

2023 Draft Budget Public Comments and Staff Responses

Overview of Public Comment Process and Purpose

Each year staff invites formal public feedback on the draft budget and action plan to prepare a final proposed budget. Written comments and informal feedback are shared with Executive Team members and budget managers across the organization. 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.

All written comments with staff's responses are then included with the final proposed budget and action plan materials to be referenced by the board of directors during its consideration and vote to adopt the budget.

How Comments Were Collected

The formal public comment period was October 5 to October 19, 2022, with opportunities for informal feedback made available prior to these two weeks. Staff promoted the public comment period on Energy Trust's website, on social media and Energy Trust's blog, through email and at a virtual workshop. Communications directed people to www.energytrust.org/budget for the draft budget materials and encouraged written comments. (This being the first year of implementing HB 3141 requirements, utility-specific action plans were not available along with the draft materials but will be in future years.)

In addition, throughout the year staff asked stakeholders for information and input to inform our annual business planning, budgeting and action planning process. More on this can be found in the *Summary of Stakeholder Input from Budget Outreach* memo in the final proposed budget and action plan materials.

Staff received written comments from seven organizations: the Oregon Public Utility Commission (OPUC), the five partner utilities, and a group of 15 environmental, climate and social justice organizations that jointly submitted comment. Copies of written comments follow in **Appendix 1**.

Written Comments and Staff Responses

Staff appreciates all the written comments and informal feedback stakeholders and members of the public provided on the Draft 2023 Budget and 2023-2024 Action Plan. We observe the vast majority of comments are supportive of our plans and intentions. No significant changes were made to the final proposed budget and action plan based on the written comments beyond refinements to reserve and staffing levels due to early utility and OPUC feedback. We recognize the time commitment involved with attending budget meetings and reviewing our budget materials, and we thank interested parties for submitting their written comments.

Excerpted Comments by Avista	Staff Responses
<p>We rely on our partnership with Energy Trust to achieve Avista’s natural gas clean energy goals in a cost-effective manner. The Company supports the 2023 budget and action plan and thanks Energy Trust for its work this year.</p>	<p>We appreciate the time and effort of Avista staff in reviewing the draft budget materials and participating in the inaugural joint utility planning process, especially the collaboration and coordination with Lisa McGarity and Ryan Finesilver.</p>
<p>To achieve this goal [reduce the utility’s natural gas emissions 30% by 2030], a key strategy includes reducing consumption via conservation, energy efficiency and pilot projects. We are looking forward to working with Energy Trust, the Oregon Public Utility Commission and other stakeholders to further refine the scope of one such proposed project, installation of hybrid heating systems in low-income homes.</p>	<p>The 2023 budget positions Energy Trust to support Avista’s decarbonization goals through energy efficiency and ongoing coordination. We value Avista’s willingness to participate in the development of a hybrid HVAC pilot, where we will research the costs and benefits of adding electric heat pumps to existing gas furnaces. We plan to coordinate a Q1 2023 meeting with all partner utilities to further define objectives, target audiences and anticipated outcomes of the pilot.</p>
<p>Energy Trust employees’ expertise is often sought out but that must continue to be weighed against the overall core mission of the organization, which is attaining cost-effective energy savings. Avista sees it prudent that Energy Trust program staff focus a majority of their time achieving the agreed-upon results for the utility and recognizes the importance of employees being supported in a quality work life balance.</p>	<p>Staff remains focused on savings acquisition for all utility customers. We continually assess and prioritize staff needs and resource levels throughout the year in our business planning process. It was through this process that we identified the staffing levels we believe are needed to deliver on core mission work, which is expanding due to the pressing need to continue investments in efficiency while connecting to state and utility priorities in decarbonization, energy burden reduction, equity and locational utility system upgrades. Based on feedback from all partner utilities and the OPUC, we reassessed staffing resource needs and phased them over a longer timeframe.</p>

