EnergyTrust of Oregon

# Energy Trust Board of Directors

**April 17, 2024, Board of Directors Meeting**

## Energy Trust of Oregon
## Board of Directors' Meeting

Hybrid on Zoom and at
421 SW Oak St., Ste 300, Portland, OR 97204

**Register in advance for this webinar:**
https://us06web.zoom.us/webinar/register/WN_NxTuCnPEQLCNQQVRTcN5QQ

**After registering, you will receive a confirmation email containing information about joining the meeting.**

## PUBLIC COMMENT:

There will be opportunities for PUBLIC COMMENT during the meeting at 9:00 a.m., 12:45 p.m. To request to speak, email meeting host in advance of the meeting at danielle.rhodes@energytrust.org with contact information and interested agenda topic.

*The next regular meeting of the Energy Trust of Oregon Board of Directors will be the regional board meeting held May 13th and May 14th, 2024, hybrid on Zoom and at the Hood River Hotel at 102 Oak St., Hood River, OR 97031*

# 223rd Board Meeting
April 17, 2024

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| | Agenda | Tab | Purpose |
|---|---|---|---|
| **9:00 a.m.** | **Board Meeting Call to Order** (Henry Lorenzen)<br>**General Public Comment** (5 minutes)<br>*The president may defer specific public comment to the appropriate agenda topic.* | | Info |
| **9:05 a.m.** | **President's Report and Consent Agenda** (Henry Lorenzen, 5 minutes)<br>*The consent agenda may be approved by a single motion, second and vote of the board. Any item on the consent agenda will be moved to the regular agenda upon the request of any member of the board.* | | |
| | • February 21, 2024, Board Meeting Minutes | **Tab 1** | Action |
| | • March 13, 2024, Board Workshop Minutes | **Tab 1** | Action |
| **9:10 a.m.** | **Strategic Planning: Unique Role of Value** (Holly Valkama, 70 minutes) | | Info |
| **10:20 a.m.** | **Strategic Planning: Vision/Purpose** (Holly Valkama, 70 minutes | | Info |
| **11:30 a.m.** | **Break** (10 minutes) | | |
| **11:40 a.m.** | **Strategic Planning: Strengths and Capabilities Map** (Holly Valkama, 15 minutes) | | |
| **11:55 a.m.** | **Lunch** (50 minutes) | | |
| **12:45 p.m.** | **Board Meeting Call to Order** (Henry Lorenzen)<br>**General Public Comment** (5 minutes)<br>*The president may defer specific public comment to the appropriate agenda topic.* | | Info |
| **12:50 p.m.** | **Financial Audit Results** (Chris Dunning, Keith Simovic (Moss Adams), 30 minutes) | **Tab 4** | Info |
| | ○ R1026: Acceptance of Audited Financial Report | | Action |
| **1:20 p.m.** | **Annual Report Results,** (Michael Colgrove, 30 minutes) | | Info |
| **1:50 p.m.** | **Committee Reports** (60 minutes) | | |
| | • Compensation & Human Resources Committee (Amanda Sales) | **Tab 3** | Info |
| | • Finance & Audit Committee (Thelma Fleming) | **Tab 4** | Info |
| | ○ R1027: Contract Extension for CLEAResult Consulting, Inc. as PMC | **Tab 4** | Action |
| | ○ R1028: Contract Extension for PDC for EPS Whole Home New Construction | **Tab 4** | Action |
| | ○ R1029: Contract Extension for CLEAResult Consulting, Inc. as Midstream PDC | **Tab 4** | Action |
| | • Nominating and Governance Committee (Roland Risser) | | Info |

**Agenda, Continued**

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|---|---|---|---|
| | **Committee Reports, Continued** | | |
| | • Ad hoc Diversity Equity and Inclusion Committee (Melissa Cribbins) | **Tab 5** | Info |
| | • Ad hoc Strategic Planning Committee (Jane Peters) | **Tab 6** | Info |
| | • Conservation Advisory Council (Hannah Cruz) | **Tab 7** | Info |
| | • Diversity Advisory Council (Michael Colgrove) | **Tab 8** | Info |
| | • Renewable Energy Advisory Council (Betsy Kaufmann) | **Tab 9** | Info |
| **2:50 p.m.** | **Community Partner Funding, Efficiency Resource Potential, and Legislative Report Memos Q &A** (15 minutes) | **Tab 2, 6, 10** | Info |
| **3:05 p.m.** | **Break** (10 minutes) | | |
| **3:15 p.m.** | **Strategic Planning: May Board Preview** (Holly Valkama, 10 minutes) | | |
| **3:25 p.m.** | **Adjourn Public Meeting and meet in Executive Session** (Henry Lorenzen, 60 minutes) | | Info |
| | Adjourn the public meeting in Executive Session pursuant to bylaws section 3.19.1 to discuss internal personnel matters. ***The Executive Session is not open to the public.*** | | Info |
| **4:25 p.m.** | **Reconvene Public Meeting** (Henry Lorenzen, 10 minutes) | | |
| **4:35 p.m.** | **Adjourn** | | |

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***The Annual Report will be distributed on April 15, 2024. This year, Energy Trust will be seeking public comment on its Annual Report and will be actively engaging Energy Trust's advisory councils for feedback at upcoming meetings. We will also invite public comment when we post the report on our web site at www.energytrust.org/reports. We welcome comments from the public about the annual report or other topics during the regular public comment period on every board agenda.***

# Tab 1

# Board Meeting Minutes—221st Meeting-Annual Meeting

February 21, 2024

**Board members present**: Melissa Cribbins, Thelma Fleming, Ellsworth Lang, Henry Lorenzen, Jane Peters, Roland Risser, Anne Haworth Root, Ruchi Sadhir (ODOE Special Advisor) Silvia Tanner, Letha Tawney (OPUC ex-officio), Peter Therkelsen, Bill Tovey, Ellen Zuckerman

**Board members absent**: Janine Benner (ODOE Special Advisor), Susan Brodahl, Eric Hayes

**Staff attending**: Frank Bellinger, Sarah Castor, Amber Cole, Michael Colgrove, Hannah Cruz, Elaine Dado, Chris Dunning, Emily Findley, Sue Fletcher, Michael Fritz, Michael Hoch, Fred Gordon, Megan Greenauer, Marshall Johnson, Betsy Kaufmann, Oliver Kesting, Cody Kleinsmith, Alina Lambert, Alyson McKay, Debbie Menashe, Spencer Moersfelder, Themba Mutepfa, Maddie Norman, Natalia Ojeda, Maddy Otto, Dan Peterson, Alex Polley, Amanda Potter, Elaine Prause, Helen Rabold, Danielle Rhodes, Jay Robinson, Thad Roth, Lizzie Rubado, Sloan Schang, Laura Schaefer, Tracy Scott, Abi Sloan, Nate Smith, Michelle Spampinato, Cameron Starr, Janelle St. Pierre, Greg Stokes, Julianne Thacher, Amanda Thompson, Robert Wylie, Amanda Zuniga

**Others attending**: Sam Baraso (PCEF), Ashnie Butler (Inner Work, Outer Play), John Charles (Cascade Policy Institute), Megan Decker (OPUC), Se-ah-Dom Edmo (Seeding Justice), Sarah Hall (OPUC) Jeff Harris (NEEA), Randy Hastings (DThree), Peter Kernan (OPUC), Brooke Landon (CLEAResult), Devin Liebman, Lisa McGarity (Avista), Laney Ralph (NW Natural), Jennifer Rouda (Alliance for Clean Tribal Energy), Jenny Sorich (CLEAResult), Holly Valkama (1961 Consulting), Jake Wise (PGE), Becca Yates (NEEA),

## Business Meeting

President Henry Lorenzen called the meeting to order at 9:03 a.m. and announced an opportunity for public comments.

## General Public Comments

There were no public comments.

## Annual Meeting

President Henry Lorenzen then discussed the annual meeting business for the board: renewing director terms, appointing officers, and appointing committee membership. The board acted on these topics.

**MOTION: Renew terms of current board of directors R1018**

**Resolution 1018 ELECTING THELMA FLEMING, ROLAND RISSER, AND SILVIA TANNER TO NEW TERMS ON THE ENERGY TRUST BOARD OF DIRECTORS**

**WHEREAS:**

1. **The terms of incumbent board members Thelma Fleming, Silvia Tanner and Roland Risser expire in 2024.**
2. **The board nominating committee has recommended that these members' terms be renewed.**

**IT IS THEREFORE RESOLVED: That the Energy Trust of Oregon, Inc., Board of Directors elects Thelma Fleming, Roland Risser, and Silvia Tanner, incumbent board members, to new terms of office that end in 2026.**

Moved by: Jane Peters Seconded by: Bill Tovey

Vote: Abstained: 0

In favor: 8

Opposed: 0

**MOTION: Election of Officers R1019**

**WHEREAS:**

3. **Officers of the Energy Trust of Oregon, Inc., (other than the Executive Director) are elected each year by the Board of Directors at the board's annual meeting.**
4. **The Board of Directors Nominating Committee has nominated the following directors to renew terms as officers:**
   - **Henry Lorenzen, President**
   - **Roland Risser, Vice President**
   - **Eric Hayes, Secretary**
   - **Susan Brodahl, Treasurer**

**It is therefore RESOLVED that the Board of Directors hereby elects the following as officers of Energy Trust of Oregon, Inc., for 2024:**

- **Henry Lorenzen, President**
- **Roland Risser, Vice President**
- **Eric Hayes, Secretary**
- **Susan Brodahl, Treasurer**

Moved by: Jane Peters Seconded by: Bill Tovey

Vote: 8 Abstained: 0

Opposed: 0

**MOTION: Committee Assignments**

**RESOLUTION R1024**
**BOARD COMMITTEE APPOINTMENTS**
(*REVISES RESOLUTIONS R1015)*

**WHEREAS:**

1. **Energy Trust's board is authorized to appoint members of committees to carry out the board's business, and appointments are made as required and at the annual meeting of the board of directors.**

2. **The board President has nominated directors to serve on the following committees.**

**IT IS THEREFORE RESOLVED:**

1. **That this annual meeting committee resolution updates Resolution R1015 adopted by the board at its December 15, 2023, meeting.**

2. **That the board of directors hereby appoints the following directors to serve on the following committees for terms that will continue until a subsequent resolution related to committee appointments is adopted.**

| |
|---|
| **Compensation & Human Resources Committee** |
| **Eric Hayes, Chair** |
| **Bill Tovey** |
| **Ellsworth Lang** |
| **Henry Lorenzen (ex officio)** |
| **Amanda Sales, staff liaison** |
| |
| **Finance & Audit Committee** |
| **Thelma Fleming, Chair** |
| **Susan Brodahl** |
| **Anne Haworth Root** |
| **Karen Ward (outside expert)** |
| **Peter Therkelsen** |
| **Silvia Tanner** |
| **Henry Lorenzen (ex officio)** |
| **Chris Dunning, staff liaison** |
| |
| **Nominating & Governance Committee** |
| **Roland Risser, Chair** |
| **Anne Haworth Root** |
| **Greg Stokes, staff subject matter expert support** |
| **Jane Peters** |
| **Melissa Cribbins** |
| **Henry Lorenzen (ex officio)** |
| **Janine Benner, (ODOE ex officio)** |
| **Letha Tawney (OPUC ex officio)** |
| **Debbie Menashe, staff liaison** |
| |
| **Ad hoc Board Diversity Equity and Inclusion Committee** |
| **Melissa Cribbins, Chair** |
| **Bill Tovey** |
| **Eric Hayes** |

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|---|
| **Susan Badger-Jones, Diversity Advisory Council subject matter expert support** |
| **Susan Brodahl** |
| **Henry Lorenzen (ex officio)** |
| **Ruchi Sadhir for Janine Benner (ODOE, ex officio)** |
| **Danielle Rhodes, staff liaison** |
| **Ad hoc Strategic Planning Committee** |
| **Jane Peters, Chair** |
| **Ellen Zuckerman** |
| **Peter Therkelsen** |
| **Bill Tovey** |
| **Amber Cole, Staff Liaison** |

Moved by: Jane Peters Seconded by: Bill Tovey

Vote: In favor: 8 Abstained: 0

Opposed: 0

## Consent Agenda

President Lorenzen then called for a vote on the Consent Agenda.

**MOTION: Approve consent agenda**

Consent agenda includes:

1. December 15, 2023, Board Meeting Minutes
2. January 24, 2024, Board Workshop Minutes
3. R1020: Retiring the Fossil Fuel Combined Heat and Power Policy 4.11.000-P
4. R1021: Amend Finance and Audit Committee Charter
5. R1022: Approve Investment Policy 4.25.000-P

Moved by: Jane Peters Seconded by: Thelma Fleming

Vote: In favor: 8 Abstained: 0

Opposed: 0

## TRC Contract Extension

The board then considered a staff recommendation previously considered by the Finance & Audit Committee regarding Energy Trust staff's recommendation to extend the current program management contractor agreement with TRC Engineering, Inc. for one additional year, the final year contemplated under the board's original approval of the agreement. Under the terms of the original contract approval, if the board does not object to extensions, the executive director is authorized to execute an amendment to extend the agreement. Commercial Programs Sector Lead Oliver Kesting was available for board questions. The board considered the recommendation and did not object to the extension.

## Energy 350 Contract Extension

The board then considered a recommendation from the Finance & Audit Committee to recommend a three year extension to the current program management contractor agreement with Energy 350 for program management of Energy Trust's production efficiency program. Under the terms of the original contract approval, the contract was authorized for an initial two year term, with the possibility of three-one year extensions if Energy 350 met certain contract performance metrics and the board approved such extensions. Staff recommended a three-year extension based on Energy 350's contract performance and to support the consistency and stability of the production efficiency program. Production Efficiency Sector Lead Amanda Sales was available to answer questions. The board considered the recommendation of the Finance & Audit Committee and moved to approve the contract extension as follows:

**MOTION: Approve Contract Extension for Energy 350**

**RESOLUTION 1023**
**AUTHORIZE AN EXTENSION OF THE PROGRAM MANAGEMENT CONTRACT WITH ENERGY 350, INC. (ENERGY 350) FOR PRODUCTION EFFICIENCY PROGRAM SERVICES THROUGH DECEMBER 31, 2027**

**WHEREAS:**
1. Energy Trust entered into a Program Management Contractor (PMC) Agreement with Energy 350 for Production Efficiency/Industrial and Agriculture Program Services effective January 1, 2023, with an initial term of two years and a potential for three additional extension years conditioned on meeting certain performance criteria
2. In its first year of PMC services, Energy 350 has demonstrated excellent performance, meeting their energy savings goals, supplier diversity spend goal, and has built a strong program pipeline;
3. Given this demonstrated performance, authorizing a longer term contract with Energy 350 will help support stability in program management and delivery as program energy efficiency savings goals are increased and accelerated;
4. Risk due to a longer term contract are mitigated because the PMC Agreement with Energy 350 is subject to termination for convenience by Energy Trust;
5. Throughout the term of the PMC Agreement with Energy Trust, the Energy Trust board will review actual savings and costs each year as part of the annual budget and action plan process.

**IT IS THEREFORE RESOLVED:**
1. Energy 350 has a current PMC Agreement with Energy Trust that expires on December 31, 2024.
2. The executive director or his designee is authorized to negotiate and to enter into an amendment to extend the current PMC Agreement with Energy 350 through December 31, 2027.
3. Staff will amend the PMC Agreement consistent with the board's annual budget and action plan decisions and the executive director or his designee is authorized to sign any such contract amendments.
4. Staff will report to the board on Energy 350 and the Production Efficiency Program performance in regular reports to the board and its committees in accordance with Energy Trust's regular reporting practices.

Moved by: Jane Peters Seconded by: Bill Tovey

Vote:

In favor: 8 Abstained:

Opposed: 0

Holly Valkama 1961 Consulting, who is supporting the development of Energy Trust's next strategic plan, facilitated several discussions related to strategic planning topics.

## Strategic Planning: OPUC Perspectives

OPUC perspectives was the first strategic planning topic Holly summarized the following themes from OPUC staff interviews:

1. Load growth, decarbonization, resource price volatility and customer rate pressure will drive an increased value and scrutiny around energy efficiency, distributed energy, and demand response.

2. Meeting energy efficiency targets will become increasingly important due to decarbonization goals, but also increasingly difficult to achieve. Hitting targets will require new program designs and funding mechanisms.

3. Over the next 5-6 years customers will need greater access to tools and information to manage their energy use and lower their electricity costs, while improving the reliability and resilience of the energy system.

4. Meeting state goals for reducing carbon emissions by 80%by 2030 can be achieved with technologies, focused energy efficiency, demand response and other strategies in play and planned. However, the last 20% goal by 2040 will be much harder.

Board members asked questions and discussed these themes. The discussion included considerations of growing population, increasing avoided costs, increasing rates, and providing needed information to customers around these topics. The board also discussed how the state energy strategy, currently in development by ODOE will discuss Energy Trust's role in energy efficiency.

## Innovation and Development Updates

Energy Trust Director of Innovation and Development Lizzie Rubado then presented information on the work of Energy Trust's Innovation and Development group. Lizzie's presentation informed the board of why certain funding programs are being pursued, provided an update on the current strategy that is guiding which funding streams to pursue or note, and provide an opportunity outlook for the next six years.

Lizzie described Energy Trust's objectives in pursuing other funding: to increase savings and generation, improve equitable access to programs, reach more customers, fill gaps, and address limitations of our ratepayer funds, reduce, or minimize costs for ratepayers, and to diversity our funding sources as a risk mitigation strategy.

Lizzie noted that between 2025-2030, Energy Trust expects a significant amount of federal funding for these objectives. Additionally Energy Trust expects state and local funding for climate, resilience, and housing measures. Future philanthropic funding may also be available to test new ideas and new technology, as well as utility funding for targeted programs that address grid needs. If additional funding for reduction of energy burden emerges out of HB 2475 proceedings, Energy Trust may also have a role.
Board members asked Lizzie a number of questions regarding the landscape of complementary funding in other similarly situated organizations, where the Oregon energy strategy will be and how that affects pursuit of funding, ensuring adequate focus and not overextending Energy Trust. Executive Director Michael Colgrove noted that one of the key goals of Energy Trust's Innovation and Development work is to reduce rate impacts to customers as Energy Trust pursues the maximum energy efficiency resource.

Board members thanked Lizzie for the presentation.

## Stakeholder and Market Partner Inputs: NEEA

Becca Yates, NEEA Executive Director and Jeff Harris, NEEA Chief Transformation Officer presented information on issues that emerged in NEEA's recent strategic planning development process. Becca recognized Ruchi Sadhir and Mike Colgrove, both board members of NEEA; Mike is the chair of the NEEA board and its strategic planning committee.

NEEA's board approved their strategic plan last December. Key takeaways identified through their plan development process included the following conclusions: energy efficiency remains a driving goal for investment for utilities, but other goals are emerging, such as decarbonization (which shows variability across the region); system load resources are changing and intermittent, and there is increasing concern on resource adequacy; capacity and flexibility of meeting demand has increasing value; there is increasing focus on equitable distribution benefits across the region; and interested in increased regional coordination to meet adequacy and transmission needs.

During the process, market and supply chain insights emerged from this that could be most relevant for Energy Trust. The supply chain is paying attention to the federal state and local policies such as fuel choice and connectivity and are driving by their own co-benefits like energy savings goals and consumer needs. Manufacturers and retailers are acting on global levels, so a broad regional alliance is important to them, and the ability to access co-partnerships to meet their goals will be key. NEEA also noted that market transformation is viewed as a tool to address energy system challenges, and they are tracking on how customers are engaging with their providers.

NEEA identified four strategic goals for their new strategic plan:
1. Transform markets for energy efficiency
2. Accelerate the adoption of grid-enabled end-use technologies through market transformation
3. advance strategies to reduce greenhouse gas emissions through market transformation
4. Advance the equitable delivery of energy efficiency benefits to Northwest consumers through market transformation.

Jeff Harris then discussed emerging technologies that have been contemplated in NEEA's new strategic plan, noting that the plan has significant focus on connectivity/controls and next generation heat pump technology.

Jeff discussed a number of other technologies, including some in consumer products, such as multi-use wash dryers that use heat pump dryer technology and residential and commercial water heating.

There are also some potential special project opportunities on the horizon, which include End-use Load Flexibility which is already underway, whole building efficiency, and end use load research, which is also already underway. The challenge for whole building efficiency is how to examine the new buildings paradigm and apply it to existing construction.

Board members thanked Becca and Jeff for their interesting presentation and asked questions. Holly Valkama noted that the NEEA presentation, like perspectives from Energy Trust's program management contractors, provides good tactical and market information to the board as they continue their strategic plan development work.

## Break

The board then took a brief break at 11:00 and reconvened at 11:10.

## Strategic Planning: OPUC Perspectives

President Henry Lorenzen introduced Oregon Public Utility Commission Chair Megan Decker. Chair Decker thanked the board for their service and gave particular thanks to Commissioner Tawney for her service to the Energy Trust board.

Commissioner Decker described the work of the OPUC, noting that the focus of the agency is regulation of energy and water utilities, to ensure that their systems are safe, reliable and affordable. Chair Decker noted that affordability is front and center now for the OPUC and the energy utilities given financial concerns related to the utilities' roles in catastrophic wildfire concerns and system transition to address climate impacts. Given these conditions, Energy Trust's value proposition is stronger than ever. Energy efficiency helps to mitigate costs as well as providing additional co-benefits. Energy Trust also has experienced staff and a strong ability to execute.

Chair Decker then noted that ability to bring more ratepayer value will take more resources, and with more resources, there is more scrutiny. Chair Decker analogized the relationship of the OPUC and Energy Trust to one of a horse rider and a horse. As the ride begins, the rider exercises more control, and over time the rider can loosen the reins. As the rode gets more challenging, the rider may exercise more control for a smooth ride. Chair Decker reiterated that Energy Trust and OPUC work together should always be focused on the customers and minimizing cost and risk.

An important focus will be also engagement on ratemaking and how to work together on actual practices. Chair Decker expressed appreciation for the consistency that is needed for Energy Trust to maintain a pipeline and she is looking forward to a multiyear plan that prevents peaks and valleys, and long-term thinking is critical for success.

The board asked questions of Chair Decker regarding load growth and the cost of energy efficiency and thanked her for her informative presentation.

## Adjourn for Lunch

The board adjourned for lunch at 12:07 p.m. and reconvened at 1:02 p.m.

## General Public Comments

Upon reconvening for lunch, President Henry Lorenzen asked for public comments. There were no public comments.

## Panel Discussion: Funding Availability for Clean Energy and Community Defined Purposes

The board heard from Panel members: Sam Baraso from PCEF, Jennifer Rouda from the Alliance for Tribal Clean Energy, and Se-ah-dom Edmo from Seeding Justice.

Panel members each described their organizations and focus areas. Board members asked questions as to how Energy Trust could interact with their organizations and how such collaboration can be supported by Energy Trust's next strategic plan. Panel members each described how coordination with Energy Trust and building capacity in their organization and communities can help advance Energy Trust's, and their own strategic goals.

The board then thanked the panel for their wisdom and ideas.

## Strategic Planning: Scenario Planning

Holly Valkama then facilitated a discussion session on identifying future scenarios for the strategic plan. Energy Trust's internal staff strategic plan committee supported the board's ad hoc Strategic Planning Committee to narrow down and identify some key drivers for the board's refinement. After a brief break, the board broke into groups to discuss these drivers and provide feedback.

After their small group sessions, the board reconvened for report-outs on small group discussions. The board discussed the following future scenario areas to inform their development of the next strategic plans:

- Affordability/Cost for Utility Customers
- Climate Change/Extreme Weather Events
- Consumer Protection
- Decarbonization
- Equity/Environmental Justice
- Funding Streams
- Housing as a Statewide Objective
- Other Clean Energy Organizations
- Political Landscape/ Regulatory/Policy Changes
- Shifting Utility System (load, electrification, fuel-switching, grid operations)
- Statutory Funding & Authority
- Value of EE & RE
- Workforce/Labor Market

The ad hoc Strategic Planning Committee review input from the full board and refine these scenario areas to present to the board at the next meeting. Holly explained that the strategic plan is expected to describe Energy Trust's role in these future scenarios. With this information, the board can consider its future role and strategies for that role.

## Close

Holly previewed topics for the next strategic planning workshop when strengths and capabilities and Energy Trust's unique role of value will be discussed. Energy Trust's advisory councils have been invited to participate and provide feedback at this workshop, and it will be an in-person meeting only.

## Adjourn

The meeting adjourned at 4:45 p.m.

**The next regular meeting of the Energy Trust Board of Directors** will be held Wednesday, March 13, 2024, at 9:00 a.m. at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon.

________________________________ ____/____/____

Signed: Eric Hayes Date

EnergyTrust of Oregon

# Board Meeting Minutes—222nd Meeting

March 13, 2024

**Board members present**: Janine Benner (ODOE Special Advisor), Thelma Fleming, Eric Hayes, Henry Lorenzen, Jane Peters, Roland Risser, Silvia Tanner, Letha Tawney (OPUC ex-officio), Peter Therkelsen, Ellen Zuckerman

**Board members absent**: Susan Brodahl, Melissa Cribbins, Ellsworth Lang, Bill Tovey

**Staff attending**: Sarah Castor, Scott Clark, Amber Cole, Michael Colgrove, Elaine Dado, Chris Dunning, Fred Gordon, Betsy Kauffman, Marshall Johnson, Debbie Menashe, Spencer Moersfelder, Dave Moldal, Alex Novie, Elaine Prause, Danielle Rhodes, Lizzie Rubado, Amanda Sales, Jess Siegel, Tracy Scott, Greg Stokes,

**Others attending**: Joe Abraham (OPUC) Christopher Banks (Urban League), Oswaldo Bernal (OBL Media), Ashnie Butler (Inner Work, Outer Play), Kari Greer (Pacific Power), Rob Fenty (1961 Consulting), Terrance Harris (Drexel University), Ryan Harvey (Pacific Corp), Philip Kelsven (BPA), Peter Kernan (OPUC), Lisa McGarity (Avista), Noemi Ortiz (Cascade Natural Gas), Laney Ralph (NW Natural), Rhea Standing Rock (Sunlight Solar), Lauren Rosenstein (ODOE), Indika Sugathadasa (PDX Hive), Jaimes Valdez (PCEF), Holly Valkama (1961 Consulting), Becky Walker (NEEA), Jake Wise (PGE)

## Opening

President Henry Lorenzen called the workshop meeting to order at 9:05. He previewed the agenda for the day, which is focused on continuing discussions on strategic development and acknowledged and welcomed members of Energy Trust's advisory council to participate in discussions.

