

# MEMO

**Date:** October 6, 2021  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Draft 2022 Budget and 2022-2023 Action Plan

I am pleased to present to you Energy Trust of Oregon's Draft 2022 Budget and 2022-2023 Action Plan, which will be the focus of our October 13 budget workshop.

In the materials that follow, a budget overview summarizes the draft budget and action plan. Individual action plans are provided for general management, including diversity, equity and inclusion; energy efficiency and renewable energy programs; and program support groups. These budget materials show how 2022 expenditures and activities will help Energy Trust achieve 2022 organizational goals and make progress to our 2020-2024 Strategic Plan.

We included supporting memos to provide additional details on budget components such as staffing, administrative costs, levelized costs and the assumptions that shaped action plans and budgets across the organization.

Unless otherwise noted, the budget reflects all revenues and expenditures (including Oregon public purpose charge funds and funds related to NW Natural Washington, Community Solar Program, PGE Smart Battery Pilot and a NW Natural targeted load management pilot) and comparisons are to the Approved Amended 2021 Budget and 2021-2022 Action Plan. Some materials, such as calculations of OPUC performance measures, reference a subset of the budget and are clearly marked.

These documents guide Energy Trust in delivering low-cost energy efficiency, diversifying Oregon's energy resource mix with small-scale renewable energy generation and ensuring all utility customers and communities have opportunities to participate and benefit from our programs—including customers of color, customers with low incomes and rural customers. Our investments will reduce participant utility bills, avoid carbon dioxide emissions, deliver utility system benefits to all customers, support our economy and help reduce energy burdens.

The draft budget and action plan are available for public comment from October 6 through October 20, 2021. We will also provide information on the draft budget to our five affiliated utilities and the OPUC. All materials are available at [www.energytrust.org/budget](http://www.energytrust.org/budget).

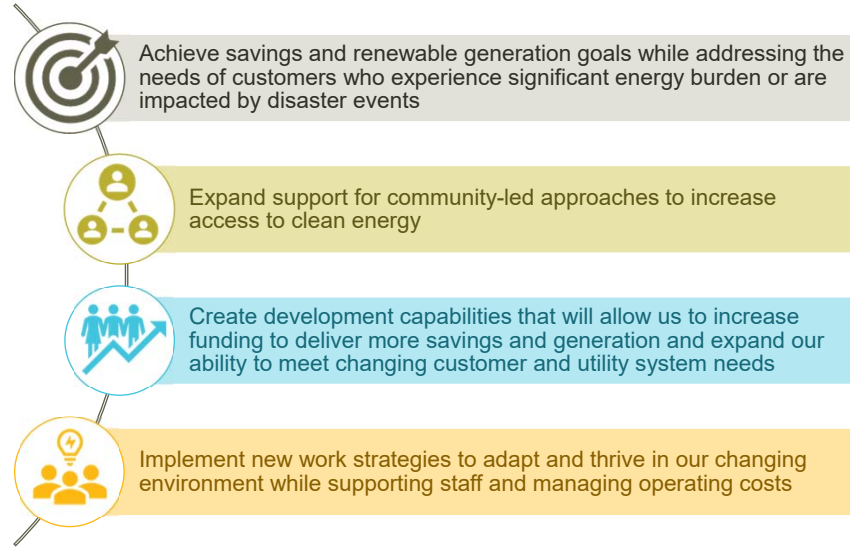
Feedback and comments received through these presentations will be incorporated into a Final Proposed 2022 Budget and 2022-2023 Action Plan to be reviewed by the board at the December 17 board meeting. I look forward to our discussion next week and welcome your comments and questions.

