

# MEMO

**Date:** October 5, 2022  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Draft 2023 Budget and 2023-2024 Action Plan

I am pleased to present to you Energy Trust of Oregon's Draft 2023 Budget, 2023 Annual Goals and 2023-2024 Action Plan, which will be the focus of our October 12 budget workshop.

As a result of the investments and activities proposed for 2023, customers and communities will reduce energy costs and avoid carbon dioxide emissions for years to come. Energy Trust will work with customers, communities, utilities, trade allies, policy implementers and others to deliver low-cost energy efficiency, diversify Oregon's energy resource mix with small-scale renewable energy generation, achieve utility system benefits for ratepayers, help reduce energy burden, and prepare for a more complex and dynamic energy landscape. We will strive to provide all utility customers with opportunities to participate and benefit from our programs—including customers of color, customers with low incomes and rural customers.

In the materials that follow, individual action plans are provided for general management, including diversity, equity and inclusion; energy efficiency and renewable energy programs; program support groups and contracted; and grant-funded initiatives. New this year, utility-specific activities are highlighted in each program action plan while separate utility-specific action plans are under development with each of our five utility partners for inclusion in the final proposed budget in December. Supporting memos 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 for Oregon core efficiency and renewable energy funds, NW Natural Washington gas transport customers, Oregon Community Solar Program, Oregon Landlord-provided Cooling Spaces Initiative, PGE Smart Battery Pilot, and other contracted and grant-funded activities. Some materials, such as calculations of OPUC performance measures, reference a subset of the budget and are clearly marked.

The draft budget and action plan are available for public comment from October 5 through October 19, 2022. 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 received will be incorporated into a Final Proposed 2023 Budget, 2023 Annual Goals and 2023-2024 Action Plan to be reviewed by the board at the December 16 board meeting. I look forward to our discussion next week and welcome your comments and questions.

Thank you,



Michael T. Colgrove, Executive Director

## 2023 Organizational Goals



Customers will save and generate energy and reduce costs in 2023 and beyond as a result of Energy Trust's investments in their clean energy projects and upgrades.



Goal 2: Utility partners, communities and policy implementers will achieve their objectives by leveraging Energy Trust's clean energy solutions that reduce greenhouse gas emissions, support grid management and deliver additional societal benefits.



Customers and stakeholders will gain future benefits from Energy Trust's investments in preparing for a more dynamic and complex energy industry.

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## 2023 Goals



### Goal 1: Customers will save and generate energy and reduce costs in 2023 and beyond as a result of Energy Trust's investments in their clean energy projects and upgrades.

Energy Trust will help customers save 48.4 aMW of electricity and 6.9 million therms of natural gas and generate 5.9 aMW of renewable energy. Electric savings include demand reduction of 65.2 MW during periods of summer peak and 77.6 aMW during periods of winter peak. Energy Trust will accomplish this goal through the activities in our budget and action plan, including:

- Providing homeowners, business owners, renters, industrial customers, communities, municipalities, farmers and ranchers with incentives and other financial support, technical assistance, access to a qualified Trade Ally Network, education and information.
- Growing and diversifying our Trade Ally Network, with a focus on contractors of color and those in rural areas, so customers have a greater selection of contractors that understand their needs and lived experiences.
- Serving customers with high energy burdens and those experiencing low incomes with customized offers, including offers informed by community engagement activities.
- Providing customers with broader information on energy-efficient equipment options regardless of their chosen fuel source.

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## 2023 Goals



### **Goal 2: Utility partners, communities and policy implementers will achieve their objectives by leveraging Energy Trust's clean energy solutions that reduce greenhouse gas emissions, support grid management and deliver additional societal benefits.**

Energy Trust will accomplish this goal through the activities in our budget and action plan, including:

- Supporting gas utility decarbonization efforts by helping transport customers of Cascade Natural Gas and Avista save natural gas.
- Building trust among communities that we have historically underserved by increasing our cultural sensitivity, expanding awareness of past and ongoing harm, and engaging to understand current perspectives through increased outreach and community presence.
- Enhancing the tools and strategies available to help utilities to manage their systems by supporting targeted load management, system demand management projects and distribution system-connected technologies.
- Providing community-based organizations opportunities to learn from one another by creating a network or cohort of organizations active in clean energy and offering additional resources to further mutual objectives.
- Providing the OPUC, legislature, and federal, state and local governments with the information they are seeking related to energy efficiency, renewable energy, delivery approaches, community engagement and other related energy policy issues.

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## 2023 Goals



### **Goal 3: Customers and stakeholders will gain future benefits from Energy Trust's investments in preparing for a more dynamic and complex energy industry.**

Energy Trust will accomplish this goal through the activities in our budget and action plan, including:

- Investing in program structures, systems and approaches that better serve holistic and integrated needs for energy efficiency, renewable energy, resiliency, storage and grid-connected technologies.
- Providing communities and municipalities easier and more efficient access to comprehensive cross-program offers by adapting organizational structures, such as launching a new Communities and New Initiatives sector.
- Supporting OPUC and utility objectives for affordable, reliable energy systems by building out data systems and our ability to analyze the demand and capacity value of energy efficiency to ensure we can reduce time of use, peak and carbon impacts.
- Meeting evolving customer needs by hiring, onboarding, and retaining staff to ensure we have the resources needed to plan, analyze, deliver, track and report results on expanding and increasingly complex programs and offers.

