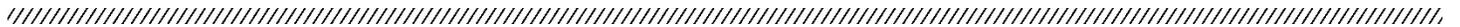


Quarter Three 2021 Report to the Oregon Public Utility Commission & Energy Trust Board of Directors



ENERGY TRUST OF OREGON
November 15, 2021

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A glossary of program descriptions and key terms is available online at www.energytrust.org/reports

I Results at a glance^{1,2,3}

Savings

 = Year-to-date goal  = Annual goal

⚡ Total electric savings



⚡ PGE



⚡ Pacific Power



¹ This document reports gross savings.

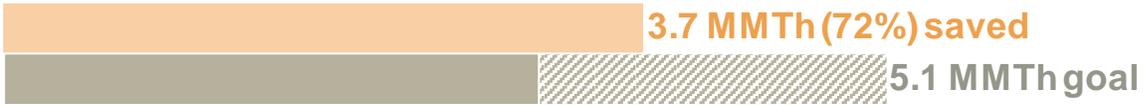
² aMW indicates average megawatts, MMTh indicates million therms and MM is million.

³ Energy goals and budget figures reflect an amended 2021 budget approved by Energy Trust's board of directors in May 2021. For this reason, some goals and figures are different than what was reported in Energy Trust's quarter one report.

Total gas savings



NW Natural



Cascade Natural Gas



Avista



Generation

 = Year-to-date goal  = Annual goal

Total renewable electric generation



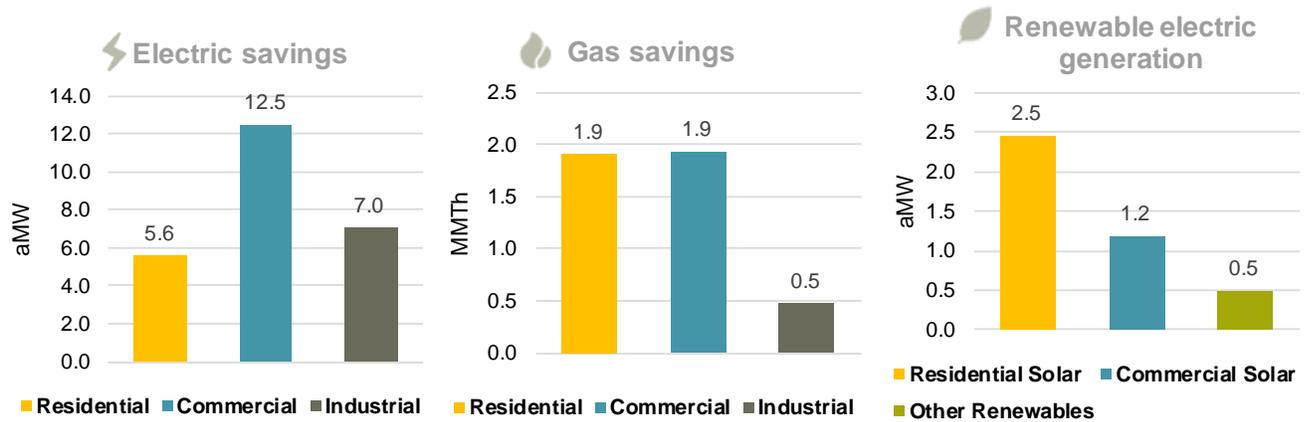
PGE



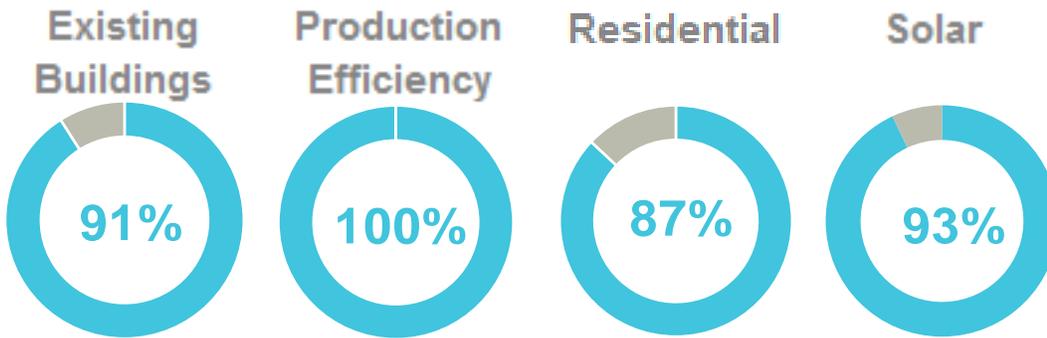
Pacific Power



Savings and generation by sector year-to-date⁴



Customer satisfaction⁵



⁴ Charts may not total due to rounding.

⁵ From April to June of 2021, Energy Trust delivered a short web and telephone survey to 343 randomly selected participants in Oregon programs who completed projects between January and March 2021 and received an incentive or discount from Energy Trust.