## Oregon Department of Energy: Priorities, Industry Outlook and Strategy, Input on Energy Trust's Unique Role of Value

Amber Cole, Energy Trust Director of Customer and Communication Services and staff liaison to the board's ad hoc Strategic Planning Committee, described the importance of Energy Trust's collaboration and coordination with the Oregon Department of Energy (ODOE). Several staff members were interviewed as part of the strategic plan development process and stakeholder engagement, and summaries of those interviews were provided to the board in their workshop materials. Amber then introduced Janine Benner, ODOE Director as well as Special Advisor to the Energy Trust board. Amber described Janine's work and experiences.

Janine then shared her thoughts and observations for the current strategic planning context. Janine agreed with Chair Decker's comments at the prior board meeting: energy system challenges in greenhouse gas reduction and energy burden are increasing, as is load. Oregon's approach to investing in energy efficiency has proved effective, and Janine expressed optimism.

Janine then described ODOE's development of a state energy strategy to present to the legislature, noting that while the timing between the state energy strategy and Energy Trust's strategic plan development are slightly mismatched, ODOE and Energy Trust staff are collaborating.

Board members and advisory council members asked a number of questions regarding ODOE's work, including regarding Inflation Reduction Act funding, siting, energy security, regional transmission collaboration, and customer costs and needed support associated with transition to a cleaner energy systems. Janine responded to questions, emphasizing the importance of collaboration among state and federal agencies, customer groups, Energy Trust, and other actors to build the necessary policy frameworks, new infrastructure, and workforce for the clean energy transition.

The board thanked Janine for her presentation and the robust discussion.

## Strategic Planning: Scenarios Refined

Holly Valkama, 1961 Consulting, facilitated the board's continued discussions on scenario development for the new strategic plan. Holly explained that the ad hoc Strategic Planning Committee refined the topics discussed at the board's February meeting into a scenario document presented to the board prior to the workshop for review.

Board members discussed the scenario compilation, noting that the scenarios provide a high-level view of what the anticipated conditions are most likely to be during the new strategic plan period. The scenario describes more frequent extreme climate events, decarbonization remaining of interest to utilities and businesses, and the fact that the policy environment in Oregon is likely to remain stable despite polarization nationally. The future scenario highlights also a focus on housing and affordable housing, as well as the assumption that policies, stakeholders, and funding sources will continuing to prioritize equity and environmental justice to address gaps. The document also anticipates that utilities will be evolving their operating models to support capacity and reliability; energy affordability will become more of an issue over time; and distributed energy resources and connected technologies will be increasing, relative to other energy resources. The regulatory framework for Energy Trust is expected to remain stable. It is expected that there will be many options available to customers that will need navigating, and this could cause confusion and potential challenges for labor and consumer protection.

Board members discussed the scenarios presented and asked for continued focus on labor challenges and protection, land use considerations, and transmission challenges.

## Strategic Planning: Strengths and Capabilities Map

Holly then discussed another building block of strategic plan development: building Energy Trust's strengths and capabilities map. She introduced a starting point for such a map, based on input from Energy Trust staff at a recent all-staff strategic planning retreat as well as input from Energy Trust's executive team and the ad hoc Strategic Planning Committee.

The board and advisory council members broke into small groups to discuss the strengths and capabilities map, and then returned to a large group for discussion.

After a short break, the workshop reconvened.

## Diversity, Equity Inclusion and Belonging

Ashnie Butler of Inner Work, Outer Play Consulting, has been supporting the Energy Trust board in a variety of discussions related to Diversity, Equity, Inclusion and Belonging (DEIB). Ashnie and the board undertake a DiSC assessment to identify characteristics and working style. Ashnie facilitated a board discussion on their DISC assessment characteristics in the implications for the board works together.

## Lunch

The board adjourned for lunch and reconvened at 1:05.

## Board Meeting Call to Order and Invitation for Public Comment

Henry Lorenzen called the meeting back to order at 1:04 and asked for any public comment. There was no public comment.

## Strategic Planning: Opportunities

Rob Fenty, also of 1961 Consulting, then guided the board, advisory council members and others, on a discussion of opportunities that could be anticipated to emerge out of Energy Trust's strengths and capabilities. Rob reviewed the various building blocks of our strategic planning approach: Scenarios, Unique Role of Value, Strengths and Capabilities, and Opportunities. Board members and advisory council members broke out into small groups to discuss and brainstorm opportunities available given the scenario landscape and informed with Energy Trust's strengths and capabilities. The board then reconvened for a full group discussion to assess opportunities:

## Strategic Planning: Unique Role of Value

Following discussion of opportunities, Rob led the board and the advisory council members into another small group activity around how these opportunities inform Energy Trust's unique role of value, another important building block for strategic plan development.

## Break

The board recessed for a short break at 3:15 and reconvened at 3:25.

## Strategic Planning: Unique Role of Value, Continued

Following the break, the board reconvened as a whole to discuss their thoughts on unique role of value. Holly and Rob will compile the group feedback for review at the board's upcoming April and May meetings.

## Close

Holly Valkama thanked the board and advisory council members for their engagement. She explained that the work generated by the discussions at the meeting will be summarized for the internal staff committee and ad hoc Strategic Planning Committee as they plan for upcoming board meeting discussions. President Henry Lorenzen thanked the board and advisory council members for their time, noting that it was rewarding to hear different perspectives, all of which helps the board inform the strategic plan and direction of Energy Trust.

## Adjourn

The meeting adjourned at 4:50 p.m.

**The next regular meeting of the Energy Trust Board of Directors** will be a hybrid meeting and held Wednesday, April 17, 2024, at 9:00 a.m. at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon and on Zoom.

________________________________ ____/____/____
Signed: Eric Hayes Date

# Tab 2

# Briefing Paper
## 2024 State Legislation Update
April 17, 2024

## Summary

This briefing paper summarizes legislative context and legislation considered during the 2024 Oregon legislative session, and highlights a few bills passed during the 2024 Washington State legislative session. Bills highlighted could connect to Energy Trust of Oregon's purpose, programs or customers. The table at the end of the paper lists all 2024 Oregon bills staff monitored, with URL links in the bill number.

## Background

Energy Trust is a non-lobbying organization and pursuant to our grant agreement with the Oregon Public Utility Commission, staff and the organization do not take positions on legislative concepts or bills.

Staff monitor state legislative bills that could impact our purpose, programs, and annual and strategic goals; could affect the ability of customers, communities and partners to work with us; or could set state employment, nonprofit or other laws for which the organization would need to comply. Staff also deliver informational briefings to legislators and their staff, and respond to requests for information from legislators, the Governor and interested parties. This work is led by the Communications and Customer Service Group's Policy Services Team, which draws from staff across the organization to respond to and inform policy makers.

## 2024 Session Context

- The 2024 Oregon legislative session started February 5 and adjourned March 7 – three days before the constitutional *sine die*. Nearly 300 bills were introduced.
- The session was led largely by the same leadership as in 2023, including Governor Tina Kotek, Senate President Rob Wagner (D-Lake Oswego/Tualatin/West Linn/SW Portland), House Speaker Dan Rayfield (D-Corvallis) and Senate Minority Leader Tim Knopp (R-Bend). This was Representative Jeff Helfrich's (R-Hood River/The Dalles) first session as House Minority Leader. On the last day of session, Representative Fahey (D-West Eugene/Veneta) was elected as House Speaker, replacing Rep. Rayfield who is running for attorney general.
- Due to the 2023 walkout by several members of the Senate minority party, 10 Republican legislators are ineligible for reelection once their terms end (as set through Measure 113). The terms for six of those legislators, including Senate Minority Leader Tim Knopp, end this year. The remaining four legislators' terms will end in 2026.
- The 2024 session was characterized as one of the most bipartisan sessions in recent history, with both parties successfully negotiating legislation around their stated top priorities: investing in housing and homelessness, revising the Drug Addiction,

Treatment and Recovery Act (Measure 110), and increasing investment in behavioral health deflection programs and establishing campaign finance limits.

- Energy-related legislation was not as prominent during this session as in past years.
    - Bills that passed added additional funding to or refined existing programs, and established state expectations for offshore wind development, utility reporting on activity related to regional energy markets and State Treasury investment in thermal coal companies.
    - Bills or concepts that were not passed into legislation included making the state's greenhouse gas emissions targets more stringent and incentivizing all-electric affordable multifamily housing as part of the housing production package.
- Energy Trust staff conducted informational briefings with approximately 20 senators and representatives over the course of the 32-day session and monitored about 40 bills of relevance. Staff also reviewed progress on a handful of energy-related bills moving through the Washington State legislature.

## Oregon Bills of Particular Interest

Staff tracked bills with differing levels of intersection with Energy Trust's mission and programs. There were a handful of bills that were tracked more closely due to their potential interaction with Energy Trust's work.

The following information highlights legislation that was passed during this session.

**Energy-related bills**

- SB 1525, initially introduced to make technical fixes to existing Oregon Department of Energy programs and reporting requirements, was passed with more expansive language, including:
    - Allows ODOE to transfer money remaining as of July 2024 in the Community Heat Pump Deployment Program to the Rental Home Heat Pump Program for the purposes of redistributing funds in those regions or for those Tribes that lack a Community Heat Pump regional administrator.
    - Allows ODOE to disperse a portion of Community Renewable Energy Program grant funds to applicants or project partners prior to project completion.
    - Defines some electric cooperatives as eligible entities for the Community Renewable Energy Program.
    - Allows electric utilities to rely on dispatchable stand-by generators of over 25 megawatts to connect to the grid to ensure reliability. This provision outlines specific use limitations, including the requirement that the generators use renewable fuels if available, and reporting requirements.
- SB 1529 allows Oregon Health Authority's (OHA) Air Conditioner and Air Filter Deployment Program[1] to distribute these devices during an emergency or anticipating an emergency as well as creating mechanisms to ensure that these devices are installed and operating properly.

[1] The Air Conditioner and Air Filter Deployment Program was created by the legislature in 2022, as part of the Cooling for All Act (SB 1536), and as in response to the deadly heat wave in 2021.

- SB 1530 is one of the bills contained in the housing production package and added funding to existing energy programs. The following lists parts of a larger bill – described in more detail further below:
    - $4 million for ODOE's Rental Home Heat Pump program
    - $15 million for OHA's Healthy Homes Program
    - $3.5 million for OHA's Air Conditioner and Air Filter Deployment Program

**Broader Energy, Utility and Emissions Bills**

- Offshore wind roadmap (HB 4080)
    - Directs the Department of Land Conservation and Development to develop a roadmap on standards for offshore wind development and approval.
    - Defines a state policy on offshore wind that mandates that offshore wind interconnection must promote electric grid reliability and resilience; that supports engagement of developers with impacted organizations, Tribal communities and other communities; and that requires that offshore wind development meets labor and supply chain standards.
- Regional energy markets reporting (SB 1581)
    - Requires Portland General Electric and Pacific Power, starting in 2025, to report annually to the legislature on their activities to join a regional energy market. The last report is due January 2031.
- Battery Energy Storage System siting (HB 4015)
    - Creates a pathway at the Energy Facility Siting Council (EFSC) to issue site certificates for standalone, utility-scale battery energy storage systems (BESS).
    - This change does not impact existing land use regulations but rather expands EFSC's purview which had been limited to considering storage facilities only when these were part of a generating facility application.
- Thermal coal divestment (HB 4083)
    - Directs the State Treasurer to stop investing money in companies that deal with thermal coal unless the company is demonstrating it is transitioning to non-emitting electricity.
    - The bill also contains annual reporting requirements for the State Treasurer and the Investment Council on actions taken pursuant of the bill's provisions.

**Emergency Housing Stability and Production Package**

The Emergency Housing Stability and Production Package committed $376 million to support renters, boost housing production and infrastructure, fund homeless shelters, and create safe, healthy homes. This bill package is comprised of SB 1537, SB 1530 and HB 4134.

- SB 1537
    - Creates a new revolving loan fund to make interest-free loans to local governments to finance production of affordable housing and moderate-income housing. It allocates $75 million to the Oregon Housing and Community Services (OHCS) to be used in this program.
    - Establishes the Housing Accountability and Production Office (HAPO) to support local governments to achieve their housing production goals and respond to violations of housing laws.

    - Allows qualifying cities a one-time expansion of their Urban Growth Boundaries to allow for housing development.
    - Allows a housing developer to opt into new codes that were amended after the submission of a permit application, eliminating the need for developers to submit a new application if codes change.
    - As introduced, this bill contained a proposed incentive program at OHCS for all-electric affordable multifamily housing. This provision was stripped early in session.
- SB 1530
    - In addition to the funding described above, commits $258 million for the implementation of several programs and projects throughout the state that address the housing crisis in Oregon, including:
        - More than $90 million to 44 infrastructure projects that support housing development, including water, sewer wastewater and stormwater improvements; replacement and upgrades to water distribution lines and water treatment facilities; development of booster pump stations; development of drinking water systems; and interior and exterior rehabilitation of housing structures, including affordable housing, Tribal rental units and veterans housing
        - $65 million to support emergency shelters, Project Turnkey sites and navigation centers
        - $34 million for eviction diversion and prevention programs
        - $7 million for homelessness prevention services
        - $5 million for the continuation of Individual Development Accounts
        - $1 million to support residents whose housing may be withdrawn from publicly supported housing or is within a manufactured dwelling park that is being sold or closed
        - Around $29.2 million to three projects for purchase of land and redevelopment of affordable housing
        - $2 million for emergency heating and cooling shelters
- HB 4134
    - In addition to project funding in SB 1530, this bill funds infrastructure projects that would support workforce income housing[2] production and build-out via a grant program administered by Business Oregon.
    - The projects eligible for this grant are located within existing Urban Growth Boundaries, must be completed within 24 months of receiving the funds, must support already identified and planned housing developments with a minimum of 30% of units subject to an affordable housing covenant held by the city, and remain affordable for workforce income households for no less than 10 years, among other conditions
    - It identifies and allocates money to projects in various cities, including:
        - $3 million to the City of Burns for water, sewer and stormwater site improvements for Miller Springs

[2] Defined as households with an income that is less than or equal to 130% of the county median income, based on data available from the US Census Bureau.

        - $2 million to the City of McMinnville for piping and pumps to activate a water pump station for developable lands
        - $1.5 million to the City of Amity for stormwater infrastructure and road improvements for residential housing development
        - $640,000 to the City of Toledo for water, sewer and stormwater infrastructure improvement and other improvements to support a new apartment complex

**Other Bills**

- Budget reconciliation bill (SB 5701) directs project and program funding, including energy-related investments:
    - Oregon Department of Energy (ODOE) received approval to administer and add staff for the Grid Resilience State Grant and the Energy Efficiency Conservation Block Grant (US Department of Energy)
    - ODOE received funding to pursue federal opportunities:
        - $4.7 million for the Grid Resilience State and Tribal Formula Grants (via the Bipartisan Infrastructure Law)
        - $500,000 for the development of Oregon's Comprehensive Climate Action Plan (via the Inflation Reduction Act)
    - Funding for irrigation modernization and water infrastructure projects.
- The Right to Repair (SB 1596)
    - Makes it easier for customers to choose their own providers to repair or maintain their personal electronics and home appliances. This bill includes solar panels and storage devices; however, it does not cover systems built on site.

## Oregon Bills of Interest That Failed to Pass

There were a handful of bills with direct and indirect impacts on Energy Trust and the broader clean energy industry that did not pass during this session.

**Revision to greenhouse gas emissions targets (SB 1559)**

- Would have revised the state's greenhouse gas reduction goals to be in line with the best available climate science and consistent with practices to limit global warming to 1.5° Celsius by achieving emissions levels 95% below 1990 levels by 2050, achieving net zero emissions by 2050 and maintaining net negative emissions thereafter.

**Clean Energy Technology Manufacturing (HB 4112)**

- Would have incentivized the development of the clean energy technology manufacturing industry in Oregon, including through the creation of a Clean Technology Leadership Advisory Council and a Clean Energy Technology Manufacturing Opportunity Fund with an initial investment of $20 million to award grants, make low-interest loans and other expenditures to clean energy technology companies. The bill would have set labor standards and also directed the Department of Administrative Services to seek federal and private investments to contribute to the fund (including, but not limited to, the federal Climate Pollution Reduction Grants and the Greenhouse Gas Reduction Fund).
- It defined the industry in a broad manner, including storage, space and water heat pumps and air conditioning, home appliances, electric vehicles and supporting

infrastructure, and hydrogen derived from renewable sources and non-emitting electricity.

**Renewable energy siting (HB 4090 A)**

- Would have removed state Energy Facility Siting Council (EFSC) jurisdiction for renewable energy or transmission projects sited entirely on federal lands and subject to required federal National Environmental Policy Act (NEPA) review.

**Wildfire liability (HB 4100)**

- Would have prohibited public utilities from recovering costs from customers that were incurred as a result of negligence or a higher degree of fault on the part of the utility, including criminal fines, civil fines, judgements or settlements where the utility was found liable.

## Washington State Bills of Interest

**HB 1185**

- This bill restricts the sale of mercury-containing lights starting January 1, 2029. It is similar to Oregon's HB 2531 passed in 2023; however, the Oregon sales restriction phases in on January 1, 2024, or January 1, 2025, depending on the bulb type. Like the Oregon version, the Washington State bill includes some exceptions for specialty bulbs. Violations to the prohibition can carry civil penalties.
- Signed into law by Governor Inslee.

**HB 1589**

- This bill allows the Washington Utilities and Transportation Commission to implement consolidated (electric combined with gas) planning for "large combination utilities" in order to improve planning results for timely and cost-effective decarbonization required under the implementation framework of the state's Clean Energy Transformation Act (CETA) and the Climate Commitment Act (CCA). As defined, this ruling would apply to the dual-fuel utility Puget Sound Energy. This bill is multi-faceted and ultimately requires large combination utilities to transition their gas customers away from natural gas.
- Signed into law by Governor Inslee.

**HB 2156**

- This bill establishes consumer protections for solar installations on residential and commercial properties. The bill includes a list of mandatory disclosures that a salesperson or contractor must make to a prospective solar customer and requires that anyone advertising or soliciting rooftop solar sales be employed by an electrical contractor licensed in Washington.
- Signed into law by Governor Inslee.

**SB 6058**

- This bill allows the Washington Department of Ecology to link Washington State's carbon market, established through the Climate Commitment Act (CCA) passed in 2021, with the carbon market shared by California and Quebec. Program rules will now need to be aligned across the three programs.

- The bill is not an alternative to Initiative 2117, which seeks to repeal the CCA and eliminate Washington's carbon market and will be on the November ballot.
- Signed into law by Governor Inslee.

## List of 2024 bills monitored by staff (as of March 29, 2024)

Note: Gray indicates bills that failed to pass in this session.

| Bill Number | Bill Summary | Bill Sponsor | Status |
|---|---|---|---|
| HB 4015 EN | Permits a developer of a facility or the governing body of a local government after consulting with the developer to elect to defer regulatory authority to the Energy Facility Siting Council for the siting of a battery energy storage system. | | Signed into law |
| HB 4029 INTRO | Requires the Housing and Community Services Department to study housing and to submit a report to the relevant interim committees of the Legislative Assembly no later than September 15, 2025. | | Failed |
| HB 4048 INTRO | Requires local governments to approve certain adjustments to land use regulations for housing development within urban growth boundaries. | Rep Boice; Rep Breese-Iverson; Rep Helfrich; Rep Javadi; Rep Wright (Presession filed) | Failed |
| HB 4050 INTRO | Provides factors upon which compensation differentials may be based for an employer to lawfully pay employees who perform work of comparable character at different compensation levels. | Rep Boshart Davis; Rep Cramer; Rep Elmer; Rep Levy E; Rep Pham H; Sen Bonham; Sen Meek; Sen Steiner; Sen Woods (Presession filed) | Failed |
| HB 4063 EN | Requires Metro counties to plan for the housing needs of Metro urban unincorporated lands. | | Awaiting Governor's signature |
| HB 4064 INTRO | Requires the Housing and Community Services Department to study housing and to submit a report to the relevant interim committees of the Legislative Assembly no later than September 15, 2025. | | Failed |
| HB 4065 INTRO | Authorizes cities and counties to adopt a program for awarding grants to developers of affordable housing and moderate income housing projects to finance certain costs associated with such housing projects. | | Failed |

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| HB 4080 EN | Declares a state policy to support engagement between offshore wind developers and impacted organizations, communities and tribes. | Rep Andersen; Rep Bowman; Rep Dexter; Rep Evans; Rep Fahey; Rep Gamba; Rep Gomberg; Rep Grayber; Rep Helm; Rep Holvey; Rep Hudson; Rep Kropf; Rep Levy E; Rep Lively; Rep Marsh; Rep Nguyen D; Rep Nguyen H; Rep Nosse; Rep Pham K; Rep Tran; Rep Walters; Rep Wright; Sen Campos; Sen Dembrow; Sen Frederick; Sen Gelser Blouin; Sen Golden; Sen Patterson; Sen Taylor (Presession filed) | Signed into law |
| HB 4083 EN | Directs the Oregon Investment Council and the State Treasurer to make efforts to eliminate certain investments in thermal coal companies. | Rep Andersen; Rep Bowman; Rep Bynum; Rep Chaichi; Rep Dexter; Rep Fahey; Rep Gamba; Rep Grayber; Rep Hartman; Rep Holvey; Rep Hudson; Rep Kropf; Rep Lively; Rep Marsh; Rep McLain; Rep Nelson; Rep Nguyen H; Rep Nosse; Rep Pham H; Rep Pham K; Rep Reynolds; Rep Ruiz; Rep Sosa; Rep Tran; Rep Valderrama; Rep Walters; Sen Campos; Sen Dembrow; Sen Gelser Blouin; Sen Golden; Sen Gorsek; Sen Jama; Sen Manning Jr; Sen Meek; Sen Patterson; Sen Sollman; Sen Steiner (Presession filed) | Awaiting Governor's signature |
| HB 4090 A | Prohibits the Energy Facility Siting Council from exercising jurisdiction over or requiring a site certificate for an energy facility that is a renewable energy facility or transmission line, is sited wholly within federal lands and is subject to review under the National Environmental Policy Act. | Rep Andersen; Rep Boice; Rep Fahey; Rep Gamba; Rep Helfrich; Rep Levy E; Rep Owens; Rep Smith G; Rep Wright; Sen Findley; Sen Meek; Sen Patterson; Sen Woods (Presession filed) | Failed |
| HB 4098 EN | Establishes the CHIPS Child Care Fund. | Rep Bowman; Rep Bynum; Rep Dexter; Rep Fahey; Rep Gamba; Rep Grayber; Rep Hartman; Rep Helm; Rep Holvey; Rep Hudson; Rep Kropf; Rep Levy E; Rep Lively; Rep Neron; Rep Nguyen D; Rep Nguyen H; Rep Nosse; Rep Pham H; Rep Pham K; Rep Reynolds; Rep Ruiz; Rep Smith G; Rep Sosa; Rep Tran; Rep Walters; Sen Campos; Sen Frederick; Sen Gelser Blouin; Sen Jama; Sen Meek; Sen Patterson; Sen Sollman; Sen Woods (Presession filed) (at the request of Family Forward Oregon) | Awaiting Governor's signature |

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| HB 4100 INTRO | Prohibits the recovery from customers of certain costs and expenses that a public utility incurs as a result of negligence or a higher degree of fault on the part of the public utility. | Rep Gamba; Rep Holvey; Sen Dembrow; Sen Golden (Presession filed) | Failed |
| HB 4112 A | Requires the Oregon Department of Administrative Services to adopt rules to govern procurements from clean energy technology manufacturing companies. | Rep Andersen; Rep Bynum; Rep Gamba; Rep Helm; Rep Hudson; Rep Levy E; Rep Nguyen D; Rep Pham H; Rep Ruiz; Rep Smith G; Rep Sosa; Sen Meek; Sen Sollman (Presession filed) | Failed |
| HB 4128 A | Appropriates moneys from the General Fund to the Oregon Business Development Department for deposit in the Special Public Works Fund. | Rep Boice; Rep Diehl; Rep Gomberg; Rep Hartman; Rep Helm; Rep Hudson; Rep Levy B; Rep McIntire; Rep Owens (Presession filed) | Failed |
| HB 4131 INTRO | Appropriates moneys from the General Fund to the Housing and Community Services Department for the purpose of making matching deposits into individual development accounts. | Rep Andersen; Rep Bowman; Rep Bynum; Rep Elmer; Rep Gamba; Rep Hartman; Rep Helm; Rep Hieb; Rep Hudson; Rep Javadi; Rep Levy E; Rep Lively; Rep Marsh; Rep Nelson; Rep Nguyen D; Rep Nguyen H; Rep Owens; Rep Pham H; Rep Pham K; Rep Reynolds; Rep Ruiz; Rep Scharf; Rep Walters; Sen Campos; Sen Dembrow; Sen Frederick; Sen Golden; Sen Gorsek; Sen Manning Jr; Sen Meek; Sen Patterson; Sen Sollman; Sen Weber (Presession filed) | Failed |
| HB 4134 EN | Requires the Oregon Department of Administrative Services and Oregon Business Development Department to provide grants to cities for specified infrastructure projects that will benefit housing developments that will make at least 30 percent of the dwelling units affordable to workforce income households. | Rep Andersen; Rep Boice; Rep Bowman; Rep Breese-Iverson; Rep Bynum; Rep Conrad; Rep Cramer; Rep Diehl; Rep Elmer; Rep Evans; Rep Fahey; Rep Gamba; Rep Gomberg; Rep Grayber; Rep Hartman; Rep Helfrich; Rep Hudson; Rep Javadi; Rep Kropf; Rep Levy B; Rep Levy E; Rep McLain; Rep Nelson; Rep Neron; Rep Nguyen H; Rep Owens; Rep Pham H; Rep Reschke; Rep Reynolds; Rep Scharf; Rep Smith G; Rep Wright; Rep Yunker; Sen Boquist; Sen Frederick; Sen Knopp; Sen Meek; Sen Patterson; Sen Smith DB (Presession filed) | Awaiting Governor's signature |