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## Draft 2023 Budget Summary

- **Investing \$228.6 million**
- **Saving 48.4 aMW and 6.9 MMTh**
- Delivering highly cost-effective energy
  - 3.7 cents/kWh levelized
  - 49.2 cents/therm levelized (Oregon)
  - 92.7 cents/therm levelized (Washington)
- **Generating 5.9 aMW**
- **Distributing \$114.4 million in incentives**; 50% of total expenditures
- Administrative and program support costs at 8.4% of revenue

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

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## Customer Benefits from 2023 Investments

- **Lower energy bills and energy burden** for participants—\$800 million in future bill savings for participants
- **Opportunities for 1,800 local businesses** and investments in workforce development
- Local investments that **keep dollars in our communities**
- **Cleaner air** by avoiding 2.7 million metric tons of carbon dioxide over time
- Additional support for community-led clean energy efforts, such as resilience

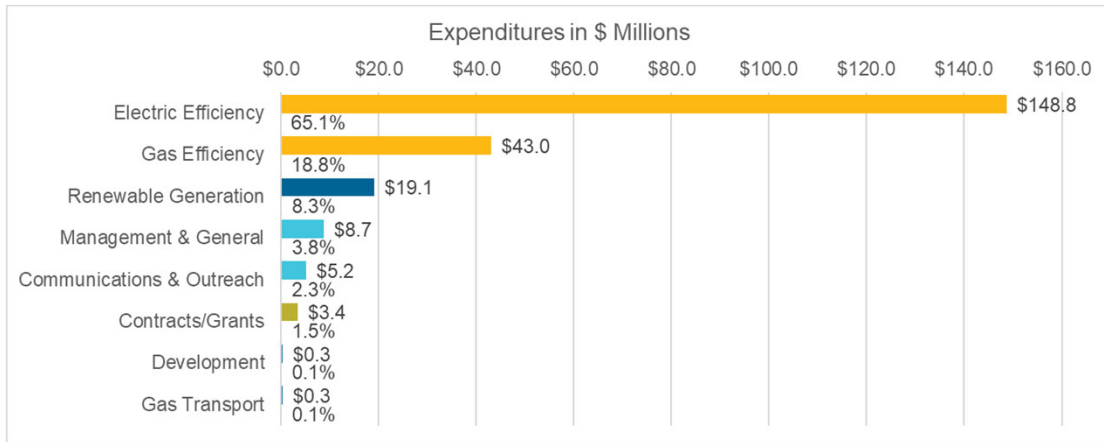


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### 2023 Draft Budget Expenditures

\$228.6 million, up 4.1% from 2022 budget

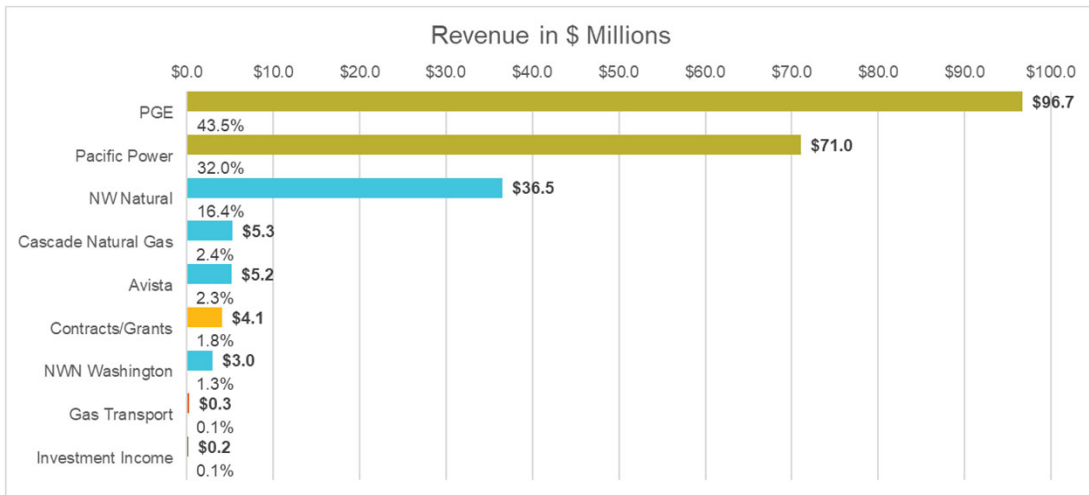


The budget uses net assets/reserves to cover planned expenses in excess of anticipated revenue

