in 2018. In early 2021, staff will start on the next iteration of the plan and goals to address and enhance work in diversity, equity and inclusion through all parts of the organization.

Energy Trust is focused on bringing more voices and perspectives into the organization through its board, staff, especially in senior leadership, and external council members. Energy Trust's human resources group and Director of Human Resources is supporting the organization with strategies to recruit, hire and retain more diverse staff members. Energy Trust DEI Lead continues to bring expertise and passion for advancing diversity, equity and inclusion to Energy Trust and to the larger energy efficiency and renewable energy industries by leading Energy Trust's internal Diversity, Equity and Inclusion Committee and serving as staff liaison to the Diversity Advisory Council. The DEI Lead will also work on Energy Trust's community outreach efforts to communities of color, rural communities and low-income communities. In 2021, Energy Trust will undertake development of a supplier diversity program to increase the number of minority-, women-and veteran-owned businesses contracting with Energy Trust and its Program Management Contractors and Program Delivery Contractors.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Support energy efficiency and renewable energy program design to expend participation, informed by Diversity Advisory Council, DEI Lead and community outreach.

- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Work closely with the Diversity Advisory Council and individual Diversity Advisory Council members to understand and support community needs.
  - Build on relationships in communities through outreach and events aimed especially at communities of color, rural communities and low-income communities.

- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Build a supplier diversity program to track and monitor Energy Trust spending with minority-, women- and veteran-owned companies.
  - Create ongoing learning opportunities for deeper understanding by staff and board members on diversity, equity and inclusion, including cultural events and learnings around history, systemic racism, microaggression and organizational inclusion through ongoing Diversity Days.

2021 Key Activities

- Continue to connect the Diversity Advisory Council with the internal Diversity, Equity and Inclusion Committee and the Energy Trust Board to work collaboratively on the top 10 agenda items derived from the March 2020 Diversity Advisory Council retreat.
- Continue to execute diversity, equity and inclusion initiatives through our Diversity, Equity and Inclusion Committee while building on partnerships with Energy Trust's utility funders and the OPUC to pool resources for outreach events and related activities.
- Advance use of Energy Trust's Diversity, Equity and Inclusion Lens more extensively across Energy Trust including, but not limited to for contracting decisions with Minority, Women-Owned, Emerging Small Business and Service Disable Veterans (MWESB/SDV) firms and community-based organizations, for decisions making and for project planning. Engage Diversity, Equity and Inclusion Committee for feedback and to implement continuous improvements on its use.
- Collaborate with human resources staff, the Diversity, Equity and Inclusion Committee and funding utilities and other industry organizations to build an onboarding plan of action for employees of color. This should include organizational and individual cultural responsiveness training to ensure Energy Trust has a supportive culture where people of different backgrounds feel welcomed.
- Engage the Diversity, Equity and Inclusion Committee to help new Program Management Contractors and Program Delivery Contractors—along with any community-based organizations that would be contracted to assist—in achieving their MWESB/SDV trade ally goals. Community-based organization could also help in collecting data and analyzing methods to identify demographics of customers served.
- Collaborate with Program Management and Delivery Contractors and the legal/contracts and finance groups to create a supplier diversity tracking system to monitor, track and report on Energy Trust's MWESB/SDV and community-based organization contracting activities.
- Continue developing Diversity First Thursday as a fun and interactive activity for Energy Trust staff to glean diversity, equity and inclusion information.

2022 Expected Changes

- As the Diversity, Equity and Inclusion Operations Plan goals are measured at the end of 2021, staff expects to set new diversity, equity and inclusion activities and goals in 2022, informed by the Diversity, Equity and Inclusion Committee, the Diversity Advisory Council and the diversity lead staff member.
- First Thursday is Diversity Day and will continue to be used as a catalyst for personal development and cultural responsiveness and will be a focus for staff.

Budgeted Expenditures

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)—DEI action plan activities only	$0.59	$0.27	$0.29
Estimated Expenditures (millions)—Organization-wide activities, delivery and incentives associated with DEI goals*	Not tracked	$29.5	$31.7

**This is a conservative estimate of total expenditures in programs, support groups and general management associated with organization-wide efforts to expand participation of underserved customers and minority- and women-owned contractors and accomplish other DEI Operations Plan Goals. The estimate is provided here for reference only. The activities and expenditures are embedded in program, support group and general management action plans and associated budgets.*

General Communications and Outreach

The communications and customer service (CCS) group engages customers, stakeholders, communities and the public through communications, outreach, public relations, advertising, education, online resources, social media and results reporting.

The general communications and outreach budget provides staff and resources to support customer access to information and cash incentives; create and strengthen awareness of Energy Trust and the value of energy efficiency and renewable energy; expand the organization's reach to new customers and stakeholders; serve as a resource for policymakers and implementers; and support organizational transparency and accountability.

The community services budget provides staff and resources to support working with community-based organizations and municipalities to expand customer participation in energy efficiency and renewable energy programs. Community services resources and grants will be specifically focused on increasing engagement with communities of color, rural communities and low-income customers. This is a developing area of focus within CCS in 2021 that is expected to become a new community-focused program in future years.

Context

The COVID-19 pandemic will continue to impact customers in 2021 and the severity, longevity and exact nature will vary customer to customer. Natural disaster and economic recovery and rebuilding will be a priority for communities throughout the state. This will require Energy Trust outreach and community services to continuously adapt to successfully engage customers and communities, particularly those who have been underserved.

Meanwhile, research and outreach completed in 2020 indicates low awareness of Energy Trust programs and services among Black, Indigenous and Latino customers is a barrier to engagement. More community-led clean energy efforts present additional opportunity to work with cities, counties and community-based organizations to connect with customers, while constrained government and nonprofit capacity means they will need more support to make progress. Stakeholder interest in Energy Trust's investment and impact in communities of color and rural areas will continue in 2021. Energy Trust's mission, programs, funding and data resources will also continue to be a focus for stakeholders working on public policies to relieve energy burdens on low-income customers and to ensure public benefit for historically underserved customers.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Promote awareness of Energy Trust programs and benefits among customers and stakeholders—with a focus on customers and communities of color—to help the organization achieve diversity, equity and inclusion participation goals.
  - Provide leadership on market research, strategies and tactics that inform Energy Trust outreach to market segments and increase awareness among diverse and underserved customer groups.
  - Develop and enhance online channels and web-based forms needed to cost-effectively serve customers.

- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Invest in long-term relationship building with community-based organizations to learn about each other and identify potential new collaborations to serve customers and achieve mutual goals.
  - Expand outreach to communities and customers of color.
  - Involve organizations representing the communities we seek to serve in the development and design of community offers and services.
  - Provide funds to organizations and municipalities to support efforts leading to future engagement in energy efficiency and renewable energy programs and benefits.
  - Continue to be an informational resource to policy makers at the state and local levels. Engage with stakeholders to better understand the value of Energy Trust information and engagement.

2021 Goals and Strategic Focus *(continued)*

Goal 3: Enhance operating processes and internal culture to efficiently respond to change

- Drive innovation online to reduce costs and better serve customers and stakeholders with targeted email marketing resources and easier online transactions using digital tools.
- Bring communications and leadership skills to ensure staff is engaged in Energy Trust culture and values and informed about key priorities and initiatives accomplishing annual goals. Support change management initiatives related to internal operations and adaptation.

2021 Key Activities

- Reconfigure CCS to expand outreach team resources for customer, community and stakeholder relations and support development of a future community-focused program; hire personnel to lead and support initiatives to engage communities of color and the organizations serving them.
- Connect community efforts to Energy Trust programs and services by providing data, staff time and resources to communities creating or managing energy, sustainability or climate plans and leading local energy efforts; coordinate with utility staff on these activities.
- Support communities responding to natural disasters. Position Southern Oregon outreach manager as a point of contact for communities rebuilding from wildfires. Provide information and participate in community-led planning processes with a focus on incorporating energy efficiency and renewable energy into rebuilding.
- Continue to increase engagement with communities and community-based organizations as a channel for reaching customers. Develop a small grant program to support nonprofit efforts to reach underserved customers with offers and services leveraging Energy Trust programs.
- Continue to support nonprofits applying to the City of Portland's Portland Clean Energy Community Benefits Fund, serving as a resource to help them accomplish clean energy projects inclusive of energy efficiency and renewable energy.
- Support projects to connect rural community energy planning with available energy efficiency and renewable energy offers and with community-targeted marketing efforts.
- Increase customer and stakeholder awareness of offers, services and benefits through additional advertising, public relations, outreach and sponsorships support with a focus on engaging people of color and rural customers. Create a new general marketing campaign using insights of 2020 brand audit.
- Identify opportunities to inform and support policymakers and implementers. Provide information and expertise to policy discussions and dockets related to state agencies' implementation of Governor Brown's Executive Order 20-04 to regulate greenhouse gas emissions. During the 2021 state legislative session, provide information as requested on the public purpose charge, energy efficiency and small-scale renewable energy development.
- Maintain and enhance Energy Trust's website, campaign microsites, social media presence and bulk email platform using best practices to ensure positive digital customer experiences.
- Increase accessibility to the website and digital resources by optimizing downloadable documents for customers with disabilities and increasing efforts to provide translated content for all audiences.
- Expand the use of DocuSign to deliver digital signature solutions, reduce data entry costs and delays through systems integration and support customers, contractors and vendors operating remotely or in reduced capacity.
- Deliver quarterly and annual public reports, utility reports and data analysis as requested. Explore ways to streamline reporting processes and products to increase efficiency. Communicate progress toward diversity, equity and inclusion objectives to stakeholders and the public.
- Provide general support as needed to the organization to support emerging program approaches, process innovation, utility coordination and stakeholder engagement.

2022 Expected Changes

- Continue to develop and evolve a community-focused program, learning from 2021 engagement with communities and community-based entities.
- Continue building on efforts to engage communities of color and monitor progress through research and stakeholder feedback.

Budgeted Expenditures

Total Expenditures (millions)*	2020 Budget	2021 Budget	2022 Projection
Communications and Outreach	$4.2	$4.3	$4.4
Community Services	$0.0	$0.5	$0.5

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

Existing Buildings Program

The Existing Buildings and Multifamily programs completed a competitive rebid for the PMC contract. Based on this rebid, in 2021 Existing Buildings and Multifamily programs will be combined under a single contract, Existing Buildings. Lighting is also in the bid process for a PDC contract that will create a combined commercial and industrial offering for commercial, industrial and multifamily lighting. These contract changes are being made to capture administrative efficiencies, better serve and reach customers, and align cross-cutting strategies.

In 2021, the Existing Buildings program will offer incentives, tools, training and technical assistance to customers who complete energy efficiency, behavioral and operational improvements in existing commercial buildings and multifamily structures with two or more dwelling units. Incentives will be available for standard and custom projects, including capital upgrades and operations and maintenance improvements; direct installation offerings; and energy performance management offerings, including Strategic Energy Management (SEM) and Pay for Performance.

Context

COVID-19 and the aftermath of 2020 wildfires will dominate changes in market trends in 2021, shifting customer priorities due to economic impacts and required operational changes. Small to medium businesses and restaurants have shifted to take-out and delivery or have shut their doors temporarily or permanently. Across almost all industries, customers are focused on ensuring a safe indoor environment for occupants. Buildings are addressing occupant health concerns by making permanent operational changes with filtration, outside air levels, hours of operation and air exchanges/hour, which will impact methods for achieving and claiming savings. Unemployment will most likely reduce rental income for multifamily units, decreasing the capacity of property managers to take on upgrades. Additionally, supply chain delays for both raw materials and products are expected to further exacerbate the ability to plan for and complete capital upgrades.

The program will continue to be challenged by cost-effectiveness due to product baseline changes as reflected in measure development and the significant technical assistance required to identify and maintain savings.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Provide additional technical support to SEM customers to stay engaged and garner savings.
  - Engage new and underserved customers.
  - Develop new calculated and standard measures and investigate new opportunity areas.
  - Work with distributors and retailers to increase savings through midstream and buy-down channels.
  - Recalibrate incentive levels for measures as needed based on economy and other factors.
- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Connect with community organizations and incorporate feedback into program design.
  - Partner with organizations to expand workforce development opportunities.
- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Review internal processes and identify opportunities to streamline program procedures.
  - Launch new program structure to incorporate existing multifamily offerings into the Existing Buildings program.

2021 Key Activities

- Design and launch new program offerings for small businesses and those impacted by wildfire.
- Expand trade ally outreach and development to recruit more rural and women- and minority-owned contractors.
- Promote re-tooled Pay for Performance pilot to test a new delivery and acquisition strategy.
- Work with Lane Community College to expand Building Operator Certificate offering.
- Implement concepts proposed in the RFP process to launch pilots and outreach strategies with a longer-term focus and emphasis on incorporating diverse contractor services and serving diverse communities.
- Partner with community-based organizations to reach new business and multifamily customers with a focus on communities of color, low income and rural communities.
- Explore new ways to leverage external funding sources and resources such as PropertyFit/CPACE financing, U.S. Department of Energy asset scores and energy performance reporting in Portland.
- Emphasize cross-program collaboration opportunities, such as joint offerings and targeted promotions with Residential to reach multifamily customers and coordinating with program delivery contractor delivering commercial and industrial lighting offers to drive direct installation in small businesses.
- Further integrate Strategic Energy Management with an optional streamlined point of contact for participants.
- Deepen engagements and offerings for multifamily affordable housing, including co-funding collaboration with Oregon Housing and Community Services, developing customized multifamily Strategic Energy Management offerings and continuing support of tenant education workshops through Community Energy Project.

2022 Expected Changes

- Refine program design and expand new strategies and offerings launched in 2021.
- More cost-effectiveness challenges, particularly in direct installation offerings, boilers and food service measures.
- Continue to move toward more streamlined delivery mechanisms, including midstream, that will reduce operational costs.
- Augment strategies to reach underserved customers based on 2021 research and analysis.

Budgeted Expenditures and Savings

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$62.5	$62.5	$58.3
Gas Savings (therms)	1,962,449	2,072,244	2,198,404
Electric Savings (aMW)	14.58	15.56	13.06

**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 early in the design process with building owners, developers and design professionals to influence decisions that maximize efficiency through standard incentives, Market Solutions incentive packages and custom, whole-building incentives. Market Solutions incentives help businesses make quick decisions with pre-packaged options to achieve deeper energy savings over individual standard incentives. Whole-building incentives support the use of energy modeling to consider integrated design and systems to achieve efficiencies significanly above code.

Context

COVID-19 impacts and on commercial new construction have resulted in fewer new enrollments and elongated construction timelines, as contractors implement social distancing and grapple with constrained skilled labor markets and tight cost margins. COVID-19 impacts will continue to be varied across the commercial building spectrum. Overall, savings in 2021 are negatively impacted by lower lighting and boiler savings from baseline changes and market delays due to COVID-19 as project timelines push to 2022 completions.

Whole Building and Market Solutions, tracks comprising about 50% of the pipeline, currently operate under an OPUC cost-effectiveness exception that expires at year-end 2021. An additional code update is pending, as the adoption of the 2020 changes was delayed due to COVID-19. This is creating uncertainty around program redesign efforts and savings impacts. Some work in the program will be redirect to technical services and deeper market engagement to keep builders engaged amid all the changes while being poised to ramp up for a recovering market. Wildfire impacts will require targeted approaches as recovery efforts become clear.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Maintain high-touch customer service during COVID-19 recovery by leveraging virtual delivery methods, enhancing online resources, and using analytics to identify new target areas.
  - Continue to support the market with robust incentives.
- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Continue investment in building relationships and understanding the communities served, through community-based organizations.
  - Enhance development and implementation of Energy Trust’s community engagement guidelines; be poised to help address wildfire recovery efforts.
- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Refine processes and automate data entry and data transfer to reduce delivery costs.
  - Create more online forms to improve customer experience and internal process.