<p>Avista is generally supportive of the budget to ensure that goals are met going forward and anticipates that if the economy moves into a state of recession that Energy Trust will have developed contingency plans that pivot to bolster savings and manage costs. Avista is interested in learning what specific levers Energy Trust will employ if recession does become a reality.</p>	<p>We have built the 2023 budget conservatively and with strong consideration to the current economic situation beset by supply chain and labor shortages as well as an uncertain 2023 economic outlook. If the economy turns downward, we are prepared to evaluate and consider increased incentive levels, raising project cost caps and implementing bonuses while measuring the market impact. We may also consider alternative outreach and marketing strategies to increase participation. We have some prior experience we can rely upon from the Great Recession (2008-2009) regarding program offers and approaches that support customers facing economic headwinds. We are happy to share more information in our regular coordination meetings.</p>
<p style="text-align: center;">Excerpted Comments by Cascade Natural Gas</p>	<p style="text-align: center;">Staff Responses</p>
<p>Cascade Natural Gas enjoyed partnering with Energy Trust and our fellow utilities to revise the budget coordination process in accordance with HB 3141.</p>	<p>We appreciate the time and effort of Cascade Natural Gas staff in reviewing the draft budget materials and participating in the inaugural joint utility planning process, especially the collaboration and coordination with Monica Cowlshaw and Mike Parvinen.</p>
<p>Cascade Natural Gas has renewed and intentional focus in this budget cycle on our Oregon coordination, especially considering increasing carbon reduction goals. With that in mind, we are hiring an Oregon Energy Efficiency Programs Manager who will be our primary Energy Trust contact and will spearhead our deployment of community engagement activities.</p>	<p>We look forward to our ongoing partnership, including with your newly hired Energy Efficiency Programs Manager, to ensure we are aligned and coordinated on delivering energy efficiency, serving customers and supporting your efforts to achieve carbon reduction goals.</p>
<p>We are excited to offer assistance to our transport customers for energy efficiency upgrades. Once we have the [carbon compliance customized] audits, we've added funds into our budget planning with Energy Trust to leverage existing offerings for Core industrial customers to be able to offer similar energy reduction and efficiency opportunities to transport customers later in 2023/2024.</p>	<p>We are eager to partner with Cascade Natural Gas on serving your transport customers and leveraging our existing expertise and contractor and market relationships to support these customers in reducing their energy consumption.</p>
<p>We eagerly await incorporation of a 2024 natural gas heat pump pilot and/or rebate offering for our customers. There's significant progress in the manufacturing industry to having market ready equipment, and coordination with the Gas Technology Institute and the Northwest Energy Efficiency Alliance help pave the way to offering a rebate within the next couple years through Energy Trust.</p>	<p>NEEA is leading on the research of natural gas heat pumps, and we remain open to exploring possible measures once they deem the emerging technology ready for more mass market adoption. NEEA's 2023 work plan calls for further exploration with manufacturers of a timeline for offering a first-generation mass marketable product suitable for field testing. That timeline is currently uncertain.</p>
<p>We are still reviewing viability of the proposed hybrid electric heat pump pilot included in the budget. We look forward to discussing further with the other utilities and Energy Trust and understanding the cost-effectiveness parameters and carbon compliance considerations</p>	<p>We value Cascade Natural Gas's willingness to participate in the development of a hybrid HVAC pilot, where we will research the costs and benefits of adding electric heat pumps to existing gas furnaces. We plan to coordinate a Q1 2023 meeting with all partner utilities to further define</p>

involved in offering this measure through the natural gas programs.	objectives, target audiences and anticipated outcomes of the pilot.
Excerpted Comments by NW Natural	Staff Responses
We are appreciative of the increased collaboration between Energy Trust and the utilities.	We appreciate the time and effort of NW Natural staff in reviewing the draft budget materials and participating in the inaugural joint utility planning process, especially the collaboration and coordination with Laney Ralph and Mary Moerlins.
We have our own internal decarbonization goals and increases in energy efficiency are seen as a benefit, regardless of the regulation. The biggest outstanding question there is the treatment of transport customers. NW Natural is planning in 2023 several investigation strategies and we're hoping to use what we find to inform an Energy Trust program in 2024.	We look forward to continued coordination on delivering gas efficiency and supporting your efforts to achieve carbon reduction goals. Pending your investigations into transport customer programs, we are an able and willing partner to serve these customers by leveraging our existing expertise and contractor and market relationships.
We are supportive of the Energy Trust creation of an innovation team.	Thank you for your support. With the formalization of our internal Innovation and Development team, we will be able to continue exploring ways to enhance our partnership through relevant non-public purpose charge efforts, like targeted load management/GEOTEE and through additional sources of funding that can extend our services and benefits for NW Natural and other utility customers.
We're looking at increasing efforts outside the Portland metro area, trying to reach customers we haven't historically served. We're looking forward to continuing our conversations with Energy Trust on how we can achieve that.	Serving rural customers, customers with low incomes and people of color is a priority for Energy Trust and we look forward to partnering on this work, including around low-income discount rate programs, information sharing and supporting these customers with energy efficiency.
Excerpted Comments by Oregon Public Utility Commission	Staff Responses
Recommendation: Review new budget process and implement strategies to reduce labor for budget development. Report on changes in next draft budget. Through this new process [joint utility planning], Staff noticed improvements to the budget development process for utilities, Staff, and other stakeholders. However, this engagement is not without cost. Energy Trust had to add additional labor to an already labor-intensive budget process. Staff expects that Energy Trust will collaborate with its utility partners and other stakeholders to find ways to implement process efficiency improvements next year, but that an elevated cost to develop the budget going forward now appears unavoidable.	We agree there are areas to streamline and enhance the joint utility planning and public/stakeholder engagement processes. This was the first year of incorporating this new HB 3141 requirement. We appreciate the efforts of OPUC staff Anna Kim in supporting and overseeing the HB 3141 agreements process this past spring and encouraging continuous improvement. If we identify process efficiencies with partners in the draft 2024 budget process, we will highlight those for OPUC staff and report on such changes in the 2024 draft budget.
Recommendation: Revenues to be collected from individual utilities in 2023 will be no less than what was collected in 2021. Total collections should not decrease below a 2021 baseline given the ongoing and	Thank you for this guidance. In consultation with our funding utilities, we will generally maintain 2023 collections at a level equal to or greater than 2021 collections. The final proposed budget will include the following changes from