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| HB 4154 EN | Establishes the Semiconductor Talent Sustaining Fund and subaccounts of the fund. | Rep Bowman; Rep Bynum; Rep Dexter; Rep Diehl; Rep Elmer; Rep Fahey; Rep Gomberg; Rep Grayber; Rep Helm; Rep Hudson; Rep Javadi; Rep Kropf; Rep Levy B; Rep Levy E; Rep Lively; Rep Mannix; Rep McIntire; Rep Neron; Rep Nguyen D; Rep Nguyen H; Rep Osborne; Rep Pham H; Rep Reschke; Rep Reynolds; Rep Ruiz; Rep Sosa; Rep Tran; Rep Wallan; Rep Walters; Rep Wright; Sen Campos; Sen Dembrow; Sen Frederick; Sen Hansell; Sen Jama; Sen Knopp; Sen Meek; Sen Sollman; Sen Woods (Presession filed) | Awaiting Governor's signature |
| HB 4155 A | Directs the Oregon Business Development Department to study infrastructure financing in Oregon by considering and evaluating tools the state may use to have a positive effect on infrastructure and housing costs in Oregon. | Rep Andersen; Rep Bowman; Rep Bynum; Rep Chaichi; Rep Dexter; Rep Evans; Rep Gamba; Rep Walters; Sen Golden; Sen Jama (Presession filed) | Failed |
| HB 4158 A | Establishes the Home and Small Center Child Care Fund. Directs the Oregon Business Development Department to administer a grant program to provide financial assistance to child care facilities that serve a maximum of 75 children for the purpose of establishing or expanding child care infrastructure. | Rep Hieb; Rep Nguyen D; Rep Nguyen H; Rep Reynolds; Rep Ruiz; Rep Tran; Rep Walters; Sen Frederick; Sen Jama; Sen Meek; Sen Patterson (Presession filed) | Failed |
| HB 5201 EN | Modifies the recipient of revenues from a previously approved lottery bond. Modifies amounts authorized for issuance of general obligation bonds and revenue bonds for the biennium. | Ways and Means (J) | Awaiting Governor's signature |
| HB 5202 EN | Establishes and modifies the limits on payment of expenses from specified funds by certain state agencies for capital construction. | Ways and Means (J) | Awaiting Governor's signature |
| HB 5203 EN | Establishes biennial appropriations and expenditure limitations for ______ for biennium ending June 30, 2025. Modifies amounts allocated from the Administrative Services Economic Development Fund, Veterans' Services Fund, Criminal Fine Account and Oregon Marijuana Account to state agencies. | Ways and Means (J) | Awaiting Governor's signature |

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| HB 5204 EN | Establishes biennial appropriations and expenditure limitations for _______ for the biennium ending June 30, 2025. Appropriates moneys to, limits expenditures by and modifies expenditure limitations for specified state agencies and the Emergency Board. | Ways and Means (J) | Awaiting Governor's signature |
| HJR 202 INTRO | Proposes an amendment to the Oregon Constitution to require a majority of each house of the Legislative Assembly to be present to conduct business. | Rep Chaichi; Rep Gamba; Rep Gomberg; Rep Pham K; Sen Campos; Sen Dembrow; Sen Frederick; Sen Gelser Blouin; Sen Jama; Sen Manning Jr; Sen Meek; Sen Patterson; Sen Prozanski; Sen Woods (Presession filed) | Failed |
| SB 1501 EN | Modifies permissible purposes for amounts held in the Long-Term Rent Assistance Fund. | Ways and Means (J) | Awaiting Governor's signature |
| SB 1511 A | Directs the State Fire Marshal to establish a neighborhood protection cooperative grant program. | Presession filed (at the request of Senate Interim Committee on Natural Resources and Wildfire) | Failed |
| SB 1515 EN | Directs the Employment Department to collaborate with the Bureau of Labor and Industries to identify statutory changes that are needed to clarify, conform and de-duplicate provisions of Oregon Family Leave Act (FMLA) and Paid Leave Oregon (PLO). | Presession filed (at the request of Senate Interim Committee on Labor and Business) | Signed into law |
| SB 1525 EN | Extends the deadlines for certain reports by the State Department of Energy. | Presession filed (at the request of Senate Interim Committee on Energy and Environment) | Signed into law |
| SB 1528 INTRO | Authorizes cities and counties to adopt a program for awarding grants to developers of affordable housing and moderate income housing projects to finance certain costs associated with such housing projects. | Presession filed (at the request of Senate Interim Committee on Housing and Development) | Failed |
| SB 1529 EN | Requires the Housing and Community Services Department to study housing and to submit a report to the relevant interim committees of the Legislative Assembly no later than September 15, 2025. Amends the Oregon Health Authority residential air conditioner and air filter delivery program. | Presession filed (at the request of Senate Interim Committee on Housing and Development) | Awaiting Governor's signature |

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| SB 1530 EN | Appropriates moneys to and modifies expenditure limitations for the Housing and Community Services Department, Oregon Health Authority, Department of Human Services, State Department of Energy, Oregon Business Development Department, Department of Transportation, Water Resources Department and Oregon Department of Administrative Services for various programs. | Presession filed (at the request of Senate Interim Committee on Housing and Development) | Awaiting Governor's signature |
| SB 1537 EN | Requires the Department of Land Conservation and Development and the Department of Consumer and Business Services to jointly establish and administer the Housing Accountability and Production Office. | Presession filed (at the request of Governor Tina Kotek for Office of the Governor) | Awaiting Governor's signature |
| SB 1559 INTRO | Modifies state greenhouse gas emissions reduction goals. | Rep Andersen; Rep Chaichi; Rep Dexter; Rep Gamba; Rep Helm; Rep Holvey; Rep Nelson; Rep Neron; Rep Pham K; Rep Valderrama; Sen Campos; Sen Dembrow; Sen Frederick; Sen Gelser Blouin; Sen Golden; Sen Gorsek; Sen Jama; Sen Manning Jr; Sen Meek; Sen Patterson; Sen Prozanski; Sen Sollman; Sen Taylor; Sen Woods | Failed |
| SB 1564 EN | Requires the Land Conservation and Development Commission to adopt model ordinances for cities of different sizes to implement housing and urbanization requirements. | Rep Breese-Iverson; Rep Wright; Sen Anderson; Sen Knopp; Sen Smith DB | Awaiting Governor's signature |
| SB 1568 EN | Provides that, for the purpose of specifying the prevailing rate of wage for electrical workers, a locality is the geographical area within which each local union is the exclusive representative for the local union's membership, and the collective bargaining agreement is the collective bargaining agreement to which the local union is a party. | Rep Fahey; Rep Nosse; Sen Manning Jr; Sen Sollman | Signed into law |
| SB 1581 EN | Requires an investor-owned utility that sells more than two million megawatt hours of electricity in a calendar year to report to and inform the Legislative Assembly the activities, if any, of activities that the investor-owned utility has taken or is taking toward participating in a regional energy market. | Rep Boice; Rep Dexter; Rep Gamba; Rep Grayber; Rep Helm; Rep Hieb; Rep Lively; Rep Marsh; Rep Nathanson; Rep Nelson; Rep Neron; Rep Nosse; Rep Owens; Sen Campos; Sen Dembrow; Sen Frederick; Sen Golden; Sen Gorsek; Sen Jama; Sen Lieber; Sen Manning Jr; Sen Meek; Sen Patterson; Sen | Signed into law |

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| | | President Wagner; Sen Smith DB; Sen Taylor; Sen Woods | |
| SB 1596 EN | Requires an original equipment manufacturer to make available to an owner of consumer electronic equipment or an independent repair provider on fair and reasonable terms any documentation, tool, part or other device or implement that the original equipment manufacturer makes available to an authorized service provider for the purpose of diagnosing, maintaining or repairing consumer electronic equipment. | Rep Andersen; Rep Bowman; Rep Bynum; Rep Chaichi; Rep Dexter; Rep Fahey; Rep Gamba; Rep Gomberg; Rep Grayber; Rep Hartman; Rep Helm; Rep Holvey; Rep Hudson; Rep Javadi; Rep Kropf; Rep Levy E; Rep Lively; Rep Mannix; Rep Marsh; Rep McLain; Rep Nathanson; Rep Nelson; Rep Neron; Rep Nguyen D; Rep Nguyen H; Rep Nosse; Rep Pham H; Rep Pham K; Rep Reynolds; Rep Ruiz; Rep Sanchez; Rep Smith G; Rep Sosa; Rep Tran; Rep Valderrama; Rep Walters; Rep Wright; Sen Campos; Sen Dembrow; Sen Frederick; Sen Gelser Blouin; Sen Golden; Sen Gorsek; Sen Jama; Sen Lieber; Sen Manning Jr; Sen Meek; Sen Patterson; Sen President Wagner; Sen Prozanski; Sen Sollman; Sen Steiner; Sen Taylor; Sen Thatcher; Sen Woods | Signed into law |
| SB 5701 EN | Appropriates moneys from the General Fund to specified state agencies and the Emergency Board for biennial expenses. | Ways and Means (J) | Awaiting Governor's signature |
| SB 5702 EN | Approves certain new or increased fees adopted by state agencies. | Ways and Means (J) | Awaiting Governor's signature |

# Tab 3

# Compensation and Human Resources Committee Meeting Minutes

February 27, 2024, 1:00 p.m.- 2:30 p.m.

**Committee Members Attending by teleconference:** Eric Hayes, Henry Lorenzen, Bill Tovey

**Committee Members Absent:** Ellsworth Lang

**Staff attending:** Amanda Sales (Staff Liaison), Michael Colgrove, Debbie Menashe, Danielle Rhodes, Jason Rieke

**Others in attendance:** Ryan Christiansen (Cable Hill Partners), Nicolas Running (Principal Financial), Tonya Hirte (Principal Partners), Sherry Tran (Alliance Compensation), Jim Harvey (Alliance Compensation)

Eric Hayes called the meeting to order at 1:00 p.m.

## Fiduciary Retirement Plan Review

Ryan Christensen continued the discussion on Energy Trust's stable value or fixed return fund. Money market funds are affected by interest rates, and a stable value fund is not flexible. Given the interest rate environment (an interest rate inversion), short term returns are high because interest rates are higher, but longer-term stable value or fixed fund do not react quickly as they are fixed based on the lower interest rate environment of the past.

Ryan and Cable Hill monitor the context and market thinking on direction of interest rates, and while there are indicators that interest rates are heading down, the timeline is not clear.

Energy Trust has a stable fund option available to participants in its plan. The stable fund option is included in the Retireview portfolio as well, so most Energy Trust plan participants are invested in this fund option. Because its return is lower than current returns for other money markets, Ryan and committee members discussed options to move to a fund paying at a higher fixed return rate. The fund at issue is the Principal Fixed Income Guaranteed Option (PFIGO). Principal now has an updated fixed income option fund, but there are exit adjustments to move funds to the newer fund. These types of funds have several terms and requirements, and Ryan advised the committee of these. Ryan explained various options and the benefits and concerns associated with all of them. The committee discussed a number of alternatives for supporting a better approach for participant investments in these kinds of fund options.

After detailed discussions on feasible options, the committee, acting in their fiduciary capacity and as advised by Cable Hill Partners, decided to authorize a new vintage Principal fixed rate fund option which would be a default for new investment. The plan also would add a short-term treasury bond fund as an option for participants to invest in, potentially from their PFIGO. This short-term bond fund would have a higher return than the PFIGO.

Committee members then asked about how to provide information to plan participants on these changes. There will be information and education meetings set up following notification to the Principal to start the process. Ryan noted that there will be education sessions and even 1:1s with participants, whatever works well for the employee.

Nicholas then updated the committee on the education session in January, and noted there were 45 attendees. There is another meeting set for Tuesday, April 23rd, and the committee noted that the April meeting could be a great opportunity to explain the fixed account change.

Ryan then summarized plan financial performance reports, noting that only one fund, a Vanguard socially responsible fund, is on watch and is showing improvements of scoring better than in the past. Ryan expects that it will be removed from the watchlist soon.

Tonya Hirte of The Principal reported on some changes in the way in which The Principal aligns age groups for Retireview investing. Tonya then reporting on plan health, which remains high.

## Executive Director Market Compensation Analysis Review

The committee met with Jim Harvey and Sherry Tran with Alliance Compensation to discuss market information regarding executive director compensation. This report is for consideration by the Nominating & Governance Committee in their performance review for Michael Colgrove, Executive Director.

The committee discussed the information prepared in the report, noting that the recommendation contained in the report will be considered by the Nominating & Governance Committee. The committee thanked Alliance Compensation and Director of People Services for their work in preparing the report.

## Adjourn meeting.

Eric Hayes adjourned the meeting at approximately 2:24 p.m.

**The date of next meeting of the Compensation Committee is set for March 26, 2024, at 1:00 p.m.**

# Tab 4

# Finance & Audit Committee Meeting Minutes

February 29, 2024, at 3 p.m.

**Committee Members Attending by Teleconference:** Thelma Fleming, Henry Lorenzen, Silvia Tanner, Peter Therkelsen, Karen Ward

**Committee Member Absent:** Anne Root

**Staff Attending by Teleconference:** Melanie Bisonette, Amber Cole, Michael Colgrove, Chris Dunning (Staff Liaison), Marshall Johson, Scott Leonard, Cameron Matthews, Debbie Menashe, Danielle Rhodes, Lizzie Rubado, Michelle Spampinato, Abby Spegman, Robert Wylie

Thelma Fleming convened the meeting at 3:03 p.m.

## Multiyear Planning Update

Melanie Bissonette provided the committee with an update on multi-year planning. Strategic Plan development will occur throughout the rest of 2024, as will 2025 business planning and budget development. 2024 multiyear planning work will include Phase 1 of the multi-year savings assessment along with the multiyear plan process design. In 2025 the 2026-2030 multiyear plan will be developed, including phase 2 of the multiyear savings assessment.

The 2026-2030 multiyear plan will involve a 5-year business plan, 5-year workforce plan, as well as a 5-year financial plan.

During the multiyear savings assessment process, the planning team has been able to establish an approach to set savings targets as well as holding kickoff meetings with gas and electric utility partners and created a strategy and savings tracker. The next steps will be to continue brainstorming program strategics and collecting input from utilities and ways to further collaborate.

During the multiyear plan process design project, the team has outlined main components of the multiyear plan, as well as drafting top-down analytical methodology for the financial plan and outlining information and data needs for the multiyear plan. The next steps will be to finalize the analytical methodology that is in process, as well as diving into the application of the rolling budget process.

Melanie outlined many of the stakeholder engagement meetings on this new timeline, including meetings with utilities and the OPUC in January, as well as the advisory councils. In March, staff will be meeting with CUB and the NW Energy Coalition, and meet again with advisory councils, utilities and OPUC.

Henry inquired if the multiyear plan would smooth out the traditional year end spikes that have made it difficult to determine performance during the year until the end. Chris noted that in the first years we will be building infrastructure and momentum, and we may see savings achievement and expenditures “spike” in the outer years. Chris also noted that the five-year plan will be static, but budget planning will aim to be built out with two-year plans with assessments every six months that will allow for checking in as to the metrics that need to be met by each period. Mike notes this will also integrate with assessing our strategic plan and assessing the future needs that are unfolding.

Peter is thankful there will be interim target assessments, as being able to assess capacity of trade allies and organizational goals to meet those metrics will be necessary and is curious as to what guidance OPUC has provided on those. Mike mentioned that those have not yet been created or presented to OPUC, and there will be deeper conversation on how oversight will integrate over a multiyear period.

The “hockey stick” reports of large shifts in figures have traditionally existed due to identifying savings and contractors needed and then in the last portions of the year, implementing those programs. Because of the challenges coming in needing to accelerate and expand savings, a multiyear plan becomes a system level plan in which identifying and acquiring capacity will occur with earlier investments that will be returned in later years to materialize the savings acquisitions needed.

Marshall added that residential projects come through a short cycle and are influenced by market trends, and that our contracting structure establishes performance expectations that drive our program management contractors to close projects that are within our multiyear time horizons. In multiyear planning framework, we would be able to make more standard incentives available based on timelines, and programs are still considering strategies to achieve project closure, and how to be creative with incentive structure.

Peter mentioned he is supportive of the multiyear planning process, and for large CNI this will be helpful.

## Residential PMC and PDC Contract Extensions

Marshall Johnson introduced himself as Senior Program Manager, joined by Scott Leonard, residential program manager. Debbie Menashe referred the committee to a briefing paper covering three program delivery contracts within our residential program with CLEAResult and TRC Engineers. The original contracts were for 2 years, set to expire at the end of December 31, 2024, with options for renewals of 1 year up to three years each. Staff is recommending that CLEAResult as a PMC for residential and as a PDC for midstream residential services, and TRC Engineers as a PDC be granted full extensions of those contracts for 3 years until December 31, 2027.

The residential team would perform annual evaluations of all three contracts, maintaining the ability to cease the contract in the event of performance under-delivery. Many of Energy Trust’s contract renewals are headed in this direction to better integrate with project delivery over time.

Scott detailed the three contracts: CLEAResult is the lead program management contractor for the residential sector and manages marketing and measure development for the entirety of the residential sector. The TRC Engineers contract is a program delivery contract for residential new construction called EPS new construction for Oregon and southwest Washington. CLEAResult also manages a smaller program delivery contract that focuses on midstream delivery options for distributors, retailers, and DIY applications.

All three contracts have extension criteria, which are called out in Exhibit C of each contract, which is evaluated each year and assesses savings goals, new measures, and collaboration. All three of these contractors have met their extension criteria.

Secondly, each contractor has long term relations with stakeholders, trade allies, and other contractors and losing momentum in relationship building can be problematic during multiyear projects. Thirdly, these contractors have met supplier diversity metrics in ensuring that 20% of the contract value is paid through COBID certified contractors, and changing prime contractors could reduce the ability to meet and/or exceed supplier diversity metrics. Debbie added that the legal and contracts group is developing a strong supplier diversity support system, and smaller contractors working with our PMCs and PDCs to build skills and understanding of our programs for future contracts.

Peter asked about the April evaluation report on new homes construction and the 18% realization rate and what changes have been made. Scott noted that staff assessed that impact evaluation and aligned it with the measure development cycle and is also updating baseline delivery targets to meet new Oregon codes. This is in process and staff hopes to complete this by June for 2025 implementation. Scott also noted that some of the evaluation report metrics were not the fault of contractors, and the models needed calibration to provide better delivery results. Peter asked if TRC's contract notes a change to the model that reduces reportable savings, and Scott noted that there will be a new budget based on what is available for energy savings – the overall contract structure will not change; however, the 2025 program redesign will shift their delivery budget.

Henry requested the committee receive reports on the progress of these contracts at their yearly assessment marks to for the board and committee to be informed on delivery results, as well as be informed of program shifts that will allow contractors to meet their metrics. Debbie also stated that these contracts provide for termination by convenience and that there are no penalties for termination in this case. Scott added that three-year extensions will provide greater certainty for not only our contractors, but sub-contractors as well.

Silvia asked why we do not have five-year contract options, and Debbie mentioned that this is being explored by many programs' teams, and the new buildings program has released an RFP for a five-year contract.

Silvia also asked how we are paying attention to the relationships between our PDCs, PMCs and other contractors. Marshall notes that there is a residential process evaluation that will begin later this year, which will include formal evaluations with CBOs, trade allies, and contractors to evaluate the efficacy of the program. Marshall also noted this will also help assess how PMCs meet delivery metrics, but also how they coach subtractors to be prepared to deliver services for Energy Trust. Having continuity in the contract structure will help bring a better return on investment. Peter also expressed support for oversight and assessment should the contracts be extended to three years.

The committee agreed that pending language that allowed for annual oversight and assessment, presenting the three-year contract extensions to the board in April is approved.

## InnDev Updates

Robert Wylie from the Innovation and Development team presented the quarter funding opportunity report.

Robert provided an update on the Solar for All funding, which is funded by the EPA Greenhouse Gas Reduction Fund. Energy Trust has submitted a proposal and will be hearing any day as to its status. We partnered with ODOE (with Energy Trust as a subrecipient) on a $139 million grant application to EPA to expand rooftop and community solar programs for low-income customers statewide. InnDev, Solar, and other relevant staff are in early-stage prep for Solar for All implementation.

InnDev is also gathering requirements internally and assessing the capacity to engage with the Federal Home Energy and Electrification Rebates (HOMES & HEAR). ODOE has expressed interest in Energy Trust implementing HOMES & HEAR funding in IOU territory, which will be a $113 million grant with a 10-year period of performance. ODOE hopes to launch some of the rebates in 2024. InnDev continues close coordination with ODOE (who will apply for these funds for Oregon) to understand the requirements for these programs and advise the state on how to align requirements and braid funds with existing programs. There is an internal assessment underway to determine requirements and timing to implement these programs within IOU territory.

For the Portland Clean Energy Fund's Single Family Strategic Program, Energy Trust is considering pursuing a role in the administration and delivery of the Single-Family strategic program and is assessing the feasibility and value ahead of the RFP release in March or April of 2024. We are engaged with PCEF staff on our co-funding strategy for residential customers and workforce development and coordinated marketing and communication.

We have submitted a proposal for the ODOE Community Heat Pump program and are awaiting a response. The ODOE Community Heat Pump program provides financial assistance for the purchase and installation of heat pumps and related upgrades. Energy Trust has partnered with several CBO entities on applications for the following regions: Southern Oregon, South Coast, and Northeast Oregon.

In 2022, Energy Trust applied for FEMA funding through the OR Department of Emergency Management (OEM) to provide technical assistance with planning for community solar and storage microgrid facilities in underserved areas. Energy Trust staff are negotiating with OEM on an updated budget and implementation timeline ahead of contracting, which is forecasted for Q3 2024.

ODOE and DEQ have proposed a $10 million allocation to Energy Trust for residential weatherization and res/multifamily new construction, which would be used to co-fund projects in IOU territory. These are EPA Climate Pollution Reduction Grants, and InnDev is currently assessing the grant process, as proposals are due April 1st.

Robert discussed the Greenhouse Gas Reduction Fund/National Clean Investment Fund and Clean Communities Investment Accelerator. We are working with state and regional stakeholders to understand needs and priorities for financing for clean energy, transportation electrification and other GHG-reducing projects. InnDev co-convened a stakeholder workshop in August 2023 and supplied information about Oregon's pipeline of potential projects. Applications for national administrators were submitted October 12, 2023, and we expect awardees to be announced in Q2 2024.

The Oregon DEQ Climate Protection Program (CPP) has been delayed. Seeding Justice was selected to administer the Community Climate Investment Funds in DEQ's Climate Protection Program (CPP). However, implementation of the CPP was delayed by a recent court ruling. DEQ will redo its rulemaking process and issue a new procurement for CCI entities. Rulemaking is expected to be completed at the end of 2024.

Energy Trust is supporting The Confederated Tribes of the Grande Ronde (CTGR) on an application for the EPA Community Change Grant, focusing on installing solar and storage on homes and buildings owned by the tribe and several new community facilities.

An RFP is open for the Oregon Health Authority Healthy Homes Program, and applications are due April 9, 2024. Staff are engaged with and supporting CBOs interested in this funding, which aims to improve the health and safety, energy efficiency and usable life of homes occupied by historically underserved communities. Energy Trust is not planning to lead an application for this program.

We are also awaiting a notice of funding opportunity for a second round of applications for the USDOE's Renew America's Schools program to open in Q1 or Q2 2024. Energy Trust and program staff are engaged with interested school districts and are preparing to provide grant application support.

Lizzie noted that none of these programs are ready to be launched and will be forthcoming in late 2024 and 2025. The staffing impacts for each of these will vary due to funding and the nature of our involvement, but because all the programs include new revenue, this will increase capacity. Solar for All could increase staffing needs by seven program staff. InnDev has been working closely with operations, finance, IT, and relevant programs teams to prepare for timelines and cost controls.

Chris added that we are also exploring foundational changes to our chart of accounts to provide reporting to funders and allocations to improve reporting metrics. Silvia asked if we are leveraging funding and resources to work we already do, and Lizzie noted that yes, for all our opportunities, we are leveraging infrastructure and ratepayer funding and assessing alignment with our core work. All these programs will bring in resources that will be able to braid incentives to customers we already serve. All these programs are focused on underserved environmental justice communities, and we are in discussions with OPUC staff to discuss leveraging principles.

Lizzie provided an update on the HOMES and HEAR program as we have been invited to be a sub recipient by ODOE for our state's application to the federal government on their energy rebate funding. This will be a positive way to more efficiently serve the customers who are the focus on these two programs, such as low-income multifamily customers and single-family homeowners and tenants. This is also a beneficial way to ensure there is strong coordination and alignment with federal funding and existing infrastructure in our own programs, as well as minimizing confusion in the marketplace for customers and contractors. There will be full communication on the status of this to the full board next week. Staff is also developing a staffing plan for this program.

Henry asked if we plan to do work on the HOMES and HEAR program in house, and Lizzie notes this will have a different program structure in which Energy Trust will be able to integrate it into existing offerings without having to stand up a new branded program to support. We will use a similar model that we do with contracts for other PMCs and PDCs.

## 2023 Financial Results

Chris provided a high-level report on 2023 Budget to Actuals as well as 2024-2025 projects. We began 2023 with more in reserves than expected and ended with $5.3 million more in reserves than expected. We did receive more revenue than expected in 2023 of $12 million, and we have had an increase of $2.9 million in investment income, as we are earning 3.75% from our excess cash. We came in under budget by $654,000 on a total expense basis, and there are quite a few variances driving this. One of those is incentives, and we have made incentive and program adjustments that took hold toward the end of the year and drove figures for the last few months of the year. We had a few expense categories come in significantly under budget, and in some cases under our Q3 expectations. Our delivery costs ended up coming in 5% under budget, planning and evaluation coming in at half of budget, and other professional services coming in well under budget.