2021 Key Activities

- Invest in outreach resources for virtual delivery and online resources to maintain high-touch customer service during COVID-19 recovery.
- Launch revised custom offerings (Whole Building and Market Solutions multifamily) with updated program methodology adjusted to the OPUC resolution on cost effectiveness.
- Develop, launch and promote new program offerings, including for lighting, in response to pending code update and changes to utility avoided cost. Enhance marketing of program offerings with regional messaging to reach rural customers.
- Increase virtual training and education with on-demand access to technical resources. Create feedback loop between online attendees and outreach team to bolster lead generation and deepen engagement. Increase engagement and momentum for high performance buildings.
- Increase marketing investment in online resources to meet virtual demand, and in data analytics to fine-tune outreach strategies with gap analysis.
- Continue to support customers in use of target-setting to address total building energy use, aligning with the 2019 code, which focuses on whole-building energy consumption and better enables market transformation.
- Develop system-level and central water heating savings strategies for low-income and affordable housing developments.
- Incubate new collaboration opportunities for partner organizations to increase commitment within the design industry toward more aggressive energy goals.
- Deliver solar as part of the design and construction of a building, leveraging the solar add-on incentive and coordinating closely with customers and solar trade allies.
- Coordinate with NEEA on complex emerging technologies including very high efficiency dedicated outdoor air systems and emerging gas technologies.

2022 Expected Changes

- Expecting strong 2022 pipeline comprised of past enrollments delayed due to COVID-19 working their way through completion, and anticipated uptick in new enrollments as the market begins to recover, with multifamily and industrial projects leading the market.
- Resurgence of super-saver data centers anticipated to increase, while new public projects (K-12, higher-ed and government) could lag due to lasting effects of COVID-19, creating low bond-measure passage.
- Anticipating a second Oregon energy code update in 2021/2022. This code will be the fourth code change since 2010 and creates uncertainties with determining the next increment of cost-effective prescriptive measure savings.
- Uncertainty around custom track cost effectiveness requirements is anticipated to be resolved, with updated Whole Building and Market Solutions offerings resulting in a continuation of customer engagement and savings acquisition.

Budgeted Expenditures and Savings

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$18.8	$17.4	$19.9
Gas Savings (therms)	548,061	363,531	484,732
Electric Savings (aMW)	4.76	4.43	5.30

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

Commercial and Industrial Lighting Offers

Beginning in 2021, Energy Trust will deliver lighting offerings to commercial and industrial customers through a single Program Delivery Contractor, a change that consolidates services previously provided through subcontracts to the commercial Program Management Contractor and an industrial Program Delivery Contractor. This change was made to gain program efficiencies and delivery cost savings, as well as strengthen diversity, equity and inclusion efforts.

Business lighting will have four delivery offerings:

- Midstream: Incentives provided through a lighting distributor at point of purchase
- Direct installation: Select lighting and non-lighting direct installation measures for small and medium businesses and multifamily
- Custom and prescriptive: Measures not included in the midstream offer
- Comprehensive lighting design: Holistic performance pathway and a basic design pathway for substantial remodels and expansions to existing buildings

Context

As the new program delivery contract launches, COVID-19 and the 2020 wildfires will continue to impact businesses by reducing hours and lowering productivity through closures. However, Energy Trust has seen strong uptake of lighting projects due to the 2020 lighting bonus and, as a result, the program will carry a strong pipeline of committed projects into 2021. Staff will focus on lighting offers that support small, medium and minority-owned businesses that have been disproportionately impacted by COVID-19. Lighting measures continue to reflect increasingly efficient baseline conditions throughout the market. Energy Trust will continue to pursue lighting measures with differential baselines for lagging markets (e.g., small and medium businesses, multifamily, rural). Lighting controls are getting more market interest and offer potential growth. However, safety practices in response to COVID-19 make it harder for trade allies to install equipment. As the cannabis and hemp market has stabilized, growers who are able to do so will continue to invest in efficient lighting. Staff expects strong cannabis and hemp participation to continue into 2021.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Manage the significant carryover of projects that took advantage of 2020 bonuses.
  - Introduce midstream offerings and expand direct installation lighting offers that will help attract higher participation from small and medium businesses.
- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Join community efforts that can leverage business lighting, direct installation and midstream offers to help business customers.
  - Expand relationships with National Association of Minority Contractors, Professional Business Development Group and LatinoBuilt to bring in more COBID eligible trade allies.
  - Continue to work with industry organizations, including Oregon Manufacturing Extension Partnership, economic development organizations and utility outreach teams to build connections with smaller and more diverse customers.
- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Develop new lighting tools that build efficiencies for trade allies and distributors to streamline participation.

2021 Key Activities

- Provide direct installation lighting offers to help meet savings goals and enhance offers to include low-cost options delivered through a larger number of trade allies.
- Introduce midstream incentives to customers, trade allies and contractors at point of purchase through participating distributors. Previously, a small suite of measures was available through distributors, and the application process was administratively burdensome.
- Develop a direct design assistance offering to customers and/or their lighting designers and trade allies.
- Monitor and potentially restart the Networked Lighting Control pilot—launched in 2020 and paused due to COVID-19 challenges—when trade allies can access buildings and facilities return to higher occupancy levels.
- Expand diversity, equity and inclusion efforts to serve small and medium businesses, rural areas and other underserved customer groups.
- Ensure a smooth transition for trade allies and customers to maintain and grow customer participation. Marketing and outreach efforts will prioritize change management with trade allies, distributors, customers and contractors around changes and introduction of any new tools.
- Develop and enhance marketing strategies to build market interest in new delivery models and offerings, particularly for diverse audiences.
- Develop lighting incentive changes to reflect new delivery models:
    - Some measures will be removed from downstream and added to the midstream channel.
    - New direct installation model and offers may change the incentives paid to installers.

2022 Expected Changes

- Savings levels in the commercial and industrial lighting tracks will decrease in 2022.
- Adjustments to new commercial and industrial lighting offerings will be made based on learnings from 2021.
- The 2022 budget allows the potential for bonuses and/or targeted increased incentives for underserved customers.

Budgeted Expenditures and Savings

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$22.2	$24.9	$19.1
Electric Savings (aMW)	13.51	14.87	10.90

**Expenditure detail is provided under budget details tab in the budget binder, included in Existing Buildings and Industry and Agriculture programs. This detail includes lighting incentives for 2020, and lighting incentives and delivery for 2021 & 2022.*

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 robust building market coupled with ongoing construction labor shortages continue to divert commercial customers' attention away from energy efficiency projects. Tariffs are increasing costs and have led to projects being rebid leading to delays. Many projects have also been delayed because of halts to construction due to COVID-19. At the same time, the passage of Washington school bond measures has led to significant retrofit and new construction activity 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. Washington HB 1444 and HB 1257 will begin to impact Energy Trust's ability to offer certain measures including commercial fryers, dishwashers, steam cookers, and showerheads beginning in 2022. COVID-19 will dominate changes in market trends in 2021, shifting customer priorities due to economic impacts and required operational changes. Updated evaluations have resulted in greater savings per measure which has resulted in a slight increase of savings from last time we projected 2021.

Energy Trust will continue to monitor wildfire activity in Southwest Washington. Currently commercial gas customers do not appear to be in harm's way.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - 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.
  - Update calculated and standard measures such as commercial condensing furnaces and water heaters.
  - Utilize data to inform outreach strategy to discover savings opportunities.

- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Ensure NW Natural has all needed information requested by the Washington Utilities and Transportation Commission.
  - Coordinate with Energy Trust Planning to develop a two-year Conservation Potential Assessment savings goal.

- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Assess application processes with PMC to help reduce incomplete customer information and streamline calculations of custom measures to improve operational efficiency for these offers.
  - Work to ensure faster customer incentive payments.
  - Coordinate with NW Natural and Residential PMC to develop streamlined marketing and communication strategies to ensure effective and consistent messaging to ratepayers.

2021 Key Activities

- Coordinate and manage the transition to a new Existing Buildings PMC. Based on this rebid, in 2021 Existing Buildings and Multifamily will be combined under a single contract, Existing Buildings.
- Explore efficiencies gained from the combination of Existing Buildings and Multifamily programs.
- Offer a range of standard measures, including restaurant equipment, insulation, water heaters and boilers.
- Continue to focus outreach activities on low-income housing by working with the Vancouver Housing Authority and other local agencies.
- Increase outreach and promotion of Building Operator Certification to capital improvement project teams; specifically, schools project teams.
- 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.
- Coordinate with NW Natural on new marketing guidelines for NW Natural Washington delivery territory.
- Collaborate with Clark Public Utility District to explore co-funding of technical studies that provide electric and gas savings.
- Work with Energy Trust Planning, NW Natural and the Washington Utilities and Transportation Commission to draft a Washington Conservation Potential Assessment. Work to implement a two-year plan for 2022 and 2023; this includes adjusting the filing schedule in 2021.
- Ensure the large, Innovation Center project can fully utilize program services to help drive deep savings.

2022 Expected Changes

- Washington's passage of WA HB 1444 "Concerning Appliance Efficiency Standards" and HB 1257 "Concerning Energy Efficiency" established efficiency standards for equipment such as foodservice and showerheads and are slated to take effect in 2021. As a result, some products will no longer be eligible for Energy Trust incentives. Changes will be implemented in 2022 such as discontinuation of certain restaurant equipment.
- Shift to new savings goal and budget structure for Washington utilities as defined through WUTC rule making. This structure could lead to a new savings goal-determination, contracting and budget process for Washington.

Budgeted Expenditures and Savings

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$0.9	$1.5	$1.5
Gas Savings (therms)	111,413	238,107	244,390

**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 is planning for challenging market conditions in the industrial and agricultural sectors in 2021. Oregon manufacturers are delaying energy efficiency projects due to concerns about the economic outlook, capital constraints, wildfire impacts and remote work. To address these challenges, the program will keep up virtual delivery where possible and continue the gas incentive bonuses put in place in 2020. Gas savings will be impacted by fewer greenhouse projects. Greenhouse owners lack bandwidth to participate because of high product demand and labor shortages resulting from COVID-19. Additionally, we do not have a large gas project in the pipeline. On the bright side, high customer interest in low/no cost measures is driving a strong SEM electric pipeline for 2021 and we anticipate high SEM savings will offset the decreased savings from capital equipment measures. In addition, the standard track has a strong pipeline of committed projects carrying into 2021 as a result of the 2020 bonuses.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Manage the carryover of standard track electric projects that took advantage of 2020 bonuses.
  - Continue Standard track gas bonuses to spur gas project activity delayed by COVID-19.
  - Continue virtual delivery as needed to maintain project activity.
  - Evolve Operations and Maintenance and SEM offerings to increase uptake by better meeting customer needs.
  - Increase marketing and outreach, technical services and other support to small- to medium-sized, rural and diverse industrial and agricultural customers.
  - Continue outreach activities with industry groups, including Oregon Manufacturing Extension Partnership and Southern Oregon Regional Economic Development, Inc. to build connections with smaller manufacturers.

- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Expand relationships with National Association of Minority Contractors, Professional Business Development Group and LatinoBuilt to bring more COBID eligible trade allies into the program.

- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Improve internal processes and systems.

2021 Key Activities

- Continue standard track gas bonuses introduced in 2020 to maintain gas project activity.
- Continue virtual delivery to keep project activity moving during the COVID 19 pandemic, including initiating custom studies and remote verification where possible.
- Continue to evolve SEM offering, including improving virtual delivery and testing SEM cohorts that mix large and small customers, while addressing smaller customers barriers to participation.
- Test new operations and maintenance offering that streamlines program requirements and makes it easier for customers to participate.
- Rebid standard track program delivery contract in alignment with Energy Trust's contract execution and oversight policy. Enhance diversity, equity and inclusion requirements to ensure we are serving all customers equitably and building capacity among a more diverse range of vendors and contractors.
- 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.
- Collaborate with electric utilities to facilitate demand reduction at industrial sites.

2022 Expected Changes

- Savings levels in the custom and standard tracks are not expected to change significantly in 2022.
- Savings levels in the SEM track are expected to decrease in 2022. After several years of successful SEM, we anticipate 2022 recruitment for First Year SEM to be more challenging and Continuous SEM savings to decline for participants who have been enrolled for several years.
- Electric savings in 2022 are expected to increase due to two megaprojects, one in PGE and one in Pacific Power.
- 2022 incentives allow the potential for continued bonuses and/or targeted increased incentives for diverse, hard to reach customers.
- Implement results of Standard track request for proposals.

Budgeted Expenditures and Savings

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$43.0	$40.4	$41.8
Gas Savings (therms)	1,514,698	1,362,290	1,322,366
Electric Savings (aMW)	17.1	15.5	17.9

**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 by Program Management Contractor CLEAResult and 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

2020 market dynamics have been largely dominated by program responses to the COVID-19 pandemic. As such, 2021 residential activities will focus on do it yourself (DIY) and lower-cost offers that are relevant to customers impacted by employment disruptions, wildfires and/or spending more time at home due to COVID-19.

HVAC bonuses and enhanced incentive pathways through community partners are increasing, while demand for market-rate heat pumps and ductless heat pumps continues to decline. Demand for central AC is growing. Retail lighting promotions will continue withlower volumes as incentives sunset at larger home improvement stores and offers focus on smaller, more rural retailers. Distributor promotions and contractor partnerships are expanding and will grow in 2021 at lower than forecast levels.

New home construction activity in Oregon is expected to slightly decline due to impacts from COVID-19: however, participation in EPS continues to be strong as builders navigate the current financial conditions and the program tracks on timing for a potential code change. Impacts of the 2020 wildfire season will be closely monitored to learn how new home construction and manufactured home replacement can support rebuilding in impacted communities and help mitigate future wildfire impacts on homes.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Expand engagement with low-income agencies, community-based organizations and utilities to co-fund offerings that benefit low-income customers and funding partners.
  - Support efficiency solutions in current environment including DIY, program promotions, and trade ally delivered offers.
  - Drive diverse customer participation through local and regional engagement with tailored offers.
- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Expand working relationships with community-based organizations and utilities to align our services with community objectives.

2021 Key Activities

- Work with smaller and more rural retailers to drive sales of efficient lighting products to the lagging lighting market, while maintaining a presence in all current retail outlets for specialty lighting. Continue to drive increased savings from water heaters, appliances, and home-agricultural lighting technologies.
- Coordinate with Pacific Power and its contractor Bidgely to deliver digital home energy reports to roughly 165,000 customers, with a focus on driving increased awareness of Energy Trust offers, customized energy savings recommendations, and capturing behavioral savings.
- Coordinate with state efforts to advance the residential energy code and Reach Code and align program strategy with state efficiency and climate goals, while expanding participation in Net Zero and Energy Smart Home pathways.
- Implement existing manufactured homes program design enhancements that result in home audit and energy savings recommendations, direct install smart thermostats, as well as referrals to free duct sealing services, floor insulation promotions, and HVAC fixed price offers.
- Expand marketing to elevate DIY participation pathways, including low-cost and free smart thermostats for income-qualified customers, tank water heaters, ceiling insulation, appliances, and lighting.
- Engage residential HVAC market actors to align program strategies and provide incentives for efficient gas and electric HVAC equipment.
    - Deliver targeted offers to acquire savings from manufactured homes, zonal systems, single family rentals, targeted load management regions, and through Savings Within Reach.
    - Use targeted marketing to deliver full-cost HVAC replacements (direct installation and fixed price offers) to lower income, high heating consumption users, in coordination with community agencies.
    - Continue gas furnace incentive bonus through Savings Within Reach to provide enhanced support for income qualified customers and customers with COVID-19 related employment impacts.
- Work with community-based organizations to deliver no-cost ceiling insulation, water heaters, and HVAC installations.
- Expand co-funding to low-income agencies to increase the installation of insulation, windows, and heating systems for both gas and electric savings.
- Prioritize measures that deliver savings during times of peak system usage
- Work with utilities to cooperatively test and deliver technologies that enable dual (EE/DR) benefits to the power system

2022 Expected Changes

- Update EPS new construction incentive offerings using the 2021 energy code as the baseline and leverage the Reach Code as the target for advancements in new construction.
- Preparing for the expiration of the cost-effectiveness exception for ductless heat pumps that replace zonal heating systems will require measure development work. Additional measure development work will take place in 2021 with a 2022 impact around cooling, lighting, appliances and new construction measures.

Budgeted Expenditures and Savings

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$50.7	$49.8	$51.4
Gas Savings (therms)	2,478,903	2,317,348	2,008,828
Electric Savings (aMW)	5.50	5.54	7.60

**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 served by NW Natural in Washington achieve gas 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 gas energy efficiency of newly constructed homes through incentives, education, trade and program ally support and quality assurance.