<p>increasing needs Staff requires from Energy Trust. If this results in excess reserves, Staff recommends that Energy Trust find alternative uses for these funds. Such uses may include funding short-term administrative costs in 2023-2024 to build out new infrastructure necessary to support rapid expansion when the economy stabilizes and improves. Staff supports strategic hiring of staff if needed in order to support these uses.</p>	<p>current planned 2023 collection levels: PGE and Pacific Power collections will remain unchanged, and NW Natural, Avista and Cascade Natural Gas collections decreased.</p>
<p>Recommendation: In future budgets, publish draft joint utility action plans with the draft budget. These utility-specific action plans are still in development and will be filed with the OPUC later this year. As this is the first year incorporating these requirements, Staff understands additional time was necessary. In the future, Staff requests that Energy Trust publish draft joint utility action plans with the draft budget.</p>	<p>We will be reviewing the schedule and process for developing the joint utility action plans and will strive to have draft versions published with the full Energy Trust draft budget and action plan.</p>
<p>Recommendation: Work with utilities to identify and target customers that have difficulty paying their bills with tailored energy saving opportunities. Staff is particularly interested in Energy Trust leveraging utility data to provide targeted offers to customers who are either currently in arrears or at risk of being in arrears. Staff sees no reason why Energy Trust could not be entrusted with specific customer data given the benefits of highly targeted measures that get at some of the root causes to arrearage creation (e.g., inefficient heating and cooling systems).</p>	<p>With OPUC staff encouragement, utilities sharing of this data will allow Energy Trust to start gaining a better understanding of those customers enrolled in utility bill discount programs. To achieve this, we will continue data sharing meetings with utilities to discern how data on those customers could be securely shared for proper purposes. This will help us craft program offers, marketing and outreach to effectively reach these customers.</p>
<p>Recommendation: Recalculate benefits of reduced arrearages with new utility data and apply to avoided costs. Energy Trust has calculated the benefit in the past. This calculation can be updated with new data from these [bill reduction, arrearage management] programs.</p>	<p>We will contact the utilities to obtain this new data and recalculate the benefits. We will report back on progress during our coordination meetings with OPUC staff.</p>
<p>It is Staff's understanding that these [gas transport] programs would require little effort on the part of Energy Trust as many of these customers are already Energy Trust customers through the electric utilities—they are just not able to access the existing energy efficiency gas programs. We highly support the creation of these programs and encourage Energy Trust to work with utilities to create them.</p>	<p>Yes, we look forward to working with Cascade Natural Gas and Avista in serving gas transport customers by leveraging existing expertise. We are ready to assist NW Natural in 2024.</p>
<p>Energy Trust established an internal initiative for diversity, equity, and inclusion which aims to increase participation among those who are currently underrepresented among participants. Energy Trust is making a deliberate effort to incorporate DEI principles across the organization and through its activities. Staff appreciates Energy Trust's ongoing efforts to improve tracking capabilities in recent years.</p>	<p>We appreciate your support of our DEI efforts. We continue to report on progress related to our diversity, equity and inclusion plan in our public Q2 and Annual Reports to the OPUC and Energy Trust Board of Directors. We look forward to aligning with new equity metrics currently under development at the commission and with stakeholder and community input.</p>