Incentives were running higher than expected, which caused concern about revenues that had been negotiated with PGE and PAC. However, the under-budget figures for expenses, leading to a less shortfall in revenue than expected. For PGE, it ended up at $606,000 and for PAC, it landed at $680,000. Chris noted we did return to utilities to request an increase in revenue. PacificCorp agreed to raising revenues and that has been included in their tariff filing, and PGE did not agree to increase revenues by $606,000. OPUC staff also had some concerns, and staff will be examining forecasting to address this with OPUC and utilities. Given these factors, we will be looking at a PGE program reserve of 1.5% compared to our target of 2%.

## Adjourn Meeting

Thelma Fleming adjourned the meeting at 5:04 p.m.

**Next meeting is April 4th at 3 p.m.**

Report of Independent Auditors
and Financial Statements

**Energy Trust of Oregon, Inc.**

December 31, 2023 and 2022

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# Report of Independent Auditors

The Board of Directors
Energy Trust of Oregon, Inc.

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Energy Trust of Oregon, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Energy Trust of Oregon, Inc., as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Energy Trust of Oregon, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Energy Trust of Oregon, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Energy Trust of Oregon, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Energy Trust of Oregon, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Moss Adams LLP

Portland, Oregon
April 2, 2024

# Financial Statements

# Energy Trust of Oregon, Inc.
## Statements of Financial Position
## December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 120,487,305 | $ 113,276,676 |
| Other receivables | 473,768 | 218,587 |
| Notes receivable, net of allowance | 1,288,151 | 1,282,331 |
| Advances paid to contractor | 2,230,377 | 2,035,297 |
| Prepaid expenses | 577,633 | 580,131 |
| Property and equipment, net | 416,632 | 660,287 |
| Right of use lease asset - operating | 1,534,640 | 2,350,647 |
| Other assets | 1,511,998 | 1,478,013 |
| Total assets | $ 128,520,504 | $ 121,881,969 |
| **LIABILITIES AND NET ASSETS** | | |
| LIABILITIES | | |
| Accounts payable and accrued expenses | $ 36,131,569 | $ 25,344,637 |
| Accrued payroll and related expenses | 2,088,322 | 2,183,757 |
| Deferred revenue | 1,532,447 | 1,858,825 |
| Lease liability - operating | 2,123,041 | 3,184,561 |
| Total liabilities | 41,875,379 | 32,571,780 |
| COMMITMENTS AND CONTINGENCIES (NOTE 11) | | |
| NET ASSETS | | |
| Without donor restrictions | | |
| Undesignated | 75,857,471 | 78,969,922 |
| Designated | 10,787,654 | 10,340,267 |
| Total net assets | 86,645,125 | 89,310,189 |
| Total liabilities and net assets | $ 128,520,504 | $ 121,881,969 |

See accompanying notes.

# Energy Trust of Oregon, Inc.
## Statements of Activities
## Years Ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| Funding revenue | | |
| OPUC grant agreement | $ 214,839,674 | $ 202,296,131 |
| NW Natural for Washington | 3,160,185 | 3,150,874 |
| Contracts and grants | 1,469,565 | 1,309,626 |
| Other revenue | 19,449 | - |
| Total funding revenue | 219,488,873 | 206,756,631 |
| Interest income and investment returns | | |
| Interest and dividend income, net of amortization | 3,210,718 | 406,363 |
| Interest on notes receivable | 13,000 | 13,750 |
| Unrealized gain (loss) on deferred compensation assets | (197) | 233 |
| Total interest income and investment returns | 3,223,521 | 420,346 |
| Total revenues | 222,712,394 | 207,176,977 |
| Expenses | | |
| Program expenses | | |
| OPUC energy efficiency programs | 191,770,139 | 149,270,003 |
| OPUC renewable resources programs | 16,461,115 | 18,033,094 |
| Washington program | 2,804,206 | 3,116,023 |
| Contracts and grants | 1,379,507 | 849,216 |
| Total program expenses | 212,414,967 | 171,268,336 |
| Administrative expenses | | |
| Management and general | 7,417,386 | 6,256,678 |
| Communication and general outreach | 5,309,649 | 4,704,999 |
| Total administrative expenses | 12,727,035 | 10,961,677 |
| Fund development expenses | 235,456 | 20,574 |
| Total expenses | 225,377,458 | 182,250,587 |
| CHANGE IN NET ASSETS | (2,665,064) | 24,926,390 |
| NET ASSETS, beginning of year | 89,310,189 | 64,383,799 |
| NET ASSETS, end of year | $ 86,645,125 | $ 89,310,189 |

See accompanying notes.

# Energy Trust of Oregon, Inc.
## Statement of Functional Expenses
## Year Ended December 31, 2023

| | OPUC Energy Efficiency Programs | OPUC Renewable Resources Programs | Washington Program | Contracts and Grants | Total Program Expenses | Management and General | Communication and General Outreach | Total Administrative Expenses | Fund Development | Total Expenses |
|---|---|---|---|---|---|---|---|---|---|---|
| EXPENSES | | | | | | | | | | |
| Incentives | $ 110,834,095 | $ 10,773,561 | $ 1,318,194 | $ 196,745 | $ 123,122,595 | $ - | $ - | $ - | $ - | $ 123,122,595 |
| Program delivery subcontracts | 64,869,202 | 1,562,755 | 905,830 | 96,949 | 67,434,736 | - | - | - | - | 67,434,736 |
| Employee salaries and fringe benefits | 8,437,091 | 2,466,713 | 412,281 | 690,442 | 12,006,527 | 5,423,371 | 3,327,500 | 8,750,871 | 214,441 | 20,971,839 |
| Agency contractor services | 237,153 | 140,750 | 6,016 | 83,000 | 466,919 | 571,473 | 14,951 | 586,424 | 771 | 1,054,114 |
| Planning and evaluation services | 2,025,059 | 13,469 | 17,786 | 1,373 | 2,057,687 | 981 | 12,160 | 13,141 | - | 2,070,828 |
| Advertising and marketing services | 1,880,719 | 263,554 | 203 | 29,784 | 2,174,260 | - | 1,420,918 | 1,420,918 | - | 3,595,178 |
| Other professional services | 2,128,538 | 705,200 | 37,192 | 199,100 | 3,070,030 | 775,140 | 98,378 | 873,518 | 1,317 | 3,944,865 |
| Travel, meetings, trainings, and conferences | 139,516 | 47,394 | 7,285 | 3,027 | 197,222 | 124,314 | 85,077 | 209,391 | 891 | 407,504 |
| Dues, licenses, and fees | 94,258 | 11,845 | 60,230 | 675 | 167,008 | 21,665 | 45,331 | 66,996 | 3 | 234,007 |
| Software and hardware | 459,650 | 297,287 | 10,471 | 21,414 | 788,822 | 131,520 | 82,816 | 214,336 | 4,180 | 1,007,338 |
| Depreciation and amortization | 184,515 | 32,127 | 5,109 | 10,353 | 232,104 | 67,106 | 42,081 | 109,187 | 2,198 | 343,489 |
| Office rent and equipment | 444,067 | 138,530 | 22,347 | 44,142 | 649,086 | 268,650 | 168,796 | 437,446 | 8,681 | 1,095,213 |
| Materials, postage, and telephone | 25,550 | 7,930 | 1,262 | 2,503 | 37,245 | 21,999 | 11,641 | 33,640 | 2,974 | 73,859 |
| Miscellaneous expenses | 10,726 | - | - | - | 10,726 | 11,167 | - | 11,167 | - | 21,893 |
| Total expenses | $ 191,770,139 | $ 16,461,115 | $ 2,804,206 | $ 1,379,507 | $ 212,414,967 | $ 7,417,386 | $ 5,309,649 | $ 12,727,035 | $ 235,456 | $ 225,377,458 |

See accompanying notes.

# Energy Trust of Oregon, Inc.
## Statement of Functional Expenses
## Year Ended December 31, 2022

| | OPUC Energy Efficiency Programs | OPUC Renewable Resources Programs | Washington Program | Contracts and Grants | Total Program Expenses | Management and General | Communication and General Outreach | Total Administrative Expenses | Fund Development | Total Expenses |
|---|---|---|---|---|---|---|---|---|---|---|
| EXPENSES | | | | | | | | | | |
| Incentives | $ 79,099,765 | $ 12,854,120 | $ 1,956,939 | $ 141,764 | $ 94,052,588 | $ - | $ - | $ - | $ - | $ 94,052,588 |
| Program delivery subcontracts | 54,511,533 | 754,866 | 703,349 | 105,515 | 56,075,263 | - | - | - | - | 56,075,263 |
| Employee salaries and fringe benefits | 7,540,335 | 2,038,255 | 290,468 | 427,159 | 10,296,217 | 4,754,054 | 2,767,644 | 7,521,698 | 20,574 | 17,838,489 |
| Agency contractor services | 620,828 | 292,074 | 4,895 | 85,938 | 1,003,735 | 303,385 | 109,643 | 413,028 | - | 1,416,763 |
| Planning and evaluation services | 3,127,604 | 94,490 | 22,869 | - | 3,244,963 | 1,204 | 33,702 | 34,906 | - | 3,279,869 |
| Advertising and marketing services | 1,522,400 | 252,435 | 2,500 | 833 | 1,778,168 | 1,000 | 1,347,468 | 1,348,468 | - | 3,126,636 |
| Other professional services | 1,787,616 | 1,225,209 | 42,714 | 34,862 | 3,090,401 | 664,470 | 94,918 | 759,388 | - | 3,849,789 |
| Travel, meetings, trainings, and conferences | 79,576 | 27,600 | 4,035 | 3,597 | 114,808 | 45,074 | 45,359 | 90,433 | - | 205,241 |
| Dues, licenses, and fees | 119,105 | 18,180 | 60,809 | 28 | 198,122 | 31,185 | 40,193 | 71,378 | - | 269,500 |
| Software and hardware | 173,406 | 296,873 | 4,963 | 9,546 | 484,788 | 80,742 | 48,719 | 129,461 | - | 614,249 |
| Depreciation and amortization | 152,532 | 38,742 | 4,972 | 8,842 | 205,088 | 84,488 | 50,678 | 135,166 | - | 340,254 |
| Office rent and equipment | 499,103 | 133,603 | 16,665 | 29,629 | 679,000 | 260,412 | 156,773 | 417,185 | - | 1,096,185 |
| Materials, postage, and telephone | 27,992 | 6,647 | 845 | 1,503 | 36,987 | 20,693 | 9,902 | 30,595 | - | 67,582 |
| Miscellaneous expenses | 8,208 | - | - | - | 8,208 | 9,971 | - | 9,971 | - | 18,179 |
| Total expenses | $ 149,270,003 | $ 18,033,094 | $ 3,116,023 | $ 849,216 | $ 171,268,336 | $ 6,256,678 | $ 4,704,999 | $ 10,961,677 | $ 20,574 | $ 182,250,587 |

See accompanying notes.

# Energy Trust of Oregon, Inc.
## Statements of Cash Flows
## Years Ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from OPUC grant agreement | $ 214,839,674 | $ 202,296,131 |
| Cash received from NW Natural for Washington | 3,160,185 | 3,150,874 |
| Interest received | 3,223,718 | 420,113 |
| Cash received from other sources | 1,489,014 | 1,309,626 |
| Cash paid to contractors, suppliers, and employees | (215,312,955) | (169,026,513) |
| Net cash from operating activities | 7,399,636 | 38,150,231 |
| CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES | | |
| Acquisition of property and equipment | (189,007) | (348,990) |
| Net cash (used in) from investing activities | (189,007) | (348,990) |
| INCREASE IN CASH AND CASH EQUIVALENTS | 7,210,629 | 37,801,241 |
| CASH AND CASH EQUIVALENTS, beginning of year | 113,276,676 | 75,475,435 |
| CASH AND CASH EQUIVALENTS, end of year | $ 120,487,305 | $ 113,276,676 |
| RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES | | |
| Increase (decrease) in net assets | $ (2,665,064) | $ 24,926,390 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation and amortization | 343,489 | 340,254 |
| Noncash operating lease expense | 816,007 | - |
| Loss on disposal of property and equipment | 89,173 | - |
| Unrealized gain on deferred compensation assets | 197 | (233) |
| Allowance for notes receivable | (5,820) | - |
| Net changes in | | |
| Other receivables | (255,181) | 3,738,535 |
| Advances paid to contractor | (195,080) | 136,371 |
| Prepaid expenses | 2,498 | (118,763) |
| Other assets | (34,182) | 262,023 |
| Accounts payable and accrued expenses | 10,786,932 | 7,488,386 |
| Accrued payroll and related expenses | (95,435) | (268,489) |
| Right of use lease asset | - | (2,350,647) |
| Right of use lease liability | (1,061,520) | 3,184,561 |
| Deferred revenue | (326,378) | 1,858,825 |
| Deferred rent liability | - | (1,046,982) |
| Net cash from operating activities | $ 7,399,636 | $ 38,150,231 |

See accompanying notes.

**Note 1 – Organization**

Energy Trust of Oregon, Inc. (Energy Trust), a nonprofit 501(c)(3) organization, began collecting public purpose revenues in 2001. By the terms of its grant agreement with the Oregon Public Utility Commission (OPUC), it is charged with investing in cost-effective energy conservation, funding above-market costs of small-scale renewable energy resources, and encouraging energy efficiency market transformation efforts in Oregon.

All Energy Trust funds originally came from a 1999 energy restructuring law which required Oregon's two largest investor-owned electric utilities, Portland General Electric (PGE) and Pacific Power, to collect a three percent public purpose charge (PPC) from their customers. Energy Trust launched its electric energy efficiency and renewable energy programs in 2002 for the benefit of PGE and Pacific Power customers.

In 2007, the PPC legislation was amended to allow electric utilities to increase rates for retail electricity customers of less than one average megawatt for amounts necessary to pursue additional cost-effective energy conservation opportunities not reachable with PPC funds only. This additional tariff-based funding was used for conservation efforts in addition to activity funded by the PPC charge, but it was not available to serve some larger commercial and industrial customers. In 2021, the Oregon Legislature extended and modernized the PPC legislation, by (i) updating and expanding the public purposes for PPC funding to include support for renewable energy to low- and moderate-income customers and "distribution system-connected technologies," primarily solar installation battery storage; and (ii) moving the entire funding mechanism for conservation programs from PPC to utility tariffs approved by the OPUC.

In addition to its electric energy efficiency work, Energy Trust administers natural gas conservation programs for residential and commercial customers of NW Natural. Under the terms of the 2003 agreement with the OPUC, NW Natural collects and transfers to Energy Trust a surcharge of the total monthly amount billed to non-industrial customers. Energy Trust uses these funds for energy efficiency efforts to benefit NW Natural's Oregon residential and commercial customers. In 2009, Energy Trust began administering energy efficiency programs for qualified industrial customers of NW Natural.

In 2006 and 2017, respectively, Energy Trust began administering natural gas conservation programs for residential and commercial customers of Cascade Natural Gas Corporation-Oregon and Avista Oregon, each under similar public purpose charge funding agreements. In 2009, Energy Trust began serving NW Natural customers in Southwest Washington as well.

Current PPC funding is set to expire January 1, 2036, and electric and natural gas energy efficiency tariffs do not have a legislatively required sunset.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of accounting** – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Basis of presentation** – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor-imposed stipulations. The Board of Directors has designated, from net assets without donor restrictions, amounts for various purposes. These designations can be released at any time with Board approval. See Note 8.

*Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Energy Trust and/or the passage of time. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Also included in this category are net assets subject to donor-imposed stipulations which must be maintained in perpetuity by Energy Trust. Generally, the donors of these assets permit the use of all, or part of the income earned on any related investments for general or specific purposes. There were no net assets under this category as of December 31, 2023 or 2022.

**Concentrations of credit risk** – Energy Trust's cash and cash equivalents may subject Energy Trust to concentrations of credit risk, as the fair value of securities is dependent on the ability of the issuer to honor its contractual commitments. Energy Trust's noninterest-bearing cash balances may exceed federally insured limits of $250,000 per account. Energy Trust has not experienced any losses in such accounts to date.

**Cash and cash equivalents** – For purposes of financial statement classification, Energy Trust considers all unrestricted, highly-liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

**Interest income and investment returns** – Interest income is recognized from notes receivable and from funds available on demand that are held with Umpqua Bank and First Interstate Bank. Investments are measured at fair value in the statements of financial position. Investment return includes realized and unrealized gains and losses, interest and dividends, net of investment expenses, and is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Energy Trust did not have any funds considered investments at December 31, 2023 and 2022, other than mutual funds associated with the deferred compensation asset which are disclosed in Note 6.

**Property and equipment** – Property and equipment are stated at cost less accumulated depreciation and are depreciated using the straight-line method over their estimated useful lives, which generally range from three to eight years. It is Energy Trust's policy to capitalize property and equipment over $5,000.

**Leases** – Effective as of January 1, 2022, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 842, Leases (Topic 842). Under Topic 842, Energy Trust determines whether the arrangement is or contains a lease at inception. Operating and finance leases will be recognized on the balance sheets as Right of Use (ROU) assets and lease liabilities. ROU assets represent Energy Trust's right to use an underlying asset for the lease term and lease liabilities represent the Energy Trust's obligation to make lease payments arising from the lease. Lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected remaining lease term. For this purpose, the Energy Trust considers only payments that are fixed and determinable at the time of commencement. The lease ROU assets also include any lease payments made and adjustments for prepayments and lease incentives. Energy Trust has elected the private company alternative to use the risk-free rate as the discount rate in determining the present value of future payments.

**Adoption of new accounting standards** – Energy Trust adopted Accounting Standards Update (ASU) 2016-13 *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including trade receivables and held-to-maturity debt securities. Additionally, Accounting Standards Codification (ASC) Topic 326 made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities management does not intend to sell or believes that it is more likely than not they will not be required to sell. Energy Trust adopted the standard on January 1, 2023, utilizing the modified retrospective transition approach. This standard did not have a material impact on the financial statements.

**Revenue and revenue recognition** – All funding is considered available for general use unless specifically restricted by the donor. Funding revenue is recognized when funds are received from the funding source.

A portion of Energy Trust's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Energy Trust has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. There was $1,532,447 and $1,858,825 reported as deferred revenue in the statement of financial position at December 31, 2023 and 2022, respectively.

Energy Trust accounts for grants and contributions under ASU 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of Energy Trust's financial reporting.

**Expense allocation** – The costs of Energy Trust's various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. Depreciation and amortization of property and equipment is allocated on a square footage basis or directly according to the program it supports. All other expenses are allocated on the basis of estimates of time and effort or directly to the programs benefited.

**Advertising** – Energy Trust expenses advertising costs as incurred. Advertising costs include activities to create or stimulate a desire to use Energy Trust's services that are provided without charge. Advertising expense amounted to $1,680,671 and $1,866,048 for the years ended December 31, 2023 and 2022, respectively.

**Income taxes** – Energy Trust is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is made in the accompanying financial statements, as Energy Trust has no activities subject to unrelated business income tax. Energy Trust is not a private foundation.

Energy Trust recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Energy Trust recognizes interest and penalties related to income tax matters, if any, in management and general expense.

Energy Trust had no unrecognized tax benefits at December 31, 2023 or 2022. No interest and penalties were accrued for the years ended December 31, 2023 or 2022. Energy Trust files an exempt organization return in the U.S. federal jurisdiction.

**Renewable energy certificates** – In the process of funding above-market costs of renewable energy resources, Energy Trust negotiates the contractual ownerships of Renewable Energy Certificates (REC) with funding recipients. However, Energy Trust does not hold ownership of the RECs, and as such, no value has been reported at December 31, 2023 or 2022.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of financial position date, but before the financial statements are available to be issued. Energy Trust recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. Energy Trust's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position, but arose after the statement of financial position date and before the financial statements are available to be issued.

Energy Trust has evaluated subsequent events through April 2, 2024, which is the date the financial statements were available to be issued.

**Note 3 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following for the years ended December 31:

| | 2023 | 2022 |
|---|---|---|
| Cash and cash equivalents | $ 120,487,305 | $ 113,276,676 |
| Less: restricted cash | (14,000,000) | - |
| Other receivables | 473,768 | 218,587 |
| Deferred compensation asset | 1,243,689 | 1,209,704 |
| | $ 108,204,762 | $ 114,704,967 |

Energy Trust is required to maintain an aggregate deposit balance of no less than $14,000,000 at First Interstate Bank.

**Note 4 – Property and Equipment**

Property and equipment consist of the following at December 31:

| | 2023 | 2022 |
|---|---|---|
| Computer equipment and software | $ 5,053,081 | $ 4,785,443 |
| Office equipment and furniture | 803,492 | 803,782 |
| Leasehold improvements | 654,214 | 654,214 |
| | 6,510,787 | 6,243,439 |
| Less accumulated depreciation | 6,094,155 | 5,750,957 |
| | 416,632 | 492,482 |
| Work in process | - | 167,805 |
| | $ 416,632 | $ 660,287 |

At December 31, 2022, work in process consisted of various software development projects.

**Note 5 – Right of Use (ROU) Lease**

Energy Trust has entered into a facility lease for a Portland, OR building which qualifies as an operating lease under GAAP. The building lease has terms extending through 2025. Energy Trust determines if contracts with vendors represent a lease or have a lease component under GAAP at contract inception. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that Energy Trust will exercise such options.

ROU assets and lease liabilities by lease type, and the associated statements of financial position classification are as follows:

| | Statements of Financial Position Classification | 2023 | 2022 |
|---|---|---|---|
| Right-of-use assets: | | | |
| Operating lease | Right of use lease asset | $ 1,534,640 | $ 2,350,647 |
| Lease liabilities: | | | |
| Operating lease | Lease liability | $ 2,123,041 | $ 3,184,561 |

Effects on the statement of cash flows are as follows:

| | 2023 | 2022 |
|---|---|---|
| Operating cash flows - operating leases | $ 1,104,255 | $ 1,071,801 |
| Noncash operating lease expense | $ 816,007 | $ - |
| Right-of-use assets obtained in exchange for operating lease liabilities | $ - | $ 2,350,647 |

Future undiscounted fixed lease payments for the operating lease as of December 31, 2023 are as follows:

| Years Ending December 31, | Operating Lease |
|---|---|
| 2024 | $ 1,136,707 |
| 2025 | 1,169,160 |
| Total future lease payments | 2,305,867 |
| Less imputed interest | 182,826 |
| Present value of lease liability | $ 2,123,041 |

The remaining term and the discount rate on the operating lease as of December 31, 2023 is as follows:

| | 2023 | 2022 |
|---|---|---|
| Operating lease remaining term (years) | 2.00 | 3.00 |
| Operating lease discount rate | 4.43% | 4.50% |

Energy Trust incurred operating lease expenses of $899,092 and $904,064 during the years ended December 31, 2023 and 2022 which were recorded within office rent and equipment on the statement of functional expenses.

**Note 6 – Fair Value Measurements**

Accounting literature defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Energy Trust determines fair value based on quoted prices when available or through the use of alternative approaches, such as matrix or model pricing, when market quotes are not readily accessible or available. The valuation techniques used are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Energy Trust's market assumptions. These two types of inputs create the following fair value hierarchy:

**Level 1** – Quoted prices in active markets for identical assets or liabilities.

**Level 2** – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active.

**Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available. Energy Trust's own data used to develop unobservable inputs is adjusted for market consideration when reasonably available.

Energy Trust used the following methods and significant assumptions to estimate fair value for its assets measured and carried at fair value in the financial statements:

*Deferred compensation assets* – Deferred compensation assets are comprised of U.S. mutual funds for which the fair value is obtained from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, cash flows, or the U.S. Treasury yield curve. Deferred compensation assets are recorded in other assets within the statements of financial position.

There were no changes in the valuation methodologies or assumptions used by Energy Trust for the years ended December 31, 2023 or 2022.

It is Energy Trust's policy to recognize transfers of investments between levels in the fair value hierarchy on December 31$^{st}$ of each year.

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis, and indicates the fair value hierarchy of the valuation techniques utilized by Energy Trust to determine such fair value:

| | Fair Value Measurements at Report Date Using: | | | |
|---|---|---|---|---|
| | Fair Value at December 31, 2023 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Deferred compensation assets | | | | |
| U.S. mutual funds | $ 1,243,689 | $ 1,243,689 | $ - | $ - |
| Total deferred compensation assets | $ 1,243,689 | $ 1,243,689 | $ - | $ - |

| | Fair Value Measurements at Report Date Using: | | | |
|---|---|---|---|---|
| | Fair Value at December 31, 2022 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Deferred compensation assets | | | | |
| U.S. mutual funds | $ 1,209,704 | $ 1,209,704 | $ - | $ - |
| Total deferred compensation assets | $ 1,209,704 | $ 1,209,704 | $ - | $ - |

Assets are to be classified in the table above by recurring or nonrecurring measurement status. Recurring assets are initially measured at fair value and are required to be remeasured at fair value in the financial statements at each reporting date. There were no assets measured on a nonrecurring basis at December 31, 2023 or 2022.

As of December 31, 2023 and 2022, Energy Trust does not have any liabilities that are required to be measured in accordance with fair value standards.

**Note 7 – Notes Receivable**

Energy Trust has entered into agreements with Craft3 to loan up to $1,300,000 in support of the Savings Within Reach Loan Program. At December 31, 2023 and 2022, Energy Trust had loaned $1,300,000, which accrues interest at 1% and is payable quarterly. On June 30, 2025, $800,000 is due and payable and on December 31, 2031, $500,000 is due and payable.

In 2018, Energy Trust entered into a second agreement with Craft3 to loan up to $1,000,000 in support of the Manufactured Home Loan Pilot. At December 31, 2023 and 2022, no amounts were outstanding in connection with this agreement. Effective January 1, 2024, the maximum loan amount was reduced to $200,000.

Energy Trust's exposure to uncollectible accounts is limited by its contract with Craft3. Craft3 monitors loan performance and establishes a reserve for loans meeting certain criteria, which is reported to Energy Trust. Energy Trust records this amount as a reserve and pays Craft3 for loans written off. Energy Trust has no obligation to Craft3 beyond the then-outstanding reserve fund balance. Balances are written off only when they are deemed to be uncollectible. The allowance for credit losses was $11,849 and $17,669 for the years ended December 31, 2023 and 2022, respectively.

