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# MEMO

**Date:** December 9, 2021  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** 2022 Budget and 2022-2023 Action Plan

I am pleased to present to you Energy Trust of Oregon's 2022 Budget and 2022-2023 Action Plan, which will be the focus of our December 17 board meeting.

In the materials that follow, a budget overview summarizes the budget and action plan. Copies of all written comments submitted regarding the draft budget are provided, along with a summary of Energy Trust's responses. Individual action plans are provided for general management, efficiency and renewable energy programs, program support groups and diversity, equity and inclusion. 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 detail 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 greenhouse gas emissions, deliver utility system benefits to all customers, support our economy and help reduce energy burdens.

After board consideration on December 17, the budget and action plan will be submitted to the OPUC by year-end and posted online at [www.energytrust.org/budget](http://www.energytrust.org/budget).

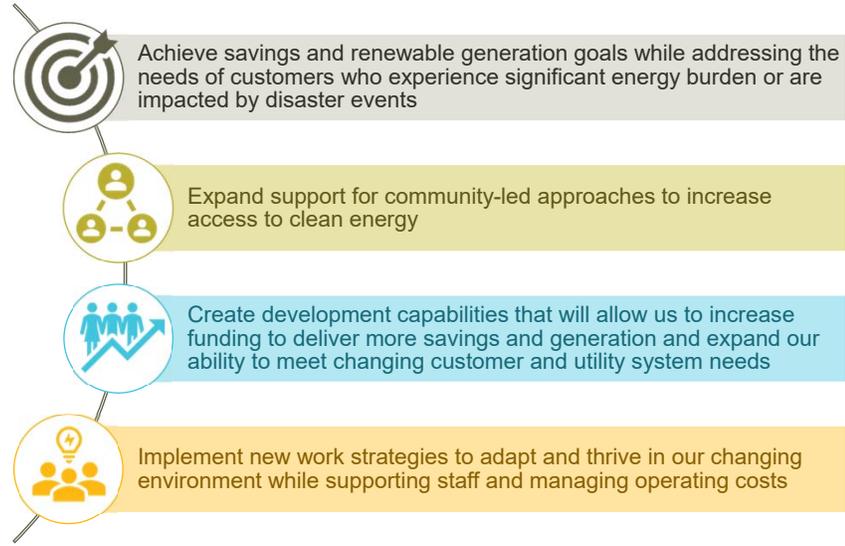
I look forward to our discussion next week and welcome your comments and questions.

Thank you,



Michael T. Colgrove, Executive Director

### 2022 Organizational Goals



### 2022 Organizational Goals



**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 50.6 aMW of electric savings, with 65.2 MW of reduced demand during periods of summer peak and 77.0 MW of reduced demand during periods of winter peak, 7.6 million therms of natural gas savings and 4.1 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



## Approved 2022 Budget Summary

- Investing **\$219.5 million** of utility customer funds
- Saving **50.6 aMW** and **7.6 MMTh**
- Delivering highly cost-effective energy
  - 3.4 cents/kWh levelized
  - 48.0 cents/therm levelized (Oregon)
  - 72.2 cents/therm levelized (Washington)
- **Generating 4.1 aMW**
- **Distributing \$121.5 million in incentives**; 55% of total expenditures
- Administrative costs at 7.7% of revenue

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

*Photo: EUVALCREE staff performing a home energy evaluation*

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## Customer Benefits from 2022 Investments

- **Cleaner air** by avoiding 4 million metric tons of carbon dioxide
- **More access** for diverse and rural communities
- **Lower energy bills and energy burden** for participants—\$802 million in future bill savings for participants
- **Opportunities for 1,900 local businesses** and investments in workforce development
- Local investments that **keep dollars in our communities**