Thank you,



Michael T. Colgrove, Executive Director

## 2022 Organizational Goals



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**Goal 1: Achieve savings and renewable generation goals while addressing the needs of customers who experience significant energy burden or are impacted by disaster events**

We will meet the 2022 targets of 50.1 aMW of electric savings, with 64.6 MW of reduced demand during periods of summer peak and 76.3 MW of reduced demand during periods of winter peak, 6.8 million therms of natural gas savings and 4.0 aMW of renewable generation, with a focus on:

- Creating program offers to better serve customers with high energy burden and help small businesses reduce energy costs
- Implementing programs and initiatives to help utilities manage loads during high demand periods
- Supporting communities recovering from disaster events with clean energy and resilience offers in coordination with utilities

## 2022 Organizational Goals



### **Goal 2: Expand support for community-led approaches to increase access to clean energy**

We will expand community-led approaches to increase participation in energy efficiency and renewable energy programs and support community objectives, with a focus on:

- Identifying partnerships with communities or community-based organizations that represent and serve communities of color, customers with low incomes and rural communities
- Working with communities and community-based organizations to help shape our residential and business offers to meet their needs within our regulatory guidelines
- Leveraging additional funding sources and insights from communities to better serve all customer types
- Tracking and supporting community energy policy and planning efforts to identify opportunities for collaboration
- Applying Energy Trust's community engagement guidelines to evaluate opportunities for one or more community-led initiatives that could help us accomplish savings and generation goals

## 2022 Organizational Goals



### **Goal 3: Create development capabilities that will allow us to increase funding to deliver more savings and generation and expand our ability to meet changing customer and utility system needs**

Unlike most nonprofits, Energy Trust does not have an established development function. This limits our ability to deliver clean, affordable energy to customers. We will establish this function, with a focus on:

- Building formalized systems, processes and structures to pursue new funding opportunities
- Developing relationships with organizations where there is mutual opportunity to pursue complementary activities or access other sources of funds
- Enhancing grid value with the utilities
- Informing policy discussions that leverage our development efforts
- Pursuing opportunities that improve the cost-effectiveness of our savings and increase adoption of renewable generation

## 2022 Organizational Goals



### **Goal 4: Implement new work strategies to adapt and thrive in our changing environment while supporting staff and managing operating costs**

We will need to evolve our workspace, the way we work and our organizational culture, with a focus on:

- Striving for a more inclusive, flexible, accessible and supportive work culture that celebrates diversity
- Continuing to develop our organizational awareness of social justice issues and how they relate to our work
- Creating a culture and environment that enables us to retain and compete for talent
- Adapting to changing business conditions by regularly prioritizing and scaling work
- Utilizing business planning and other tools to manage administrative costs



## Draft 2022 Budget Summary

- **Investing \$213.0 million** of utility customer funds
- **Saving 50.1 aMW and 6.8 MMTh**
- Delivering highly cost-effective energy
  - 3.4 cents/kWh levelized
  - 44.7 cents/therm levelized (Oregon)
  - 83.7 cents/therm levelized (Washington)
- **Generating 4.0 aMW**
- **Distributing \$116.9 million in incentives**; 55% of total expenditures
- Administrative costs at 7.8% of revenue

*aMW: average megawatts (of electricity)*  
*MMTh: million annual therms (of natural gas)*

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## Customer Benefits from 2022 Investments

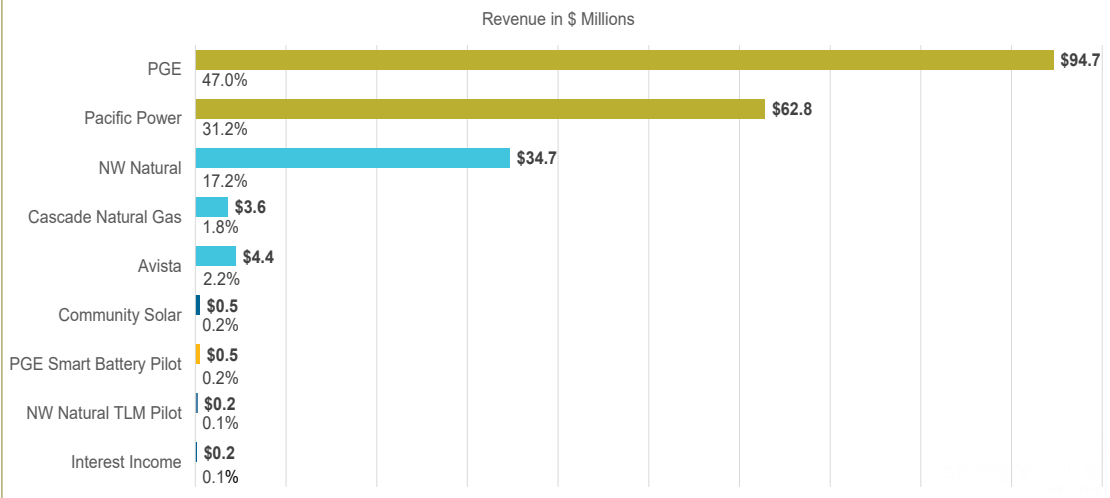
- **More access** for diverse and rural communities
- **Lower energy bills and energy burden** for participants—\$836 million in future bill savings
- **Opportunities for 1,900 local businesses** and investments in workforce development
- **Cleaner air** by avoiding 4.5 million tons of carbon dioxide
- Local investments that **keep dollars in our communities**