Context

The program response to the COVID-19 pandemic is expected to continue shaping implementation and delivery tactics in 2021. As in 2020, Washington homeowners will continue to navigate changing economic and social conditions in 2021. Increased bonus incentives for HVAC systems, domestic hot water and insulation will be necessary to lower barriers for capital measures for impacted customers. The small multifamily market in Southwest Washington is full of potential despite low program uptake to date. The single-family rental housing stock continues to hold opportunities for growth. The program will sunset retail showerheads and will be evaluating the viability of Energy Saver kits, but low-cost smart thermostats will replace these offers as low-cost options for customers.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
    - 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 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
    - Expand Community Partner Funding participation options for community-based organizations who could deliver energy efficiency improvements in single-family and multifamily homes.
    - Maintain support for organizations providing services to low-to-moderate income residents, such as Clark County, through the promotion of low-to-no-cost opportunities.

2021 Key Activities

- Respond to any reductions in portfolio savings and capital measure participation driven by the economic downturn due to COVID-19 through cost reduction strategies (such as Campaign ally and Fixed Price promotion offers) for measures and marketing activities to increase awareness of promotional offers.
- Consider bonus incentives for efficient gas HVAC equipment for Q4 2021. Communicate bonus promotions to drive low-cost installations across customer types.
- Expand the installed base of smart thermostats through instant coupon promotions, downstream incentives and direct ship.
- Work with residential weatherization market actors to promote bonus incentives for insulation.
- Identify and engage with single-family housing rental property owners to installations of weatherization, DHW, and HVAC efficiency upgrades.
- Develop new strategies to support do it yourself (DIY) participation, including technical support, promotions and marketing.
- Continue to develop targeted marketing and communications strategies to drive leads to contractors, highlight ongoing bonus incentives and special promotions.
- Promote low-cost smart thermostat or community partner funded offerings through existing relationships with local community-based organizations (CBO) serving low-to-moderate-income residents.
- Identify lagging markets and new distribution channels for the reintroduction of Energy Saver Kits in late 2021.
- Introduce incentives for New Manufactured Homes through the onboarding of new manufactured retailer participants.
- Expand community-based organization collaboration to bring capital measures to new customer segments through the newly created Community Partner Funding (CPF) pathway which is a set of increased incentive offers exclusively for CBOs to support programs for underserved populations living in detached single-family homes.
- Provide support to New Home Construction (EPS) participants to help the market prepare for program changes scheduled for Q4. Impacts of program changes will largely be realized in 2022. Builder participation in EPS will remain strong in 2021 and the program expects to maintain its current market share of 45%.
- 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.

2022 Expected Changes

- Savings, incentives, and project volume are currently forecasted to remain stable for the majority of Home Retrofit, Midstream and Multifamily measures.
- The EPS New Home Construction Program will be experiencing a code baseline change in Q4 of 2021 that will possibly result in a large fall-off of builder participation in 2022. The program is launching a new code-based prescriptive offering that will allow builders to participate at the measure-level as opposed to whole-home EPS. The whole-home EPS performance path will also still be available.

Budgeted Expenditures and Savings

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$1.7	$1.8	$1.5
Gas Savings (therms)	227,919	148,573	111,246

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

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 funded by Northwest utilities and efficiency program providers such as Energy Trust to pool resources and share risks in efforts to transform the market for energy efficiency to the benefit of consumers. 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 advisory and work groups, specific program area partnerships, and savings reporting. NEEA's portfolio is organized in seven cross-sector, dual-fuel product groups designed to leverage shared relationships and market channels and deliver efficiencies for both the alliance and supply chain partners. NEEA also supports regional energy efficiency research projects including building stock assessments and end use load research. In 2021, NEEA expects a modest increase in annual savings compared to 2020. NEEA's "net" gas savings -- those savings beyond what Energy Trust also reports -- is forecasted to decline in 2021. However, "co-created" savings, which include savings supported by both Energy Trust and NEEA efforts are expected to offset a significant portion of that decline.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic.**
    - Identify and accelerate new opportunities through scanning for new measure opportunities and offering, research, and market partner engagement.
    - Work with mid-stream market actors to retain our ability to deliver affordable, clean energy at volume.
    - Determine the viability of newly identified emerging technologies using technical analysis to quantify their savings potential and assessing the market barriers to adoption of these technologies.
    - Influence market actors to increase availability of energy-efficient products and services.

- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives.**
    - Engage funders and other qualified advisors to identify, develop and sustain a portfolio of efficiency-enabling initiatives and activities consistent with NEEA's purpose.
    - Support dialogue and coordinate activities among stakeholders interested in accelerating efficiency through market transformation in the Northwest.

2021 Key Activities

- Windows: Advance efficient window attachments by working with a national industry group, identifying efficient products, encouraging product certification, raising awareness and working with funders to achieve commercial building installations. Promote the viability of thin triple-pane windows and work to remove market barriers by directly engaging window industry partners.
- Consumer products: Deliver project-specific strategies for NEEA's Retail Products Portfolio initiative, including targeted incentive structures, support for highest energy-saving products, and coordinating to establish ENERGY STAR® specifications or federal standard updates. Expand to online retailers and integrate online sales data into the Retail Platform for a more complete set of regional market data. Participate in NEEA's ongoing regional Smart Thermostat study that could produce data that would enable Energy Trust to analyze whether additional Smart Thermostat products would be eligible for incentives in 2021 and 2022 yielding additional savings from these measures.
- Motor/pump systems: Increase awareness, stocking, and sales of efficient motor-driven products, focusing on pumps and compressed air systems. Support procurement practices and standards to drive adoption of more efficient motor-driven products with integrated controls. Continue engagement with distributors to test and refine market interventions for efficient pumps and circulators.
- HVAC products: Continue to encourage market adoption of residential variable capacity heat pumps, very high efficiency dedicated outside air systems (VHE DOAS) and high efficiency rooftop units (RTUs). Increase distributor participation in HVAC sales data collection to enhance data to track related savings, inform future market interventions and expand regional market intelligence. Identify opportunities to influence codes and standards and labeling programs across high efficiency HVAC products.
- Lighting: Train trade allies, lighting designers and specifiers to promote and install luminaire level lighting and other advanced lighting control technologies. Enhance market tracking via pricing and sales data dashboard.
- Water heating: Support future federal standards for heat pump water heaters by increasing heat pump water heater adoption, including amplifying heat pump water heater impact on carbon goals, promoting efficient product specifications, and addressing challenging installation situations. Support the launch of gas heat pump water heater product through product demonstration and regional collaboration.
- New construction: Support and validate technologies and building strategies that may fit in future commercial and residential code cycles. Provide proposals to national code development bodies. Continue to support a new voluntary above-code specification for manufactured homes (NEEM 2.0), providing manufacturers/retailers with tools and resources to drive consumer demand.
- Regional infrastructure: Provide and enhance common resources for regional research and data, including the residential and multifamily building stock assessment and end use load research, which provide updated building characteristics, baseline conditions, and load and savings shapes to funders. Support efforts to safely resume meter installations for end-use load research as COVID impacts allow.

2022 Expected Changes

- Electric savings are expected to increase in 2022 due to higher adoption rates for heat pump water heaters, an increase in market share for ENERGY STAR® consumer products, and an increase in commercial new construction activity.

Budgeted Expenditures and Savings

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$8.2	$9.0	$8.2
Gas Savings (therms)	22,688	2,749	3,439
Electric Savings (aMW)	3.4	4.0	5.1

**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; provide consumer support through quality standards; aids the industry to drive down non-hardware soft costs; and ensures a robust, qualified Trade Ally Network. The program offers incentives for smaller-scale distributed systems across all customer sectors with a particular focus on projects that improve equity for communities of color and customers with lower incomes and innovative applications of solar that support community resilience and grid flexibility.

Context

In 2020, COVID-19 and the resulting economic recession has had disproportionate impacts on customers with low-incomes and has highlighted systemic inequalities in Oregon's economic and health outcomes for people of color. These large interconnected societal challenges underscore the need for the Solar program to continue to shift funding and focus to projects that benefit underserved Oregonians.

Many of Oregon's rural communities will now face the added challenge of recovering from devastating wildfires. Longer-term, the impacts of this fire season will continue to drive interest in community energy planning. The program has efforts underway to support communities exploring the feasibility of using solar + storage microgrids that would enable key functions and services to continue during outages.

Advanced solar + storage systems have benefits beyond customer resilience, providing flexibility and capacity for the grid. The Solar program has contracted with PGE to deliver components of the utility's Smart Battery pilot program. Program development is underway and incentives will be available in 2021 for qualifying residential customers that install solar + storage or stand-alone energy storage systems.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Allocate more than half of the program's new incentive funds to projects that benefit customers with lower incomes and communities of color.
  - Continue to provide value for trade allies with customer leads, business development support, relevant training and efficient standard incentives.

- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Partner with PGE to deliver a successful Smart Battery pilot program.
  - Work with communities pursuing local resilience through solar + storage and provide project development assistance to help them access plan and prioritize projects and access outside funding.

- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Improve the program's ability to efficiently explore new ideas, engage with diverse stakeholders and launch new offerings that benefit the intended audience.
  - Continue simplifying standard offers and application processes to free up staff time for new areas of focus.

2021 Key Activities

- Continue standard-offer incentives for homeowners, businesses, nonprofits and public entities. Expand and promote the Solar Within Reach (SWR) offering for moderate-income homeowners.
- Offer higher incentive for non-profit service providers, tribes, affordable multifamily and other organizations that help us achieve our DEI goals.
- Provide education and outreach to community-based organizations to increase awareness and access to solar and solar + storage within the communities they serve.
- Fund select Community Solar projects and community projects through a custom incentive process.
- Document lessons learned from microgrid feasibility studies to guide communities preparing for power outages from wildfires, earthquakes or other disasters.
- Expand development assistance offerings for customers pursuing solar + storage systems.
- Collaborate with utilities to meet their goals for flexible distributed energy resources by pairing solar with controls, smart inverters and storage. Deliver incentives, quality management and customer outreach and support for PGE's Smart Battery pilot.
- Collaborate with the Residential program to increase adoption of net zero and energy smart home offers that combine renewable energy and energy efficiency benefits with a focus on customers with low to moderate incomes.
- Support the New Buildings program to address barriers to incorporating solar and solar + storage especially for affordable multifamily housing and sites that serve as critical facilities for disaster response.
- Shift portions of program delivery and customer and trade ally support to Energy Trust's call center to free staff time for implementation of new offerings.

2022 Expected Changes

- In 2022, the commercial Investment Tax Credit will drop to 10% and the residential tax credit will expire. The program expects heavy demand ahead of the deadline in 2021, followed by lower application volume in 2022.

Budgeted Expenditures and Generation

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$10.6	$14.0	$14.0
Generation (aMW)	2.2	2.9	3.0

**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 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 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

Early investments in the Irrigation Modernization Program have leveraged nearly $170 million in additional state and federal funding in Oregon. Irrigation districts are in various stages of modernization with some completing their Watershed Plans and applying for additional federal funding for piping. Once open irrigation infrastructure is replaced with pressurized conveyances, significant energy savings are realized by permanently removing pumps. This also creates the pressure and flows necessary for in-conduit hydropower. In 2021, we will assess whether hydropower can power critical facilities during grid disruptions and support county energy planning to make communities safer and economically resilient. Program support for biopower at water resource recovery facilities continues, including helping secure additional sources of organic waste such as food waste to increase biogas. Collaboration with natural gas utilities on renewable natural gas projects will also continue. Project headwinds continue to be low wholesale power prices that favor net-metered projects over those that sell electricity through power purchase agreements.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - 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.
  - Identify opportunities where higher levels of project development assistance will be helpful to customers and businesses that are recovering from the recession and pandemic.
- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Support communities and community groups interested in renewable energy for economic development and resilience with project development and energy planning assessments.
  - Collaborate with utilities to develop effective pathways for making renewable power projects viable and for learning about the renewable natural gas market.
- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Develop learnings from the community energy planning work that can be applied in future work with Oregon communities.

2021 Key Activities

- Hold competitive solicitations to identify distributed renewable energy projects eligible for installation incentives.
- 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.
- Support a technical investigation of pressure reduction value (PRV) micro-hydropower potential for municipalities.
- Scope and fund development of a compendium of existing distributed Oregon hydropower projects.
- Examine how municipally-owned renewable energy projects provide benefits to low-income residents through lower rates.
- Evaluate additional locations where existing hydropower infrastructure can be configured to provide electricity to critical facilities during a public safety power shutoff or similar grid disruption.
- Support Wallowa County energy planning by guiding community leaders through a collaborative and structured process to capture an energy plan vision and community priorities. Apply lessons learned to other communities in 2022 using community engagement guidelines being developed in 2020.
- Help irrigation modernization participants move hydropower projects to the design phase.
- Help existing anaerobic digestion projects obtain additional secure supplies of co-digestible organic materials.
- Support the installation of food waste processing system(s) in the Portland metro area to recover organic material that will be converted to biogas at municipal-owned anaerobic digesters.
- Collaborate with natural gas utilities to develop and understand the nascent renewable natural gas market and investigate market impact on customers that produce biogas.
- Collaborate with utilities and other stakeholders to identify new funding streams that can support local renewable projects.

2022 Expected Changes

- Based on results of project development assistance, several hydropower projects under development by municipalities and special districts are anticipated to apply for installation incentives.
- Post-commercial food waste collected from the Portland metro area will be delivered to municipal digesters and converted to biogas, creating additional biopower and renewable natural gas opportunities.

Budgeted Expenditures and Generation

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$7.9	$9.2	$6.2
Generation (aMW)	1.0	0.6	0.3

**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 subscribe to or own 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 first round of community solar projects was approved in early 2020.Project development and participant recruitment are ongoing, with the first projects expected to become operational by the end of 2020. Twenty-five percent of program capacity has been reserved for small projects and projects managed by public sector or nonprofits , and 10% of each project's capacity must be reserved for low-income partipants.

Context

The Oregon Community Solar Program was developed in response to passage of SB 1547 in 2016. The program is managed by the Oregon Public Utility Commission and administered through a contract with 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.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - While Energy Trust will not claim generation from the Community Solar Program, the program is designed to support customers that have historically faced barriers to participating in the solar market. Specifically, low-income participants in the program are guaranteed a greater amount of savings than general market participants.
  - During the COVID-19 pandemic, Energy Trust is working with program partners to explore opportunities for deeper savings for low-income customers, and to use community solar as a tool to reduce energy burdens for low-income residents during and after the pandemic.
- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - As a Program Administrator, Energy Trust is actively working with a broad range of community groups across the state to develop custom community solar projects that serve their communities' unique needs.
- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - As an activity that is not funded by the public purpose charge, the Community Solar Program provides an opportunity for Energy Trust to explore additional revenue models and creates flexibility for the organization to pursue future opportunities.

2021 Key Activities

- 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.
- 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.
- Coordinate with the program low-income facilitator, Community Energy Project, to achieve the program goals specific to low-income participation, and ensure the program strategy and approach to consumer protection and customer service reflect and consider the needs of low-income participants.
- Provide impartial advice to the OPUC on policy issues relevant to the program.
- Recommend and implement continuous improvements to the program.
- Support a stakeholder engagement process to revise the Program Implementation Manual and make improvements to the program.
- Engage 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 related the to the end of Energy Trust's contract in March 2022.

2022 Expected Changes

- Same scope of work as 2021 through expiration of the current contract in March 2022.
- Should Energy Trust's role not continue past the current contract expiration: Support the development of a contract transition plan and wind down program activities.
- Should Energy Trust's contract be extended or renewed: Develop and implement a program plan for the next program period in collaboration with internal leadership, OPUC, and external partners.

Budgeted Expenditures

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$0.4	$0.3	$0.3

**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 evaluations and market research; serves as the owner of third-party, spatial, and utility customer information data; serves as an expert on data and leads projects to strategically use data and information to support organizational needs; and participates in regional and national research projects. Additionally, the team assists in and reviews development of proposed new and revised efficiency measures and helps Energy Trust incorporate new efficient technologies into programs.

Context

Energy Trust is facing industry challenges in the midst of an uncertain economy and pandemic. Industry challenges include: a) increasing existing efficiency levels and increasingly efficient building codes and product standards—that reflect past program successes but reduce further Energy Trust opportunities because remaining measures have fewer savings, and b) the slowing pace of introduction of new efficient technologies. To address remaining opportunities and benefit all ratepayers, Energy Trust is increasingly focused on providing services to customer groups who have not historically participated in large numbers. Energy Trust is also focusing more on helping utilities manage peak loads by saving energy during utility peak periods and in locations where the cost of gas and electric power delivery can be reduced.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Planning and evaluation will conduct an evaluation to learn which innovations during the COVID-19 era are successful and which merit long-term use.
  - Energy Trust will continue to forecast future potential savings for utility integrated resource plans as a basis to secure funding to acquire cost-effective savings for ratepayers.
  - Energy Trust will continue to innovate in the delivery of evaluations and maintain the most reliable results with reduced on-site activity in homes and businesses.

- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Energy Trust will monitor and evaluate how efforts to market and deliver programs in collaboration with community-based groups affect success, cost and savings.
  - Energy Trust will work closely with Oregon and Washington utility commissions and with utilities to adjust policies, cost-effectiveness framework and strategies as regulatory direction evolves.

- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Energy Trust will continue to maintain, streamline, and enhance analytical tools to meet existing needs and incorporate new tools and methods to understand the future value streams, including carbon and helping utilities manage peak loads.

2021 Key Activities

- Deliver enhanced energy efficiency supply and cost estimates for use in utility integrated resource planning processes. Communicate transparently with stakeholders to improve forecasting and modeling methodology.
- Work with Energy Trust's efficiency programs to forecast savings potential and develop programs that are responsive to evolving market conditions and future efficiency opportunities, including adapting to fewer measures that are available to a broad range of customers, a subsequent need to focus on more niche products and targeted customer groups and developing more controls and behavioral efficiency strategies to capture savings.
- Continue to develop a framework to quantify the value of energy savings in the changing industry landscape. Improve estimates of energy saved during utility peak periods from energy efficiency and renewable generation. Develop improved annual estimates of energy savings and a refined understanding of the time periods when measures save energy for selected measures that reflect summer peak savings.
- Adjust tools and process to meet policy needs as Oregon and Washington regulatory policies evolve in response to COVID-19, equity issues, carbon or other issues.
- 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 reported by Energy Trust.
- Provide technical information and quality assurance for the measure development process. Obtain data on markets and measure performance that are critical to measure assessment.
- Work with IT to enhance datasets combining Energy Trust data, utility customer information and third-party data in a central location. Continue to train analysts on these datasets and support programs in using datasets for research and analysis.
- Deliver impact evaluations of savings from all major efficiency programs and select renewable energy programs. Adjust methods to reflect COVID-19 and increased importance of peak savings and generation.
- Conduct periodic process evaluations for all major programs to provide feedback that helps enhance program delivery and market understanding.
- Update avoided costs to reflect outcomes from OPUC Docket UM 1893 and incorporate these avoided costs into measure and program planning work in 2021 to prepare for 2022 implementation.
- Use evaluation results and other intelligence to revise savings estimates for programs.

2022 Expected Changes

- 2022 may bring significant adjustments to programs due to continued market adoption of efficient technologies and expected federal and state efficiency standards for several types of equipment.
- There may be further changes to avoided costs and measure approval processes as Oregon regulators evolve their approach to equity, climate, energy capacity value and locational value of savings.
- Experience in 2021 may lead to an expanded role for storage in utility systems. It is possible that Energy Trust may develop an enhanced role in commercializing storage, with its own investment and success criteria.

Budgeted Expenditures

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$5.4	$5.8	$6.0

**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 efficiency and renewable energy programs, supports savings and generation goals and supports Energy Trust's overall organizational goals. The team manages marketing activities of Program Management Contractors and Program Delivery Contractors and sets the overarching program marketing strategy to ensure consistency across programs. The team aligns with best practices and improves marketing effectiveness by applying learnings across sectors.

Context

Now more than ever, Energy Trust's program marketing team needs to be responsive, resilient and effective to help efficiency and renewable programs reach goals. On top of industry and technology changes, COVID-19, devestating wildfires and the related economic effects create a need to engage customers in new ways and to be even more aware of their needs. Social turmoil and racial injustice also underline the importance of deeper investments in strategies that support diversity, equity and inclusion goals. This includes customers and communities with little to no prior knowledge of efficiency and renewable energy and little to no awareness of Energy Trust. Demonstrating how Energy Trust can help these customers requires new approaches. The team is leveraging new technologies and techniques to identify and engage these customers and expand program reach. It is also adopting new ways of thinking about customer needs and motivations to expand how marketing can support program goals.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Work with program management and delivery contractors to develop and evaluate marketing strategies that resonate with a range of target audiences.
  - Continue to build out integrated marketing campaigns that demonstrate the relevance and benefits of efficiency and renewable energy, particularly for historically underserved customer groups.
  - Apply market intelligence and research findings to optimize residential marketing and customer engagement strategies.
  - Deepen understanding of the needs of smaller business customers to help drive program engagement, particularly in communities of color.
  - Initiate market research projects that inform future program design and marketing opportunities.
  - Enhance analytical tools to assess marketing effectiveness and refine strategies.

- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Continue to expand marketing collaborations with utilities, trade associations and community-based organizations that have complementary needs and goals.
  - Support community efforts through targeted, direct marketing efforts that address local needs and opportunities.

- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Provide professional development opportunities for program marketing staff to expand proficiency in marketing strategies and implementation, particularly multicultural marketing.
  - Optimize team structure to ensure resilience, redundancy and effectiveness in supporting program savings and generation.

2021 Key Activities

- Develop marketing strategies to advance diversity, equity and inclusion objectives, including supporting collaborations with community-based organizations, highlighting community voices and expanding program reach and participation in culturally and economically diverse and rural areas.
- Incorporate best practices for multicultural marketing into strategic planning and execution of marketing initiatives, including using Energy Trust's Diversity, Equity and Inclusion Lens, working with minority-owned firms or in-culture freelancers on market research and creative projects, soliciting input from community members and working with multicultural marketing specialists.
- Organize a working group to scope and launch the multiyear DEI 360 initiative that will take a holistic, in-depth and targeted approach to marketing and delivering incentives and services in key diverse communities.
- Build on the residential Save For campaign, internal and contractor marketing and public relations strategies to engage or re-engage and maximize benefits to individual customers and their communities, particularly communities of color, rural and low-income communities.
- Support initial scoping, development and launch of an online customer engagement tool to meet residential customer and savings acquisition goals.
- Build on 2020's business customer engagement campaign, Run Better, to create a strong link between the needs of small and minority-owned business customers and Energy Trust's offerings.
- Leverage and broaden relationships with trade and professional associations and regional economic development groups with complementary goals to identify and implement cooperative marketing strategies.
- Support the transition to new contracts for Existing Buildings and multifamily and business lighting offers.
- Continue to enhance relationships with utilities' marketing staff to better leverage their targeting capabilities and communication channels, as well as to inform and support collaborations.
- Launch a solar energy marketing campaign that communicates the breadth of Energy Trust offers that can make solar energy accessible and useful for resilience and support the development of new solar offers serving lower-income customers to align them with energy efficiency marketing efforts.
- Develop a public relations strategy to increase visibility and opportunity for renewable energy projects that provide both energy and non-energy benefits, including solar, biogas and hydropower.

2022 Expected Changes

- Use findings from market research focused on diversity, equity and inclusion and other work to enhance ongoing marketing efforts or develop new marketing approaches.
- Gather and apply learnings from the initial launch of the residential customer engagement tool to make enhancements or expand its capabilities.
- Gather and apply learning from initial phases of the DEI 360 initiative to refine and enhance strategies.
- Expand program engagement campaigns for residential and business customers to include new technologies.

Budgeted Expenditures

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$3.0	$3.2	$3.1

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

Customer Service and Trade Ally

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, with a focus on greater engagement with minority and women contractors. 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 and a trade ally insurance verification contract. The team coordinates across all Energy Trust business functions, including with the diversity, equity and inclusion lead on supplier and trade ally diversity. Staff also coordinate with customer service and trade ally specialists at Program Delivery Contractors and Program Management Contractors.

Context

Energy Trust has been working to evolve and expand offers in light of the COVID-19 pandemic to help stimulate economic activity and bring greater value to customers and contractors. These efforts include providing increased incentives through lighting, commercial and other programs for customers and expanding business development funds for trade allies to include personal protective equipment reimbursement. Offerings and resources to support economic recovery for customers and contractors will evolve in response to natural disasters. The pandemic has highlighted historic systemic injustices for communities of color, especially for Black communities. Energy Trust seeks to increase participation in underserved communities in its programs in addition to participation by minority- and women-owned contractors in the Trade Ally Network, acknowledging there is substantial work to be done.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Decrease customer barriers to participation by improving systems such as web-based Find a Contractor tool.
  - Support program design and implementation of offers by considering workforce and contractor impact to ensure offers are accessible to minority- and women-owned trade allies.
  - Work with programs to provide flexibility, such as exceptions, to navigate the COVID-19 pandemic and natural disasters.

- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Expand partnerships with trade organizations to increase participation of minority- and women-owned contractors in Energy Trust's Trade Ally Network and lower barriers to participation.

- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Improve trade ally data infrastructure to support tracking and reporting.
  - Streamline Trade Ally Network administration through contractor transition for some business programs.

2021 Key Activities

- Manage the customer service call center contract for general and solar calls and administrative functions. Monitor service levels of other contracted call centers to ensure alignment with quality control standards.
- Manage customer complaint resolutions and lead customer service process improvements.
- Enhance trade ally data structure in Energy Trust systems to improve network analytics including project attribution and program enrollment history.
- Work with trade partners to enroll diverse contractors in Energy Trust's Trade Ally Network and conduct outreach and training events. Tap trade partner expertise on state enrollment and certification process for diverse contractors and improvements to Energy Trust's trade ally procedures, processes and approaches to support increased number of project completions by diverse contractors.
- Support expanded work with communities and community-based organizations possibly, through the establishment of a network similar to the Trade Ally Network.
- Help existing minority- and women-owned trade allies become certified by Oregon's Certification Office of Business Inclusion and Diversity as minority- or women-owned contractors.
- Increase sponsorships and partnerships with trade and community-based organizations to increase awareness of the Trade Ally Network and help build connections with diverse contractors.
- Translate web-based Find a Contractor tool into Spanish to decrease barriers for Spanish-speaking customers seeking to access a qualified trade ally.
- Hold forums for trade allies across service territory and expand to two additional locations. These events may be held virtually depending on COVID-19 guidelines.
- Support development and implementation of Energy Trust's next Diversity, Equity and Inclusion Operations Plan.
- Support contractor and program transitions for business programs as a result of 2020 request for proposals process.
- Coordinate with program staff on targeted offers that can be delivered by trade allies, particularly minority- and women-owned contractors, and that can increase participation by underserved customers.

2022 Expected Changes

- The Trade Ally Network and customer service approaches will evolve as energy efficiency and renewable energy offers change.
- Economic recovery from COVID-19 and natural disasters may result in changes to how Energy Trust supports and engages with customers and trade allies.

Budgeted Expenditures

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$0.8	$0.8	$0.8

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

Operations Analysis

The operations analyst team provides business system leadership and support, as well as operations, analytic 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 staff resources, data and systems architecture, data quality and analysis capabilities are aligned to plan, forecast and deliver program that are valuable to all customer types and markets while reducing administrative burden on staff and customers alike.

Context

Energy Trust is in the second year of its 2020-2024 Strategic Plan while facing market and technology challenges and changes as a result of the COVID-19 pandemic, wildfires, contractor transitions and remote working. This requires a reevaluation of how the operations team members working within energy programs can support emerging delivery strategies, analyze lagging markets, encourage operational efficiency and standardization and develop new measures for and integration of offerings across programs.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Lead efforts to provide measure and market analysis that informs annual program goals, customer offers, budgets and rapid response strategies.
  - Improve the ability and efficiency of programs to implement location and customer segment-based product offerings in our core systems.

- **Goal 2: Invest in relationships and collaborations with other entities to meet common needs and future objectives**
  - Lead program engagement with OPUC on measure-related topics, including exceptions and notifications, in coordination with planning and evaluation staff.
  - 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 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Improve the organization’s ability to report on forecasted projects and eliminate duplicative data entry related to project pipeline management.
  - Lead efforts within programs to standardize processes, data definitions and operations to ensure operational efficiency and resilience.

2021 Key Activities

- Lead quarterly forecasting of savings and incentives for all energy programs in new budget software with the goal of providing program staff an accurate forecast through an efficient process.
- Support enhancements to budget software functionality and develop internal processes to support scenario development and longer budget cycles.
- Ensure the measure development process and analysis resources are aligned to support research and offer design for lagging and underserved customer segments.
- Enhance systems, process and reporting practices to support changes to program structure, implementation contractors, program design and delivery channels.
- Prioritize requests for enhancements and upgrades to business systems.
- Manage user acceptance testing and change management efforts for enhancements and upgrades to business systems.
- Streamline operational systems to eliminate administrative overhead and provide more accurate and accessible information to staff.
- Develop and utilize self-service reporting tools to enable staff to analyze and use information in day-to-day decision-making.
- Support the implementation of changes to system and data architecture to align and streamline delivery approaches across programs.
- Support diversity, equity and inclusion goal setting and tracking, as well as the DEI 360 initiative through data analysis, direct project support and staff resources.
- Support the loading of financial data into the data warehouse to support public reporting and the retirement of the legacy reporting systems.
- Support system changes to remove duplicative vendors and trade ally enrollments in our core business systems.

2022 Expected Changes

- Recommendations from an internal organization structure project may lead to changes in team structure, staffing assignments and a shift in priorities in future years.
- A large system enhancement project may be needed for tracking and budgeting of diversity, equity and inclusion activities across the organization.

Budgeted Expenditures

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$0.9	$1.0	$1.0

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

Information Technology

The information technology (IT) group offers technical skills and system enhancements required by Energy Trust's energy programs and operational support groups. The IT group builds technical mastery within the team and focuses on continuous improvement of systems in partnership with engaged users. Resources include hardware, infrastructure, information systems, reporting capabilities and technical support.

Context

The COVID-19 pandemic required the IT group to reprioritize work in 2020 to support a fully remote Energy Trust staff. This will continue in 2021 in anticipation of a hybrid remote workforce. Along with this significant change, program offerings and delivery approaches are evolving. Operating programs efficiently in this environment requires information systems acquisition and enhancements. It also requires ongoing assessment of rapidly advancing technology in order to choose the best approaches for information systems architecture.

2021 Goals and Strategic Focus

- **Goal 1: Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic**
  - Develop robust systems to efficiently process and track customer projects, including through web applications.

- **Goal 3: Enhance operating processes and internal culture to efficiently respond to change**
  - Create and implement a user systems and security strategy in response to changing workforce requirements for variants of remote work.
  - 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.

2021 Key Activities

- Develop systems changes needed for new program delivery approaches, including cross-program and location-based savings and incentives.
- Implement additional information security efforts to comply with best practices established by the International Organization for Standardization.
- Allocate time for ongoing work on the backlog of smaller systems enhancements for operational improvements.
- Enhance integrations between the electronic signature application and Project Tracking and CRM to further automate data transfer from electronic forms to internal tracking systems.
- Improve several applications to streamline IT administrative work for user setup and security.
- Restructure various components in the server architecture for a more robust system with stronger administrative capabilities both on premises and in the cloud.
- Investigate additional tools and procedures to support electronic file retention and destruction.
- Complete various data quality improvement projects.
- Design systems changes to embed internal auditing processes and tracking within the Project Tracking system that would be implemented in 2021.
- Determine requirements for better visibility of workorder level details on contracts within existing systems with changes to be implemented in 2021.
- Continue to build out of remote infrastructure—including transition to laptops, further use of virtual desktops, and additional security features to support remote work.

2022 Expected Changes

- Investigate shifting additional resources from on-premise servers to the cloud.