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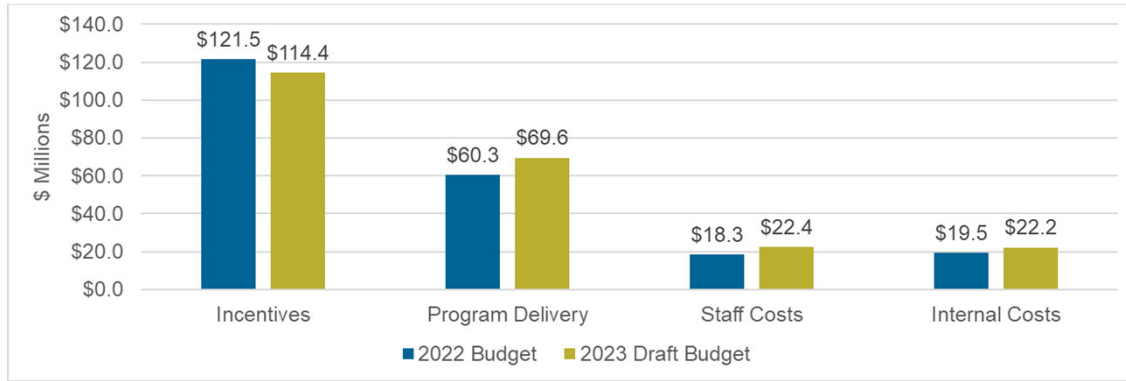
### 2023 Draft Budget Revenues

\$222.1 million, up 8.7% from 2022 budget



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### 2023 Draft Budget Expenses by Category

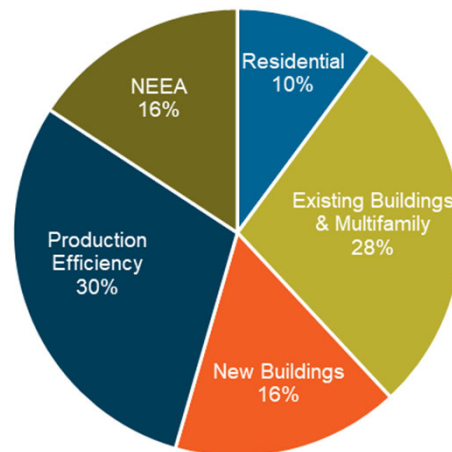


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### 2023 Electric Savings by Program

- 48.4 aMW of electric savings, down 4.4% from 2022 budget
- Equivalent to 122,000 metric tons of carbon avoided
- \$159.7 million in total costs, including customer incentives, services and delivery
- Commercial megaproject
- Increasing demand for cooling
- Declining lighting savings opportunities



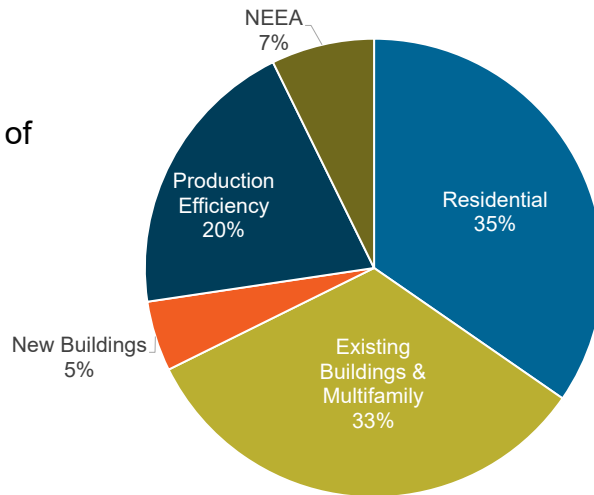
*aMW; average megawatts*  
*Comparisons are 2022 budget to 2023 draft budget*

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## 2023 Natural Gas Savings by Program

- 6.9 MMTh natural gas savings, down 8.6% from 2022 budget
- Equivalent to 37,000 metric tons of carbon avoided
- \$45.8 million in total costs, including customer incentives, services and delivery
- Growing market transformation
- Strong new home construction
- Demand for smart thermostats, furnaces, insulation

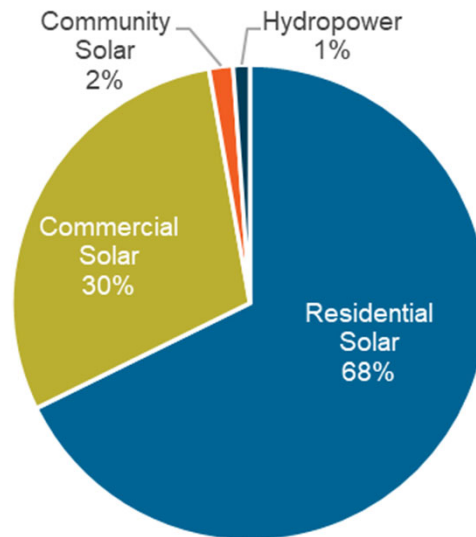


MMTh: million annual therms  
 Comparisons are 2022 budget to 2023 draft budget

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## 2023 Renewable Generation

- 5.9 aMW generation, up 42.9% from 2022 budget
- Equivalent to 15,000 metric tons of carbon avoided
- \$20.3 million in total costs, including incentives, services, delivery
- High customer demand for solar
- Expanded federal, state and local funding
- Focus on customers with low and moderate incomes and distribution system-connected technologies



Comparisons are 2022 budget to 2023 draft budget.  
 Numbers may not total due to rounding.

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