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### 2022 Draft Budget Revenue

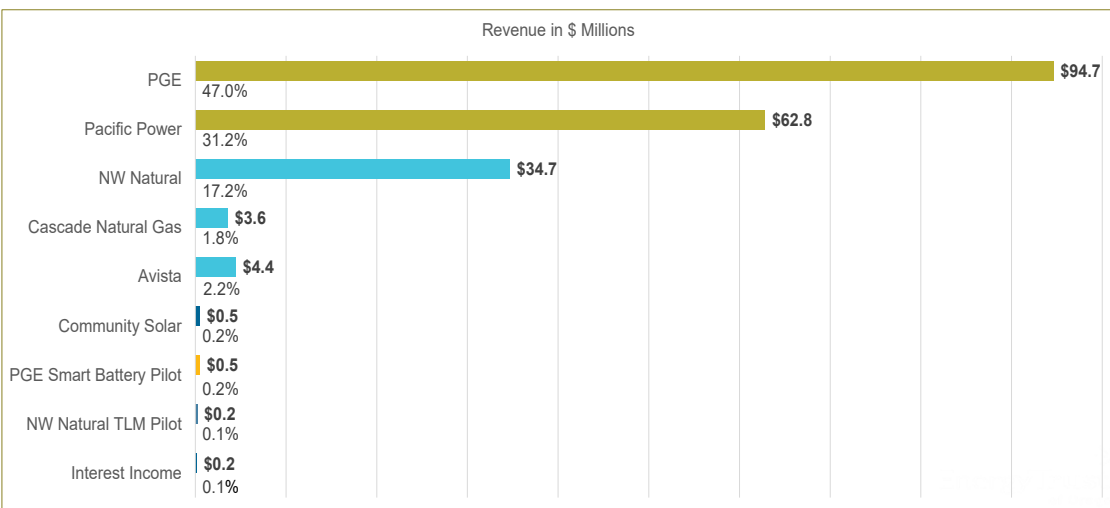
\$201.5 million, up 6.9% from 2021 budget



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### 2022 Draft Budget Expenditures

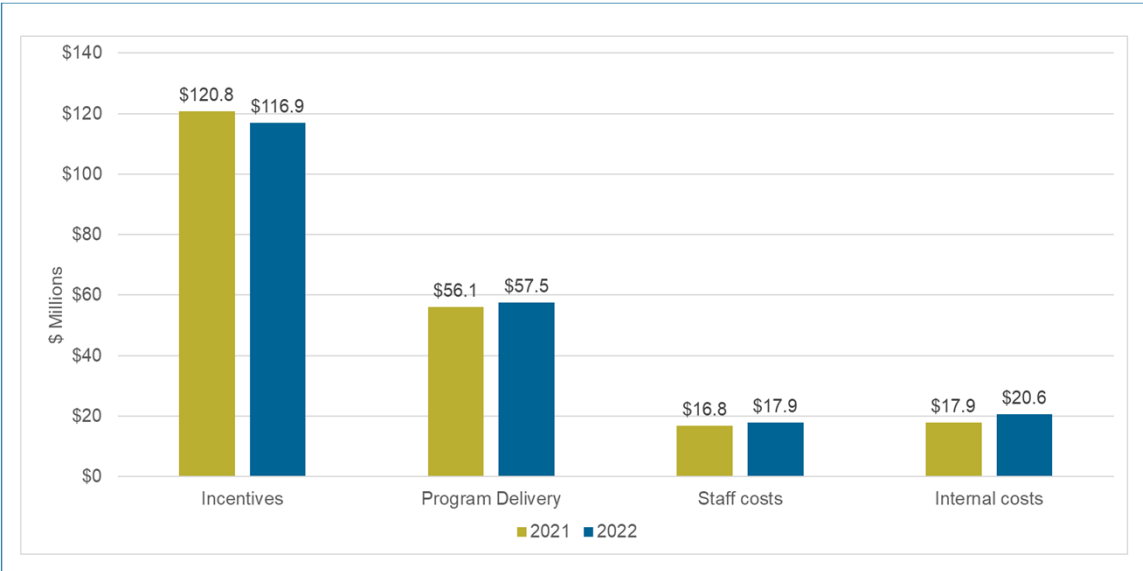
\$213.0 million, up 0.7% from 2021 budget