Budgeted Expenditures

	2020 Budget	2021 Budget	2022 Projection
Total Expenditures (millions)*	$2.9	$2.8	$2.9

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

Expenditures and Energy Goals Recap
2020 Forecast

Program	Budget ($M)			Electric		Gas	
	Electric	Gas	Total	Electric Savings Goal (aMW)	Levelized Cost per kWh	Annual Therms	Levelized Cost per Therm
Existing Buildings with MF	$ 49.8	$ 9.5	$ 59.3	13.1	$ 0.044	1,668,639	$ 0.527
New Buildings	$ 17.1	$ 2.0	$ 19.1	4.7	$ 0.038	510,698	$ 0.338
NEEA Commercial	$ 2.9	$ 0.3	$ 3.1	0.9	$ 0.064	610	$ 80.383
Commercial Sector	$ 69.7	$ 11.8	$ 81.6	18.7	$ 0.043	2,179,948	$ 0.493
Industry and Agriculture	$ 35.8	$ 3.2	$ 39.0	15.4	$ 0.026	2,182,727	$ 0.143
NEEA - Industrial	$ 0.0	$ -	$ 0.0	0.7	$ 0.001	-	
Industry and Agriculture Sector	$ 35.9	$ 3.2	$ 39.1	16.1	$ 0.026	2,182,727	$ 0.143
Residential	$ 36.4	$ 15.6	$ 52.0	6.5	$ 0.056	2,679,059	$ 0.400
NEEA Residential	$ 3.4	$ 0.8	$ 4.2	1.8	$ 0.023	10,442	$ 8.288
Residential Sector	$ 39.8	$ 16.4	$ 56.3	8.3	$ 0.049	2,689,501	$ 0.421
Oregon Efficiency Programs	**$ 145.4**	**$ 31.5**	**$ 176.9**	**43.1**	**$ 0.038**	**7,052,176**	**$ 0.362**
Solar	$ 9.6		$ 9.6	3.2	$ 0.028		
Other Renewables	$ 3.3		$ 3.3	1.0	$ 0.028		
Renewables Programs	**$ 12.9**		**$ 12.9**	**4.2**	**$ 0.028**		
Commercial Washington		$ 0.8	$ 0.8			111,562	$ 0.548
NEEA Commercial Washington		$ -	$ -			-	
Residential Washington		$ 1.6	$ 1.6			214,710	$ 0.535
NEEA Residential Washington		$ -	$ -			-	
Washington Programs		**$ 2.4**	**$ 2.4**			**326,272**	**$ 0.539**
Community Solar			$ 0.3				
PGE Storage			$ 0.0				
LMI			$ 0.0				
Total Programs			**$ 192.5**				

Energy Trust of Oregon
Income Statement by Funding Source
2020 Forecast

	Oregon OPUC Efficiency Funders							Oregon OPUC Renewables			Other Funding Sources						TOTAL
	PGE	PAC	NWN IND	NWN	CNG	AVI	Total Oregon OPUC Efficiency	PGE	PAC	Total Renewables	Washington	LMI	Community Solar	PGE storage	Fund Development	Investments / Contingency	
Beginning Net Assets	17,012,201	11,192,320	984,268	3,702,232	1,134,247	243,667	34,268,935	12,524,040	6,570,938	19,094,978	417,192		109,104	-	19,220	10,152,208	64,061,637
Revenue	78,215,738	53,667,412	4,181,586	20,059,714	3,234,244	2,073,292	161,431,987	8,797,824	6,308,790	15,106,614	2,552,283	9,567	513,696	81,258		462,561	180,157,967
detail: Incentives	46,438,598	32,930,051	2,889,035	11,206,242	1,563,024	937,056	95,964,006	3,633,609	4,246,492	7,880,101	1,249,938			10,000			105,104,045
detail: Program Delivery	27,801,513	18,851,333	1,079,304	7,674,690	1,028,790	754,173	57,189,803	309,174	184,217	493,391	658,574			2,667			58,344,435
Total Expenditures	85,661,522	59,758,571	4,575,112	21,951,535	2,978,351	1,951,756	176,876,847	5,999,570	6,881,856	12,881,427	2,432,607	9,567	293,577	30,249	10,001		192,533,983
Net Income	(7,445,783)	(6,091,158)	(393,526)	(1,891,821)	255,893	121,536	(15,444,861)	2,798,254	(573,066)	2,225,187	119,676		220,119	51,009	(10,001)	462,853	(12,376,017)
Interest Attribution	106,710	65,416	6,323	22,133	10,135	2,445	213,162	111,800	50,462	162,262	3,830		1,760	205	114	(381,334)	(0)
Ending Net Assets After Interest Attribution	9,673,128	5,166,578	597,065	1,832,543	1,400,275	367,647	19,037,237	15,434,093	6,048,334	21,482,427	540,698		330,983	51,214	9,333	10,233,728	51,685,620
less:Renewables Dedicated								(7,098,688)	(2,977,554)	(10,076,242)							
Renewables funds yet to be dedicated for future periods								8,335,405	3,070,780	11,406,186							

Energy Trust of Oregon
2020 Forecast

All Funding Sources

Expenditures Detail	OPUC Efficiency	OPUC Renewables	Washington	Community Solar	PGE Storage	LMI	Fund Development	Community Solar, PGE Storage and Grants	Programs
Incentives	95,964,006	7,880,101	1,249,938		10,000			10,000	105,104,045
Program Delivery Contractors	57,189,803	493,391	658,574		2,667			2,667	58,344,435
Employee Salaries & Fringe Benefits	12,739,404	2,120,673	342,878	224,206	5,438	6,936	10,001	246,581	15,449,535
Agency Contractor Services	1,501,135	274,579	14,991	2,489	154	3,965		6,608	1,797,312
Planning and Evaluation Services	2,845,191	35,201	30,102	63	6	2		71	2,910,565
Advertising and Marketing Services	2,739,515	260,688	14,266	1,683	840	53		2,576	3,017,046
Other Professional Services	2,079,061	1,194,916	28,990	31,573	8,877	26		40,476	3,343,443
Travel, Meetings, Trainings & Conferences	130,915	13,887	3,811	1,116	20	4		1,140	149,753
Dues, Licenses and Fees	125,522	22,023	47,393	39	4	1		44	194,981
Software and Hardware	343,138	349,556	8,654	5,123	552	(240)		5,435	706,783
Depreciation & Amortization	224,476	36,870	5,764	4,277	282	(278)		4,282	271,393
Office Rent and Equipment	879,295	181,888	24,013	21,116	1,240	(1,093)		21,262	1,106,458
Materials Postage and Telephone	111,021	17,177	3,164	1,849	162	(101)		1,910	133,272
Miscellaneous Expenses	4,366	476	71	43	6	0		49	4,963
Expenditures	176,876,847	12,881,427	2,432,607	293,577	30,249	9,275	10,001	343,102	192,533,983
Expenditure break down by function:									
Program Costs	168,680,833	12,284,535	2,319,887	279,974	28,848	8,845		317,666	183,602,921
Communications and Outreach	3,751,237	273,192	51,591	6,226	642	197		7,064	4,083,085
Management & General	4,444,777	323,700	61,130	7,377	760	233		8,371	4,837,978
Total Administrative	8,196,014	596,892	112,721	13,604	1,402	430		15,435	8,921,062
Expenditures	176,876,847	12,881,427	2,432,607	293,577	30,249	9,275	10,001	343,102	192,533,983

Energy Savings and Generation Detail

Efficiency electric kWh savings	377,287,056								377,287,056
Efficiency gas therms savings	7,052,176		326,272						7,378,447
Renewables electric kWh generation		37,206,075							37,206,075

Energy Trust of Oregon
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All Programs

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	NEEA - Industrial	Residential	NEEA Residential	**OPUC Efficiency**	Solar	Other Renewables	**OPUC Renewables**	**Washington**
Incentives	10,844,757	31,763,212		22,372,281		30,983,756		95,964,006	6,260,589	1,619,512	7,880,101	1,249,938
Program Delivery Contractors	5,904,383	20,256,207	2,973,674	10,879,094	26,654	13,158,358	3,991,433	57,189,803	493,391		493,391	658,574
Employee Salaries & Fringe Benefits	1,348,675	3,830,939	115,165	3,152,096	8,935	4,133,763	149,832	12,739,404	1,324,399	796,275	2,120,673	342,878
Agency Contractor Services	114,762	599,405	5,335	429,421	258	344,920	7,034	1,501,135	249,120	25,459	274,579	14,991
Planning and Evaluation Services	294,583	1,001,321	7,396	860,766	3,148	669,901	8,075	2,845,191	26,433	8,768	35,201	30,102
Advertising and Marketing Services	220,382	782,227	18,024	559,950	230	1,134,549	24,152	2,739,515	185,214	75,474	260,688	14,266
Other Professional Services	171,804	486,051	11,024	350,609	140	1,044,662	14,771	2,079,061	566,333	628,583	1,194,916	28,990
Travel, Meetings, Trainings & Conferences	12,525	42,039	1,550	31,776	119	40,888	2,018	130,915	7,616	6,271	13,887	3,811
Dues, Licenses and Fees	16,766	54,066	1,209	19,643	437	32,035	1,366	125,522	11,531	10,492	22,023	47,393
Software and Hardware	40,589	104,179	1,683	74,548	21	119,862	2,256	343,138	332,196	17,361	349,556	8,654
Depreciation & Amortization	25,152	69,899	1,389	51,673	18	74,485	1,861	224,476	24,009	12,861	36,870	5,764
Office Rent and Equipment	88,618	285,072	6,855	223,983	87	265,495	9,185	879,295	118,395	63,494	181,888	24,013
Materials Postage and Telephone	10,853	36,348	741	29,113	9	32,965	992	111,021	11,457	5,719	17,177	3,164
Miscellaneous Expenses	370	1,170	47	839	1	1,878	62	4,366	321	155	476	71
Expenditures	19,094,219	59,312,137	3,144,090	39,035,792	40,057	52,037,516	4,213,037	176,876,847	9,611,003	3,270,423	12,881,427	2,432,607
Expenditure break down by function:												
Program Costs	18,209,442	56,563,766	2,998,401	37,226,974	38,201	49,626,232	4,017,816	168,680,833	9,165,654	3,118,880	12,284,535	2,319,887
Communications and Outreach	404,954	1,257,903	66,680	827,878	850	1,103,621	89,351	3,751,237	203,832	69,360	273,192	51,591
Management & General	479,823	1,490,468	79,009	980,939	1,007	1,307,662	105,870	4,444,777	241,517	82,183	323,700	61,130
Total Administrative	884,777	2,748,371	145,689	1,808,817	1,856	2,411,284	195,221	8,196,014	445,349	151,543	596,892	112,721
Expenditures	19,094,219	59,312,137	3,144,090	39,035,792	40,057	52,037,516	4,213,037	176,876,847	9,611,003	3,270,423	12,881,427	2,432,607

Energy Savings and Generation Detail												
Efficiency electric kWh savings	41,278,201	114,512,435	7,600,738	135,266,944	6,188,341	57,029,061	15,411,336	377,287,056				
Efficiency gas therms savings	510,698	1,668,639	610	2,182,727	-	2,679,059	10,442	7,052,176				326,272
Renewables electric kWh generation									28,193,795	9,012,280	37,206,075	

Energy Trust of Oregon
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PGE

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	NEEA - Industrial	Residential	NEEA Residential	**OPUC Efficiency**	Solar	Other Renewables	**OPUC Renewables**
Incentives	6,587,861	15,369,619		11,734,903		12,746,215		46,438,598	3,682,538	(48,929)	3,633,609
Program Delivery Contractors	3,874,898	10,516,868	1,546,524	5,390,217	15,265	4,626,489	1,831,253	27,801,513	309,174		309,174
Employee Salaries & Fringe Benefits	841,807	1,951,881	59,894	1,623,838	5,117	1,627,340	68,742	6,178,619	782,445	78,268	860,713
Agency Contractor Services	71,655	299,806	2,774	221,229	148	135,763	3,227	734,603	147,178	2,502	149,681
Planning and Evaluation Services	163,481	487,452	3,847	439,909	1,803	282,819	3,705	1,383,015	15,616	862	16,478
Advertising and Marketing Services	137,543	388,848	9,374	288,464	132	444,576	11,081	1,280,018	109,423	15,384	124,807
Other Professional Services	107,246	242,945	5,733	187,161	80	411,163	6,777	961,105	333,077	256,682	589,760
Travel, Meetings, Trainings & Conferences	7,815	21,039	806	16,370	68	16,099	926	63,122	4,500	2,258	6,757
Dues, Licenses and Fees	10,472	27,121	629	10,120	250	12,608	627	61,826	6,813	4,647	11,459
Software and Hardware	25,343	53,488	875	38,405	12	47,179	1,035	166,337	196,259	1,706	197,965
Depreciation & Amortization	15,702	35,721	722	26,620	10	29,320	854	108,950	14,184	1,264	15,448
Office Rent and Equipment	55,310	144,749	3,565	115,388	50	104,521	4,214	427,797	69,947	6,241	76,188
Materials Postage and Telephone	6,774	18,380	385	14,998	5	12,977	455	53,975	6,769	557	7,326
Miscellaneous Expenses	231	588	24	432	0	739	29	2,043	190	15	205
Expenditures	11,906,139	29,558,505	1,635,153	20,108,051	22,941	20,497,809	1,932,925	85,661,522	5,678,112	321,458	5,999,570
Expenditure break down by function:											
Program Costs	11,354,439	28,188,840	1,559,384	19,176,296	21,878	19,547,994	1,843,358	81,692,189	5,415,003	306,562	5,721,566
Communications and Outreach	252,508	626,882	34,679	426,455	487	434,721	40,994	1,816,726	120,422	6,818	127,240
Management & General	299,192	742,782	41,090	505,300	576	515,094	48,573	2,152,607	142,687	8,078	150,765
Total Administrative	551,700	1,369,664	75,769	931,755	1,063	949,815	89,567	3,969,333	263,109	14,896	278,005
Expenditures	11,906,139	29,558,505	1,635,153	20,108,051	22,941	20,497,809	1,932,925	85,661,522	5,678,112	321,458	5,999,570

Energy Savings and Generation Detail

Efficiency electric kWh savings	27,032,860	68,197,961	3,661,809	79,416,108	3,019,630	30,499,721	7,500,099	219,328,188			
Efficiency gas therms savings	-	-	-	-	-	-	-	-			
Renewables electric kWh generation									16,119,161	9,012,280	25,131,441

Energy Trust of Oregon
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PacificPower

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	NEEA - Industrial	Residential	NEEA Residential	**OPUC Efficiency**	Solar	Other Renewables	**OPUC Renewables**
Incentives	3,116,135	10,914,647		8,980,605		9,918,663		32,930,051	2,578,051	1,668,441	4,246,492
Program Delivery Contractors	1,470,182	6,850,144	1,153,870	4,404,940	11,389	3,594,499	1,366,309	18,851,333	184,217		184,217
Employee Salaries & Fringe Benefits	369,003	1,263,338	44,687	1,268,386	3,818	1,265,711	51,289	4,266,234	541,953	718,007	1,259,960
Agency Contractor Services	31,410	203,200	2,070	172,803	110	105,594	2,408	517,594	101,942	22,957	124,899
Planning and Evaluation Services	71,661	349,814	2,870	343,615	1,345	219,971	2,764	992,040	10,817	7,906	18,723
Advertising and Marketing Services	60,292	267,659	6,994	225,321	98	344,745	8,268	913,376	75,791	60,091	135,881
Other Professional Services	47,011	165,818	4,277	137,147	60	319,794	5,056	679,164	233,256	371,900	605,156
Travel, Meetings, Trainings & Conferences	3,426	14,238	601	12,786	51	12,521	691	44,314	3,117	4,013	7,130
Dues, Licenses and Fees	4,590	18,251	469	7,904	187	9,806	468	41,676	4,719	5,845	10,564
Software and Hardware	11,109	33,953	653	29,998	9	36,694	772	113,189	135,937	15,654	151,591
Depreciation & Amortization	6,883	22,945	539	20,793	8	22,805	637	74,609	9,825	11,597	21,422
Office Rent and Equipment	24,245	94,500	2,660	90,130	37	81,294	3,144	296,010	48,448	57,253	105,701
Materials Postage and Telephone	2,969	12,125	287	11,715	4	10,093	340	37,534	4,688	5,162	9,850
Miscellaneous Expenses	101	394	18	338	0	575	21	1,447	131	140	271
Expenditures	5,219,018	20,211,027	1,219,997	15,706,481	17,116	15,942,766	1,442,166	59,758,571	3,932,891	2,948,965	6,881,856
Expenditure break down by function:											
Program Costs	4,977,182	19,274,500	1,163,465	14,978,684	16,323	15,204,020	1,375,340	56,989,514	3,750,651	2,812,318	6,562,969
Communications and Outreach	110,686	428,639	25,874	333,106	363	338,117	30,586	1,267,371	83,409	62,542	145,952
Management & General	131,150	507,887	30,658	394,692	430	400,629	36,241	1,501,686	98,830	74,105	172,936
Total Administrative	241,836	936,527	56,531	727,798	793	738,746	66,826	2,769,057	182,240	136,647	318,887
Expenditures	5,219,018	20,211,027	1,219,997	15,706,481	17,116	15,942,766	1,442,166	59,758,571	3,932,891	2,948,965	6,881,856