Oregon public purpose charge expenditures^{6,7}

■ = Year-to-date budget ▨ = Annual budget

\$ Total



\$ Energy Efficiency



\$ Renewable Energy



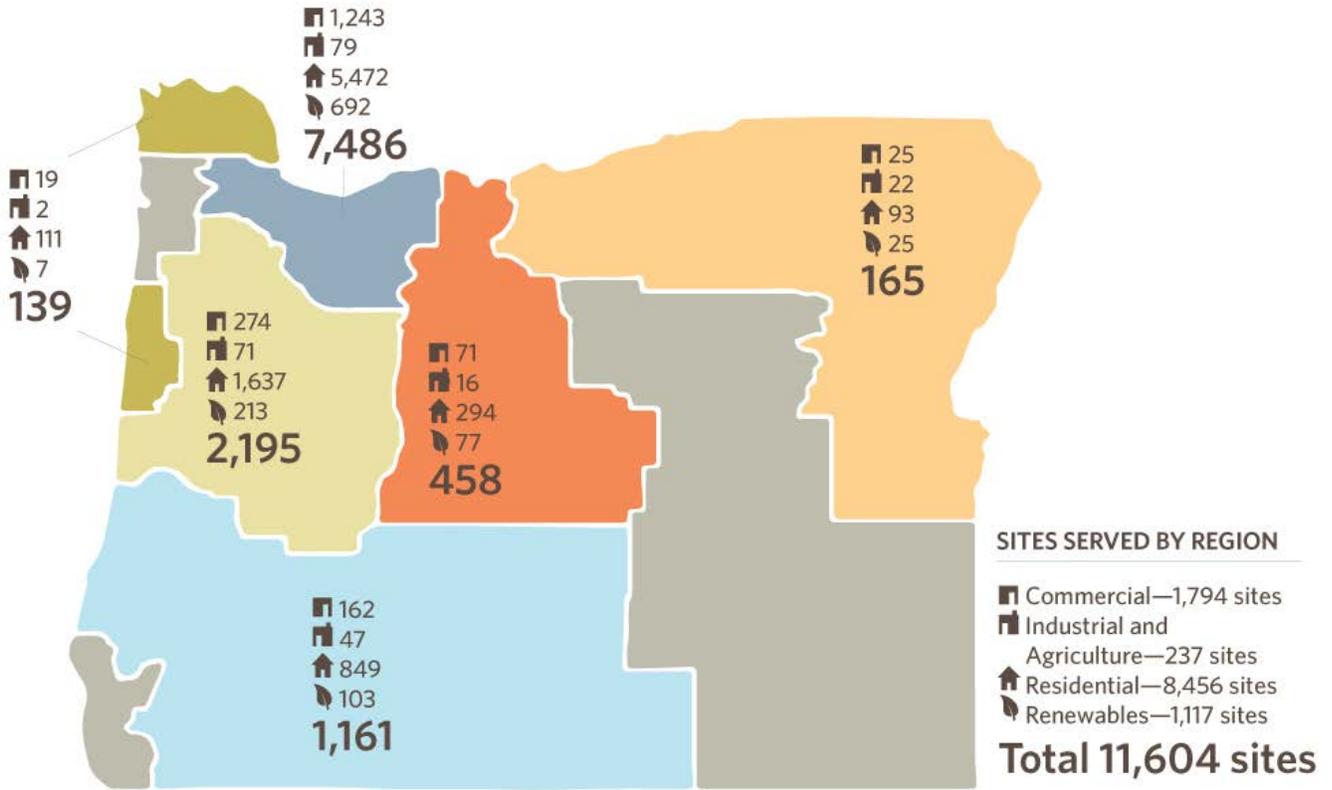
\$ Administrative



⁶ Expenditures include public purpose funds only. Low-income solar grants, Community Solar, NW Natural Washington activity and business development funds are not included. This information is available in the total organization results appendix.

⁷ Administrative costs are different from administrative and program support costs defined by the OPUC's performance measure.

Sites served by region for the quarter⁸



Progress to annual organization goals

This table provides an at-a-glance update on Energy Trust's progress toward 2021 organization goals, established through the 2021 business plan, budget and action plan process with input from advisory councils and approval by the board. These goals reflect the organization's priorities for the year and guide staff decision-making regarding allocation of resources. For more detail on progress to 2021 goals, see Section VI.

Goal	Status
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.	On track
Invest in relationships and collaborations with other entities to meet common needs and future objectives.	On track
Enhance operating processes and internal culture to efficiently respond to change.	On track

⁸ This document reports on Energy Trust services to Oregon customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista. Areas in gray are not served by these utilities. Sites served excludes products purchased from distributors and retailers.

II Executive summary

The body of this report includes only activity funded by Oregon electric utility customers of PGE and Pacific Power under state law and by Oregon natural gas customers of NW Natural, Cascade Natural Gas and Avista through regulatory agreements between the OPUC and each natural gas utility. The total organization results appendix reports energy savings, generation, expenditures and revenue for all Energy Trust activity, including activity in NW Natural territory in Southwest Washington, Energy Trust's subcontract to deliver the Oregon Community Solar Program and other activity.

A. Progress to energy efficiency and renewable energy goals

The purpose of the quarter three report is to identify year-to-date savings and generation and preview expected achievement to year-end goals based on indicators such as pipelines and forecasts, with more information available than in quarter two.⁹

- At the close of quarter three, Energy Trust expects to exceed its annual energy efficiency goals for NW Natural and Cascade territories and achieve goals in Portland General Electric, Pacific Power and Avista territories. Renewable energy programs are expected to exceed goals for the year.
- Electric efficiency improvements completed during quarter three saved 10.0 average megawatts of electricity, **contributing to 25.1 aMW saved year-to-date**. Year-to-date savings account for 53% of the 2021 goal of 47.4 aMW.
- Gas efficiency improvements completed during quarter three saved approximately 1.4 million therms of natural gas, **contributing to 4.3 million therms saved year-to-date**. Year-to-date savings account for 70% of the 2021 goal of 6.1 million therms.
- Renewable energy systems installed during quarter three will generate 2.08 aMW of electricity, **contributing to 4.14 aMW of electricity year-to-date**. Year-to-date generation accounts for 117% of the 2021 goal of 3.54 aMW.
- Year-to-date savings and generation achieved represent about **165,000 short tons of carbon dioxide** kept out of the atmosphere, the equivalent of removing 35,000 cars from Oregon roads.

25.1

AMW SAVED IN 2021

4.3

MILLION THERMS
SAVED IN 2021

4.14

AMW GENERATED IN
2021

165,000

TONS OF CO₂ AVOIDED
IN 2021

⁹ Each report serves a specific purpose for communicating activities: quarter one reflects efforts to build a pipeline of projects through analyses, studies and outreach to achieve annual savings and generation goals; quarter two highlights the organization's mid-year savings and generation, previews expected achievement of year-end goals based on early indicators and reflects priorities and needed changes to reach year-end goals; quarter three identifies year-to-date savings and generation and previews expected achievement to year-end goals based on indicators such as pipelines and forecasts, with more information available than in quarter two; quarter four reflects Energy Trust's final accomplishments and is delivered as an appendix to the annual report in April of the following year.

B. Notable activities and trends

- Staff is monitoring market conditions related to the pandemic. These include supply chain shortages, high demand among residential customers and impacts of the COVID-19 delta surge and vaccine mandates on businesses. Distributors and contractors report quarterly price increases due to supply chain constraints and manufacturing labor shortages.
- Electric savings year to date are lower than expected due to project delays related to supply chain shortages. Historically a large percentage of savings occur in quarter four, and Energy Trust expects to meet its annual electric savings goal.
- As Energy Trust prepares its 2022 budget and activities amid continued unpredictability, staff is focused on carefully **managing project pipelines and budgets across the portfolio** to meet 2021 energy goals while not exceeding budgeted expenditures.
 - Staff is continuing monthly forecasting to identify market trends as close to real-time as possible.
 - Energy Trust will continue with contractor requirements to provide more frequent notification of incentive commitments.
 - Programs will keep some incentive caps in place while increasing caps for other offers to help motivate customers.
 - Managing across the portfolio means some programs are overperforming while others are falling short. This is to manage costs and make additional budget available to programs with high demand.
- **Energy Trust is transitioning its manufactured homes replacement pilot into a permanent offer** following OPUC approval of a cost-effectiveness exception request. The offer will serve residents of older manufactured homes and can also help replace manufactured homes destroyed in state-declared disaster events including the 2020 wildfires.
- In quarter three, staff researched construction techniques and designed incentives for residential and commercial construction for customers rebuilding after wildfires.
- The Solar program set a record in quarter three for projects completed. At the end of quarter three, the program has already supported more solar projects than any previous full year. The program has also paid \$1.9 million for Solar Within Reach installations in 2021, a quarter of all solar incentives paid.
- Energy Trust committed incentives totaling \$533,000 to five small-scale and community-led community solar projects in Portland, Talent, Beatty, Sprague River and Klamath Falls.
- Staff is drafting Energy Trust's next Diversity, Equity and Inclusion Plan, which will identify activities and strategies for reaching underserved customers in 2022 and beyond. Unlike past operations plans, which identified goals for all parts of the organization, this plan will focus on community engagement that leads to meaningful solutions for customers with low incomes, people of color and those in rural communities.
- In quarter three, staff met with OPUC staff to review energy laws passed in the 2021 legislative session, including the public purpose charge modernization law (HB 3141) as well as HB 2021, HB 2475 and others. Staff will support the OPUC during implementation of HB 3141 and, in agreement with the OPUC and electric utilities, is utilizing the existing budgeting process to prepare the 2022 budget.