<p>Some of Energy Trust's activities have the potential to be adapted or expanded to reduce energy burdens as part of HB 2475 programs if the Commission authorizes programs through that mechanism. The ongoing ductless heat pump pilot is an example of such an opportunity that could potentially be offered through HB 2475. While the Commission evaluates these options, reducing energy burdens through energy efficiency is a key consideration for DEI. Staff encourages Energy Trust to continue to identify opportunities where energy efficiency can best mitigate energy burdens.</p>	<p>We appreciate this encouragement. We concur that it is important for Energy Trust to reach customers we have underserved and help reduce customer energy burden through offers that save energy. Our 2023 goals reflect this priority, and our budget and action plan include investment in this area. We look forward to any additional developments related to HB 2475.</p>
<p>Staff is currently leading a process for the development of equity metrics that the Commission must define by the end of 2022 for the next four-year period. These metrics have not yet been established and may have some impacts to Energy Trust's overall budget. Staff anticipates that if there is significant cost associated with complying with these metrics, Energy Trust will be able to draw upon its replenished reserves.</p>	<p>We greatly value the addition of equity metrics as a performance indicator for Energy Trust and our expenditure of utility customer funds. The requirement to invest funds in an environmentally just manner supports our growing diversity, equity and inclusion commitment. We are hopeful the metrics will lead us and our partners to achieve greater awareness and participation among customers and community groups throughout our service area that we have historically underserved. We are prepared to assess our budgets and action plans and potentially leverage reserves once the equity metrics are approved.</p>
<p>Staff is supportive of Energy Trust taking the time to stabilize and scale up the necessary infrastructure for successful expansion of energy efficiency acquisition. We want Energy Trust to be there to support efficient choices when markets are ready for increased investment. Staff appreciates the changes that Energy Trust has made in response to feedback by reducing staffing cost increases in 2023 and updating revenues, even if these changes were not reflected in the numbers posted in the draft budget.</p>	<p>Thank you for your support of our staff, they are Energy Trust's most valued asset. Based on your guidance and feedback from all partner utilities, we reassessed staffing resource needs and phased them over a longer timeframe. Thank you for your patience as we revised our staffing plan; revised staffing figures will be reflected in the final proposed budget. The revised staffing levels will still enable us to deliver on core mission work, which is expanding due to the pressing need to continue investments in efficiency while connecting to state and utility priorities in decarbonization, energy burden reduction, equity and locational utility system upgrades.</p>
<p style="text-align: center;">Excerpted Comments by Pacific Power</p>	<p style="text-align: center;">Staff Responses</p>
<p>We appreciate the work Energy Trust has invested in developing and presenting your draft 2023 budget and 2023-2024 action plan to Pacific Power, other funding utilities, and interested stakeholders around the state.</p>	<p>We appreciate the time and effort of Pacific Power staff in reviewing the draft budget materials and participating in the inaugural joint utility planning process, especially the collaboration and coordination with Kari Greer, Cory Scott and Peter Schaffer.</p>
<p>As communities and customers face a possible recession, Energy Trust and Pacific Power must improve mutual engagement on customer and community initiatives to deliver programs and services to help manage energy costs.</p>	<p>We have built the 2023 budget conservatively and with strong consideration to the current economic situation beset by supply chain and labor shortages as well as uncertain 2023 economic outlook. If the economy turns downward, we are prepared to evaluate and increase incentive levels and project cost caps, implement different outreach and engagement tactics and utilize targeted bonuses. We have</p>