Energy Savings and Generation Detail

Efficiency electric kWh savings	14,245,340	46,314,474	3,938,928	55,850,837	3,168,710	26,529,341	7,911,238	157,958,868			
Efficiency gas therms savings	-	-	-	-	-	-	-	-			
Renewables electric kWh generation									12,074,634	-	12,074,634

Energy Trust of Oregon
2020 Forecast

NWN - Industrial

Expenditures Detail	New Buildings	Existing Buildings with MF	Industry and Agriculture	**OPUC Efficiency**
Incentives	92,697	1,707,279	1,089,060	2,889,035
Program Delivery Contractors	6,800	261,029	811,475	1,079,304
Employee Salaries & Fringe Benefits	8,069	126,989	180,207	315,264
Agency Contractor Services	685	22,067	24,541	47,293
Planning and Evaluation Services	3,479	42,267	53,564	99,310
Advertising and Marketing Services	1,320	29,736	32,013	63,069
Other Professional Services	1,027	16,719	18,238	35,984
Travel, Meetings, Trainings & Conferences	75	1,543	1,817	3,435
Dues, Licenses and Fees	100	1,960	1,123	3,182
Software and Hardware	242	3,293	4,261	7,796
Depreciation & Amortization	150	2,275	2,954	5,379
Office Rent and Equipment	530	9,645	12,805	22,980
Materials Postage and Telephone	65	1,260	1,664	2,989
Miscellaneous Expenses	2	42	48	92
Expenditures	115,240	2,226,103	2,233,769	4,575,112
Expenditure break down by function:				
Program Costs	109,901	2,122,951	2,130,262	4,363,113
Communications and Outreach	2,444	47,212	47,374	97,030
Management & General	2,896	55,940	56,133	114,969
Total Administrative	5,340	103,152	103,507	211,999
Expenditures	115,240	2,226,103	2,233,769	4,575,112

Energy Savings and Generation Detail

Efficiency electric kWh savings	-	-	-	-
Efficiency gas therms savings	29,351	554,167	1,865,392	2,448,911
Renewables electric kWh generation				

Energy Trust of Oregon
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NWN

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	Residential	NEEA Residential	**OPUC Efficiency**
Incentives	891,439	2,648,167		446,065	7,220,571		11,206,242
Program Delivery Contractors	450,205	1,836,674	220,518	201,421	4,325,664	640,207	7,674,690
Employee Salaries & Fringe Benefits	108,799	356,401	8,540	61,394	1,080,749	24,032	1,639,916
Agency Contractor Services	9,231	52,563	396	8,361	90,210	1,128	161,889
Planning and Evaluation Services	46,909	82,476	548	18,248	145,566	1,295	295,044
Advertising and Marketing Services	17,793	67,134	1,337	10,906	301,641	3,874	402,686
Other Professional Services	13,848	43,585	817	6,213	273,259	2,369	340,092
Travel, Meetings, Trainings & Conferences	1,014	3,694	115	619	10,686	324	16,452
Dues, Licenses and Fees	1,345	4,786	90	382	8,380	219	15,202
Software and Hardware	3,264	9,925	125	1,452	31,349	362	46,476
Depreciation & Amortization	2,026	6,564	103	1,006	19,478	298	29,475
Office Rent and Equipment	7,152	26,237	508	4,363	69,407	1,473	109,140
Materials Postage and Telephone	875	3,302	55	567	8,619	159	13,577
Miscellaneous Expenses	30	104	3	16	491	10	655
Expenditures	1,553,930	5,141,612	233,156	761,015	13,586,071	675,752	21,951,535
Expenditure break down by function:							
Program Costs	1,481,925	4,903,363	222,352	725,751	12,956,528	644,439	20,934,358
Communications and Outreach	32,956	109,044	4,945	16,140	288,136	14,331	465,552
Management & General	39,049	129,205	5,859	19,124	341,407	16,981	551,625
Total Administrative	72,005	238,249	10,804	35,263	629,543	31,313	1,017,177
Expenditures	1,553,930	5,141,612	233,156	761,015	13,586,071	675,752	21,951,535

Energy Savings and Generation Detail							
Efficiency electric kWh savings	-	-	-	-	-	-	-
Efficiency gas therms savings	394,955	770,230	443	251,421	2,273,042	7,604	3,697,695
Renewables electric kWh generation							

Energy Trust of Oregon
2020 Forecast

Cascade Natural Gas

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	Residential	NEEA Residential	**OPUC Efficiency**
Incentives	90,489	786,860		101,576	584,099		1,563,024
Program Delivery Contractors	60,868	497,202	25,072	62,039	310,308	73,301	1,028,790
Employee Salaries & Fringe Benefits	12,274	85,603	971	15,514	83,666	2,752	200,780
Agency Contractor Services	1,041	14,490	45	2,113	6,984	129	24,802
Planning and Evaluation Services	5,292	27,005	62	4,611	11,269	148	48,388
Advertising and Marketing Services	2,007	19,373	152	2,756	22,798	444	47,530
Other Professional Services	1,562	11,133	93	1,570	21,154	271	35,784
Travel, Meetings, Trainings & Conferences	114	1,014	13	156	827	37	2,162
Dues, Licenses and Fees	152	1,292	10	97	649	25	2,224
Software and Hardware	368	2,248	14	367	2,427	41	5,465
Depreciation & Amortization	229	1,541	12	254	1,508	34	3,577
Office Rent and Equipment	807	6,467	58	1,102	5,373	169	13,976
Materials Postage and Telephone	99	840	6	143	667	18	1,773
Miscellaneous Expenses	3	28	0	4	38	1	75
Expenditures	175,306	1,455,095	26,509	192,302	1,051,768	77,371	2,978,351
Expenditure break down by function:							
Program Costs	167,183	1,387,670	25,281	183,391	1,003,031	73,785	2,840,342
Communications and Outreach	3,718	30,860	562	4,078	22,306	1,641	63,165
Management & General	4,405	36,565	666	4,832	26,430	1,944	74,844
Total Administrative	8,123	67,425	1,228	8,911	48,736	3,585	138,009
Expenditures	175,306	1,455,095	26,509	192,302	1,051,768	77,371	2,978,351

Energy Savings and Generation Detail							
Efficiency electric kWh savings	-	-	-	-	-	-	-
Efficiency gas therms savings	48,587	229,220	115	56,906	180,306	1,936	517,069
Renewables electric kWh generation							

Energy Trust of Oregon
2020 Forecast

Avista Gas

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	Residential	NEEA Residential	**OPUC Efficiency**
Incentives	66,136	336,640		20,073	514,208		937,056
Program Delivery Contractors	41,430	294,290	27,689	9,003	301,398	80,362	754,173
Employee Salaries & Fringe Benefits	8,723	46,727	1,072	2,757	76,295	3,017	138,591
Agency Contractor Services	740	7,278	50	375	6,368	142	14,954
Planning and Evaluation Services	3,761	12,307	69	819	10,276	163	27,395
Advertising and Marketing Services	1,427	9,476	168	490	20,790	486	32,836
Other Professional Services	1,110	5,852	103	279	19,291	297	26,932
Travel, Meetings, Trainings & Conferences	81	511	14	28	754	41	1,429
Dues, Licenses and Fees	108	657	11	17	592	27	1,412
Software and Hardware	262	1,273	16	65	2,213	45	3,874
Depreciation & Amortization	162	853	13	45	1,375	37	2,486
Office Rent and Equipment	573	3,474	64	196	4,900	185	9,392
Materials Postage and Telephone	70	443	7	25	608	20	1,173
Miscellaneous Expenses	2	14	0	1	35	1	54
Expenditures	124,586	719,795	29,276	34,174	959,102	84,824	1,951,756
Expenditure break down by function:							
Program Costs	118,813	686,441	27,920	32,590	914,660	80,893	1,861,317
Communications and Outreach	2,642	15,266	621	725	20,341	1,799	41,393
Management & General	3,131	18,088	736	859	24,101	2,132	49,046
Total Administrative	5,773	33,353	1,357	1,584	44,442	3,931	90,439
Expenditures	124,586	719,795	29,276	34,174	959,102	84,824	1,951,756

Energy Savings and Generation Detail							
Efficiency electric kWh savings	-	-	-	-	-	-	-
Efficiency gas therms savings	37,805	115,023	52	9,009	225,711	902	388,501
Renewables electric kWh generation							

Energy Trust of Oregon
2020 Forecast

NWN Washington

Expenditures Detail	**Washington**
Incentives	1,249,938
Program Delivery Contractors	658,574
Employee Salaries & Fringe Benefits	342,878
Agency Contractor Services	14,991
Planning and Evaluation Services	30,102
Advertising and Marketing Services	14,266
Other Professional Services	28,990
Travel, Meetings, Trainings & Conferences	3,811
Dues, Licenses and Fees	47,393
Software and Hardware	8,654
Depreciation & Amortization	5,764
Office Rent and Equipment	24,013
Materials Postage and Telephone	3,164
Miscellaneous Expenses	71
Expenditures	2,432,607
Expenditure break down by function:	
Program Costs	2,319,887
Communications and Outreach	51,591
Management & General	61,130
Total Administrative	112,721
Expenditures	2,432,607

Energy Savings and Generation Detail

Efficiency electric kWh savings	
Efficiency gas therms savings	326,272
Renewables electric kWh generation	

Budget Recap Expenditures and Energy Goals
for the Period 2022

Program	Budget ($M)			Electric		Gas	
	Electric	Gas	Total	Electric Savings Goal (aMW)	Levelized Cost per kWh	Annual Therms	Levelized Cost per Therm
Existing Buildings with MF	$ 46.0	$ 12.4	$ 58.3	13.1	$ 0.042	2,198,404	$ 0.494
New Buildings	$ 18.0	$ 1.9	$ 19.9	5.3	$ 0.036	484,732	$ 0.364
NEEA Commercial	$ 2.9	$ 0.3	$ 3.2	1.6	$ 0.036	609	$ 31.968
Commercial Sector	$ 66.9	$ 14.6	$ 81.5	19.9	$ 0.040	2,683,744	$ 0.481
Industry and Agriculture	$ 38.2	$ 3.7	$ 41.8	17.9	$ 0.024	1,322,366	$ 0.268
NEEA - Industrial	$ 0.5	$ -	$ 0.5	0.7	$ 0.013	-	
Industry and Agriculture Sector	$ 38.7	$ 3.7	$ 42.3	18.6	$ 0.024	1,322,366	$ 0.268
Residential	$ 35.7	$ 15.7	$ 51.4	7.6	$ 0.064	2,008,828	$ 0.525
NEEA Residential	$ 3.4	$ 1.1	$ 4.5	2.8	$ 0.014	2,830	$ 22.856
Residential Sector	$ 39.1	$ 16.7	$ 55.8	10.4	$ 0.049	2,011,658	$ 0.560
Oregon Efficiency Programs	**$ 144.7**	**$ 35.0**	**$ 179.6**	**48.9**	**$ 0.035**	**6,017,768**	**$ 0.466**
Solar	$ 14.0		$ 14.0	3.0	$ 0.041		
Other Renewables	$ 6.2		$ 6.2	0.3	$ 0.171		
Renewables Programs	**$ 20.2**		**$ 20.2**	**3.3**	**$ 0.053**		
Commercial Washington		$ 1.5	$ 1.5			244,390	$ 0.522
NEEA Commercial Washington		$ -	$ -			-	
Residential Washington		$ 1.5	$ 1.5			111,246	$ 1.063
NEEA Residential Washington		$ -	$ -			-	
Washington Programs		**$ 3.0**	**$ 3.0**			**355,636**	**$ 0.702**
Community Solar			$ 0.3				
PGE Storage			$ 0.3				
LMI			$ -				
Total Programs			**$ 203.4**				

Energy Trust of Oregon
Income Statement by Funding Source
2022 Projection

	Oregon OPUC Efficiency Funders							Oregon OPUC Renewables			Other Funding Sources					TOTAL
	PGE	PAC	NWN IND	NWN	CNG	AVI	Total Oregon OPUC Efficiency	PGE	PAC	Total Renewables	Washington	Community Solar	PGE storage	Fund Development	Investments / Contingency	
Beginning Net Assets	2,325,612	995,021	260,162	1,002,339	616,280	252,011	5,451,425	8,919,960	4,367,665	13,287,625	198,698	562,897	97,205	9,355	10,257,850	29,865,056
Revenue	84,817,804	58,250,508	5,681,586	22,826,800	3,862,311	2,443,292	177,882,301	8,818,842	6,198,167	15,017,009	3,000,874	550,000	337,200		96,000	196,883,384
detail: Incentives	46,071,830	31,374,838	3,480,135	11,387,332	1,886,102	1,208,857	95,409,096	9,177,450	4,684,500	13,861,950	1,668,891		210,000			111,149,936
detail: Program Delivery	26,706,795	17,317,049	1,273,120	7,509,713	1,506,005	937,330	55,250,012	223,305	124,765	348,070	641,121		27,000			56,266,203
Total Expenditures	86,655,868	58,002,001	5,646,054	22,738,197	4,024,455	2,554,871	179,621,446	13,269,933	6,962,373	20,232,306	2,954,770	289,613	317,956			203,416,091
Net Income	(1,838,064)	248,507	35,532	88,603	(162,144)	(111,579)	(1,739,145)	(4,451,091)	(764,206)	(5,215,297)	46,104	260,387	19,244		96,000	(6,532,707)
Interest Attribution	5,086	4,047	1,005	3,784	1,935	709	16,567	24,205	14,411	38,616	802	2,506	386	34	(58,910)	0
Ending Net Assets before interest attribution	492,634	1,247,575	296,699	1,094,727	456,072	141,142	3,728,847	4,493,074	3,617,870	8,110,944	245,603	825,790	116,836	9,389	10,294,940	23,332,349
less:Renewables Dedicated								(0)	(300,000)	(300,000)						
Renewables funds yet to be dedicated for future periods								4,493,074	3,317,870	7,810,944						

Energy Trust of Oregon
2022 Projection

All Funding Sources

Expenditures Detail	OPUC Efficiency	OPUC Renewables	Washington	Community Solar	PGE Storage	Community Solar, PGE Storage and Grants	Programs
Incentives	95,409,096	13,861,950	1,668,891		210,000	210,000	111,149,936
Program Delivery Contractors	55,250,012	348,070	641,121		27,000	27,000	56,266,203
Employee Salaries & Fringe Benefits	14,190,432	2,636,062	396,844	242,002	48,952	290,954	17,514,293
Agency Contractor Services	2,077,875	178,707	22,985	2,654	1,345	3,999	2,283,566
Planning and Evaluation Services	3,961,112	59,098	31,136	52	57	110	4,051,456
Advertising and Marketing Services	2,766,504	396,026	15,484	1,518	11,666	13,184	3,191,199
Other Professional Services	3,565,994	1,997,153	65,967	9,220	9,357	18,578	5,647,691
Travel, Meetings, Trainings & Conferences	374,914	75,153	13,968	829	412	1,240	465,275
Dues, Licenses and Fees	257,035	34,183	51,862	134	126	260	343,340
Software and Hardware	417,805	396,231	10,492	5,960	3,261	9,220	833,748
Depreciation & Amortization	205,205	31,698	5,272	3,494	738	4,233	246,408
Office Rent and Equipment	1,004,942	196,989	27,516	21,716	4,587	26,303	1,255,750
Materials Postage and Telephone	135,515	20,185	3,119	1,969	437	2,406	161,225
Miscellaneous Expenses	5,005	801	113	64	17	81	6,000
Expenditures	179,621,446	20,232,306	2,954,770	289,613	317,956	607,569	203,416,091
Expenditure break down by function:							
Program Costs	170,254,574	19,177,235	2,800,686	274,510	301,375	575,885	192,808,380
Communications and Outreach	3,880,452	437,089	63,833	6,257	6,869	13,126	4,394,500
Management & General	5,486,419	617,983	90,252	8,846	9,712	18,558	6,213,211
Total Administrative	9,366,871	1,055,071	154,085	15,103	16,581	31,683	10,607,711
Expenditures	179,621,446	20,232,306	2,954,770	289,613	317,956	607,569	203,416,091

Energy Savings and Generation Detail

Efficiency electric kWh savings	428,770,231					428,770,231
Efficiency gas therms savings	6,017,768		355,636			6,373,404
Renewables electric kWh generation		29,147,800				29,147,800