**MANAGING
ACROSS THE
PORTFOLIO**



**ENABLING MORE
MANUFACTURED
HOME
REPLACEMENTS**

C. Updates requested by the OPUC

This section provides information requested by the OPUC in comments provided on Energy Trust's 2021 Budget and 2021-22 Action Plan, plus other information requested by OPUC staff.

Report on efforts to identify new savings sources or delivery approaches for the residential program:

- **Staff analyzed construction techniques that have the dual benefit of wildfire resilience and energy efficiency**, vetted the practices with jurisdictions affected by wildfires and plans to launch these offers in 2022 to those rebuilding homes.
- Staff initiated a project examining potential savings and offers for all classes of cooling equipment, ranging from window air conditioners to whole-home systems.
- Staff vetted equipment options and developed plans for a coordinated research project to test an emerging category of lower-cost ductless heat pumps. These products are designed for the do-it-yourself market and are less than half of the cost of traditional ductless heat pumps installed by contractors. The offer has potential to increase savings in single-family and multifamily homes with zonal electric heat.
- The program drove leads for a midstream distributor partner who reported sales of more than 350 electric hybrid water heaters through a direct mail effort to 30,000 customers.
- Staff worked with Avista and Puget Sound Cooperative Credit Union on plans to make on-bill repayment and financing available to income-qualified Avista customers starting in 2022. On-bill repayment, which is already available to customers of other utilities, helps make energy-efficiency improvements more accessible for customers by spreading out the cost.



**SUPPORTING
FIRE-RESISTANT
AND ENERGY-
EFFICIENT
BUILDING**

Provide highlights on work to refine peak modeling capability:

- A new forecast from Northwest Power and Conservation Council indicates the nature of peak cost hours may be changing due to the influx of solar surplus at peak hours, creating negative electricity prices during these times. Staff is exploring the continued importance and most pertinent way to define peak through interviews with utility and OPUC staff and assessing the best way to proceed within the context of Oregon's investor-owned utilities and power markets.

Provide updates on work to implement a supplier diversity tracking system:

- Following completion of the supplier diversity program description, staff began work on steps to implement the program. These include creating training for staff on the new contracting and procurement procedures, developing a series of engagements for diverse firms on how to work with Energy Trust, introducing current contractors to the new requirements, and updating Energy Trust's existing manuals, guidance documents and templates to reflect the new program.
- Staff began developing requirements and specifications for a supplier diversity tracking system with the goal of issuing a request for proposals by the end of 2021 for a contractor to implement a tracking system. The team is using the supplier diversity program description to define scope and requirements of the project.

Continue to report on complementary funds activities, tracking the status of co-funding opportunities and the outcomes of those arrangements:

- **Staff is exploring the intersections between clean energy and health** with other interested parties throughout the state. The team is working on identifying individuals in Oregon and across the country willing to participate in this discussion.

New Buildings program cost-effectiveness exceptions:

- In quarter three, the OPUC approved the New Buildings whole-building cost effectiveness exception extension request while staff develops a new, education-based approach to measure-level cost-effectiveness testing.



**EXPLORING
CONNECTIONS
BETWEEN
ENERGY AND
HEALTH**

III Program and operations activity

A. Commercial sector highlights

The commercial sector is comprised of two programs: Existing Buildings and New Buildings. Existing Buildings is delivered by Program Management Contractor TRC and includes multifamily offers. The program offers incentives for energy-efficient improvements in existing commercial buildings of all sizes. The New Buildings program, delivered by Program Management Contractor CLEAResult, supports design and construction of high-performance commercial buildings and major renovations of all sizes and building types. Lighting offers for commercial customers are delivered by Program Delivery Contractor CLEAResult that also serves industrial customers.

- The sector expects to meet or exceed savings goals for all utilities except Avista. Electric and gas savings were driven by custom projects in Existing Buildings, with grocery and large office projects contributing significant savings. Multifamily and K-12 school projects brought in the most significant portion of savings for the New Buildings program.
- Staff is monitoring market conditions related to the pandemic that are impacting customers. Some hospitals adjusted project timelines in the summer and fall in response to the COVID-19 delta surge, while other businesses struggled with staffing in response to vaccine mandates. Meanwhile, K-12 schools are prioritizing efficiency projects in 2021 and 2022 thanks to federal COVID-19 relief funding and Energy Trust incentives.
- Energy Trust **finalized plans for a Contractor Development Pathway, launching in early 2022, with a goal of 10 initial participants.** The pathway will provide contractors who are certified or eligible for the state's Certification Office for Business Inclusion and Diversity with the support they need to become successful trade allies for the Existing Buildings program.
- Staff continued to develop a new Strategic Energy Management offer for multifamily customers that serve low-income residents, launching in early 2022. Staff used internal tools—such as the Diversity, Equity and Inclusion Lens and expertise from the innovation team—to design a more comprehensive program offer that meets customer needs.
- The Existing Buildings program's network of community-based liaisons advised on the development of a community engagement plan with a near-term focus on small business owners who are Black, Indigenous and people of color and/or whose first language is not English. Recruitment is also underway to expand the network of community-based liaisons from three to seven people.
- Under a contract with Energy Trust, the nonprofit Community Energy Project delivered cooling-focused efficiency workshops to about 100 affordable multifamily households in quarter three. Participants also received do-it-yourself materials to make their homes cooler and more comfortable.
- New Buildings staff is designing incentive offers to support wildfire rebuilding projects starting in 2022. Roughly a dozen projects have already been identified for support.
- Energy Trust is helping more building designers integrate net-zero building practices with 97 projects currently engaged in the Path to Net Zero offer and 10 on track to complete in 2021.



- Commercial savings from NEEA activities comprised approximately 3% of the sector's year-to-date savings in PGE territory, 3% in Pacific Power territory and under 1% in NW Natural, Cascade Natural Gas and Avista territories.
 - Electric savings were driven by NEEA's influence on federal standards for fluorescent ballasts and the adoption of the state's commercial energy code.
 - Gas savings were driven by NEEA's condensing rooftop unit program.