**Note 8 – Designated Net Assets Without Donor Restrictions**

The following funds have been designated by the Board of Directors at December 31:

| | 2023 | 2022 |
|---|---|---|
| Emergency contingency reserve | $ 3,000,000 | $ 3,000,000 |
| Operational contingency reserve | 5,487,654 | 5,040,267 |
| Loans made or reserved (see Note 7) | 2,300,000 | 2,300,000 |
| | $ 10,787,654 | $ 10,340,267 |

**Note 9 – Funding Revenue**

Funding revenue recognized is as follows for the years ended December 31:

| | 2023 | 2022 |
|---|---|---|
| OPUC grant agreement | | |
| Portland General Electric | | |
| Energy efficiency | $ 88,414,166 | $ 84,529,304 |
| Renewable resources | 11,818,372 | 10,773,985 |
| | 100,232,538 | 95,303,289 |
| PacifiCorp | | |
| Energy efficiency | 59,491,999 | 58,202,362 |
| Renewable resources | 7,940,198 | 6,870,486 |
| | 67,432,197 | 65,072,848 |
| Cascade | | |
| Energy efficiency | 3,726,872 | 4,106,257 |
| Avista | | |
| Energy efficiency | 2,753,290 | 4,943,292 |
| Northwest Natural – Oregon | | |
| Energy efficiency | 40,694,777 | 32,870,445 |
| Total OPUC grant agreement | $ 214,839,674 | $ 202,296,131 |
| Northwest Natural – Washington | | |
| Energy efficiency | $ 3,160,185 | $ 3,150,874 |

| | 2023 | 2022 |
|---|---|---|
| Contracts and grants | | |
| Northwest Natural – TLM | | |
| Contract | $ - | $ 429,464 |
| Oregon Community Solar Program | | |
| Contract | 472,414 | 433,898 |
| Portland General Electric | | |
| Smart Battery Pilot Contract | 118,712 | 119,168 |
| Smart Inverter Pilot Contract | 30,852 | 21,284 |
| Flex Feeder Contract | 111,403 | - |
| | 260,967 | 140,452 |
| SALMON | | |
| US DOE Grant | 288,500 | 73,128 |
| Solar Ambassadors | | |
| NREL Grant | 111,970 | 88,000 |
| Solar with Justice | | |
| US DOE Grant | 9,336 | 3,509 |
| Landlord Provided Cooling | | |
| ODOE Grant | 326,378 | 141,175 |
| Total contracts and grants | $ 1,469,565 | $ 1,309,626 |
| Other revenue | $ 19,449 | $ - |
| Total funding revenue | $ 219,488,873 | $ 206,756,631 |

**Note 10 – Retirement Plans**

**Retirement plan** – Energy Trust provides all employees with a qualified profit sharing retirement plan as prescribed under Section 401(k) of the Internal Revenue Code. Generally, employees who have completed at least three consecutive months of work may elect to make voluntary contributions to the plan on a pre-tax basis, up to the limits allowed by law. Employees select from various investment options. On a discretionary basis, as determined annually by the Board of Directors, Energy Trust may make contributions to the plan. For each of the years ended December 31, 2023 and 2022, Energy Trust contributed to the plan an amount equal to 6% of the compensation earned by each eligible employee during the period. Employees are immediately vested in all contributions to the plan. Retirement plan expense recorded by Energy Trust was $979,299 and $877,069 for the years ended December 31, 2023 and 2022, respectively.

**Deferred compensation plan** – Energy Trust sponsors a nonqualified deferred compensation plan for selected employees. Investments are owned by Energy Trust and managed individually by each participant. At the time an employer contribution is made, the Board of Directors will, in its sole discretion, determine whether the employer contribution will be initially fully vested or will become vested in accordance with vesting terms designated by the Board of Directors. Until paid to participants, plan assets are subject to the claims of Energy Trust's creditors.

Energy Trust did not make discretionary contributions to the plan during the years ended December 31, 2023 or 2022. Energy Trust recorded an asset and a liability in the amount of $1,243,689 and $1,209,704 and $1,246,093 and $1,211,910 as of December 31, 2023 and 2022, respectively.

The deferred compensation asset and liability are recorded in other assets and accrued payroll and related expenses, respectively, in the statements of financial position.

## Note 11 – Contractual Commitments

Energy Trust enters into contract commitments for various goods and services. As of December 31, 2023, Energy Trust expects to pay approximately $68,200,000 in future periods under these commitments. Expenditures for these commitments are recorded in the period in which they are incurred.

Energy Trust entered into incentive funding agreements for energy efficiency and renewable resource projects not completed as of December 31, 2023 totaling no more than $50,300,000. These amounts will be paid in the period in which they are completed.

Energy Trust also has projects and incentive payment requests in progress that did not meet its recognition criteria at both December 31, 2023 and 2022. These amounts are unquantifiable and, as such, not disclosed in the notes to the financial statements.

## Note 12 – Related Party Transactions

Energy Trust, along with a number of other northwest regional utilities, provides funding to Northwest Energy Efficiency Alliance (NEEA). Energy Trust benefits from the arrangement by achieving low cost, long lasting electric energy savings through NEEA's regional market transformation activities. In 2023 and 2022, Energy Trust's executive director served as chair on the NEEA's board of directors. Total payments to NEEA were approximately $7,401,000 and $7,752,000 for the years ended December 31, 2023 and 2022, respectively.

MOSSADAMS

# BOARD DECISION RESOLUTION 1026

**Acceptance of Audited Financial Report**

April 17, 2024

**RESOLUTION R1026**
**ACCEPTANCE OF AUDITED FINANCIAL REPORT**

**BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors accepts the auditor's report on the financial statements, including an unmodified opinion, submitted by Moss Adams LLP for the calendar year ended December 31, 2023.**

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed:

# Briefing Paper: Contract Extensions for Three Residential PMC and PDC Contracts

April 17, 2024

## Summary

Staff recommends that the board authorize Energy Trust's executive director to sign amendments to extend Energy Trust's three residential program services contracts, each for three years, through 2027, as the final extension period for these agreements. The three Residential program services contracts are:

- CLEAResult Consulting, Inc. ("CLEAResult") residential program management contractor ("PMC") agreement for residential program management services in Oregon and Washington;
- CLEAResult residential program delivery contractor ("PDC") agreement for residential midstream program delivery services in Oregon; and
- TRC Engineers, Inc. ("TRC") residential PDC agreement for residential new construction program delivery services in Oregon and Washington.

Energy Trust's Residential energy efficiency program, as are all Energy Trust efficiency programs, is focused on accelerating energy efficiency savings to support state and utility efficiency and clean energy goals. Both CLEAResult and TRC have demonstrated – in collaboration with a variety of diverse subcontractors – the performance, teamwork, and integration needed to effectively deliver Energy Trust's Residential programs through 2027. Energy Trust recommends three-year contract extensions for each based on the historical performance of these contractors and Energy Trust's reasonable expectations that the contractors will continue to meet all the extension criteria based on past performance. Additionally, extending all contracts will help maintain existing stakeholder and Supplier Diversity Protocol (SDP) subcontractor relationships and will promote consistency and stability in the Residential program.

The initial terms of these three contracts are two years, from January 1, 2023 to December 31, 2024, with the option of three one-year extensions. Staff now requests board approval to extend the contracts for the full three-year extension period from January 1, 2025 to December 31, 2027.

## Background

Energy Trust's Residential sector provides electric and gas energy-efficiency solutions for residential customers of single-family homes, manufactured homes, and newly constructed homes in Oregon and single-family, manufactured homes, small multifamily, and newly construction homes for residential gas customers in southwest Washington. The program is currently delivered by one PMC and two PDCs supporting Midstream promotions and EPS New Construction offerings.

PMC services include management and delivery of Energy Trust program offerings through management of program operations, development and implementation, budgeting/forecasting, marketing, outreach, and customer service. The PMC also directly delivers services for Energy Home Retrofit program. PDCs provide targeted, specific market-focused residential offerings, including increasing market adoption of retail and distributor products and newly constructed homes. PDCs have smaller contracts focused solely on program implementation, not program management. PDCs have demonstrated specialized experience and expertise driving certain technology or market-channel-specific offerings.

A Request for Proposals was issued in 2022 to solicit one PMC and one or more PDC to support a consolidated Residential program delivery model. This resulted in CLEAResult Consulting, Inc. and TRC Engineers, Inc. being selected to start providing services in 2023. In September 2022, the board authorized two contracts with CLEAResult (PMC and Midstream PDC) and one with TRC

(EPS New Construction PDC) pursuant to Resolutions 986, 987 and 988, respectively. These three contracts were authorized with an initial two-year term, with options for up to three one-year extensions if the contractors met the established performance criteria.

PMC/PDC Annual Contracts*:

| Contract | 2023 | 2024 | 2025 (est.) |
|---|---|---|---|
| CLEAResult (Residential PMC)** | $11,104,998 | $15,990,709 | $17,534,728 |
| CLEAResult (PDC Midstream) | $1,683,537 | $2,264,893 | $2,328,868 |
| TRC (PDC - EPS New Construction)** | $3,198,546 | $3,253,577 | $3,278,918 |

*Amounts do not include potential performance compensation.
**Amounts include budget for services provided in southwest Washington.

## Discussion

The initial two-year agreement terms expire on December 31, 2024. Staff has reviewed the performances of the PMC and PDCs respectively against the extension criteria, outlined below, and recommends extending the contracts for the full three-year extension periods, with provisions to terminate the contract at any time and with contract budgets aligned with Energy Trust's board-approved organizational budgets throughout the full term of the contracts. Additionally, while the annual contract renewals will no longer include board approval, the Residential team will continue to evaluate PMC and PDC performance annually and provide reports on performance to the Energy Trust board of directors Finance & Audit Committee and through regular reporting processes. If a contract needs to be terminated prior to December 31, 2027, the Residential team will present to the board a request for a competitive solicitation to find a new contractor, with ample time to work through the solicitation process.

Staff believes a full three-year extension is appropriate because:

- **PMC and PDCs have met all extension criteria required by their contracts to date.** PMC and PDCs have met all Performance Criteria in their respective contracts (e.g., Collaboration, Project Pipeline, Innovation, Teamwork, Satisfactory execution of Services). Examples showing how they have met these criteria are detailed in the following section.

- **Long-term relationships** with community partners, trade allies, retailers, distributors, and manufacturers can be difficult to maintain during contract transitions. It's challenging to replace a prime contractor at any time but to do so prior to the close of the five-year contract term would result in partnership disruptions and strategic goals not being realized. Investing long-term in the PMC/PDCs enables them to execute their long-term strategic relationship goals over the next three years and invest in staff and program development for implementation in a scalable way (i.e., to ensure consistency in program development and execution between new and existing program offerings).

- **Supplier Diversity Protocol subcontractor relationships** will be difficult to recreate or replace if work is awarded to new contractors. Beginning in 2023, Energy Trust requires that at least 20% of the total value of each of these contracts be subcontracted to COBID-certified contractors. CLEAResult and TRC have invested substantial resources into developing strong business-to-business relationships with each of its COBID-certified subcontractors. Swapping out a Residential PMC or PDC before the end of the five-year term would require that the subcontractors working with an existing PMC or PDC renegotiate new contracts with new contractors or no longer work on the programs at all. Some of the subcontractors are small businesses and do not have the resources to incur associated transition costs due to decisions outside of their control.

- **It minimizes administrative resources and supports consistency and stability in the Residential program**. The Residential team has high confidence in the PMC and PDC implementation teams and trusts that each of their past performances in 2023 and to date in 2024 will continue through the end of a five-year term and will support Energy Trust's focus on accelerating energy efficiency savings to support utility and state clean energy goals. With the informed assumption that these contractors will meet their contractual obligations and extension criteria, two administrative board actions are avoided by not having to request and process additional one-year extensions for 2026 or 2027.

## Performance Criteria

*See sample Extension Criteria in the Appendix of this briefing paper.*

**1. Collaboration: Professional resolution of program issues in a timely manner.**

PMC and PDC staff work together to represent a uniform program presence in the market. Interactions with customers, community groups, trade ally contractors, builders, distributors, retailers, and manufacturers require the greatest level of collaboration. Engagement varies across the service territory, especially in more rural territories. Staff across all three contractors are cross trained, work well together, and are well positioned to support the variety of program issues that arise.

**2. Collaboration: Appreciable savings and/or participation being realized across the Residential program and in referred programs.**

2023 Portfolio Energy Savings *(see Appendix for Savings by Contract[1])*:

| | 2023 Actual Savings (kWh/therms) | 2023 Savings Goal (kWh/therms) | % to Savings Goal |
|---|---|---|---|
| **Electric** | 52,796,512 | 40,839,617 | 129% |
| **OR Gas** | 2,231,888 | 2,321,949 | 96% |
| **WA Gas** | 89,740 | 112,663 | 80% |

2023 Portfolio Incentive Spend *(see Appendix for Incentive Spend by Contract[2])*:

| | 2023 Incentive Spend | 2023 Incentive Spend | % to Incentive Spend to Goal |
|---|---|---|---|
| **Electric** | $ 25,760,877 | $ 20,860,091 | 123% |
| **OR Gas** | $ 11,473,608 | $ 12,391,865 | 93% |
| **WA Gas** | $ 760,286 | $ 861,040 | 88% |

2023 Levelized Cost:

| Contract | PGE | PAC | NWN | CNG | AVI | NWN WA |
|---|---|---|---|---|---|---|
| **PMC** | 0.079 | 0.067 | 0.811 | 0.906 | 0.988 | 0.631 |
| **PDC Midstream** | 0.062 | 0.062 | 0.569 | 0.567 | 0.568 | n/a |
| **PDC EPS New Construction** | 0.06 | 0.066 | 0.293 | 0.294 | 0.16 | 2.784 |

**3. Collaboration: Documented procedures and effective protocols for working well with other PMCs, PDCs, and/or program actors that facilitate smooth referral processes.**

The PMC and PDCs have been successful in establishing collaboration protocols which memorialize contractual roles, procedures, and requirements for effectively and efficiently managing and delivering the program. The collaboration protocols are updated annually to stay relevant with the evolving program designs and customer needs.

The PMC also maintains similar collaboration protocols with Energy Trust's Existing Buildings PMC, highlighting areas of crossover in the market, as well as coordination activities in working with Energy Trust processes and systems. The PMC contract includes a scope of work that supports integration of residential energy savings offers and measures that benefit customers in small multifamily property types, an initiative under the Existing Buildings program. Examples of this collaboration support savings from smart thermostats delivered through instant discount promotions, savings allocations achieved through retail water heaters and appliance sales, HVAC fixed-price promotions designed to benefit renters, and alignment of income-qualified and financing offers.

The Residential New Construction PDC collaborates closely with Energy Trust's Solar program, including a referral process that informs new homeowners that their homes are solar-ready and connects them to a solar contractor. The Residential PMC offers similar alignment of Solar offers through customer engagement channels.

The contractors work with program actors to align Oregon and Washington program offers and other areas of work that differ based on market circumstances.

4. **Project Pipeline: Based on goals and available funding, achieving annual savings and budget targets.**

In addition to maintaining existing measures, the Residential PMC and PDCs develop a pipeline of new technologies to develop future savings opportunities through pilots, research, and measure development. They contribute analysis and technical insights to inform the development of Energy Trust research and new opportunity development priorities.

5. **Innovation: Working productively with Energy Trust to identify and develop new cost-effective measures and market engagement strategies to optimally manage the mix of available measures to be deployed across a broad base of participating ratepayers.**

The PMC, with support by PDC subject-matter expertise, maintains 20-25 existing measures annually and develops a pipeline of future savings opportunities through pilots, research, and measure development. While the primary work in this space is led by the PMC, the PDCs contribute to areas aligned with their technology strength and market expertise.

In addition to regular maintenance of the residential measure suite, the PMC and PDCs have developed new energy savings measures, such as air purifiers, an innovative solution that is a crosswalk between energy efficiency and indoor air quality.

The PMC has also advanced non-savings innovative concepts such as Community Partner Funding (CPF) and Online Home Assessments. Engaging directly with community partners allows for the local experts to be engaged as customer-facing resources, providing trusted advisors for efficiency. Online Home Assessments offer a new low-cost solution for customers to get a "first look" at their efficiency needs and options without having to engage with a contractor.

The Midstream PDC subcontracted with Brio LLC and Colehour + Cohen Inc. ("C+C") to assist with program enhancements and long-term strategy development that will optimize how customers access online services, do-it-yourself (DIY) resources, and product and equipment fulfillment options, including adding more products to the online marketplace, further developing DIY content, and refining the online home energy assessment.

The Residential New Construction PDC created a “Solar + Storage” research project that engaged new construction builders to install solar and storage systems during construction. The project researched builders’ challenges and barriers to installing these systems, as well as homebuyer surveys to solicit customer feedback. This innovative research project is leading to a standard incentive offering for builders installing solar and storage systems.

6. **Innovation: Working collaboratively with Energy Trust to support Energy Trust’s Diversity, Equity, and Inclusion (DEI) efforts.**

- Extremely rural areas with low participation are identified and understood before regionally tailored programs are rolled out into these areas. After many years attempting to effectively serve rural areas, this new approach has produced impressive results in eastern Oregon, where the program has achieved 44% average year-over-year growth in HVAC projects for the last five years in a row. This same regional approach was expanded and is now producing results in southern Oregon as well.

- Community Partner Funding (CPF) is an innovative, complex, and successful effort to develop partnerships with community-based organizations to grow their capacity to deliver efficient home improvements to priority customers. Co-delivered programs are active with dozens of organizations around the state, installing hundreds of significant and impactful capital improvements to the most energy-burdened customers.

- Three pilots are successfully achieving goals to build new program delivery infrastructure, uncover specifics of how customers are impacted by their energy burden, and demonstrate how affordability, comfort, and safety can be improved through efficient equipment installations for low-income customers.

- Specific efforts are made to engage and inform rental property owners and agencies that work with owners and tenants. Providing educational workshops and materials that outline the business case for efficient improvements and assist tenants on how to talk with their landlords. Rental-focused promotions with increased incentives help contractors offer efficient equipment that is more price competitive with the cheaper baseline equipment owners often choose for their rental properties.

- Tribal communities are receiving enhanced levels of support to bring their projects to fruition. The Confederated Tribes of Grand Ronde built a 24-unit solar plus storage-installed, net-zero development in which the program acted as the verifier and technical advisor. The project gained media attention on Oregon Public Broadcasting for its novel approach to construction.

- Workforce development efforts by the PMC and PDC have resulted in a successful program that educates individuals in the workforce.

7. **Teamwork: How well PMC/PDC staff works with Energy Trust staff (flexibility).**

The Residential PMC/PDC contractors have great working relationships with Energy Trust staff and have been responsive to Energy Trust needs. The scopes of work are developed to drive the work and specific projects and achieve savings, but adjustments to scope are common and necessary to align with a dynamic industry and market conditions. For example, Residential Acceleration savings were not specifically called out in the 2023 scope, but once utilities gave the direction to develop budget scenarios around acceleration, the PMC was quick to accommodate, quickly delivering a variety of scenarios to Energy Trust.

**8. Satisfactory execution of services: Program Savings.**

The PMC is responsible for managing Energy Trust's Residential portfolio, achieving savings goals for each utility within budget and levelized cost thresholds. Each PDC has a specific savings goal and incentive budget that roll up into the portfolio. The PMC and PDCs are responsible for tracking progress towards these mutually inclusive goals, approaching the need to address variances with flexibility, and adapting plans to ensure the overarching objectives of the program are achieved. See Performance Criteria 2 (Collaboration) above for sector-wide savings results.

**9. Satisfactory execution of services: Budget Management.**

The PMC and PDCs have developed a reliable forecasting methodology to support intra-year and longer-term horizon projections. Additionally, their COBID-certified subcontractors are supporting budget projections through their own delivery costs. The team of contractors and subcontractors have completed multiple annual budgets that have led to valuable contributions to support sector staff in completing Energy Trust's Residential sector budget.

Each contractor had differing factors that led to variances between the budget goal and actual targets, which were indicated through Energy Trust forecast timelines to provide early insights for Energy Trust staff.

**10. Satisfactory execution of services: Data Management.**

Each of the three contractors contribute to the Residential program's success through their data management and integration points. The PMC supports Energy Trust staff's efforts by complying with, and facilitating the PDCs and subcontractors' compliance with, all data security requirements. The PMC maintains a strong analysis-competency and business-intelligence staff, as well as access to complimentary data sources. This includes use of internal and external data sources to support program reporting, measure and trend analysis, and targeted marketing activities. They also effectively manage integrations with Energy Trust systems to incorporate reporting data from a variety from external aggregator systems and support customer eligibility and use of third-party tools such as delivering instant incentives as part of online thermostat purchases.

The EPS New Construction PDC has similar capabilities and maintains the architecture of tools that support builder and verifier participation. They proactively support Energy Trust staff in managing data needs with our external new homes data aggregator tool and manage the external outreach and training with verifiers to facilitate system upgrades and adjust program data requirements.

The Midstream PDC manages internal data tools that support aggregation of large datasets derived from integration with hundreds of retailers, allowing for efficient budget management and interactions across retailers. This competency and related systems allow Energy Trust to develop internal systems to best meet the needs of the organization's data systems and priorities.

**11. Satisfactory execution of services: Supplier diversity spend goal management.**

2023 Supplier Diversity spend by contract:

| Contract | Net Certified Payments | Certified Percent to Goal |
|---|---|---|
| Residential PMC | $2,493,205 | 27% |
| PDC Midstream | $460,017 | 32% |
| PDC EPS New Construction | $608,342 | 21% |

**12. Satisfactory execution of services: Customer and Contractor Services**

The PMC and PDCs support strong customer and trade ally satisfaction across Energy Trust's Residential programs. In 2022, customers reported a 95% satisfaction rating in Oregon and 93% satisfaction rating in Washington. In 2023, customer-reported satisfaction was 92% in Oregon and 93% in Washington.

## Conclusion

The PMC and PDCs have met or exceeded contract requirements aligned with each of the performance criteria. Given the effort Energy Trust and these contractors have gone through to set up well-functioning Residential programs, staff continue to have confidence in the overall program structure and the delivery team.

## Next Steps

Staff recommends that the board authorize Energy Trust's Executive Director to sign an amendment to extend Energy Trust's three current residential PMC and PDC contracts with CLEAResult and TRC, for a three-year extension period through December 31, 2027.

## Appendix

[1]2023 Savings by Contract:

| Contract | 2023 Actual Savings (kWh/therms) | 2023 Savings Goal (kWh/therms) | % to Savings Goal |
|---|---|---|---|
| **PMC OR Electric** | 25,685,884 | 27,589,090 | 93% |
| **PMC OR Gas** | 792,908 | 867,238 | 91% |
| **PMC WA Gas** | 84,865 | 106,069 | 80% |
| **PDC Midstream OR Electric** | 22,629,717 | 9,517,369 | 238% |
| **PDC Midstream OR Gas** | 20,866 | 26,059 | 80% |
| **PDC EPS New Const. OR Electric** | 4,480,911 | 3,733,158 | 120% |
| **PDC EPS New Const. OR Gas** | 1,418,114 | 1,428,652 | 99% |
| **PDC EPS New Const. WA Gas** | 4,875 | 6,594 | 74% |

[2]2023 Incentive Spend by Contract:

| Contract | 2023 Incentive Spend | 2023 Incentive Spend Goal | % Incentive Spend to Goal |
|---|---|---|---|
| **PMC OR Electric** | $12,538,228 | $13,172,545 | 95% |
| **PMC OR Gas** | $6,657,518 | $7,254,609 | 92% |
| **PMC WA Gas** | $605,994 | $722,790 | 84% |
| **PDC Midstream OR Electric** | $10,071,237 | $4,402,173 | 229% |
| **PDC Midstream OR Gas** | $104,782 | $159,727 | 66% |
| **PDC EPS New Const. OR Electric** | $3,151,412 | $3,285,373 | 96% |
| **PDC EPS New Const. OR Gas** | $4,711,308 | $4,977,529 | 95% |
| **PDC EPS New Const. WA Gas** | $154,292 | $138,250 | 112% |

**EXAMPLE EXTENSION CRITERIA**

Energy Trust will review PMC's performance, throughout the Term, using the following criteria:

1. Collaboration
    a. Professional resolution of program issues in a timely manner.
    b. Appreciable savings and/or participation being realized across the residential program and in referred programs.
    c. Documented procedures and effective protocols for working well with other PMC, PDC and/or program actors that facilitate smooth referral processes.
2. Project Pipeline
    a. Based on goals and available funding, achieving annual savings and budget targets.
3. Innovation
    a. Working productively with Energy Trust to identify and develop new cost-effective measures and market engagement strategies to optimally manage the mix of available measure to be deployed across a broad base of participating ratepayers.
    b. Working collaboratively with Energy Trust to support Energy Trust's DEI efforts.
4. Teamwork
    a. How well PDC staff works with Energy Trust staff (flexibility)
5. Satisfactory execution of Services
    a. Program savings
    b. Budget management
    c. Data management
    d. Supplier diversity spend goal management
    e. Customer and contractor services:
        i. Enabling a highly satisfactory customer experience by providing services to customers and contractors in alignment with Energy Trust customer service values, within established SLAs and utilizing current procedures and protocols.

## Resolution 1027
**AUTHORIZE A THREE YEAR EXTENSION TO THE PROGRAM MANAGEMENT CONTRACT WITH CLEARESULT CONSULTING, INC. FOR RESIDENTIAL PROGRAM SERVICES**
April 17, 2024

**RESOLUTION 1027**
**AUTHORIZE A THREE YEAR EXTENSION TO THE PROGRAM MANAGEMENT CONTRACT WITH CLEARESULT CONSULTING, INC. FOR RESIDENTIAL PROGRAM SERVICES**

**WHEREAS:**
1. In 2022, Energy Trust staff conducted a fair and open Request for Proposals procurement process to select a program management contractor to manage and deliver Residential program services for the next 2-5 years;
2. Staff recommended, and the board approved, a program management contractor (PMC) agreement with CLEAResult Consulting, Inc. (CLEAResult) for Residential program management services for an initial term of two years, with the option for three-one (1) year extensions;
3. Staff now recommends extending the CLEAResult PMC agreement for three additional years in light of CLEAResult's contract performance and program delivery stability and consistency to support and meet expectations for accelerated energy efficiency savings;
4. Staff presented information on their extension recommendation to the Energy Trust board of directors Finance & Audit Committee on February 29, 2024;
5. The Finance & Audit Committee supports staff's recommendation for an extension, subject to the conditions that the PDC agreement maintain the ability for termination by Energy Trust throughout the extended term and that staff present information annually to the Finance & Audit Committee on CLEAResult's PMC services and contract performance; and
6. If approved, the Energy Trust board will review actual savings and costs of the CLEAResult PMC agreement each year as part of its review of Energy Trust's annual budgets.