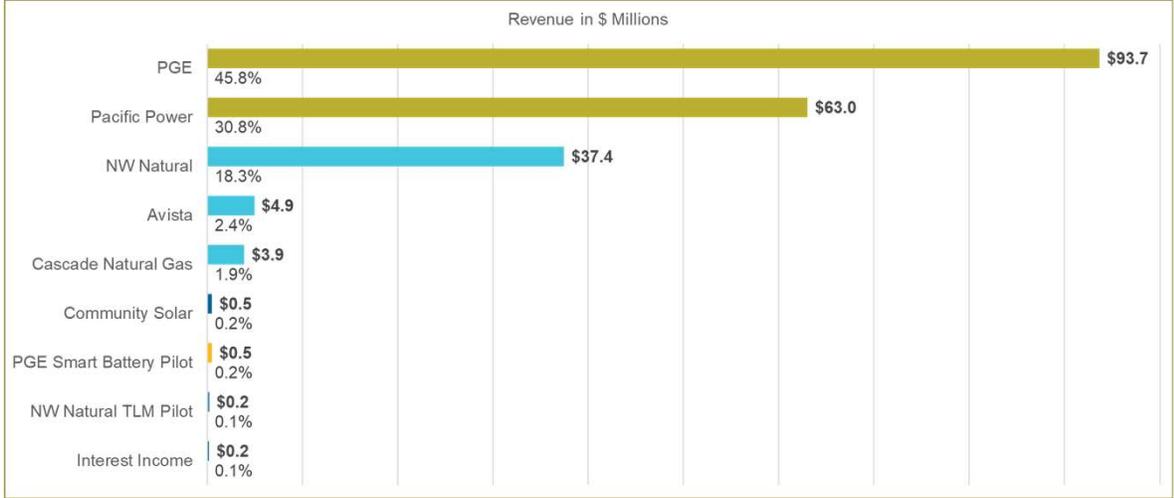
*Photo: Willow Lake wastewater recovery facility*

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### 2022 Approved Budget Revenue

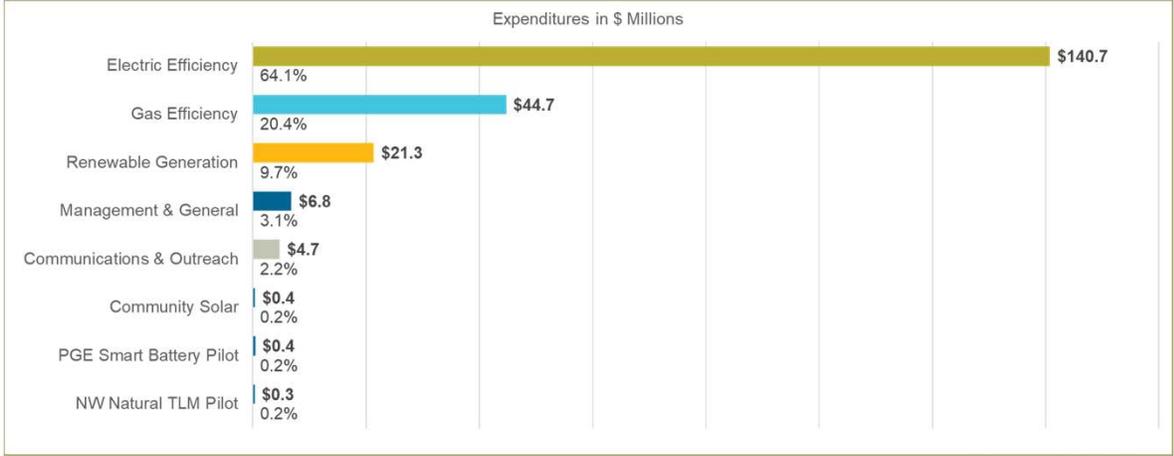
\$204.3 million, up 8.4% from 2021 budget



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### 2022 Approved Budget Expenditures

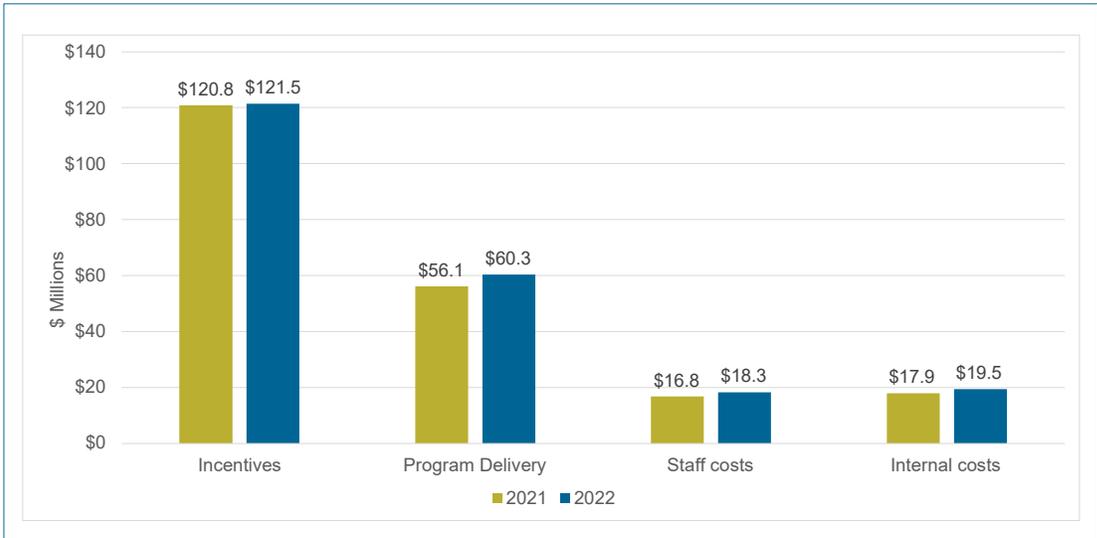
\$219.5 million, up 3.8% from 2021 budget