	some prior experience we can rely upon from the Great Recession (2008-2009) regarding program offers and approaches that support customers facing economic headwinds.
We are concerned with the proposed level of staffing increase of approximately 30 FTE. We would like to hear more in-depth information on why this level of staff is needed.	Based on OPUC guidance and feedback from Pacific Power and our other partner utilities during finalization of the draft budget, we reassessed staffing resource needs and phased them in over a longer timeframe. Please see the staffing memo in the final proposed budget for details and rationale. The revised staffing levels will still enable us to deliver on core mission work, which is expanding due to the pressing need to continue investments in efficiency while connecting to state and utility priorities in decarbonization, energy burden reduction, equity and locational utility system upgrades.
The engagement thus far [in jointly developing utility-specific budgets, action plans and agreements reflective of stakeholder feedback] and the remainder of 2023 planning and budgeting cycle provide a great opportunity to strengthen the foundation of collaboration between the respective organizations that will be built on going forward.	We agree there are areas to strengthen our joint planning and coordination in 2023 and beyond. We appreciate Pacific Power's participation in executing the HB 3141 joint planning memorandum and willingness to invest in a continuous improvement model when it comes to joint planning and budgeting. 2022 is a year to build upon and we are planning to assess, with you and others, the process for areas of enhancement and streamlining.
Excerpted Comments by Portland General Electric	Staff Responses
We at PGE are very appreciative of the effort that was led by Energy Trust to develop processes and defined shared outcomes within the HB 3141 legislation implementation.	We appreciate the time and effort of PGE staff in reviewing the draft budget materials and participating in the inaugural joint utility planning process, especially the collaboration and coordination with Jake Wise and Dain Nestel.
We look forward to identifying new and extending existing collaboration in non-public purpose charge funded venues. We've done this historically through the Smart Grid Test Bed and the SALMON [Smart Grid Asset Load Management & Optimized Neighborhood] project.	We enjoy multiple contractual arrangements with PGE in efforts to leverage our market knowledge and expertise for the benefit of PGE customers. With the formalization of an Innovation and Development team, we will continue exploring ways to enhance our partnership through relevant non-public purpose charge efforts that also support our core mission and extend services and benefits to PGE customers.
We offer our support for the addition of staff and the waiver of the [OPUC staffing performance measure] cost cap for 2022. We see these resources as necessary to further the design and deployment of non-wires solutions within our territory. We see non-wires solutions, as described in our Distribution System Planning docket, as the primary focus of our utility-specific action plans going forward.	Thank you for your support of our staffing resource needs. While the final proposed budget will reflect a lower investment in new 2023 FTE, the staffing plan to scale up was phased over multiple years. We believe the revised staffing levels will still enable us to deliver on core mission work, which is expanding due to the pressing need to continue investments in efficiency while connecting to state and utility priorities in decarbonization, energy burden reduction, equity and, as you reference, distribution system

	planning to implement support for locational utility system upgrades.
We look forward to supporting the need to convert electric resistance heating to heat pumps, especially for our more vulnerable customers.	Replacing inefficient electric resistance heating that is expensive to operate and commonplace in the homes of customers with low incomes is a priority for our residential and multifamily programs. This is a strong area of confluence between the objectives for Energy Trust and PGE, and we look forward to identifying ways to accelerate the replacement of this heating source with high-efficiency heat pumps.
We look forward to supporting achievement of new Energy Trust equity metrics to be established in the next couple of months and then implemented in years to come.	Thank you for your commitment to finding new ways to serve and track progress to serving customers Energy Trust has underserved. As a resource to OPUC staff in their process to set the equity metrics, we are hopeful the metrics will lead us and our partners to achieve greater awareness and participation among customers and community groups throughout our service area.
Excerpted Comments by Sierra Club and Associated Parties	Staff Responses
We write today in strong support of the pilot program proposal to extend subsidies for heat pumps to customers with methane gas heating but also to request 1) that this pilot be expanded to a full program and 2) that all gas utilities be required to participate.	Thank you for the support of this hybrid HVAC pilot, where we will research the costs and benefits of adding electric heat pumps to existing gas furnaces. We plan to coordinate a Q1 2023 meeting with all partner utilities to further define objectives, target audiences and anticipated outcomes of the pilot. While the pilot could be an innovative approach to addressing the energy needs of customers, it is not the only approach to testing this heating system configuration. It will be complemented with other research on this measure by Energy Trust, and possibly utility partners at their discretion.
We hope to work with Energy Trust to identify additional tools to transition Oregon’s building stock from polluting and inefficient natural gas appliances to electric heat pumps powered by clean, renewable electricity.	We look forward to discussions on ways Energy Trust can aid Oregon residents and businesses in reducing their energy usage and supporting efficiency upgrades to customer-chosen measures available through our programs and in alignment with our fuel neutral policies.

APPENDIX 1: Copies of Written Comments

The list below includes the organizations that submitted written comments for consideration by the board of directors and staff. Copies of their letters or emails follow in alphabetical order. In some instances, comments are transcriptions of verbal comments provided directly to the board at an October 12, 2022, public budget workshop.

1. Avista (utility)
2. Cascade Natural Gas (utility)
3. NW Natural (utility)
4. Oregon Public Utility Commission, OPUC (state agency)
5. Pacific Power (utility)
6. Portland General Electric, PGE (utility)
7. Sierra Club, on behalf of 15 environmental, climate and social justice organizations (nonprofits)