**IT IS THEREFORE RESOLVED:**
1. Subject to determination of contract cost amounts based on the board-approved 2025 annual budget and subsequent Energy Trust annual budgets for each of the years 2026 and 2027, the executive director or his designee is authorized to negotiate and to enter into an extension of Energy Trust's agreement with CLEAResult to provide Residential program management services through December 31, 2027.
2. PMC contract costs and savings goals included in the contract extension shall be consistent with the board-approved 2025 annual budget and actions plan(s) and thereafter staff may amend the contract consistent with Energy Trust's annual budgets. The executive director or his designee is authorized to sign any such contract amendment.

3. The PMC agreement extension amendment will include all appropriate terms for an extension including, but not limited to, a provision permitting early termination and a provision requiring staff to report on contract performance annually during the term of the PMC agreement to the Energy Trust board of directors Finance & Audit Committee.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed:

EnergyTrust of Oregon

# Resolution 1028

**AUTHORIZE A THREE YEAR EXTENSION TO THE PROGRAM DELIVERY CONTRACT WITH TRC ENGINEERS, INC. FOR RESIDENTIAL NEW CONSTRUCTION PROGRAM DELIVERY SERVICES**

April 17, 2024

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## RESOLUTION 1028
## AUTHORIZE A THREE YEAR EXTENSION TO THE PROGRAM DELIVERY CONTRACT WITH TRC ENGINEERS, INC. FOR RESIDENTIAL NEW CONSTRUCTION PROGRAM SERVICES

**WHEREAS:**

1. In 2022, Energy Trust staff conducted a fair and open Request for Proposals procurement process to select a program delivery contractor to deliver Residential new construction program services for the next 2-5 years;
2. Staff recommended, and the board approved, a program delivery contractor (PDC) agreement with TRC Engineers, Inc. (TRC) for residential new construction program delivery services for an initial term of two years, with the option for three-one (1) year extension should certain performance criteria be met;
3. Staff now recommends extending the TRC PDC agreement for three additional years in light of TRC's contract performance and program delivery stability and consistency to support and meet expectations for accelerated energy efficiency savings;
4. Staff presented information on their extension recommendation to the Energy Trust board Finance & Audit Committee on February 29, 2024;
5. The Finance & Audit Committee supports staff's recommendation for an extension subject to the conditions that the PDC agreement maintain the ability for termination by Energy Trust throughout the extended term and that staff present information annually to the Finance & Audit Committee on TRC's PDC services and contract performance; and
6. If approved, the Energy Trust board will review actual savings and costs of the TRC PMC agreement each year as part of its review of the Energy Trust budget and financial and action plans.

**IT IS THEREFORE RESOLVED:**

1. Subject to determination of annual contract cost amounts based on the board-approved 2025 annual budget and subsequent Energy Trust annual budgets for each of the years 2026 and 2027, the executive director or his designee is authorized to negotiate and to enter into an extension of Energy Trust's PDC contract with TRC to deliver the Residential new construction program for through December 31, 2027.
2. PDC contract costs and savings goals included in the contract shall be consistent with the board-approved 2025 annual budget and action plan(s) and, thereafter, staff may amend the contract consistent with Energy Trust's annual budgets. The executive director or his designee is authorized to sign any such contract amendments.

3. The PDC extension amendment agreement will include all appropriate terms for an extension including, but not limited to, a provision permitting early termination and a provision requiring staff to report on contract performance annually during the term of the PDC Agreement to the Energy Trust board of directors Finance & Audit Committee.

| | | |
|---|---|---|
| Moved by: | | Seconded by: |
| Vote: | In favor: | Abstained: |
| | Opposed: | |

EnergyTrust of Oregon

## Resolution 1029

**AUTHORIZE A THREE YEAR EXTENSION TO THE PROGRAM DELIVERY CONTRACT (PDC) WITH CLEARESULT CONSULTING, INC. FOR RESIDENTIAL MIDSTREAM PROGRAM SERVICES**

April 8, 2024

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**RESOLUTION 1029**
**AUTHORIZE A PROGRAM DELIVERY CONTRACT (PDC) WITH CLEARESULT CONSULTING, INC. FOR RESIDENTIAL MIDSTREAM PROGRAM SERVICES**

**WHEREAS:**

1. In 2022, Energy Trust staff conducted a fair and open Request for Proposals procurement process to select a program delivery contractor to deliver Residential midstream Residential program services for the next 2-5 years;

2. Staff recommended, and the board approved, a program delivery contractor (PDC) agreement with CLEAResult Consulting, Inc. (CLEAResult) for Residential midstream program delivery services for an initial term of two years, with the option for three-one (1) year extensions;
3. Staff now recommends extending the CLEAResult PDC agreement for three additional years in light of CLEAResult's contract performance and a longer term contract ability to support and meet expectations for accelerated energy efficiency savings achievements;
4. Staff presented information on their recommendations to the Energy Trust board of directors Finance & Audit Committee on February 29, 2024;
5. The Finance & Audit Committee supports staff's recommendation for an extension subject to the conditions that the PDC agreement maintain the ability for termination by Energy Trust throughout the extended term and that staff present information annually to the Finance & Audit Committee on the CLEAResult's PMC services and contract performance; and
6. If approved, the Energy Trust board will review actual savings and costs of the CLEAResult PDC agreement each year as part of its review of the Energy Trust budget and financial and action plans.

**IT IS THEREFORE RESOLVED:**

1. Subject to determination of annual contract cost amounts based on the board-approved 2025 annual budget and subsequent Energy Trust budgets, financial and action plans as approved for each of the years 2026 and 2027, the executive director or his designee is authorized to negotiate and to enter into an extension of Energy Trust's PDC contract with CLEAResult to deliver the Residential midstream program through December 31, 2027.
2. PDC contract costs and savings goals included in the contract shall be consistent with the board-approved 2025 annual budget and action plan(s). Thereafter, staff may amend the contract consistent with the board's budget and financial and action plan decisions and the executive director or his designee is authorized to sign any such contract amendments.

3. The PDC agreement extension amendment will include all appropriate terms for an extension including, but not limited to, a provision permitting early termination and a provision requiring staff to report on contract performance annually during the term of the PDC agreement to the Energy Trust board of directors Finance & Audit Committee.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed:

# Tab 5

# Ad hoc Diversity Equity and Inclusion Committee Meeting Notes

April 3, 2024, 11:00 a.m.

**Committee Attending:** Melissa Cribbins (Chair), Henry Lorenzen (ex officio), Ruchi Sadhir

**Committee Absent:** Susan Brodahl (leave of absence), Eric Hayes, Bill Tovey

**Special Advisors Attending:** Susan Badger Jones, (Diversity Advisory Council), Ashnie Butler (Inner Work, Outer Play),

**Staff Attending:** Danielle Rhodes (Staff Liaison), Michael Colgrove

Melissa Cribbins convened the meeting at 11:03 a.m.

## Debrief DEI Presentation at March Board Meeting

Ashnie Butler, board DEI consultant, presented on the DEIB discussion at the March board meeting (Michael, Henry, and Danielle were present). During the DEIB discussion, Ashnie led with a land acknowledgment, presented on her framework of NIRA (Notice, Inquire, Return, Action), and reviewed with the Board and advisory councils a series of agreements to inform small group discussion about strategic planning work in the afternoon. She also presented on DiSC assessments with an activity for folks to identify their tendencies on a leadership scale and asked for feedback from those board members who participated.

Ashnie has been working with Holly Valkama of 1961 Consulting to assist in informing the strategic planning process and mentioned that Holly carved out some time for groups to discuss the agreements and have members reflect on them during afternoon group discussion.

## Open Discussion: Upcoming DEI Work

Ashnie discussed some of the upcoming board work which will include DEIB work at the May board meeting and the workshops that will be forthcoming in July, September, and November. In the DEIB work with the board, topics and conversations will include confidentiality, transparency and trust; power and status; embodied patterns of presence; systems and structures in place in the org; expressions of racism; and engaging tools in our listening. As these topics are explored, historical patterns of discrimination will surface and be addressed. Ashnie noted that the board's deepest need is community building to engage in this work, and stresses that the remainder of this work should be done in Executive Session.

## Cohort Groups

Ashnie gave an update on cohort groups. The cohort group is reading The 1619 Project. Several board members are participating and engaging in the groups enthusiastically. Smaller group discussions have been assisting in community building amongst the board members participating. The group meets the fourth Monday of the month during the day to allow for more accessibility and participation, and all board members are welcome to join at any time.

## DEI Director

Mike shared that we have a new Director of DEI Services, Alicia Moore, who will be joining Energy Trust on April 15th . Alicia will have an opportunity to meet board members at the April 17th board meeting. Mike shared Alicia's background and information with the committee. Alicia will transition to being the staff liaison to the ad hoc DEI Committee and will be working with Melissa Cribbins, committee chair, and Ashnie more closely.

## Adjourn Meeting

The meeting ended at 11:33 a.m.

**The next meeting of the ad hoc Diversity Equity and Inclusion Committee is May 31, 2024, on Zoom at 3 p.m.**

# Tab 6

# Long Term Energy-Efficiency Forecasting
# Board Briefing Paper

**Prepared by Spencer Moersfelder and Michael Colgrove**
**January 2024**

*Energy Trust is the administrator of Oregon energy-efficiency programs for PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista and Washington energy-efficiency programs for NW Natural. For these funding utility partners, Energy Trust forecasts potential future electricity and gas savings from efficiency, which can be used for budgeting, annual performance tracking, identifying long-term savings potential and informing utility Integrated Resource Plans (IRP). Efficiency forecasting through utility IRP processes is a major determinant of Energy Trust's goals and budgets.*

*This paper describes how Energy Trust develops the 20-year forecasts utilities use for their IRPs and how it relates to Energy Trust's budgets, goals and program planning. It also explores how this process might be impacted by the state's decarbonization goals and timelines and what that means for Energy Trust.*

Energy Trust of Oregon

# Purpose of the 20-Year Forecast

Energy Trust typically provides multiyear forecasts of potential energy-efficiency savings (both annual savings and savings during peak periods) and costs to utilities as part of the utility IRP process. Energy Trust currently provides some form of forecast for PGE, Pacific Power, NW Natural, NW Natural firm and interruptible, Cascade Natural Gas and Avista. These forecasts are part of the utilities' IRPs, which are planning tools the utilities use to assess the resources that will be necessary to provide reliable service to their customers based on forecasted demand and loads on their systems over a determined timeframe. The utility IRP model identifies the preferred supply (generation) or demand side resource (e.g., energy efficiency) to meet those loads. For additional information, the Pacific Power website provides an overview of Pacific Power's IRP process, which is generally applicable to other utilities.

For PGE, NW Natural, Cascade Natural Gas and Avista, Energy Trust has historically provided a 20-year potential savings forecast that quantifies the available, cost-effective energy-efficiency potential to inform and reduce a utility's load forecast over the IRP period so they can accurately plan their generation mix to meet their customers' projected loads.[1] Pacific Power's process is slightly different. Energy Trust provides Pacific Power with a forecast of achievable energy-efficiency potential and its model selects the resources that are most economically viable for their utility system.

Energy Trust typically works with utilities to provide updated efficiency forecasts about every two years, coincident with the utilities' obligation to provide a refreshed IRP to the Oregon Public Utility Commission (OPUC). Energy Trust's Planning team regularly renews the model using the most current information available, including the most recent market data, program data and measure level input data (e.g., savings, costs and efficiency saturations).

# 20-Year Forecasting Process

Energy Trust uses a Resource Assessment model in Analytica[2] that was developed by a consultant to produce 20-year energy efficiency forecasts for our funding utilities' IRPs. It combines large, complex datasets in a relatively simple user interface and simplifies the process to model energy efficiency potential for each utility.

The model is used to identify total cost-effective 20-year efficiency potential, but it does not project when and how the resource will be acquired. Instead, the timing of the acquisition of the 20-year resource is a step that is completed exogenous to the model and is based on iterations with program staff.

## Resource Assessment Model Methodology

While there are a number of variables and inputs that must be managed within the model, the Resource Assessment model is essentially one large multiplication matrix where individual measure-level data and building stock data are the base inputs.

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[1] Renewable energy is considered in electric IRPs. However, Energy Trust's work in this area is considered as part of a larger portfolio of available renewable resources and is generally not singled out. In general, renewable generation potential is much larger than the financial resources available to Energy Trust, and the major determinants of market deployment include government tax and incentive policy, policy regarding other benefits of projects such as water conservation, grid management developments, innovation in program delivery, and rapid changes in technology and product cost. This creates a very different environment for forecasting.

[2] http://www.lumina.com/why-analytica/what-is-analytica1/

There are several other inputs necessary for this model, both at the measure level and utility level, often referred to as Global inputs. Below is an overview of some of these inputs:

- Utility or Global inputs
    - Customer counts by customer type
    - Avoided costs, line losses and discount rates
    - Demographic statistics
        - Heating and hot water fuel splits
        - Energy use intensity for commercial
- Measure level assumptions
    - Savings, costs, operations and maintenance costs and savings, measure life, load profile, end use, baseline information, measure densities[3], baseline vs. efficient saturations, technical applicability, achievability rates
- Emerging technologies
    - The model includes a suite of emerging technologies not currently offered by Energy Trust programs but that offer the potential for significant savings in the future if they become viable in the market
    - Emerging technologies are subject to a risk factor that functionally reduces forecast savings based on market risk, technical risk and data source risk

There are also several assumptions embedded in the model:

- Cost-effective energy savings potential may come from savings claimed by Energy Trust programs or codes and standards efforts resulting in savings that Energy Trust does not claim.
- Federal and state equipment standards, appliance standards, code changes and the forecasted impact of regional market transformation efforts are factored in, such as assumptions about transforming retail lighting markets via regional efforts and federal lighting manufacturing efficiency standards.
- The model assumes utilization of energy use intensities per square foot in the commercial sector from regional surveys such as NEEA's Commercial Building Stock Assessments. This data is used to translate utility load forecasts to estimates of building square footage, which is the typical unit for efficiency resource modeling in the commercial sector.
- Energy Trust models market transformation savings in the model through two channels: new construction and replace-on-burnout measures. These market transformation savings leverage forecasts of new construction starts and baseline equipment turnover that are subject to new codes and standards or efficient market transformation. NEEA and Energy Trust split market transformation savings in different proportions based on

[3] Measure densities are defined as the number of units per the scaling basis of the sector. A scaling basis is how the measures are scaled from the measure level to a utilities service territory – it is the link between measure data and utility data. For example, in the residential sector, the scaling basis is almost always 'number of homes' so that measure level data can be scaled up based on the number of homes that a utility serves. However, most measure savings are given 'per unit' such as per light bulb and in order to properly scale the savings, the average number of light bulbs per home is a necessary measure level data point for the model. This average number of measure units per the scaling basis (homes in this case) is the 'density' of a measure. For example: Measure is an LED bulb, there are an average of 35 screw-in lighting sockets per Single Family home (the density), and a utility serves 500,000 Single family customers resulting in 17.5 million total screw in lighting sockets in that utility's service territory.

fuel or sector; savings claimed by NEEA are included in the efficiency forecast as a non-Energy Trust line item so that utilities can appropriately decrement their load forecasts, while savings Energy Trust will claim are included in the appropriate sector/end-use totals.

## Model Outputs and Potential Savings Projections

Energy Trust's Resource Assessment model combines these inputs and assumptions to assess savings opportunities at the measure level. The model then scales measure level savings to a utility's service area using the utility and Global inputs. Different utilities require different modeling outputs from Energy Trust based on the way their own modeling uses Energy Trust inputs.

| | | | | |
|---|---|---|---|---|
| **Not Technically Feasible** | **Technical Potential** | | | |
| **Not Technically Feasible** | **Market Barriers** | **Achievable Potential** | | |
| **Not Technically Feasible** | **Market Barriers** | **Not Cost Effective** | **Cost Effective Potential** | |
| **Not Technically Feasible** | **Market Barriers** | **Not Cost Effective** | **Program Design, Market Penetration** | **Final Savings Projection** |

*Figure 1: Types of energy savings potential to come out of Resource Assessment modeling (the relative size of these boxes is not intended to reflect actual proportions)*

Savings outputs fall into several categories:

- Not Technically Feasible: This includes measures that are not a natural fit in some locations (e.g., a gas boiler in a commercial building in an area that is not served by gas).
- Technical Potential: This is the total savings potential associated with measures that can technically be installed, regardless of market barriers or cost.
- Market Barriers: This represents an amount of technical potential that cannot be acquired because of various conditions in the market. Energy Trust assumes that a certain portion of customers will never install efficiency measures regardless of how Energy Trust attempts to reach these customers.
- Achievable Potential: This is the portion of technical savings potential Energy Trust can acquire if the customer can be successfully reached and influenced. To quantify this, Energy Trust multiplies Technical Potential by measure level achievability factors consistent with what the Power Council used in the 2021 Northwest Power Plan.
- Not Cost-Effective: The savings within the Achievable Potential are subjected to a screening using the Total Resource Cost (TRC) test, which compares the cost of an efficiency measure to its financial benefits, including the avoided costs that are specific to the utility conducting the IRP and quantifiable non-energy benefits. Some of these savings are deemed Not Cost-Effective because they do not pass the TRC test.
- Cost-Effective Potential: This is the portion of Achievable Potential that has passed the TRC test. In cases where two cost-effective measures can be installed in the same setting, the model chooses the most cost-effective measure. In addition, in some cases

Energy Trust has been granted exceptions by the OPUC to offer measures that are not cost-effective; the model has an override feature to include these measures in the Cost-Effective Potential. PGE, NW Natural, Cascade Natural Gas and Avista historically receive from Energy Trust and then deduct these savings from their load forecasts for IRP modeling.

- Program Design, Market Penetration: This is a subset of the cost-effective potential that cannot be acquired under current program rules and because of lost opportunities. There are some cost-effective, measure level savings that cannot be acquired because of program level cost-effectiveness requirements that factor in the indirect costs associated with Energy Trust's administrative and staffing costs. Additionally, because of measure level Utility Cost Test (UCT) requirements, some savings cannot be acquired because the incentive caps based on the UCT are insufficient to motivate customers to adopt those measures. This category also includes lost opportunities that cannot be captured in the earlier years of the forecast (see Final Savings Projections below).
- Final Savings Projections, also referred to as Deployed Savings Projections: This consists of cost-effective savings that have been deployed using market penetration curves (also referred to as ramp rates) that reflect Energy Trust's best assumptions about what is achievable over time. The model factors in deployment rates calibrated to Northwest Power and Conservation Council's 20-year total deployments from its 2021 Power Plan. These deployments include the following assumptions:
    - The model assumes 100% acquisition of cost-effective retrofit savings potential within the 20-year period in service areas where Energy Trust has had a sustained active presence unless the representative measures are notoriously hard to reach (e.g., insulation). Retrofit potential is theoretically a fixed resource that can be acquired at any point in time.
    - Replace-on-burnout (failed equipment) and new construction measures, often referred to as lost opportunity measures, have a fixed number of efficiency opportunities each year. In earlier years in the forecast period, it is typically assumed Energy Trust will acquire less than 100% of this resource.[4] However, it is assumed that over time, as Energy Trust influences increased awareness and availability of efficiency options, the penetration of efficient measures installed in these instances will increase. In service areas where Energy Trust has had an active and sustained presence, the model assumes that by the end of the 20-year period, annual acquisition rates will approach 100%, regardless of whether savings come through programs or codes and standards.

## Creating the Acquisition Timing Curve for the Deployed Savings Projections

Energy Trust uses different methods for near-term and long-term forecasting, resulting in a forecast that combines insights from the Planning group, Programs and model outputs. Planning staff works with programs to generate a five-year forecast and juxtaposes this forecast with the 20-year cost-effective potential from the model to generate the final deployed forecast.

[4] There have been instances where the savings from actual observed new construction starts in the market exceed the total forecasted cost-effective new construction resource output by the model. New construction forecasts in the resource assessment model are dependent on utility provided forecasts, which often do not line up exactly with eventual observed market conditions. This can result in higher deployed new construction savings than are perceived to be possible based on the model outputs. This circumstance represents inherent limits of the modeling process and illustrates the impact of input assumptions on modeling outputs.

The final deployed 20-year forecast consists of results for the following time periods:

- The first two years are based on the most recent budget exercise with some adjustments. This is the most comprehensive and detailed assessment of what savings can be acquired by individual programs through their go-to-market mechanisms and offers.
- Years three to five are based on projections of what programs expect based on market and program trends. These forecasts are compared to the overall cost-effective potential that results from the forecast model and are sometimes adjusted if they do not otherwise seem to fit logically into the larger 20-year pattern that emerges in the deployment.
- Longer-term forecasts are projected using curves that start at the end of the five-year projection and lead to acquiring the largest feasible share of the resource at the end of 20 years. Adjustments are made to reflect quirks in the model or data that appear to produce implausible results.

Pacific Power's IRP modeling process has historically worked differently than the other utilities. Energy Trust provides Pacific Power with measure level savings potential data and the respective levelized costs that make up the achievable potential for each year of the IRP forecast period. Pacific Power's IRP model economically competes the potential energy-efficiency demand side measures with supply side resources, such as generation, transmission, and distribution, and selects efficiency resources for each year that are cost competitive with supply side resources. Energy Trust works with Pacific Power to calibrate the levelized cost of the efficiency resource such that Pacific Power's model will select energy-efficiency resources and levels consistent with what Energy Trust programs anticipate they can achieve in one to two years.

For illustrative purposes, the total deployed cost-effective energy efficiency potential embodied in the electric and gas utilities' most recent IRPs is shown in Figures 2 and 3 below.

To meet utility IRP schedules, this forecasting work often happens out of sync with Energy Trust's annual budget cycle. The forecast for the first five years reflects our best attempt to anticipate what can be achieved without always having a refreshed review of the early years that emerges from the budget process.

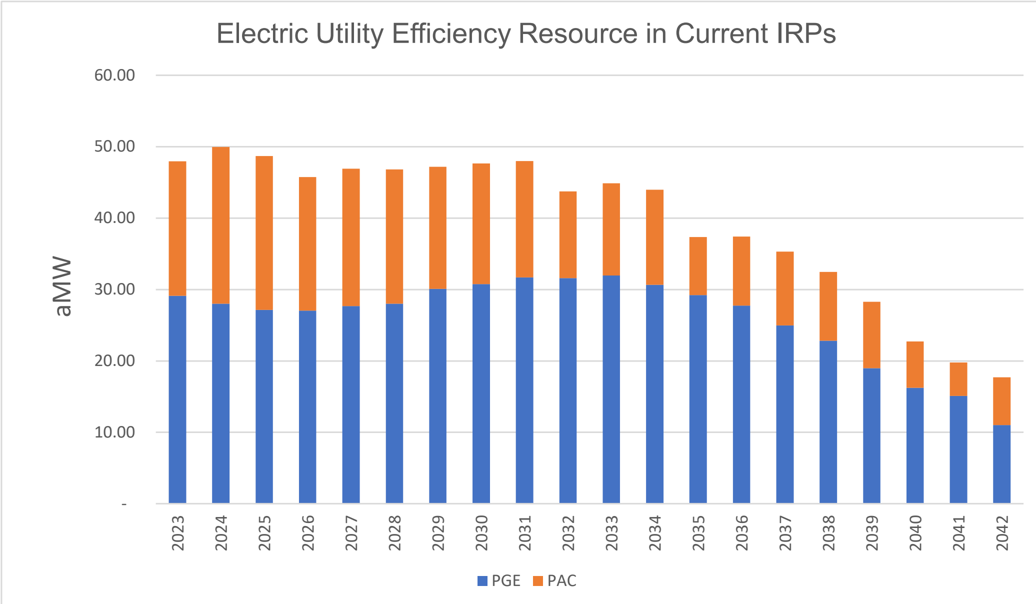


*Figure 2: Combined electric utility efficiency resource in current IRPs*

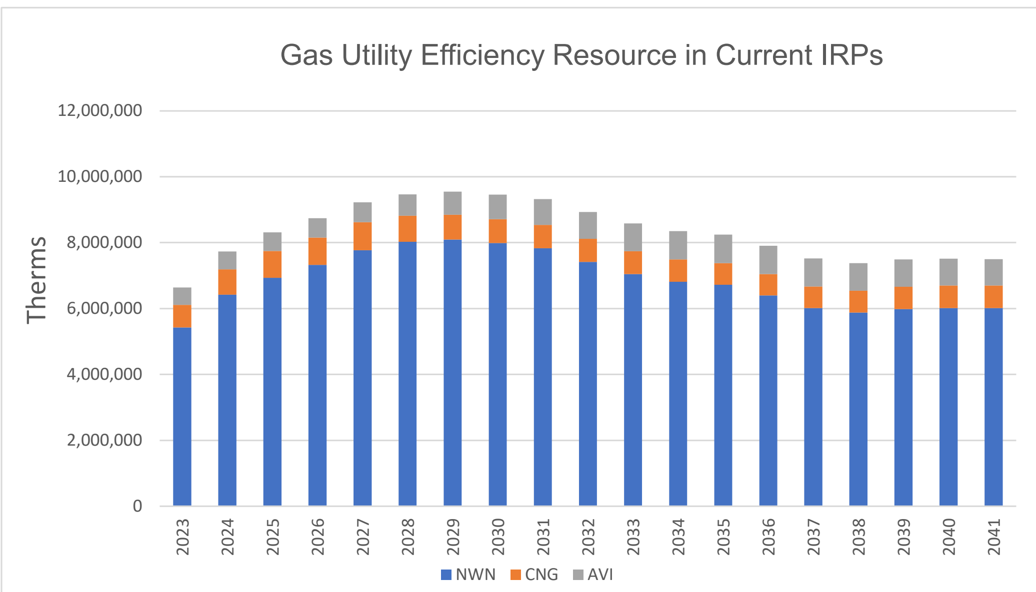


*Figure 3: Combined gas utility efficiency resource in current IRPs*

## A Process of Continuous Improvement

Resource Assessment modeling is a work in progress. The model itself is a living instrument subject to constant improvements to all measure level and utility level inputs and assumptions, such as savings, costs and market data. It is a significant effort for Energy Trust staff to keep the model's measure assumptions current. This is an iterative and expanding process as the number of measures Energy Trust offers continues to grow and as more emerging technologies come to market.