The budget uses net assets/reserves to cover planned expenses in excess of anticipated revenue

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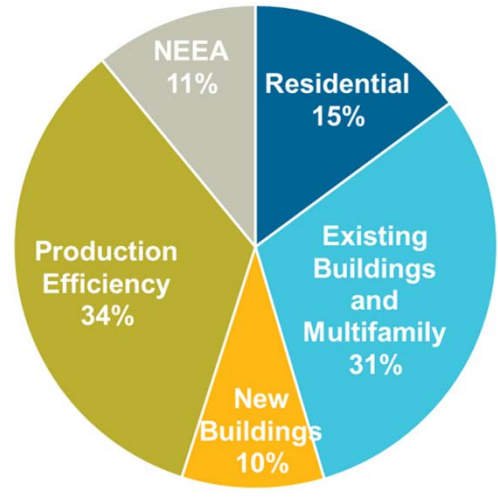
### 2022 Draft Budget Expenses by Category



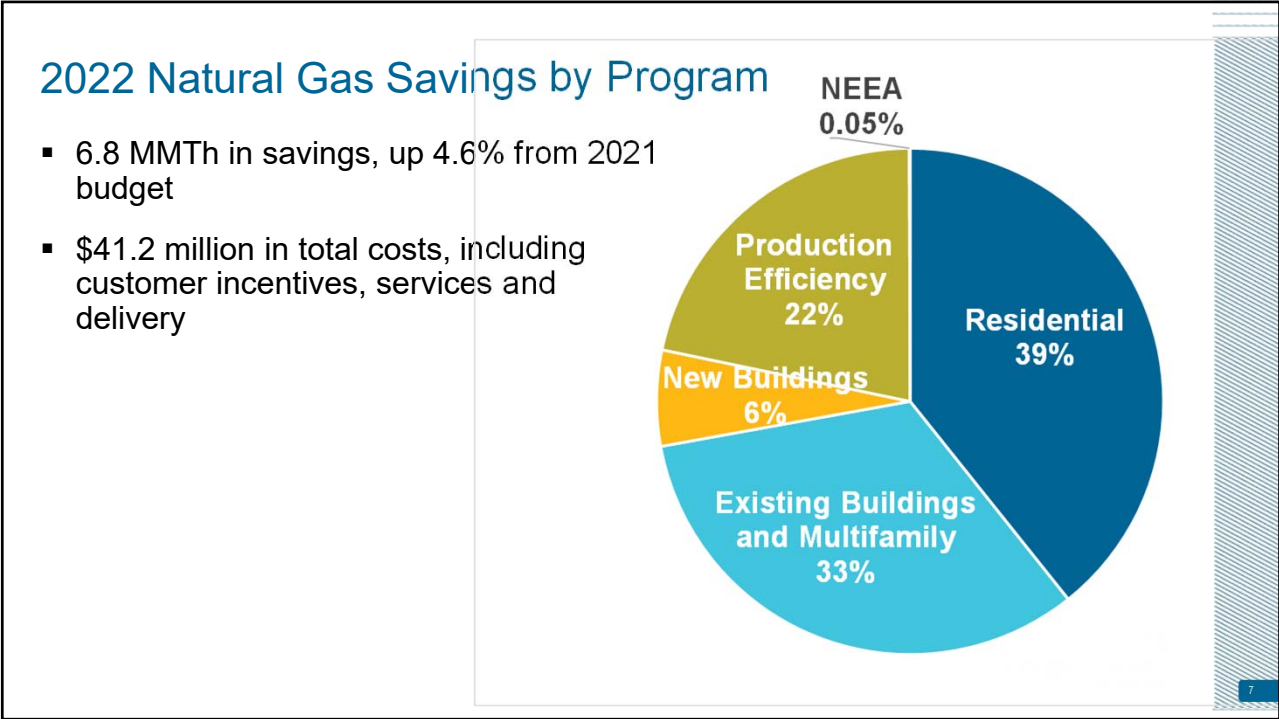
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### 2022 Electric Savings by Program