B. Industrial and agriculture sector highlights

The industrial and agriculture sector provides energy-efficiency solutions for eligible industrial, agricultural and municipal water and wastewater recovery facility customers. It consists of one program, the Production Efficiency program, which provides services and incentives through three primary delivery tracks: standard, custom and energy performance management. Production Efficiency is designed and managed by Energy Trust staff and delivered through Program Delivery Contractors and other market actors. Lighting offers for industrial customers are delivered by Program Delivery Contractor CLEAResult that also serves commercial customers.

- The sector expects to far exceed goals in Cascade Natural Gas and Avista territories but fall short of goals in all other territories. The shortfall is due to fewer than expected lighting projects in PGE and Pacific Power territories and two large projects in NW Natural territory that were delayed until 2022.
- Electric savings were driven by custom and standard track projects and indoor agriculture lighting projects. Customers are taking on more custom projects as they have more access to capital. Standard track savings were driven by high-speed doors, compressed air and irrigation improvements.
- Gas savings were driven by standard track projects including direct installation of pipe insulation and steam traps.
- Standard track activity was slower than expected in quarter three, partly due to supply chain issues that are slowing down equipment deliveries. In response, staff is doing **targeted outreach in certain utility territories to encourage projects not facing supply chain issues to finish** by the end of the year. Initial results of this outreach have generated some leads, though many of them are more likely for 2022.
- Staff continues to **recruit program allies such as engineering firms that are owned by people of color, women and service-disabled veterans**. This includes finding potential vendors through the state's Certification Office for Business Inclusion and Diversity (COBID) database and connecting with them to describe the program and invite them to participate, a tactic that has generated several leads.
- Industrial savings from NEEA activities comprised approximately 5% of the sector's year-to-date savings in PGE territory and 3% in Pacific Power territory.
 - Electric savings were driven by NEEA's influence on federal standards for the electric motor market.
 - Energy Trust does not make investments for gas market transformation in the industrial sector as there are no industrial gas market transformation initiatives.



**ADDRESSING
PROJECT
DELAYS WITH
TARGETED
OUTREACH**



**RECRUITING
COBID-
CERTIFIED
PROGRAM
ALLIES**

C. Business lighting highlights

Starting in 2021, Energy Trust lighting offers for commercial and industrial customers are delivered by Program Delivery Contractor CLEAResult. This change, consolidating services previously provided through subcontracts to the commercial Program Management Contractor and an industrial Program Delivery Contractor, was made to gain program efficiencies and deliver cost savings, as well as strengthen diversity, equity and inclusion efforts.

- Business lighting project volumes are down due to lighting incentive caps that were implemented to help manage the sector's budget. Staff has cleared a backlog of incentive applications for lighting projects from earlier in the year, the result of 2020 bonus offers.
- **Staff began promoting a direct-installation lighting offer through outreach to customers.** Launched in quarter two, the offer provides no-cost installation to small and rural commercial and industrial businesses.
- Staff worked on the design, incentive levels and marketing strategies for a new midstream lighting offer for commercial and industrial customers launching in 2022. Midstream incentives provide savings to customers through designated distributors.



**OFFERING
DIRECT-INSTALL
LIGHTING FOR
SMALL AND
RURAL
BUSINESSES**

D. Residential sector highlights

The residential sector provides energy-efficiency solutions for residential customers of single-family homes, manufactured homes and newly constructed homes. The Residential program is delivered through Program Management Contractor CLEAResult and two Program Delivery Contractors CLEAResult and TRC that support retail promotions and EPS™ new construction offers. Incentives are available for smart thermostats, energy-efficient HVAC and water heating equipment, lighting, appliances, weatherization upgrades, whole home improvements and new construction. Incentives are also delivered through community-based organizations with the goal of reaching underserved customers.

- The sector expects to exceed goals in all utility territories.
- Electric savings were driven by EPS new construction, HVAC, heat pump water heaters, lighting, thermostats and ceiling insulation.
- Gas savings were driven by EPS new construction, windows, insulation and thermostats.
- Staff is monitoring market conditions related to the pandemic—including high demand and supply chain shortages—that are challenging some project timelines and equipment availability.
 - Demand for windows and smart thermostat projects continue to be strong, with project volumes up 20% in quarter three compared to the same time last year. Thermostat incentives were paused in July to help manage the sector's budget.
 - Electric and gas HVAC system projects so far are on par with 2020 activity, though contractors report projects are being pushed farther out due to limited equipment availability.
- **Strong demand for new homes has led to an increase in expected savings from EPS new construction offers in 2021.**



**HOUSING
DEMAND
HELPING DRIVE
SAVINGS**

- In September, the OPUC approved a cost-effectiveness exception request for a manufactured homes replacement offer, enabling Energy Trust to transition this from a pilot to a permanent offer. Staff is updating program eligibility and outreach and marketing strategies for an anticipated February 2022 launch; staff plans to engage stakeholders in quarter four to refine the materials and approach before launching.
 - The pilot, launched in 2018 with support from community and state partners, helped replace more than 50 older manufactured homes with energy-efficient models in communities from Northeast Portland to Umatilla County.
- As part of Energy Trust's ongoing support to customers and communities affected by wildfires, staff researched and vetted construction techniques that help save energy while also making homes more resilient to wildfires. Energy Trust will offer incentives for these building practices starting in 2022.
- Energy Trust continues to work with community-based organizations to support residents with low incomes by offering Community Partner Funding, higher incentives delivered to customers via nonprofits and other agencies. In quarter three alone, Energy Trust delivered nearly \$105,000 in incentives for home energy upgrades through eight community-based organizations and a community action agency. That's about the amount delivered in the first half of 2021, a sign of growing interest and capacity.
 - **These partnerships and funding are creating new opportunities for customers.** For instance, Community Energy Project and Seeds for the Sol are coordinating hybrid electric water heater installations at 38 homes in 2021 at no cost to the customer thanks to Energy Trust incentives and outside funding.
- Residential customers reported slightly lower satisfaction rates in the most recent customer survey than in previous surveys. This could be the result of contractor and equipment availability challenges and incentive processing delays earlier in the year related to PMC staffing shortages and high project volumes driven by bonuses.
- Residential savings from NEEA activities comprised approximately 24% of the sector's year-to-date savings in PGE territory, 14% in Pacific Power territory and under 1% in NW Natural, Cascade Natural Gas and Avista territories.
 - Electric savings were driven by NEEA's ductless heat pump initiative, which aims to accelerate the adoption of ductless heat pumps in electrically heated homes, and NEEA's influence on energy code adoption for single-family and multifamily homes in Oregon.
 - Gas savings were driven by NEEA's work to increase adoption of energy-efficient advanced building practices for single-family homes, and work to develop efficient gas water heating products.