Even with ongoing improvements to the modeling process, there are challenges that contribute to forecast uncertainty. Despite best attempts to make forecasts accurate, actual results are subject to a multitude of unpredictable factors. Energy Trust will continue to strive to enhance the accuracy of forecasts by looking for creative approaches to overcome these unpredictable challenges:

- Difficult-to-predict emerging policies, economic conditions and weather
- Uncertain utility load and building forecasts
- Difficult-to-predict pace of market uptake for some measures
- Unforeseeable emerging technologies and solutions
- Industrial facilities that tend to have highly customized efficiency projects that are difficult to generalize in our Resource Assessment model

## What This Means for Energy Trust

Energy Trust expects to use the energy-efficiency modeling process in 2024 to determine the total amount of efficiency potential available for utility IRPs and for setting 2030 savings targets in conjunction with the major milestones established in House Bill 2021[5] and the state's Climate Protection Program.[6] The model will forecast how much energy efficiency is available, but it won't forecast when the efficiency resource will be achieved. Energy Trust, the utilities and OPUC staff will need to work together to take the potential that is output from the modeling process and identify when Energy Trust will acquire the available energy efficiency potential in pursuit of the state's decarbonization goals and at what cost. This may result in a forecast that shows accelerated acquisition of the resource that is available.

Figure 4 below illustrates this concept by taking the current electric forecast represented in Figure 3 above and redistributing savings to represent an accelerated rate of acquisition. Energy Trust can accelerate savings acquisition by pursuing more retrofit savings sooner. Similarly, Energy Trust can accelerate savings acquisition by increasing efforts to increase market penetration for lost opportunity measures earlier. The model includes incremental measure cost data for cost-effectiveness screening and this information can be used as a reference point to estimate incentives and program delivery costs associated with acquiring related savings.

[5] HB 2021 requires electric utilities to reduce their carbon emissions by 80% by 2030, 90% by 2035 and 100% by 2040. https://olis.oregonlegislature.gov/liz/2021R1/Measures/Overview/HB2021#:~:text=Catchline%2FSummary%3A,baseline%20emissions%20levels%20by%202040

[6] The Department of Environmental Quality's *Climate Protection Program* requires covered entities, including gas utilities, to reduce the carbon content of their product by 50% by 2035 and 90% by 2050. https://www.oregon.gov/deq/ghgp/cpp/Pages/default.aspx

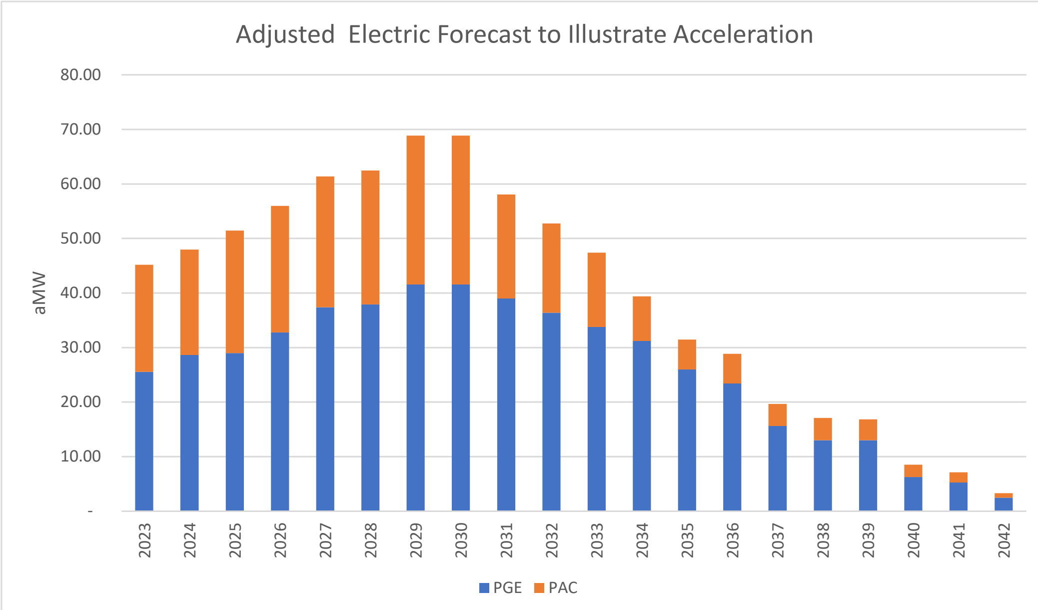


*Figure 4: Combined electric utility efficiency resource in current IRPs adjusted to illustrate acceleration*

The work to set a savings trajectory toward 2030 may need to be done outside of regular IRP cycles. If this happens, it will certainly inform the development of each IRP, Clean Energy Plan (for the electric utilities) or Climate Protection Program compliance plan (for the gas utilities). This framework with its focus on specific milestones will have repercussions for Energy Trust's historical processes, namely our strategic planning, multiyear planning, and financial planning and budgeting processes.

## Strategic Planning

Energy Trust's Strategic Plan defines the direction and significant strategies the organization will adopt to realize its future role of value. The next Strategic Plan will cover 2025 to 2030 to align with the utilities' first decarbonization milestone. In past strategic plans, the board has included explicit efficiency goals while the most recent plan relied on the annual budgeting process to identify those goals. With the complexities involved in determining energy efficiency's contribution to 2030 decarbonization goals, the board might consider reflecting the *process* of establishing that contribution in the next Strategic Plan, rather than including a specific goal. The timing of finalizing that contribution level is unlikely to align with the development of the Strategic Plan and will require significant engagement with utilities and the OPUC in 2024 and 2025. Even when an initial estimate of this contribution level is established, it will likely be regularly revisited and updated to reflect evolving market realities.

In order to maximize acquisition of the cost-effective potential identified in Energy Trust's models through 2030, Energy Trust will need to address non-traditional market barriers to ensure that potential is delivered by the market. Currently, there is insufficient capacity through the delivery infrastructure, primarily consisting of trade allies and a handful of community-based organizations, to acquire significant increases in cost-effective potential by 2030. Significant investments through Energy Trust and a number of other organizations – such as Oregon Department of Energy, Portland Clean Energy Community Benefits Fund, the Community Climate Investment (CCI) Entity and others – will be needed to increase the available workforce and expand delivery infrastructure. While there will be significant funding[7] available to increase demand among customers for energy efficiency, if there is not a similar increase in the market's ability to supply energy efficiency, the result will simply be longer waitlists, frustrated customers and a significant amount of unspent incentives.

## Multiyear Planning

The purpose of adopting a multiyear framework is to enable Energy Trust to focus on cumulative, longer-term savings goals identified for 2030 and develop and implement strategies and tactics that span timeframes beyond a 12-month cycle. This approach removes the focus on achieving annual savings goals that can restrict the organization's ability to address market barriers related to the supply of energy efficiency, which are likely to require several years of investment to remedy.

A multiyear planning horizon also allows the implementation of programs that better align with customer capital improvement projects, which can be particularly beneficial to large commercial, industrial and agricultural customers. An ability to support projects that span multiple years may enable Energy Trust to motivate customers to do larger projects that achieve deeper savings. If customers know incentives will be available for these longer-term projects, they may be more willing to commit to them.

## Financial Planning and Budgeting

Establishing longer-term savings goals through 2030 will also necessitate changes to Energy Trust's annual budgeting processes. In order to identify revenue needs, the organization will need to introduce financial planning into the multiyear planning process. Financial planning will involve the long-term modeling of expenditures through a top-down approach. Energy Trust's more detailed budgets, which are also likely to shift away from an annual timeframe to timeframes that better align with heating and cooling seasons or even to the adoption of a rolling budget, will be guided by the higher-level financial plan.

The advantages of a longer-term financial plan and the subsequent budgets that emerge from it include greater flexibility to manage programs. As noted above, being able to commit incentives to multiyear projects could result in greater engagement and increased savings by customers. The ability to immediately shift funding from one sector to another while not jeopardizing the longer-term sector goals would allow programs to support demand where it emerges and minimize lost opportunities. Similarly, being able to shift funding from later years to earlier years would allow programs to meet demand if it emerges sooner than expected or increase investments to scale infrastructure development where there are demonstrated achievements.

These advantages extend beyond flexible program management to potentially create a more stable and predictable revenue stream from ratepayers. Establishing a long-term financial plan that projects total expenditures through 2030 could translate into a single tariff adjustment at the beginning of the multiyear plan and essentially eliminate the annual cycle of increasing or decreasing tariffs to match more granular annual revenue needs. Such an approach would

[7] The Federal Inflation Reduction Act allocates more than $250 million over the next 10 years through various Oregon state agencies (https://www.oregon.gov/energy/energy-oregon/Documents/2021-Federal-Funding-One-Pager.pdf). The Climate Protection Program is anticipated to raise more than $150 million per year from Community Climate Investment credits (https://www.seedingjustice.org/occi-fund/). The Portland Clean Energy Fund is projected to invest $750 million over 5 years in a variety of priority areas including energy efficiency (https://www.portland.gov/bps/cleanenergy/climate-investment/climate-investment-plan).

require a willingness to build more extensive reserves in earlier years, but such reserves would be the source of flexibility described above.

While longer-term planning introduces greater uncertainty in the later years, a more stable revenue stream would help manage unforeseen opportunities and challenges as they arise. A longer-term plan, just like a strategic plan, would identify key assumptions driving its goals and include a monitoring process of those assumptions to determine if they are being realized or not. A longer-term plan would also include established interim milestone goals that would function as indicators of progress to the ultimate 2030 goals and provide early warnings if any efforts are failing to produce desired outcomes. Only in situations where the assumptions are grossly unrealized or where strategies and tactics are failing to produce results would Energy Trust need to revisit revenue projections with its utility partners.

## Appendix for Long Term Energy Efficiency Forecasting Paper

This appendix is intended to provide the Energy Trust board with a more comprehensive view of where energy efficiency savings potential lies for each of Energy Trust's five funding utilities in Oregon: PGE, PacifiCorp, Avista, Cascade Natural Gas, Avista, and NW Natural. This information was pulled from each utility's most recent integrated resource plan (IRP).

***2022 IRP Modeling Results - Electric Efficiency Potential (aMW)***

| | Potential | | | |
|---|---|---|---|---|
| **Utility** | **Technical** | **Achievable** | **Cost-Effective** | **Deployed** |
| PGE | 712 | 630 | 509 | 527 |
| PAC | 448 | 396 | 294 | 273 |
| **Electric Total** | **1,160** | **1,026** | **803** | **800** |

Figure 5: Total Energy Trust Electric Efficiency Potential in Oregon by Potential Category

*Deployed potential for PGE exceeds Cost-Effective Potential due to the commercial new construction forecast exceeding the cost-effective potential because the number of new construction starts exceeded the potential to come out of the model. An adjustment was made to reflect this circumstance in the deployment. In the future, if similar circumstances are encountered, then adjustments will be made in the model to reflect a more significant collection of new building project starts.

***2022 IRP Modeling Results - Gas Efficiency (MMTherms)***

| | Potential | | | |
|---|---|---|---|---|
| **Utility** | **Technical** | **Achievable** | **Cost-Effective** | **Deployed** |
| Avista | 27.6 | 22.3 | 21.6 | 15.3 |
| Cascade | 27.8 | 22.7 | 20.1 | 14.6 |
| NWN | 308.3 | 242.9 | 228.7 | 147.1 |
| **Gas Total** | **363.7** | **287.9** | **270.4** | **177.0** |

Figure 6: Total Energy Trust Gas Efficiency Potential in Oregon by Potential Category

*Deployed potential for gas utilities looks comparatively less than technical, achievable, and cost-effective achievable potential because all gas fired water heaters in the model are being replaced by gas fired heat pump water heaters which are an emerging technology which is not ready for widespread market implementation yet.

## Appendix Section 1: PGE Cost-Effective Achievable Potential by End Use and Final Deployed Savings Potential

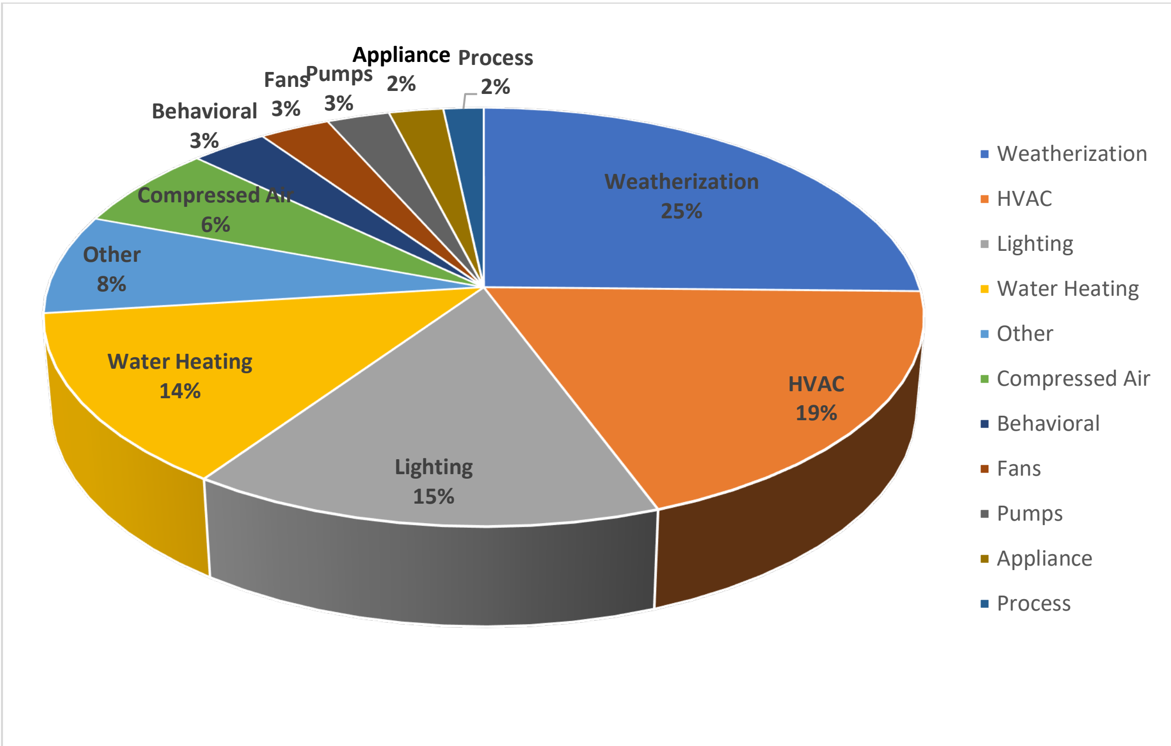


Figure 7: PGE 20-year Cost-Effective Achievable Cumulative Potential by End use

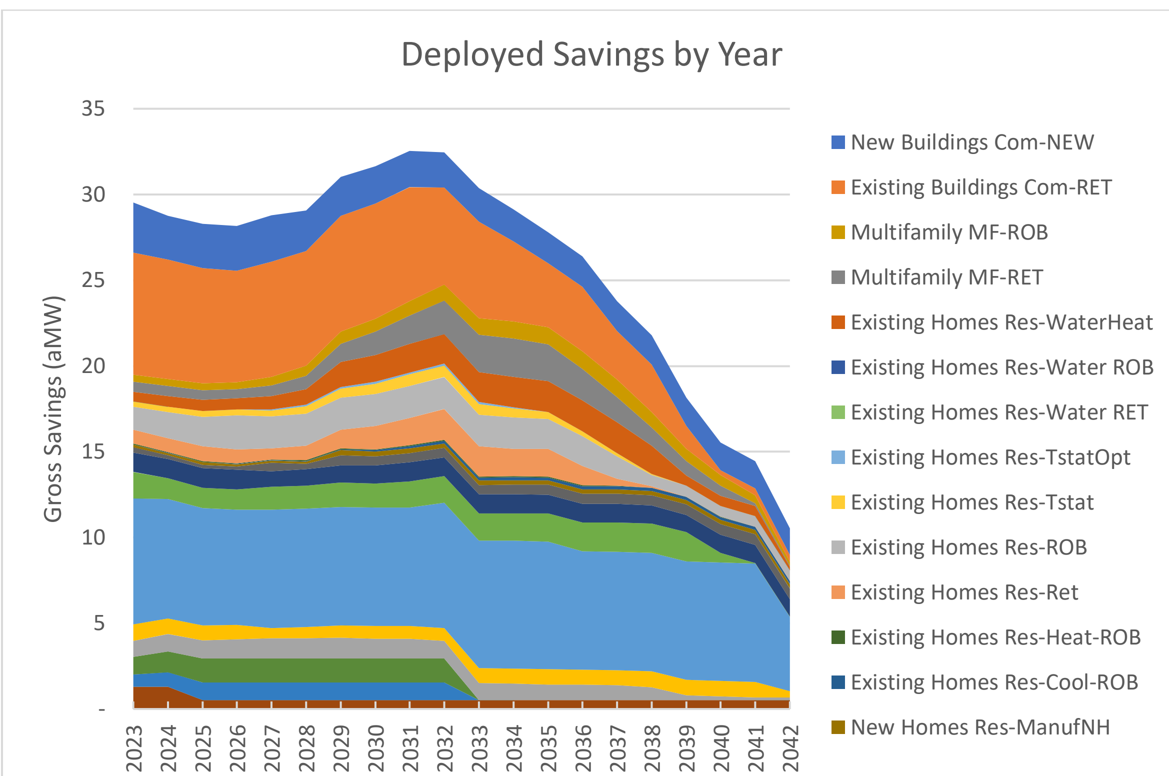


Figure 8: PGE Annual Deployed Final Savings Potential by Sector and Measure Type (aMW w/line losses) The chart's key is further described in endnote 1.[i]

## Appendix Section 2: PacifiCorp Cost-Effective Achievable Potential by End Use and Final Deployed Savings Potential

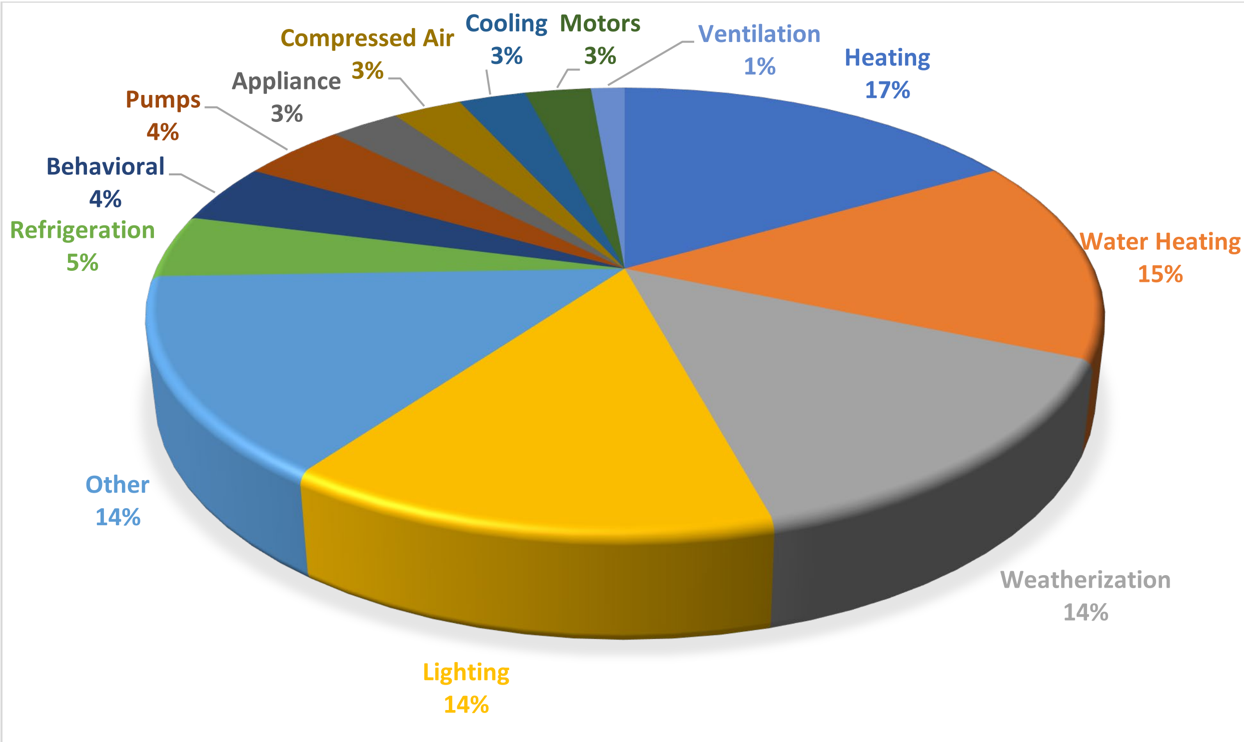


Figure 9: PacifiCorp 20-year Cost-Effective Achievable Cumulative Potential by End use

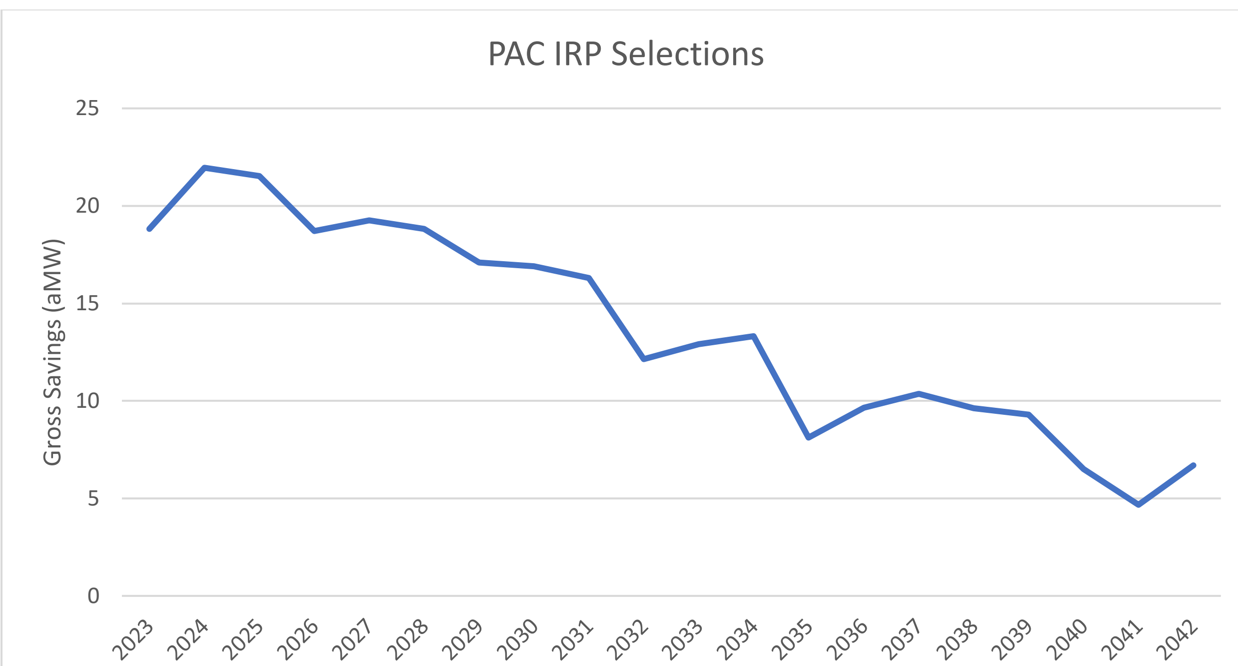


Figure 10: PacifiCorp Annual Deployed Final Savings Potential by Sector and Measure Type (aMW w/line losses) (Note: The format of this chart is different because the data represents the final Oregon energy efficiency selections extracted from PacifiCorp's IRP.)