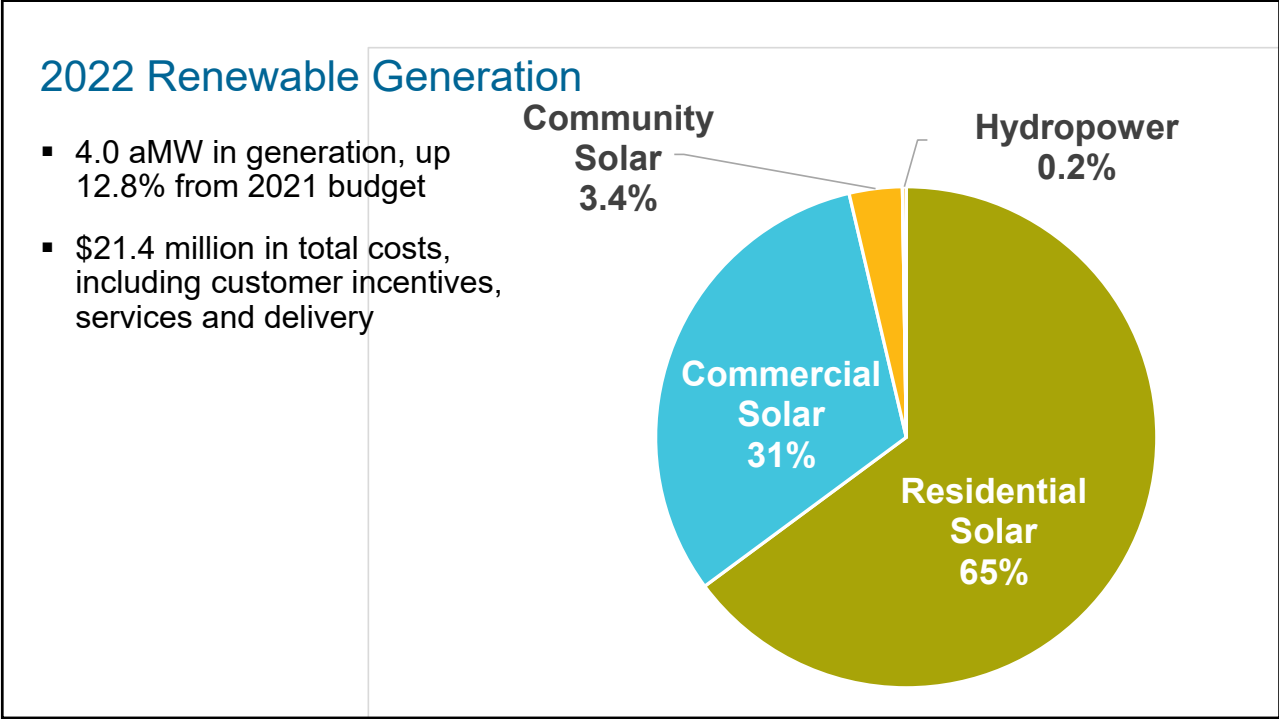
- 50.1 aMW in savings, up 5.7% from 2021 budget
- \$149.3 million in total costs, including customer incentives, services and delivery



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