**INVESTING IN
PARTNERSHIPS
THAT BENEFIT
CUSTOMERS**

E. Renewable energy sector highlights

The renewable energy sector is comprised of two programs delivered in-house by Energy Trust staff: Solar and Other Renewables. The Solar program offers standard incentives for smaller-scale distributed systems for residential, business, public sector and nonprofit customers. The program is focused on improving equitable access to solar for lower-income customers and expanding innovative applications of solar that provide greater value to communities or the grid. The Other Renewables program supports renewable energy projects up to 20 megawatts in nameplate capacity that generate electricity using biopower, geothermal, hydropower and community-scale, municipally owned wind

technologies. The goal of the program is to support a range of renewable energy technologies and improve market conditions for their development by providing project development assistance incentives and installation incentives.

- The sector expects to far exceed its annual generation goals for PGE and Pacific Power territories.
- Generation in quarter three was driven by continued high demand for solar and the completion of a biopower project.
- Interest in renewable energy overall remains high, particularly from municipalities and homeowners. People continue to make improvements while spending more time at home amid COVID-19, while interest in sustainability and resilience in the wake of wildfires and winter storms is motivating other customers.
- At the end of quarter three, the program has already supported more solar projects than any previous full year.
- Energy Trust continues to build interest in Solar Within Reach, an income-qualified solar incentive offer that launched in late 2019. In quarter three, Energy Trust provided incentives for systems at 114 homes, more than in all of 2020. **The program has paid \$1.9 million for Solar Within Reach installations in 2021, a quarter of all solar incentives paid.**
- Staff made process improvements that enable customers to receive incentive payments faster by limiting design reviews and verification of installation requirements for standard residential projects installed by experienced trade allies.
 - Solar Within Reach, non-residential and solar + storage projects still receive a full review to ensure quality control.
- **Energy Trust committed incentives totaling \$533,000 to five small-scale and community-led community solar projects** following a competitive process that began in quarter two. Funded projects were required to meet equity goals and be under 360 kilowatts in size. Awards went to projects in Portland, Talent, Beatty, Sprague River and Klamath Falls.
- Staff interviewed several community-based organizations interested in developing community solar projects to better understand barriers for these projects. Staff plans to use this information to develop a service for providing technical assistance and support to increase the number of community-led community solar projects.
- Energy Trust is providing a \$1.8 million incentive for a 600-kW biogas-fueled cogeneration system at Clackamas County's Water Environment Services Tri-City water resource recovery facility, which was completed in August. The project will produce about half the electricity needed to run the plant.
- A biogas-fueled cogeneration system at Salem's Willow Lake water resource recovery facility completed its first year of generation. The project, which Energy Trust supported with project development assistance and an installation incentive, generated 8,546 megawatt hours of renewable electricity in its first year, exceeding the expected generation by more than 10% and saving the City of Salem about \$440,000 on its electric bills.
- Staff engaged Energy Trust's Renewable Energy Advisory Council and OPUC staff to discuss their priorities and how HB 3141, the public purpose charge modernization bill, might shape Energy Trust's renewable energy programs in 2022 and beyond. Based on council members' recommendations, staff will focus on equity, resilience, early-stage assistance and grid flexibility while deprioritizing standard residential solar projects.
 - Amid ongoing high demand for solar, staff has proposed phasing out residential solar incentives for projects that do not promote equity, do

\$1.9M

**SOLAR WITHIN
REACH
INCENTIVES PAID**

\$533K

**INCENTIVES FOR
COMMUNITY
SOLAR
PROJECTS**

not include storage or do not have smart inverters by the end of 2022. This is meant to help Energy Trust meet spending requirements outlined in HB 3141 and achieve the most benefits per dollar by supporting resilience and early-stage project development.

F. Internal operations highlights

Energy Trust's internal operations teams support all program and organizational functions including communications (sharing organizational news, information and milestones, public reporting and public relations); customer service (providing customers with online and phone assistance); general marketing (educating customers and stakeholders through advertising, web content, social media and other marketing efforts); Trade Ally Network management (engaging and supporting Energy Trust's network of contractors and trade allies statewide); general outreach (providing regional and statewide support to customers, trade allies, partners, utilities, community organizations, local and state governments, and elected officials); IT and business systems (maintaining and improving Energy Trust's technology and business infrastructure); and planning and evaluation (estimating costs and savings of efficiency programs, developing long-range savings forecasts and evaluating effectiveness and impact of offers).

Trade Ally Network management:

- Staff identified and recruited COVID-certified trade allies by offering trainings and promoting Energy Trust at various events and association meetings.

General outreach and community services:

- Outreach staff participated in events including the Oregon Public Health Association's annual conference, Sustainable Northwest's Making Energy Work for Rural Fall Symposium, and Hispanic Heritage Month events in Portland and Salem.
 - Participating in events like these helps Energy Trust reach and serve new customers, develop partnerships, build relationships and show support for communities.
- Staff worked with Coos County area housing leaders to help design the Southern Oregon Coast Regional Housing Summit, held in October.
- Staff established new relationships with two community-based organizations, the Rebuilding Center and Growing Gardens, and looked for areas for collaboration including promotion of Energy Trust offers and services to their clients.
- **Staff developed an interpretation guide for virtual meetings** to include multiple simultaneous language interpretation, which will be offered as a resource for community-based organizations and stakeholders.



**DEVELOPED
INTERPRETATION
GUIDE FOR
VIRTUAL
MEETINGS**

Communications, general marketing and customer service:

- Media stories mentioning Energy Trust in quarter three had a media value—what it would have cost to purchase the equivalent advertising space and airtime—of nearly \$2.6 million, more than all of 2020. Some of the most valuable articles were on Energy Trust's support for rebuilding efforts following the 2020 wildfires and indoor air tips during the 2021 wildfire season.

Policy services:

- Staff tracked OPUC dockets relevant to Energy Trust including the COVID-19 customer relief docket, the natural gas fact finding docket, the distribution system

planning docket and the capacity docket, coordinating with OPUC and utilities as appropriate.

- Staff tracked the development of the Oregon Department of Environmental Quality’s Climate Protection Program. Among other things, it will regulate the greenhouse gas emissions of Energy Trust’s three natural gas utility partners.
- Energy Trust hosted NW Power and Conservation Council Member Chuck Sams III for staff to hear about the draft 2021 Power Plan.

IT and operations systems:

- **Staff processed nearly 9,500 customer projects in Energy Trust systems**, including more than 7,000 submitted through web applications.
- Staff implemented a new firewall solution to further enhance systems security functionality. The new firewall adds protection from external threats and provides monitoring tools to give better visibility to traffic going out of and coming into Energy Trust internal networks.
- Staff upgraded the internal wireless network to increase bandwidth five-fold at no additional cost to accommodate increased video traffic amid increased use of video conferencing for meetings.