Energy Trust of Oregon
2022 Projection

All Programs

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	NEEA - Industrial	Residential	NEEA Residential	**OPUC Efficiency**	Solar	Other Renewables	**OPUC Renewables**	**Washington**	**Community Solar, PGE Storage and Grants**	**Programs**
Incentives	11,015,215	30,246,774		25,239,147		28,907,960		95,409,096	9,712,450	4,149,500	13,861,950	1,668,891	210,000	111,149,936
Program Delivery Contractors	5,918,459	18,594,504	2,995,448	9,829,973	457,865	13,247,924	4,205,840	55,250,012	348,070		348,070	641,121	27,000	56,266,203
Employee Salaries & Fringe Benefits	1,540,310	4,401,096	127,356	3,431,370	25,553	4,492,340	172,407	14,190,432	1,733,157	902,905	2,636,062	396,844	290,954	17,514,293
Agency Contractor Services	153,199	781,094	11,284	534,429	2,038	580,317	15,514	2,077,875	140,948	37,759	178,707	22,985	3,999	2,283,566
Planning and Evaluation Services	627,298	1,629,537	7,644	823,275	3,412	861,578	8,370	3,961,112	49,498	9,601	59,098	31,136	110	4,051,456
Advertising and Marketing Services	227,526	794,861	16,719	588,156	2,606	1,113,215	23,422	2,766,504	301,550	94,476	396,026	15,484	13,184	3,191,199
Other Professional Services	210,721	1,069,435	13,350	809,745	2,395	1,441,977	18,372	3,565,994	1,139,082	858,071	1,997,153	65,967	18,578	5,647,691
Travel, Meetings, Trainings & Conferences	41,785	118,850	3,670	83,619	635	121,279	5,075	374,914	44,189	30,964	75,153	13,968	1,240	465,275
Dues, Licenses and Fees	24,243	135,645	2,407	37,667	747	53,346	2,981	257,035	22,330	11,852	34,183	51,862	260	343,340
Software and Hardware	49,159	125,648	2,198	93,034	343	144,344	3,079	417,805	377,290	18,941	396,231	10,492	9,220	833,748
Depreciation & Amortization	23,086	62,869	1,276	48,108	199	67,878	1,788	205,205	21,202	10,496	31,698	5,272	4,233	246,408
Office Rent and Equipment	101,482	319,843	7,931	262,227	1,236	301,111	11,111	1,004,942	131,762	65,227	196,989	27,516	26,303	1,255,750
Materials Postage and Telephone	12,789	45,103	972	37,767	151	37,370	1,362	135,515	13,133	7,052	20,185	3,119	2,406	161,225
Miscellaneous Expenses	527	1,608	61	1,246	10	1,467	86	5,005	542	259	801	113	81	6,000
Expenditures	19,945,799	58,326,867	3,190,317	41,819,763	497,188	51,372,107	4,469,405	179,621,446	14,035,203	6,197,103	20,232,306	2,954,770	607,569	203,416,091
Expenditure break down by function:														
Program Costs	18,905,668	55,285,247	3,023,949	39,638,952	471,260	48,693,162	4,236,336	170,254,574	13,303,298	5,873,937	19,177,235	2,800,686	575,885	192,808,380
Communications and Outreach	430,899	1,260,065	68,922	903,453	10,741	1,109,817	96,555	3,880,452	303,210	133,879	437,089	63,833	13,126	4,394,500
Management & General	609,231	1,781,556	97,446	1,277,357	15,186	1,569,127	136,515	5,486,419	428,696	189,286	617,983	90,252	18,558	6,213,211
Total Administrative	1,040,130	3,041,620	166,368	2,180,810	25,927	2,678,945	233,070	9,366,871	731,906	323,166	1,055,071	154,085	31,683	10,607,711
Expenditures	19,945,799	58,326,867	3,190,317	41,819,763	497,188	51,372,107	4,469,405	179,621,446	14,035,203	6,197,103	20,232,306	2,954,770	607,569	203,416,091

Energy Savings and Generation Detail

Efficiency electric kWh savings	46,391,022	114,425,256	13,729,579	156,881,442	5,929,839	66,585,739	24,827,354	428,770,231						428,770,231
Efficiency gas therms savings	484,732	2,198,404	609	1,322,366	-	2,008,828	2,830	6,017,768				355,636		6,373,404
Renewables electric kWh generation									26,362,800	2,785,000	29,147,800			29,147,800

Energy Trust of Oregon
2022 Projection

PGE

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	NEEA - Industrial	Residential	NEEA Residential	**OPUC Efficiency**	Solar	Other Renewables	**OPUC Renewables**
Incentives	6,939,483	15,231,457		12,690,239		11,210,651		46,071,830	6,277,950	2,899,500	9,177,450
Program Delivery Contractors	3,444,612	9,907,603	1,559,996	4,578,021	260,983	5,132,254	1,823,327	26,706,795	223,305		223,305
Employee Salaries & Fringe Benefits	943,988	2,266,837	66,326	1,689,863	14,565	1,738,035	74,742	6,794,355	1,119,992	611,958	1,731,949
Agency Contractor Services	93,891	402,180	5,877	263,178	1,161	224,491	6,726	997,504	91,083	25,592	116,675
Planning and Evaluation Services	371,593	882,625	3,981	403,562	1,945	310,281	3,628	1,977,615	31,986	6,507	38,493
Advertising and Marketing Services	139,438	409,359	8,707	289,648	1,485	434,760	10,154	1,293,550	194,866	61,221	256,088
Other Professional Services	129,151	550,616	6,953	407,059	1,365	557,720	7,965	1,660,828	736,091	500,318	1,236,409
Travel, Meetings, Trainings & Conferences	25,606	61,223	1,911	41,182	362	46,925	2,200	179,410	28,556	18,787	47,342
Dues, Licenses and Fees	14,859	69,834	1,254	18,550	426	20,639	1,292	126,853	14,430	7,251	21,681
Software and Hardware	30,132	64,703	1,145	45,815	195	55,836	1,335	199,161	243,810	12,837	256,648
Depreciation & Amortization	14,150	32,377	665	23,691	113	26,259	775	98,030	13,701	7,114	20,815
Office Rent and Equipment	62,191	164,739	4,130	129,139	705	116,501	4,817	482,222	85,146	44,209	129,355
Materials Postage and Telephone	7,837	23,229	506	18,599	86	14,459	590	65,307	8,487	4,711	13,198
Miscellaneous Expenses	323	829	32	614	5	568	37	2,408	350	175	526
Expenditures	12,217,255	30,067,610	1,661,481	20,599,160	283,397	19,889,377	1,937,588	86,655,868	9,069,753	4,200,180	13,269,933
Expenditure break down by function:											
Program Costs	11,580,151	28,499,649	1,574,839	19,524,958	268,618	18,852,189	1,836,547	82,136,951	8,596,785	3,981,150	12,577,934
Communications and Outreach	263,935	649,566	35,894	445,014	6,122	429,680	41,859	1,872,070	195,938	90,739	286,677
Management & General	373,168	918,395	50,749	629,188	8,656	607,508	59,182	2,646,847	277,030	128,292	405,321
Total Administrative	637,104	1,567,961	86,643	1,074,202	14,779	1,037,188	101,041	4,518,917	472,968	219,030	691,998
Expenditures	12,217,255	30,067,610	1,661,481	20,599,160	283,397	19,889,377	1,937,588	86,655,868	9,069,753	4,200,180	13,269,933

Energy Savings and Generation Detail

Efficiency electric kWh savings	29,053,873	71,341,499	7,825,860	77,051,387	3,380,009	20,647,546	14,151,592	223,451,766			
Efficiency gas therms savings	-	-	-	-	-	-	-	-			
Renewables electric kWh generation									15,897,600	2,100,000	17,997,600

Energy Trust of Oregon
2022 Projection

PacificPower

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	NEEA - Industrial	Residential	NEEA Residential	**OPUC Efficiency**	Solar	Other Renewables	**OPUC Renewables**
Incentives	2,996,501	8,610,399		10,713,699		9,054,239		31,374,838	3,434,500	1,250,000	4,684,500
Program Delivery Contractors	1,949,825	4,671,837	1,176,839	4,003,218	196,882	3,942,956	1,375,492	17,317,049	124,765		124,765
Employee Salaries & Fringe Benefits	449,656	1,197,685	50,035	1,440,190	10,988	1,381,705	56,384	4,586,642	613,166	290,948	904,113
Agency Contractor Services	44,724	212,492	4,433	224,294	876	178,466	5,074	670,359	49,865	12,167	62,033
Planning and Evaluation Services	177,004	466,336	3,003	343,936	1,467	246,667	2,737	1,241,150	17,512	3,094	20,605
Advertising and Marketing Services	66,420	216,285	6,568	246,853	1,120	340,726	7,660	885,632	106,684	33,254	139,938
Other Professional Services	61,519	290,918	5,245	346,917	1,030	443,376	6,008	1,155,014	402,991	357,753	760,744
Travel, Meetings, Trainings & Conferences	12,197	32,347	1,442	35,097	273	37,305	1,660	120,321	15,633	12,177	27,811
Dues, Licenses and Fees	7,078	36,897	946	15,809	321	16,407	975	78,433	7,900	4,601	12,501
Software and Hardware	14,353	34,186	863	39,046	147	44,388	1,007	133,991	133,480	6,103	139,583
Depreciation & Amortization	6,740	17,107	501	20,191	86	20,875	585	66,085	7,501	3,382	10,883
Office Rent and Equipment	29,624	87,040	3,116	110,059	531	92,616	3,634	326,620	46,615	21,019	67,634
Materials Postage and Telephone	3,733	12,273	382	15,851	65	11,494	445	44,244	4,646	2,341	6,987
Miscellaneous Expenses	154	438	24	523	4	451	28	1,622	192	83	275
Expenditures	5,819,528	15,886,238	1,253,398	17,555,684	213,791	15,811,673	1,461,689	58,002,001	4,965,450	1,996,923	6,962,373
Expenditure break down by function:											
Program Costs	5,516,052	15,057,805	1,188,036	16,640,193	202,642	14,987,128	1,385,465	54,977,321	4,706,513	1,892,788	6,599,301
Communications and Outreach	125,722	343,198	27,078	379,264	4,619	341,587	31,578	1,253,046	107,271	43,141	150,412
Management & General	177,754	485,235	38,284	536,227	6,530	482,957	44,646	1,771,633	151,666	60,995	212,661
Total Administrative	303,476	828,433	65,362	915,491	11,149	824,545	76,224	3,024,679	258,938	104,135	363,073
Expenditures	5,819,528	15,886,238	1,253,398	17,555,684	213,791	15,811,673	1,461,689	58,002,001	4,965,450	1,996,923	6,962,373

Energy Savings and Generation Detail

Efficiency electric kWh savings	17,337,150	43,083,756	5,903,719	79,830,055	2,549,831	45,938,193	10,675,762	205,318,465			
Efficiency gas therms savings	-	-	-	-	-	-	-	-			
Renewables electric kWh generation									10,465,200	685,000	11,150,200

Energy Trust of Oregon
2022 Projection

NWN - Industrial

Expenditures Detail	New Buildings	Existing Buildings with MF	Industry and Agriculture	**OPUC Efficiency**
Incentives	64,658	2,126,750	1,288,727	3,480,135
Program Delivery Contractors	6,800	319,870	946,449	1,273,120
Employee Salaries & Fringe Benefits	6,526	219,883	218,389	444,797
Agency Contractor Services	649	39,072	34,033	73,753
Planning and Evaluation Services	3,377	65,590	54,921	123,888
Advertising and Marketing Services	964	39,728	37,439	78,131
Other Professional Services	892	53,505	40,421	94,818
Travel, Meetings, Trainings & Conferences	177	5,935	5,320	11,432
Dues, Licenses and Fees	103	6,788	2,397	9,288
Software and Hardware	208	6,282	5,923	12,414
Depreciation & Amortization	98	3,142	3,063	6,303
Office Rent and Equipment	430	15,980	16,691	33,100
Materials Postage and Telephone	54	2,254	2,404	4,713
Miscellaneous Expenses	2	80	79	162
Expenditures	84,938	2,904,861	2,656,256	5,646,054
Expenditure break down by function:				
Program Costs	80,508	2,753,378	2,517,738	5,351,625
Communications and Outreach	1,835	62,755	57,384	121,975
Management & General	2,594	88,727	81,134	172,455
Total Administrative	4,429	151,482	138,518	294,430
Expenditures	84,938	2,904,861	2,656,256	5,646,054

Energy Savings and Generation Detail				
Efficiency electric kWh savings	-	-	-	-
Efficiency gas therms savings	7,273	600,868	975,487	1,583,629
Renewables electric kWh generation				

Energy Trust of Oregon
2022 Projection

NWN

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	Residential	NEEA Residential	**OPUC Efficiency**
Incentives	877,037	2,827,935		366,660	7,315,701		11,387,332
Program Delivery Contractors	417,067	2,407,671	188,317	205,437	3,557,929	733,292	7,509,713
Employee Salaries & Fringe Benefits	118,435	470,643	8,007	55,897	1,166,617	30,059	1,849,658
Agency Contractor Services	11,777	83,630	709	8,711	150,744	2,705	258,276
Planning and Evaluation Services	64,091	141,591	481	14,057	276,323	1,459	498,001
Advertising and Marketing Services	17,497	85,035	1,051	9,583	288,547	4,084	405,796
Other Professional Services	16,191	114,523	839	10,346	374,719	3,203	519,821
Travel, Meetings, Trainings & Conferences	3,215	12,704	231	1,362	31,489	885	49,885
Dues, Licenses and Fees	1,862	14,530	151	614	13,854	520	31,530
Software and Hardware	3,774	13,447	138	1,516	37,499	537	56,911
Depreciation & Amortization	1,774	6,726	80	784	17,631	312	27,307
Office Rent and Equipment	7,806	34,203	499	4,272	78,189	1,937	126,906
Materials Postage and Telephone	984	4,825	61	615	9,704	237	16,426
Miscellaneous Expenses	41	172	4	20	381	15	632
Expenditures	1,541,551	6,217,634	200,568	679,872	13,319,326	779,245	22,738,197
Expenditure break down by function:							
Program Costs	1,461,162	5,893,398	190,109	644,419	12,624,752	738,609	21,552,449
Communications and Outreach	33,303	134,323	4,333	14,688	287,744	16,834	491,225
Management & General	47,086	189,914	6,126	20,766	406,830	23,802	694,523
Total Administrative	80,389	324,236	10,459	35,454	694,574	40,636	1,185,748
Expenditures	1,541,551	6,217,634	200,568	679,872	13,319,326	779,245	22,738,197

Energy Savings and Generation Detail

Efficiency electric kWh savings	-	-	-	-	-	-	-
Efficiency gas therms savings	408,761	1,090,605	443	254,950	1,672,609	2,061	3,429,430
Renewables electric kWh generation							

Energy Trust of Oregon
2022 Projection

Cascade Natural Gas

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	Residential	NEEA Residential	**OPUC Efficiency**
Incentives	96,101	886,582		143,552	759,867		1,886,102
Program Delivery Contractors	68,817	792,605	47,968	80,495	329,336	186,784	1,506,005
Employee Salaries & Fringe Benefits	15,061	150,912	2,039	21,891	115,520	7,657	313,080
Agency Contractor Services	1,498	26,816	181	3,411	14,927	689	47,522
Planning and Evaluation Services	7,794	45,016	122	5,505	15,875	372	74,685
Advertising and Marketing Services	2,225	27,266	268	3,753	27,582	1,040	62,134
Other Professional Services	2,059	36,722	214	4,052	37,105	816	80,968
Travel, Meetings, Trainings & Conferences	409	4,073	59	533	3,118	225	8,418
Dues, Licenses and Fees	237	4,659	39	240	1,372	132	6,679
Software and Hardware	480	4,312	35	594	3,713	137	9,271
Depreciation & Amortization	226	2,157	20	307	1,746	79	4,535
Office Rent and Equipment	993	10,967	127	1,673	7,742	493	21,996
Materials Postage and Telephone	125	1,547	16	241	961	60	2,950
Miscellaneous Expenses	5	55	1	8	38	4	111
Expenditures	196,028	1,993,690	51,089	266,255	1,318,904	198,489	4,024,455
Expenditure break down by function:							
Program Costs	185,806	1,889,724	48,424	252,370	1,250,126	188,138	3,814,588
Communications and Outreach	4,235	43,071	1,104	5,752	28,493	4,288	86,942
Management & General	5,988	60,896	1,560	8,133	40,285	6,063	122,924
Total Administrative	10,222	103,967	2,664	13,885	68,778	10,351	209,867
Expenditures	196,028	1,993,690	51,089	266,255	1,318,904	198,489	4,024,455