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

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### 2022 Budget Expenses by Category

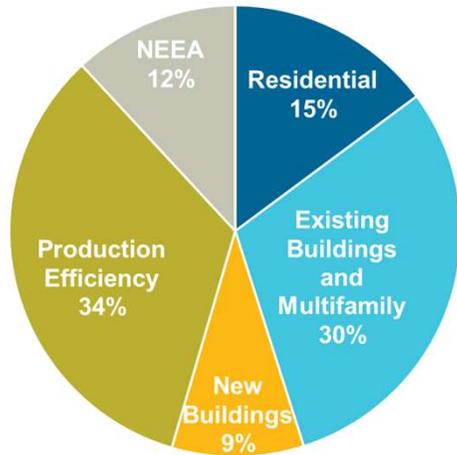


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### 2022 Electric Savings by Program

- 50.6 aMW of electric savings, up 6.6% from 2021 budget
- Equivalent to 220,000 metric tons of carbon avoided
- \$148.6 million in total costs, including customer incentives, services and delivery
- Strong demand for home upgrades
- New construction of data centers
- Pent up demand from business customers



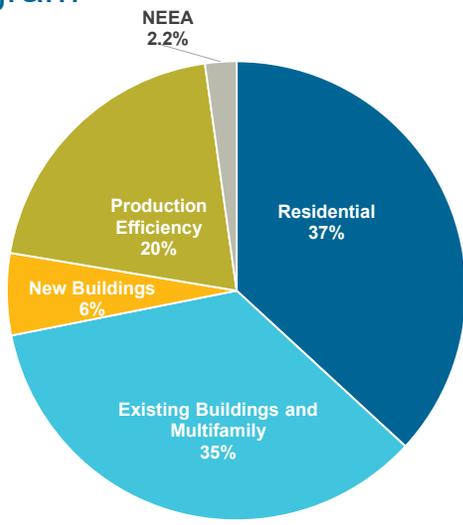
aMW: average megawatts  
Comparisons are approved 2022 budget to 2021 budget

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### 2022 Natural Gas Savings by Program

- 7.6 MMTh natural gas savings, up 16.6% from 2021 budget
- Equivalent to 40,000 metric tons of carbon avoided
- \$47.2 million in total costs, including customer incentives, services and delivery
- Strong demand for home upgrades
- Rebuilding in wildfire-affected areas
- Pent up demand from business customers

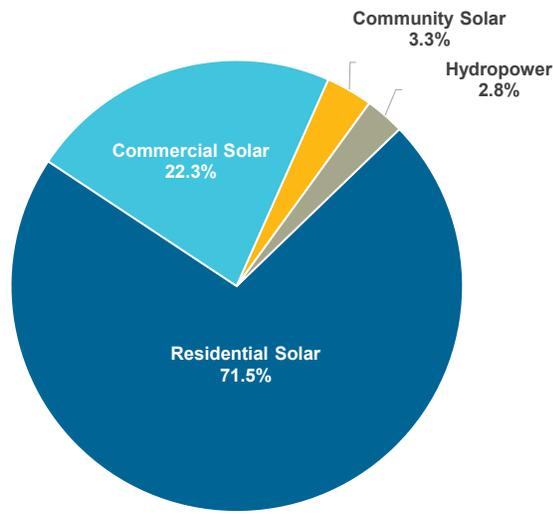


MMTh: million annual therms  
Comparisons are approved 2022 budget to 2021 budget

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### 2022 Renewable Generation

- 4.1 aMW generation, up 15.6% from 2021 budget
- Equivalent to 18,000 metric tons of carbon avoided
- \$22.5 million in total costs, including incentives, services, delivery
- HB 3141 creates new opportunities to serve low- and moderate-income customers and invest in distribution system-connected technologies
- Shift focus from generation to broader benefits: equity, resilience, grid flexibility



Comparisons are approved 2022 budget to 2021 budget

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