9.5K
PROJECTS
PROCESSED

Planning and evaluation:

- Staff coordinated with NW Natural to support upcoming efficiency forecasts for Oregon and Southwest Washington.
- Staff conducted an avoided cost sensitivity analysis and an analysis to identify what portion of Energy Trust residential customers are low- to-moderate income customers

Diversity, Equity and Inclusion:

- **Energy Trust wrapped up a series of community summits** in quarter three. These events—for residential customers, business customers, tribal communities and diverse contractors—were an opportunity to hear from community leaders about their experiences and challenges.
 - Staff is using information learned at these summits to draft Energy Trust’s next Diversity, Equity and Inclusion Plan, which will identify activities and strategies for reaching underserved customers in 2022 and beyond.
 - Staff also reviewed previous operations plans, diversity, equity and inclusion activities and engagement efforts to identify lessons learned and potential gaps.
 - Unlike past operations plans, which identified goals for all parts of the organization, this plan will focus on community engagement so that staff may learn about their needs and work with communities on meaningful solutions that benefit communities of color, rural communities and customers with low incomes.
- Following completion of the supplier diversity program description, staff began work on steps to implement the program. For more, see page 9.



**HOSTED EVENTS
TO HEAR FROM
CUSTOMERS
AND
COMMUNITIES**

IV Revenues and expenditures tables^{10,11,12}

This section reports on revenue and expenditures for Oregon activity funded by Oregon ratepayers under SB 1149, SB 838 and individual gas utility tariffs. Quarterly and annual reports include a total organization results appendix that reports energy savings, generation, expenditures and revenue for all Energy Trust activity, including activity in NW Natural territory in Southwest Washington, Energy Trust's subcontract to deliver the Oregon Community Solar Program and a federal grant to connect people with low and moderate incomes to solar energy.

A. Oregon public purpose charge revenues and expenditures summary

- **Quarter three revenues** totaled \$45.7 million, 11% over what was budgeted, due to hotter than expected summer weather. Revenue for the year is expected to be higher than budgeted.
- **Quarter three expenditures** totaled \$48.1 million, 7% below budget; 59% of expenditures, or \$28.2 million, was for incentives.
- **Electric efficiency expenditures** for the quarter were 13% below budget.¹³
- **Gas efficiency expenditures** for the quarter were 26% above budget.¹⁴
- **Renewable energy expenditures** for the quarter were 7% below budget.¹⁵
- **Administrative costs** for the quarter were \$2.3 million, 15% below budget, largely due to underspending on advertising, web services, media and related costs.
- **Administrative and program support costs** as defined by the OPUC's performance measure were \$3.1 million.¹⁶ In addition to administrative costs, this figure includes 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.

¹⁰ Columns may not total due to rounding.

¹¹ Totals may be lower than in previous reports due to reporting changes. Prior to quarter three 2020, reports included revenues and expenditures for activities beyond Oregon activity funded by ratepayers.

¹² Budget figures reflect an amended 2021 budget approved by Energy Trust's board of directors in May 2021 and may be different than what was reported in Energy Trust's quarter one report.

¹³ Electric projects faced delays related to supply chain shortages, resulting in lower than expected spending.

¹⁴ Gas project saw strong demand in the commercial sector among grocery stores and large office projects and in the residential sector for new construction, smart thermostats, windows and ceiling insulation.

¹⁵ The Other Renewables program set aside funding for project development assistance in 2021, but project commitments from municipalities and developers moved slower than expected. Unused funding was shifted to the Solar program to help meet high demand.

¹⁶ The performance measure limits administrative and program support costs for the year in relation to annual revenues and year-over-year growth.

B. Oregon public purpose charge revenues¹⁷

Source	Q3 actual revenues	Q3 budgeted revenues
Portland General Electric \$	11,216,284 \$	8,991,465
PGE Incremental \$	13,500,533 \$	12,381,305
Pacific Power \$	6,977,391 \$	6,452,390
Pacific Power Incremental \$	8,991,898 \$	8,411,157
NW Natural \$	2,480,747 \$	1,993,129
NW Natural Industrial DSM \$	1,614,778 \$	2,062,866
Cascade Natural Gas \$	349,705 \$	334,888
Avista \$	610,823 \$	610,823
Total \$	45,742,160 \$	41,238,023

C. Oregon public purpose charge expenditures

Source	Q3 actual expenditures	Q3 budgeted expenditures
Portland General Electric \$	21,311,608 \$	27,103,802
Pacific Power \$	17,939,620 \$	17,802,542
NW Natural \$	6,764,679 \$	4,404,804
NW Natural Industrial DSM \$	928,877 \$	1,096,452
Cascade Natural Gas \$	558,057 \$	986,029
Avista \$	562,542 \$	494,029
Total \$	48,065,383 \$	51,887,658

¹⁷ Revenues in Table B include public purpose revenue, including incremental electric revenue from SB 838. Incremental revenues are those authorized under SB 838 to support capturing additional cost-effective electric efficiency savings above the amount supported by funding through SB 1149.

D. Oregon public purpose charge expenditures by sector and program¹⁵

		Q3 actual expenditures		Q3 budgeted expenditures	
Commercial	Existing Buildings	\$	12,217,295	\$	15,858,455
	New Buildings	\$	5,166,648	\$	2,992,091
	NEEA Commercial	\$	662,654	\$	928,586
Commercial total		\$	18,046,597	\$	19,779,132
Industrial	Production Efficiency	\$	7,693,869	\$	11,051,737
	NEEA Industrial	\$	4,399	\$	3,929
	Industrial total	\$	7,698,268	\$	11,055,667
Residential	Residential	\$	12,852,445	\$	10,792,813
	NEEA Residential	\$	1,453,803	\$	1,412,594
	Residential total	\$	14,306,248	\$	12,205,408
Energy efficiency total		\$	40,051,113	\$	43,040,206
Renewables	Solar	\$	3,885,523	\$	3,393,240
	Other Renewables	\$	1,870,319	\$	2,798,123
	Renewable generation total	\$	5,755,842	\$	6,191,363
Administration		\$	2,258,428	\$	2,656,089
Total		\$	48,065,383	\$	51,887,658

E. Incentives paid

Qtr	PGE efficiency	Pacific Power efficiency	NW Natural efficiency	Cascade Natural Gas efficiency	Avista efficiency	PGE generation	Pacific Power generation	Total
Q1	\$ 6,914,443	\$ 4,138,851	\$ 3,277,869	\$ 193,997	\$296,602	\$1,139,036	\$ 862,628	\$16,823,426
Q2	\$11,262,559	\$ 8,928,197	\$ 4,097,772	\$ 473,876	\$352,966	\$1,800,236	\$1,230,742	\$28,146,348
Q3	\$ 9,331,740	\$ 9,336,830	\$ 4,206,322	\$ 292,144	\$312,752	\$3,598,422	\$1,098,804	\$28,177,014
Total	\$27,508,742	\$22,403,879	\$11,581,963	\$ 960,016	\$962,320	\$6,537,694	\$3,192,174	\$73,146,788

V Savings and generation tables^{18,19,20,21}

A. Savings and generation by fuel

	Q3	YTD	Annual	Percent
	savings/generation	savings/generation	goal	achieved YTD
Electric savings	10.0 aMW	25.1 aMW	47.4 aMW	53%
Natural gas savings	1,429,359 therms	4,311,127 therms	6,118,162 therms	70%
Electric generation	2.08 aMW	4.14 aMW	3.54 aMW	117%