Energy Savings and Generation Detail							
Efficiency electric kWh savings	-	-	-	-	-	-	-
Efficiency gas therms savings	40,193	295,930	113	68,409	166,141	525	571,311
Renewables electric kWh generation							

Energy Trust of Oregon
2022 Projection

Avista Gas

Expenditures Detail	New Buildings	Existing Buildings with MF	NEEA Commercial	Industry and Agriculture	Residential	NEEA Residential	**OPUC Efficiency**
Incentives	41,435	563,651		36,270	567,502		1,208,857
Program Delivery Contractors	31,337	494,918	22,329	16,352	285,448	86,946	937,330
Employee Salaries & Fringe Benefits	6,646	95,136	949	5,141	90,464	3,564	201,900
Agency Contractor Services	661	16,905	84	801	11,689	321	30,461
Planning and Evaluation Services	3,439	28,379	57	1,293	12,432	173	45,773
Advertising and Marketing Services	982	17,189	125	881	21,600	484	41,260
Other Professional Services	909	23,150	100	952	29,057	380	54,546
Travel, Meetings, Trainings & Conferences	180	2,568	27	125	2,442	105	5,448
Dues, Licenses and Fees	104	2,937	18	56	1,074	62	4,252
Software and Hardware	212	2,718	16	139	2,908	64	6,057
Depreciation & Amortization	100	1,360	10	72	1,367	37	2,945
Office Rent and Equipment	438	6,914	59	393	6,063	230	14,097
Materials Postage and Telephone	55	975	7	57	752	28	1,875
Miscellaneous Expenses	2	35	0	2	30	2	71
Expenditures	86,500	1,256,834	23,781	62,535	1,032,827	92,394	2,554,871
Expenditure break down by function:							
Program Costs	81,989	1,191,293	22,541	59,274	978,967	87,576	2,421,640
Communications and Outreach	1,869	27,152	514	1,351	22,313	1,996	55,194
Management & General	2,642	38,389	726	1,910	31,547	2,822	78,037
Total Administrative	4,511	65,541	1,240	3,261	53,860	4,818	133,231
Expenditures	86,500	1,256,834	23,781	62,535	1,032,827	92,394	2,554,871

Energy Savings and Generation Detail							
Efficiency electric kWh savings	-	-	-	-	-	-	-
Efficiency gas therms savings	28,504	211,000	53	23,520	170,078	244	433,399
Renewables electric kWh generation							

Energy Trust of Oregon
2022 Projection

NWN Washington

Expenditures Detail	**Washington**
Incentives	1,668,891
Program Delivery Contractors	641,121
Employee Salaries & Fringe Benefits	396,844
Agency Contractor Services	22,985
Planning and Evaluation Services	31,136
Advertising and Marketing Services	15,484
Other Professional Services	65,967
Travel, Meetings, Trainings & Conferences	13,968
Dues, Licenses and Fees	51,862
Software and Hardware	10,492
Depreciation & Amortization	5,272
Office Rent and Equipment	27,516
Materials Postage and Telephone	3,119
Miscellaneous Expenses	113
Expenditures	2,954,770
Expenditure break down by function:	
Program Costs	2,800,686
Communications and Outreach	63,833
Management & General	90,252
Total Administrative	154,085
Expenditures	2,954,770

Energy Savings and Generation Detail

Efficiency electric kWh savings	
Efficiency gas therms savings	355,636
Renewables electric kWh generation	

Glossary of Key Terms

Above market cost: The portion of the net present value cost of producing power (including fixed and operating costs, delivery, overhead and profit) from a new renewable energy resource that exceeds the market value that is used by the utility to acquire resources. The market value will typically be an updated forward price curve, qualifying facilities tariff, Oregon Public Utility Commission-approved avoided cost filings or marginal resource selected through a competitive bidding process. In the case of on-site and net-metered use, the market cost will be the retail rates for the customer under filed tariffs with the Oregon Public Utility Commission (OPUC).

Administrative cost: Costs that, by nonprofit accounting standards, have general objectives that enable an organization's programs to function. The organization's programs provide direct services to its constituents to fulfill the mission of the organization. Administrative costs are included in the OPUC performance measure on administrative and program support. See **program delivery efficiency OPUC performance measure**.

Administrative costs fall in these two categories. **Management and general** includes governance/board activities, interest/financing costs, accounting, payroll, human resources, general legal support and other general organizational management costs. **General communications and outreach** covers expenditures of a general nature, conveying the nonprofit mission of the organization and general public awareness. Both management and general and general communications and outreach receive an allocated share of indirect costs.

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 efficient alternative to charging programs on an invoice–by–invoice basis. An example would be accumulating all costs associated with customer management such as call center operations, customer service personnel and complaint tracking. Costs are then spread to programs that benefited using the ratio of calls to the call center by program (i.e., the allocation base).

Allocation cost pools: These are: employee benefits and taxes; office operations including rent, telephone, utilities and supplies; information technology services including infrastructure, development, reporting and analysis; planning and evaluation general costs; customer service and trade ally support costs; community services costs; general communications and outreach costs; management and general costs; shared costs for electric utilities; shared costs for natural gas utilities; and shared costs for all utilities.

Auditor's opinion: An accountant's or auditor's opinion is a report by an independent Certified Public Accountant describing the scope of an examination of an organization's financial books and documents, and certifying that its financial statements meet the American Institute of Certified Public Accountants (AICPA) requirements of Generally Accepted Accounting Principles. Depending on the audit findings, the opinion can be unmodified or modified regarding specific items. Failure to follow Generally Accepted Accounting Principles can result in a modified opinion. An unmodified opinion indicates agreement by the auditors that the financial statements present an accurate assessment of the organization's financial results. Energy Trust strives for and has achieved in all its years an unmodified opinion. This annual

audit is presented every spring to the board of directors. The OPUC requires an unmodified opinion regarding Energy Trust's financial statements.

Average megawatt: Megawatt is the standard term of measurement for bulk electricity. One megawatt is 1 million watts. One million watts delivered continuously 24 hours a day for a year (8,760 hours) is called an average megawatt.

Avoided cost: The amount of money an electric or natural gas utility would spend for the next increment of electric generation or fuel it would need to acquire if not for the reduction in demand due to either energy-efficiency savings or the energy that a co-generator or small-power producer provides.

Benefit/cost ratio: For Energy Trust to provide an incentive for a project, the benefit must meet or outweigh the cost. This is expressed as a benefit/cost ratio with the benefits in the numerator and the costs in the denominator.

The OPUC has directed Energy Trust to apply the Total Resource Cost Test benefit/cost ratio and Utility Cost Test benefit/cost ratio to ensure that Energy Trust is responsibly investing ratepayer funds. The Total Resource Cost Test determines whether to provide an incentive for an energy-efficiency measure. The Utility Cost Test helps determine the maximum allowable amount of the incentive. Together, the tests assess the value of the energy-efficiency investment compared to a utility supplying the same amount of energy and determine whether energy efficiency is the best energy buy for a utility and for all utility customers.

Business planning: An annual process by which Energy Trust evaluates available staff resources and areas for innovation and prioritizes projects and business activities for the following year. The business plan forms the basis for setting the next year's organizational goals, budget and action plan, and is reviewed by leadership at least on a quarterly basis.

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 stated functions and capital asset expenditures. Energy Trust's budget uses a calendar year. The board approves 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.

Clean energy: Defined by Energy Trust as conservation, energy efficiency and small-scale renewable energy projects.

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 an agreed upon time frame, committed funds return to an incentive pool. Reapplication would then be required. Funds are expensed when the project is completed or interim milestones are met.

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 the 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 program costs plus a portion of Energy Trust administrative costs. See **benefit/cost ratio** and **administrative cost**.

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 used to develop renewable energy activity-based budgets amounts. Funds are expensed when the project is completed or interim milestones are met.

Direct program costs: Costs that can be directly linked to and reflect a causal relationship to an individual program/project or that can easily be allocated to two or more programs based on usage, cause or benefit.

Direct program evaluation and planning services: These include: 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.

Distributed energy resources: Solar, biopower and hydropower are renewable distributed energy resources (DERs). Other distributed energy resources include battery storage, energy efficiency, electric vehicles, smart thermostats, smart water heaters and other flexible loads that are connected to the grid at or near customers’ homes and businesses. When aggregated, distributed energy resources may provide a supplement to traditional utility infrastructure.

Diversity, Equity and Inclusion Initiative: Energy Trust’s work to promote diversity, equity and inclusion in internal and external activities to create more opportunities for underserved communities. This involves evaluating burdens, benefits and outcomes to these communities, including people of color, people with low to moderate incomes and people who live in rural areas. Work is guided by Energy Trust’s Diversity, Equity and Inclusion board policy, the Diversity Advisory Council, an internal Diversity, Equity and Inclusion Committee and a staff-led operations plan.

Energy Trust funding: Energy Trust is largely funded by customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista. It receives a small, dedicated percentage of customer utility bills to invest in energy efficiency and renewable energy programs in Oregon and Southwest Washington. The Oregon Public Utility Commission oversees Energy Trust investments of utility customer funds in Oregon. Under SB 1149, Energy Trust receives a portion of a public purpose charge to fund electric efficiency, market transformation and small-scale renewable energy development. Under SB 838, Energy Trust coordinates with the two electric utilities to identify additional cost-effective electric efficiency funding beyond the original amount determined in SB 1149. Energy Trust coordinates with the three natural gas utilities to identify natural gas efficiency funding. Energy Trust has small contracts separate from this core funding—these contracts are with Energy Solutions for the Oregon Community Solar Program and with PGE for its Smart Battery Pilot.

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.

Free riders: Program participants who would have completed an energy-saving action even in the absence of Energy Trust programs.

Gross savings, gross generation: The estimate of savings from program participants, irrespective of free riders or spillover. Gross was adopted as the standard method of budgeting and reporting beginning in 2020, replacing use of net energy reporting. 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 following true-up adjustments. See **true up**.

Incentives: Energy Trust offers cash incentives to reduce costs of energy efficiency and renewable energy investments. These incentives may be paid to any customer type, to trade ally contractors or other market actors. Midstream or upstream incentives may be provided to retailers, distributors and manufacturers of products and equipment; these incentives are passed on to consumers and contractors as instant discounts, reducing barriers to participation.

Indirect costs: Costs within programs that are not directly associated with delivering to customers or projects, such as travel and supplies. These are shared costs that are allocated for accounting purposes rather than assigning individual charges to programs and are allocated to all programs and administration functions based on a standard basis such as hours worked, square footage and customer phone calls. Examples include rent/facilities, supplies, computer equipment and support and depreciation. See **allocation**.

Innovation Team: An internal team that trains and mentors staff members to use innovation tools and processes as they develop new and innovative ideas for the organization. The Innovation Team integrates these processes into the organization and supports a culture of innovation at Energy Trust.

Integrated Resource Plan (IRP): Comprehensive energy resource planning documents developed by utilities. IRPs identify future resources needed to meet expected customer demand and consider reliability and least cost resources. Energy Trust typically coordinates every-other year with each utility to determine the amount of cost-effective energy efficiency resource that the utility can incorporate into its IRP.

Internal costs: Charts and graphs in budget materials highlight the top three types of cost—incentives, delivery and staffing costs. The remainder of the expenditure budget is labelled “internal costs” in these charts and graphs. This category includes professional services and operating expenses.

Kilowatt hour: A unit of energy commonly used as a billing unit by electric utilities.

Levelized costs: A measure of the average net present cost of the savings from an energy efficiency resource or the energy generated by a renewable generation resource over the lifetime of the respective resource.

Net assets: Cumulative revenue less cumulative expenditure. Also called carryover or reserves. Net assets are necessary to ensure funds are available when needed and to protect the organization from unexpected downturns in revenue or timing of expenditure.

Non-energy benefits: Benefits to utility customers and other stakeholders that don't involve energy and that are used in Energy Trust calculations for cost-effectiveness when the benefits are generally applicable and can be credibly quantified at a reasonable cost. Quantifiable non-energy benefits include comfort from adding cooling to a site; spending less on wood, propane or heating oil; or spending less on replacement parts and labor due to longer-lasting efficient equipment, like LEDs resulting in fewer bulbs replacements.

OPUC performance measures: Under Energy Trust's grant agreement with the OPUC, the OPUC is required to establish quantifiable performance measures that clearly define its expectation of Energy Trust's performance, including financials. Performance measures are adjusted on an annual basis.

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 of the organization 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). See **indirect costs, direct program costs.**

Program Delivery Contractor (PDC): Company contracted to implement a specific program track or initiative. Using PDCs keeps costs low for utility customers, draws from existing expertise and skills in the market and allows Energy Trust to remain flexible and nimble as the market changes. PDC contracts are competitively selected, reviewed by a committee of internal staff and external representatives and reviewed and approved by the board. Contracts are rebid on a regular basis.

Program delivery efficiency OPUC performance measure: The maximum threshold set by the OPUC for administrative and program support costs as a percentage of total annual revenues. Administrative costs adhere to Generally Accepted Accounting Principles for nonprofit organizations. Program support costs were defined in coordination with the OPUC 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. See **OPUC performance measures**.

Program delivery expense: 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 and Program Delivery Contractors under contract agreement if certain incentive goals are met. Includes professional services for items such as solar inspections and general renewable energy consulting. See **Program Management Contractor**.

Program Management Contractor (PMC): Company contracted to deliver and implement a program. PMCs keeps costs low for utility customers, draw from existing expertise and skills in

the market and allow Energy Trust to remain flexible and nimble as the market changes. PMC contracts are competitively selected, reviewed by a committee of internal staff and external representatives and reviewed and approved by the board. Contracts are rebid on a regular basis.

Program management expense: PMC billings associated with program contract oversight, program support, staff management and other duties. See **Program Management Contractor**.

Program marketing, program 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 are designed to reach participants of individual programs. Co-op advertising with trade allies and vendors promote a program benefit to customers. See **Program Management Contractor**.

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 percent of annual program reserves without prior board approval. See **net assets**.

Project specific costs: For renewable energy, expenses directly related to identified projects or identified customers to assist in constructing or operating renewable projects. Includes services to prospective and 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 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.

Program support costs: A portion of the costs in the OPUC performance measure, includes support expenses incurred directly by the program and 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. Contained in statement of functional expense report.

Project forecasting: Information in Energy Trust's Project Tracker information system about the timing of future incentive payments. *Estimated* means project data may be inaccurate or incomplete; a rough estimate of energy savings, incentives and completion date by project and by service territory. *Proposed* means a project 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 in this phase. (For renewable energy projects, this is a project that has received board approval.) *Accepted* is used for renewable energy projects in the second round of application; projects have reached a stage where the approval process can begin. *Committed* means a project has a signed agreement or application reserving incentive dollars until project completion or completion of interim milestones; energy savings/generations,

incentives and completion date by project and by service territory must be documented in project records and in Project Tracker. If a project has not demonstrably proceeded within the agreed upon time frame, committed funds are returned to the incentive pool. Reapplication is required. *Dedicated* is used for renewable energy projects that have been committed, have a signed agreement and, if required, have been approved by the board.

Public purpose charge: A charge on utility customer bills authorized by Oregon state law (SB 1149). Energy Trust receives a portion of the funds collected to deliver benefits from energy-efficiency improvements, market transformation and small-scale renewable energy generation. The phrase “public purpose charge” is used by other utilities and also informally at times to refer to Energy Trust’s core funding. See **Energy Trust funding**.

Spillover: The concept that some program participants will complete an energy-saving action because of awareness of the program but will not receive a program incentive.

Staffing costs: Combination of salaries, benefits, retirement and employer taxes incurred by the organization to retain employees. Staffing costs are subject to an OPUC performance measure.

Therm: A unit of natural gas commonly used as a billing unit by utilities.

Total program and administrative expenses (line item on income statement): Used 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 Generally Accepted Accounting Principles.

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 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.

True up: An annual process in which prior years’ energy savings and renewable generation are adjusted and corrected to reflect new information on how much energy is being saved or generated in the field. This information is then used to update reports and software tools for budgeting, forecasting and analyzing future savings. Information 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 true-up report (for prior years). Sometimes the best data on program savings or generation is not available for two to three years, especially for market transformation programs. For some programs, savings are updated through the annual true-up process multiple times.

Working savings/generation: The estimate of savings/generation used for data entry by program personnel as they approve individual projects. Estimates 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.