B. Progress toward annual efficiency goals by utility

	Q3 savings	YTD savings	Annual goal	Percent achieved YTD	Annual IRP target	Percent achieved YTD
Portland General Electric	4.7 aMW	12.5 aMW	26.3 aMW	47%	29.5 aMW	42%
Pacific Power	5.3 aMW	12.7 aMW	21.1 aMW	60%	18.1 aMW	70%
NW Natural	1,247,244 therms	3,688,546 therms	5,092,126 therms	72%	6,030,655 therms	61%
Cascade Natural Gas	92,277 therms	365,013 therms	572,759 therms	64%	563,298 therms	65%
Avista	89,837 therms	257,568 therms	453,277 therms	57%	437,805 therms	59%

C. Electric savings by sector and program

		Q3 savings	YTD savings	Annual goal	Percent
		aMW	aMW	aMW	achieved YTD
Commercial	Existing Buildings	3.0	9.5	16.7	57%
	New Buildings	1.6	2.6	4.4	58%
	NEEA Commercial	0.2	0.4	1.2	34%
	Commercial total	4.8	12.5	22.3	56%
Industrial	Production Efficiency	2.9	6.8	16.8	40%
	NEEA Industrial	0.1	0.3	0.7	38%
	Industrial total	3.0	7.0	17.5	40%
Residential	Residential	1.6	4.6	5.5	82%
	NEEA Residential	0.6	1.0	2.1	50%
	Residential total	2.2	5.6	7.6	73%
Total electric savings		10.0	25.1	47.4	53%

¹⁸ Columns may not total due to rounding.

¹⁹ Electric savings also include transmission and distribution savings.

²⁰ Energy Trust reports 100% of generation and capacity for renewable energy installations supported by Energy Trust's cash incentives. While some of these projects have additional sources of funding, Energy Trust enabled project completion.

²¹ Energy goals reflect an amended 2021 budget approved by Energy Trust's board of directors in May 2021 and may be different than what was reported in Energy Trust's quarter one report.

D. Natural gas savings by sector and program

		Q3 savings therms	YTD savings therms	Annual goal therms	Percent achieved YTD
Commercial	Existing Buildings	473,069	1,634,595	2,072,244	79%
	New Buildings	180,244	295,520	363,531	81%
	NEEA Commercial	60	120	609	20%
Commercial total		653,374	1,930,235	2,436,384	79%
Industrial	Production Efficiency	134,013	475,940	1,362,290	35%
	NEEA Industrial	-	-	-	-
	Industrial total	134,013	475,940	1,362,290	35%
Residential	Residential	641,690	1,904,389	2,317,348	82%
	NEEA Residential	282	564	2,140	26%
	Residential total	641,972	1,904,953	2,319,488	82%
Total natural gas savings		1,429,359	4,311,127	6,118,162	70%

E. Renewable energy generation by utility

	Q3 generation aMW	YTD generation aMW	Annual goal aMW	Percent achieved YTD
Portland General Electric	1.50	2.47	2.25	110%
Pacific Power	0.58	1.67	1.29	129%
Total	2.08	4.14	3.54	117%

F. Renewable energy generation by program

	Q3 generation aMW	YTD generation aMW	Annual goal aMW	achieved YTD
Solar	1.59	3.64	2.94	124%
Other Renewables	0.49	0.49	0.60	82%
Total generation	2.08	4.14	3.54	117%

G. Incremental utility SB 838 expenditures²²

Utility	Q3 SB 838 Expenditures	YTD SB 838 Expenditures
Portland General Electric \$	147,667	\$ 548,954
Pacific Power \$	277,671	\$ 940,537
Total \$	425,339	\$ 1,489,492

²² Reflects expenditures by Pacific Power and PGE in support of utility activities described in SB 838. Reports detailing these activities are submitted annually to the OPUC.

VI Progress to 2021 organization goals

This section provides updates on Energy Trust’s progress toward meeting its 2021 organization goals, which were set as part of Energy Trust’s 2021 Budget and 2021-2022 Action Plan approved by the board of directors. Updates are provided in quarterly and annual reports. This information represents highlights and is not comprehensive. For more information, see program and operations highlights in this report.

Goal	Status and highlights
<p>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. Focus on:</p> <ul style="list-style-type: none"> • 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. 	<p>On track to meet goal:</p> <ul style="list-style-type: none"> • Energy Trust expects to exceed goals for NW Natural’s Oregon territory and Cascade Natural Gas territory and achieve goals in Portland General Electric, Pacific Power and Avista territories. • Staff is using tools such as monthly forecasting, incentive caps and receiving more frequent notification of incentive commitments to manage the budget. • Energy Trust is delivering more incentives through Community Partner Funding to benefit groups disproportionately impacted by the pandemic, including low-to-moderate income customers, communities of color, rural customers and people with disabilities. For more, see page 14.
<p>2. Invest in relationships and collaborations with other entities to meet common needs and future objectives. Focus on:</p> <ul style="list-style-type: none"> • 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 Community Benefits 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. 	<p>On track to meet goal:</p> <ul style="list-style-type: none"> • Staff met with OPUC staff to review energy laws passed in the 2021 legislative session, including the public purpose charge modernization law (HB 3141), and prepare to support the OPUC during implementation of HB 3141. • Staff supported recipients and applicants of Portland Clean Energy Community Benefits Fund (PCEF) grants with information and technical support. For more, see page 25. • Energy Trust is helping design a targeted load management initiative with NW Natural and the City of Eugene to promote energy efficiency with the goal of reducing the area’s carbon emissions. For more, see page 25. • Energy Trust is helping fund and support a new Resource Assistance for Rural Economies (RARE) members at The Environmental Center in Bend who will have a focus on best practices for energy planning for Deschutes County. • The commercial sector finalized plans for a Contractor Development Pathway to provide contractors who are certified or eligible for the state’s Certification Office for Business Inclusion and Diversity with the support they need to become successful trade allies for the Existing Buildings program. For more, see page 11.

<p>3. Enhance operating processes and internal culture to efficiently respond to change. Focus on:</p> <ul style="list-style-type: none"> • 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. 	<p>On track to meet goal:</p> <ul style="list-style-type: none"> • Staff expanded outreach with stakeholders and community leaders during development of Energy Trust's 2022 budget and action plan to provide additional context and perspective for staff on the priorities and energy needs of communities and customers. Outreach will continue into early quarter four and findings shared with staff as they transition from developing to implementing the budget in 2022. • Following a series of events to hear from community leaders, contractors and customers, staff is drafting Energy Trust's next Diversity, Equity and Inclusion Plan. For more, see page 17. • A reorganization of communications and customer service staff in quarter two is achieving desired outcomes, including increasing resources for building relationships, supporting community-led energy and disaster response initiatives and responding to information requests from policymakers. • Program staff is exploring changes to its structure and processes to more effectively serve customers interested in accessing products and services across multiple sectors. • Energy Trust hosted a change management training to reinforce core concepts and resources available to help staff at all levels. • Staff survey results show improvement in organizational flexibility and adaptability. Results indicate persistent challenges related to decision-making and early development of innovative ideas; these are priorities for ongoing organizational development.
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APPENDIX 1: Total organization results

This appendix provides information on Energy Trust's energy savings and generation results as well as revenue and expenditures for programs beyond those funded by Oregon utility customers of PGE and Pacific Power under state law and by natural gas utility customers of NW Natural, Cascade Natural Gas and Avista through regulatory agreements between the OPUC and each natural gas utility. This includes activity in NW Natural territory in Southwest Washington, Energy Trust's subcontracts to deliver the Oregon Community Solar Program and support PGE's Smart Battery Pilot and expenditures for a grant from the U.S. Department of Energy to increase access to solar energy for low- and moderate-income communities. Energy Trust also receives revenue from investments and spends on business development.

Highlights of this work include:

- Energy Trust's community solar team supported OPUC staff and stakeholders in a planning process that resulted in a decision in late September to extend capacity for the Oregon Community Solar Program. Staff is now collaborating with OPUC staff and program partners on the launch and implementation of the next tier of the program with changes designed to increase enrollment among residential customers and provide more savings to participants with low incomes.
- Energy Trust partnered with the African American Alliance for Homeownership, Verde and other community-based organizations to apply for funding from the National Renewable Energy Lab's Solar Energy Innovation Network. The project would create a cross-cultural solar education and installation program to benefit Oregon's communities of color. The grant award announcement is expected in quarter four.
- Energy Trust continues to work with NW Natural on a targeted load management project in Creswell and Cottage Grove. In the third phase, which began in August 2021, the project is delivering further increased incentives based on the application of a localized avoided cost value on measures that deliver high peak demand reduction. Costs above Energy Trust's standard incentive offers are funded through a contract with NW Natural.
 - Targeted load management efforts aim to change how and when customers use energy, focusing on reducing demand during periods of peak energy use and helping utilities avoid disruptive and costly infrastructure upgrades.
- Energy Trust is helping design a separate targeted load management program with NW Natural and the City of Eugene aimed at promoting energy-efficiency actions that ultimately reduce carbon emissions in the area. In quarter three, Energy Trust staff worked to develop a framework of such a program, including targeted allocations to benefit residents with low and moderate incomes.
- Staff responded to requests for information and technical support from awardees of the first funding round from the Portland Clean Energy Community Benefits Fund (PCEF) and engaged potential applicants ahead of the second round of funding, including supporting applicant inquiries and coordinating with City of Portland staff. The current application window for proposals opened in late September.
 - Separately, Energy Trust staff advised City of Portland staff on potential equipment and distribution approaches for a heat response grant program using PCEF funds.

A. Total organization revenue^{23,24,25,26}

Source	Q3 actual revenues	Q3 budgeted revenues
Oregon PPC programs \$	45,742,160 \$	41,238,023
NW Natural Washington \$	1,000,291 \$	1,000,291
Oregon Community Solar Program \$	116,976 \$	145,537
Low- and moderate-income grant \$	5,708 \$	-
NW Natural TLM \$	214,732 \$	-
PGE Smart Battery Pilot \$	7,883 \$	181,736
Revenue from investments \$	40,913 \$	824
Business development \$	500 \$	-
Total \$	47,129,162 \$	42,566,412

B. Total organization expenditures^{26,27}

Source	Q3 actual expenditures	Q3 budgeted expenditures
Oregon PPC programs \$	48,065,383 \$	51,887,658
NW Natural Washington \$	606,543 \$	689,467
Oregon Community Solar Program \$	69,814 \$	90,564
Low- and moderate-income grant \$	5,762 \$	-
NW Natural TLM \$	41,560 \$	-706
PGE Smart Battery Pilot \$	19,522 \$	163,107
Business development \$	301 \$	-3,857
Total \$	48,808,884 \$	52,826,233

²³ Business development revenue was for a one-time meeting facilitation for an outside group.

²⁴ Revenue and expenditures for the PGE Smart Battery Pilot were lower than expected due to delays in the pilot's implementation.

²⁵ Revenue from investments was higher than expected due to higher interest rates in 2021 compared with 2020.

²⁶ Budgeted revenues and expenditures for Oregon Community Solar Program represent the maximum allowed under Energy Trust's contract.

²⁷ Negative budgeted figures are a result of the timing of certain expenses from quarter to quarter.

C. Total organization expenditures by activity²⁸

		Q3 actual expenditures		Q3 budgeted expenditures	
Oregon PPC programs		\$	45,806,955	\$	49,231,569
Other	NW Natural Washington programs	\$	578,590	\$	654,313
	Oregon Community Solar Program	\$	66,541	\$	85,924
	Low- and moderate-income grant	\$	5,484	\$	-
	NW Natural TLM	\$	39,551	\$	-706
	PGE Smart Battery Pilot	\$	18,595	\$	154,707
	Business development	\$	301	\$	-3,857
Other Total		\$	709,062	\$	890,381
Administration		\$	2,292,868	\$	2,704,283
Total expenditures		\$	48,808,884	\$	52,826,233

D. Total organization savings and generation by fuel²⁹

	Q3 savings/generation	YTD savings/generation	Annual goal	Percent achieved YTD
Electric savings	10.0 aMW	25.1 aMW	47.4 aMW	53%
Natural gas savings	1,492,322 therms	4,549,223 therms	6,504,842 therms	70%
Electric generation	2.08 aMW	4.14 aMW	3.54 aMW	117%

E. Total organization progress toward annual efficiency goals by utility

	Q3 savings	YTD savings	Annual goal	Percent achieved YTD	Annual IRP target	Percent achieved YTD
Portland General Electric	4.7 aMW	12.5 aMW	26.3 aMW	47%	29.5 aMW	42%
Pacific Power	5.3 aMW	12.7 aMW	21.1 aMW	60%	18.1 aMW	70%
NW Natural	1,247,244 therms	3,688,546 therms	5,092,126 therms	72%	6,030,655 therms	61%
Cascade Natural Gas	92,277 therms	365,013 therms	572,759 therms	64%	563,298 therms	65%
Avista	89,837 therms	257,568 therms	453,277 therms	57%	437,805 therms	59%
NW Natural Washington	62,964 therms	238,095 therms	386,680 therms	62%	383,476 therms	62%

²⁸ Negative budgeted figures are a result of the timing of certain expenses from quarter to quarter.

²⁹ Includes NW Natural savings in Southwest Washington.

F. Total organization renewable energy generation by utility

	Q3 generation aMW	YTD generation aMW	Annual goal aMW	Percent achieved YTD
Portland General Electric	1.50	2.47	2.25	110%
Pacific Power	0.58	1.67	1.29	129%
Total	2.08	4.14	3.54	117%