## Appendix Section 3: Avista Cost-Effective Achievable Potential by End Use and Final Deployed Savings Potential

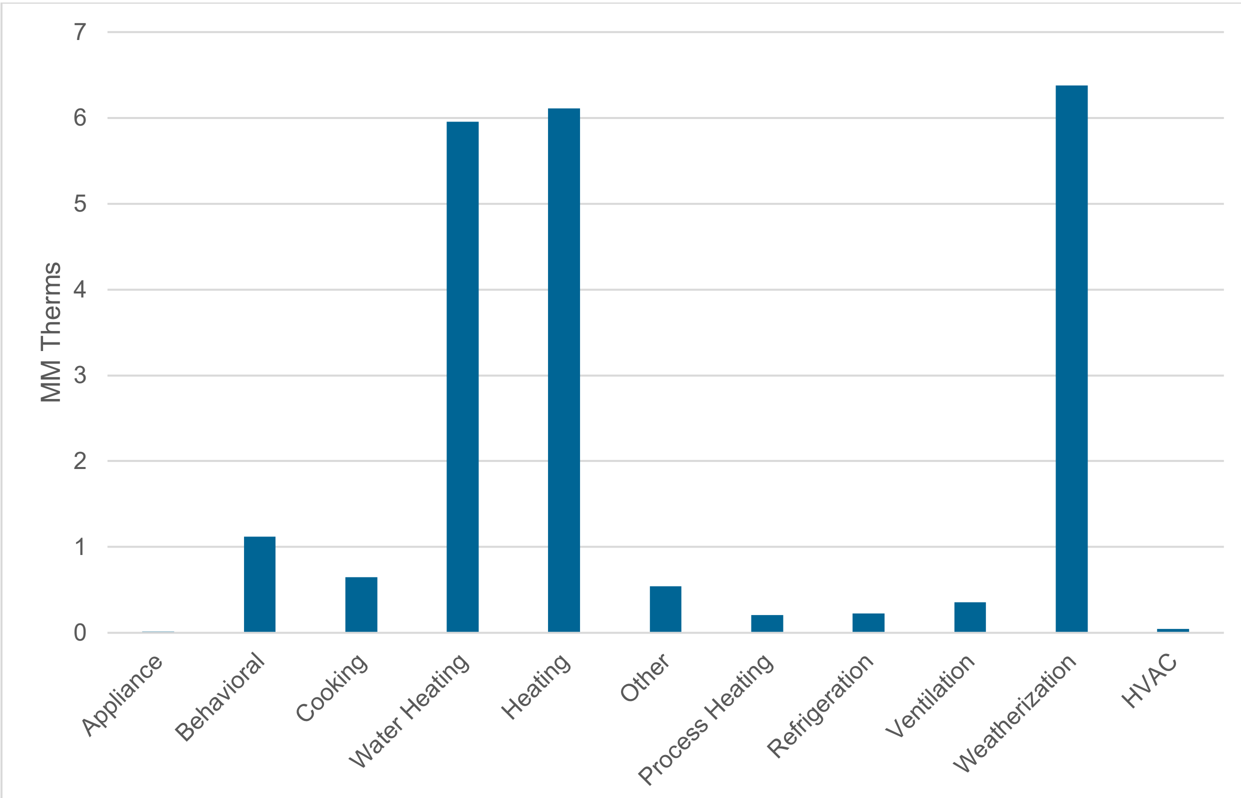


Figure11: Avista 20-year Cost-Effective Achievable Cumulative Potential by End use

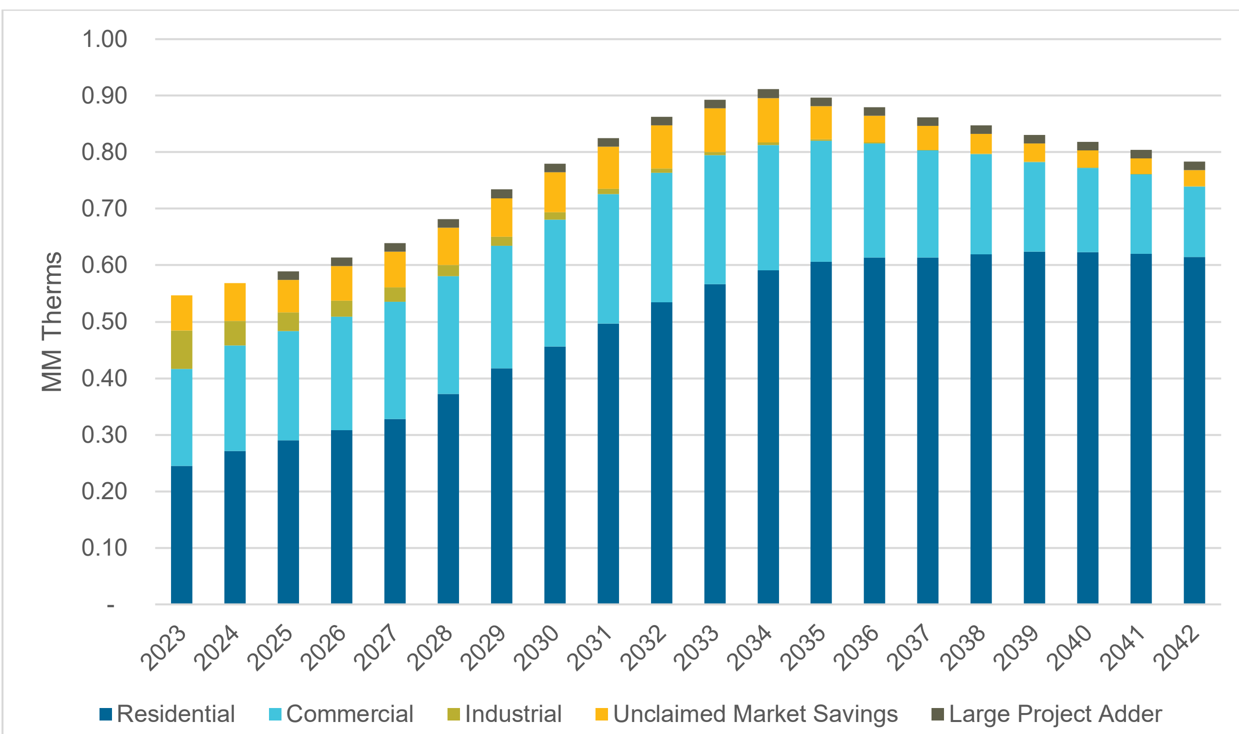


Figure 12: Avista Annual Deployed Final Savings Potential by Sector

## Appendix Section 4: Cascade Cost-Effective Achievable Potential by End Use and Final Deployed Savings Potential

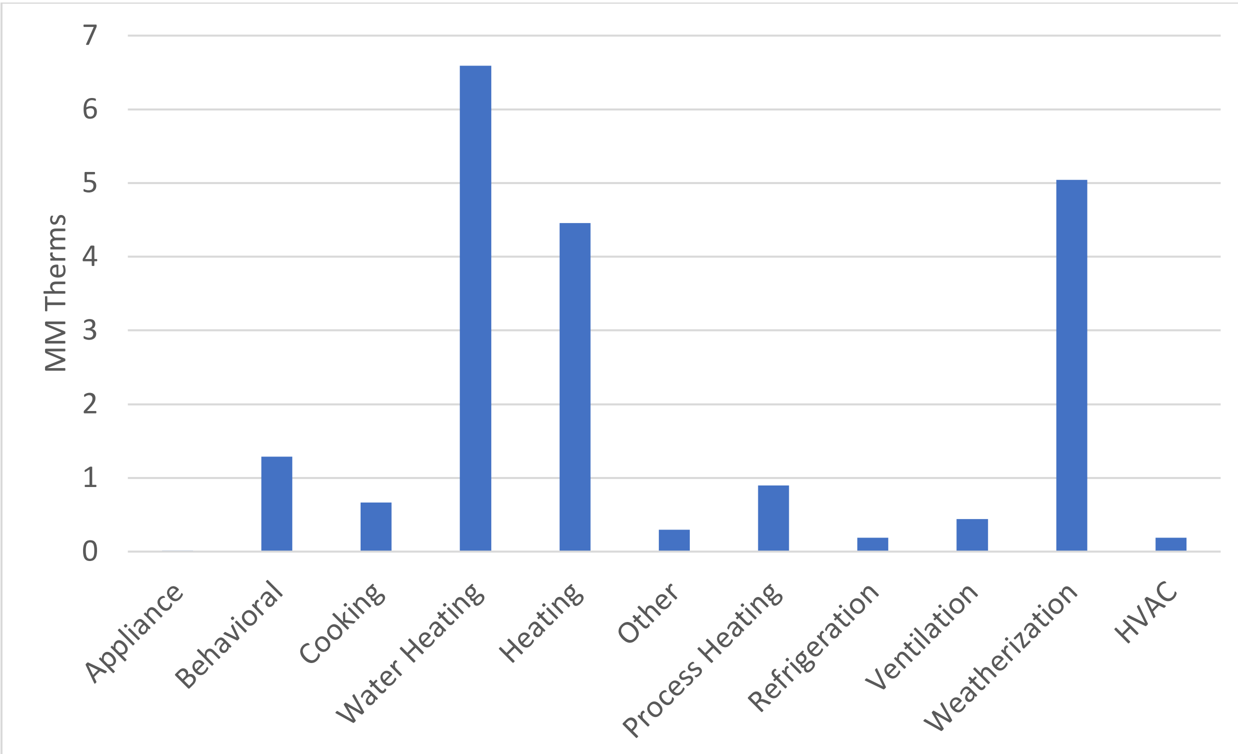


Figure13: Cascade 20-year Cost-Effective Achievable Cumulative Potential by End use

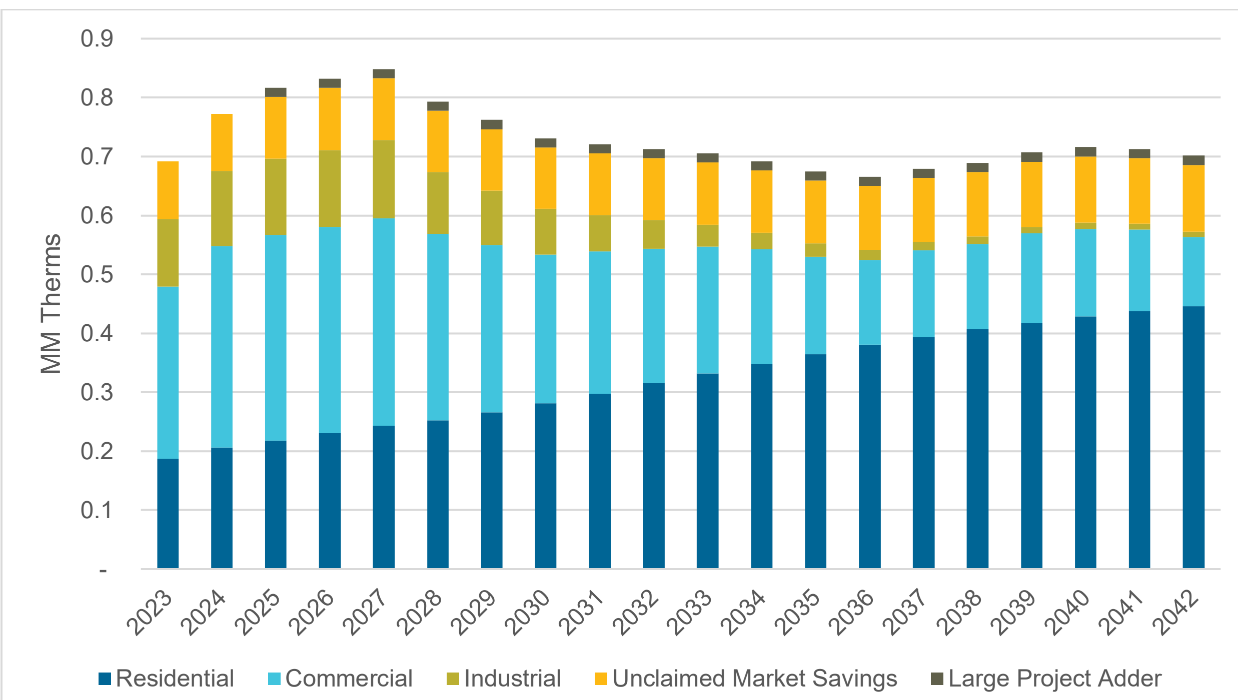


Figure 14: Cascade Annual Deployed Final Savings Potential by Sector

## Appendix Section 5: NW Natural Cost-Effective Achievable Potential by End Use and Final Deployed Savings Potential

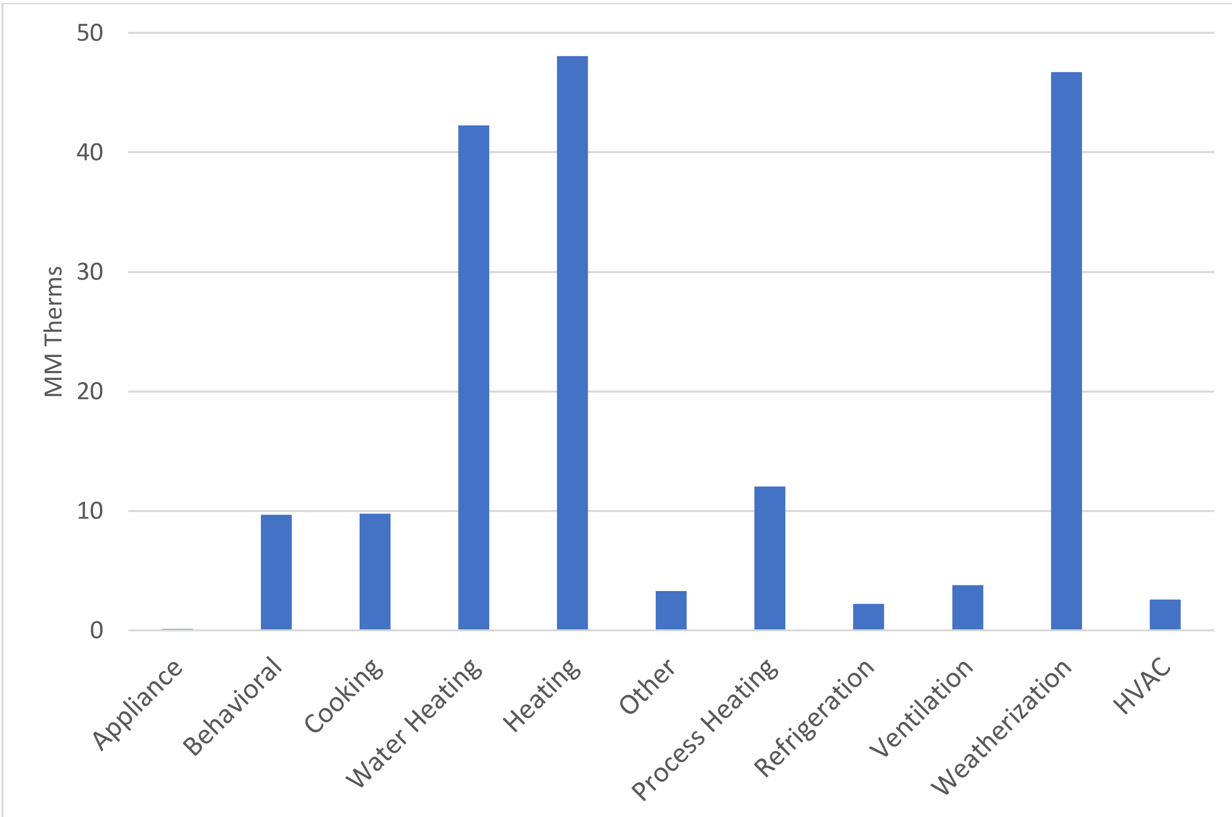


Figure15: NW Natural 20-year Cost-Effective Achievable Cumulative Potential by End use

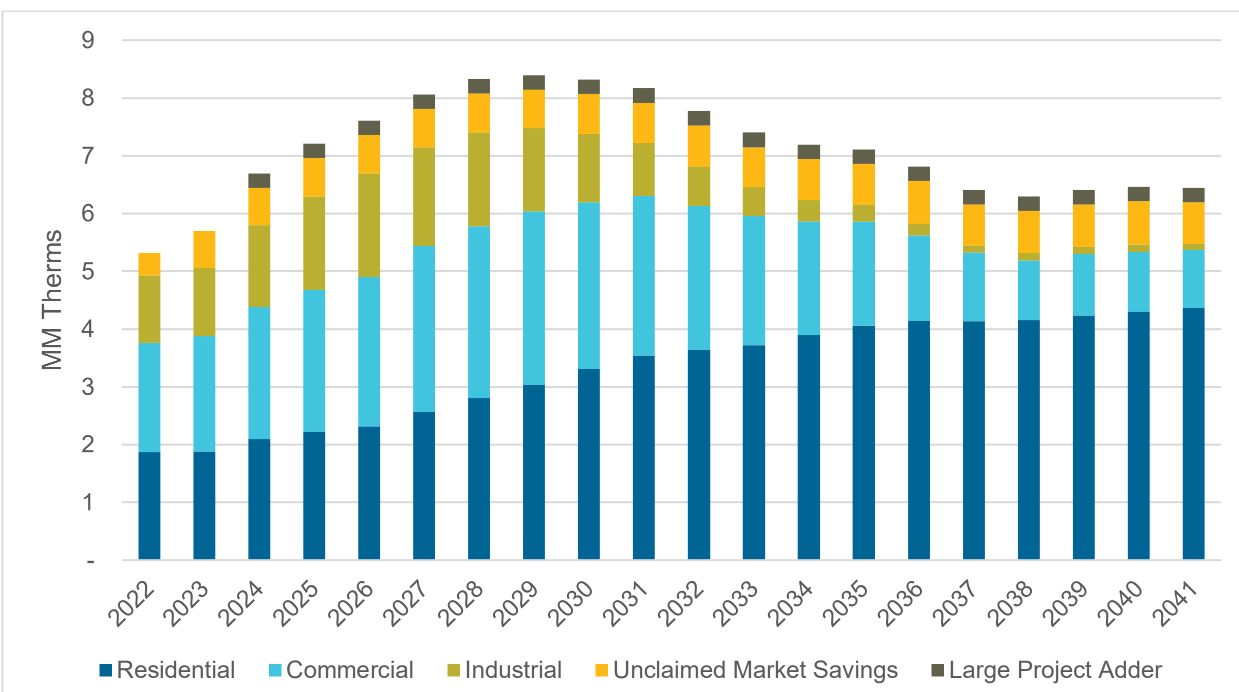


Figure 16: NW Natural Annual Deployed Final Savings Potential by Sector

[i] The sources of energy efficiency savings are further described here:

- New Buildings COM-NEW = Commercial New Construction
- Existing Buildings COM-RET = Commercial Existing Building Retrofits
- Multifamily MF-ROB = Multifamily Replace On Burnout
- Multifamily MF-RET = Multifamily Retrofits
- Existing Homes Res-WaterHeat = Existing Homes Residential Water Heat
- Existing Homes Res-Water ROB = Existing Homes Residential Replace On Burnout
- Existing Homes Res-Water RET = Existing Homes Residential Water Heat Retrofit
- Existing Homes Res-TstatOpt = Existing Homes Residential Thermostat Optimization
- Existing Homes Res-Tstat = Existing Homes Residential Thermostats
- Existing Homes Res ROB = Existing Homes Residential Replace On Burnout
- Existing Homes Res RET = Existing Homes Residential Retrofit
- Existing Homes Res-Heat-ROB = Existing Homes Residential Heating Replace On Burnout
- Existing Homes Res-Cool-ROB = Existing Homes Residential Cooling Replace On Burnout
- New Homes Res-ManuNH = New Residential Manufactured Homes

# Ad hoc Strategic Planning Committee Meeting Notes

April 3, 2024

**Committee members attending:** Janine Benner (ODOE Special Advisor, ex-officio), Henry Lorenzen, Jane Peters (Chair), Letha Tawney (OPUC ex-officio), Peter Therkelsen, Ellen Zuckerman

**Committee members absent from meeting:** Bill Tovey

**Staff attending:** Sarah Castor, Amber Cole (Staff Liaison), Mike Colgrove, Danielle Rhodes, Jess Siegel, Greg Stokes

**Others attending:** Holly Valkama (1961 Consulting)

Amber Cole convened the meeting at 3:33 p.m.

## Strategic Planning Process

Amber began with a high-level outline of the process status and what is ahead, referring to the following timeline of activities:

- Finalizing Current Strengths & Capabilities and Future Unique Role of Value (Current)
- Vision/Purpose (April – Ma y)
- Areas of Focus and Strategic Plan Goals (May – June)
- Draft Strategic Plan Writing and Review (June – July)
- Signpost Development and Strategic Plan management (July – August)
- Board approval of Draft Plan (August 14)
- Stakeholder Outreach & Public Comment (mid-August – September)

## Strengths and Capabilities

Holly brought forward a list of suggestions that emerged from board and advisory council member discussion of the initial Strengths and Capabilities Map at the March board meeting. The internal staff team reviewed and discussed the list after Holly and her team synthesized the feedback. Amber summarized the staff team's recommendations on how to adjust the Strengths and Capabilities Map based on the feedback.

The committee discussed proposed revisions to the strengths and ran short on time to complete discussion on capabilities. Holly proposed they complete the task by providing email comments. Holly and the internal team will return to the April 10th committee with an updated Strengths and Capabilities Map. If the committee is satisfied the map will go back to the April 17 Board meeting.

## Unique Role of Value

Holly presented a synthesis of the Unique Role of Value discussion that board and advisory council members participated in during the March board meeting and provided a synthesis of the themes that emerged in that forum: reducing the cost of the energy system/energy transition, energy justice and community benefits, and the current public purpose administrator role. To facilitate discussion and revision of a unique role of value statement at the April board meeting, Holly and Rob drafted a first set of potential statements based on the March workshop inputs. Holly shared them with the committee:

- Energy Trust is uniquely positioned to reduce the cost of the energy system and maximize energy outcomes and community benefits for all Oregon and SW Washington IOU customers.
- Energy Trust is uniquely positioned to reduce the cost of the energy transition for all and amplify associated community-centered benefits.
- Energy Trust is uniquely positioned to reduce the cost of the energy transition for all and amplify associated community-centered benefits, in direct support of Oregon's energy strategy.
- Energy Trust is uniquely positioned to support the implementation of Oregon's energy strategy by reducing the cost of the energy transition for all and amplifying associated community-centered benefits.
- Energy Trust is uniquely positioned to ensure a lower cost energy transition for all, delivering benefits for those who are most vulnerable to energy cost increases, in direct support of state, local and tribal energy strategies.

The committee discussed this list of statements as a first iteration and made suggestions such as using a different term for "energy strategy," removing "for all" or adding more clarity on what that means, and defining what we mean by community benefits. Jane expressed appreciation for the last statement and that we need to consider our role relative to utilities. Peter expressed appreciation for the definition of "community-centered" benefits. Ellen suggested the term "energy future". Henry noted the foundational basis of delivering system benefits remains important. Amber noted that any future unique role of value statement will need additional supporting language to help clarify what's intended.

Holly noted this list will be refined with the committee's discussion and suggestions and it will come back to the committee at the April 10th meeting, so that the committee can present a list to the board on the 17th.

## Adjourn

The meeting adjourned at 4:28 p.m.

**The next meeting of the ad hoc Strategic Planning Committee is scheduled for April 10, 2024, from 3:30 p.m. to 4:30 p.m.**

# Tab 7

# Conservation Advisory Council Meeting Notes

February 14, 2024

**Attending from the council:**
Jonathon Belmont (for Margaret Lewis), Bonneville Power Administration
Andy Cameron, Oregon Department of Energy
Kari Greer, Pacific Power
Lisa McGarity, Avista
Laney Ralph, NW Natural
Jake Wise, Portland General Electric
Kerry Meade, Building Potential
Becky Walker, NEEA
Jeff Bissonnette, Northwest Energy Coalition
Corinne Olson, Alliance for Western Energy Consumers
Noemi Ortiz, Cascade Natural Gas

**Attending from Energy Trust:**
Hannah Cruz
Elizabeth Fox
Tom Beverly
Elaine Dado
Sue Fletcher
Alex Novie
Tracy Scott
Janelle St. Pierre
Jeni Hall
Fred Gordon
Cody Kleinsmith
Maddie Norman
Alicia Li
Abby Spegman
Cory Hertog
Any Coles
Spencer Moersfelder
Dan Peterson
Alyson McKay
Elaine Prause
Amanda Thompson
Andi Nix
Chris Dunning
Ryan Crews
Maddy Otto
Thad Roth
Shelly Carlton
Themba Mutepfa
Juliette Poff
Melanie Bissonnette
Marshall Johnson

**Others attending:**
John Molnar, Rogers Machinery
Brooke Landon, CLEAResult
Chad Ihrig, Google
Jane Peters, Energy Trust board
Andrew Croy, Strategic Energy Group
Alex Couch, Alliant Systems
Brian Lynch, AESC

## 1. Welcome and announcements

Hannah Cruz, senior stakeholder relations and policy manager, convened the meeting at 1:30 p.m. via Zoom. The agenda, notes and presentation materials are available at [www.energytrust.org/wp-content/uploads/2023/11/CAC-Packet-February-2024.pdf](www.energytrust.org/wp-content/uploads/2023/11/CAC-Packet-February-2024.pdf)

Hannah mentioned the board workshop on March 13. The board is inviting advisory council members to the in-person meeting so they can provide input during the session for the development of the 2025-2030 strategic plan. Hannah will send more information in a follow-up email.

The October 10 council meeting is now set from 1 p.m. – 4 p.m.

## 2. Council operations

*Topic summary*

Hannah Cruz reviewed council operating principles, which were originally established in the council charter. Details are available in the meeting packet and presentation slides. Community agreements were added in 2023 to establish member expectations for communications, conflict resolution, engagement and support. Hannah also asked council members for topics and areas of interest for future meetings.

*Discussion*

Members indicated that no changes are needed in the operating principles or community agreements. Members are interested in hearing updates about Oregon's commercial Building Performance Standard rulemaking and Energy Trust's role in implementing new standards (Kerry Meade). Oregon Department of Energy is leading the rulemaking and Energy Trust is following the process closely as well as will be a rulemaking advisory committee representative. ODOE is willing to bring in Blake Shelide to give an update. Council members also indicated an interest in workforce development efforts, including mentorship and after-school programs (Andy Cameron).

*Next steps*

Hannah will add the suggested topics to future meeting agendas.

## 3. 2023 preliminary annual results

*Topic summary*

Tracy Scott, director of energy programs, presented preliminary results for 2023. Preliminary results are released each January and shared with the OPUC. Expenditures are not yet available. The annual report to the OPUC on April 15 will contain full, final data.

Preliminary results are some of our best, in spite of market challenges. Energy Trust exceeded goals for all utilities. Energy Trust reached 118% of electric savings goals, 108% of gas savings goals and 124% of renewable generation goals.

*Discussion*

Member stated the results are great (Lisa McGarity) and had no additional questions or comments.

*Next steps*

None.

## 4. Multiyear planning and 2025 budgeting changes

*Topic summary*

Chris Dunning, chief financial officer, provided an overview of Energy Trust's transition to a new multiyear planning framework in place of an annual cycle of budgeting and action planning. Full details are available in the meeting packet. The framework is under development and will seek to allow more flexibility in planning, with plans going beyond one-year goals. It will include a five-year business plan, staffing plan and financial plan, along with a rolling budget for plan management. The council will be engaged for feedback on the draft process, most likely in June. Staff is developing the process now for the multiyear plan and will pause work this summer to give staff bandwidth to develop a 2025 budget. The 2025 budget process will be compressed into the second half of 2024, and staff is being directed to continue many of the existing action plan projects. Development of the 2026-2030 multiyear plan will start in early 2025.

*Discussion*

Members supported the shift and agreed with the flexibility of multiyear planning but added that check-ins may help avoid problems (Becky Walker). Members also stated that summaries of market intelligence and direct customer feedback are helpful for strategic planning, since they show what people are thinking as they complete projects (Lisa McGarity). Members also asked for clarification about what would be considered in a rolling budget (Lisa McGarity) and advised staff to add a check point on extending the 2024 action plans into 2025 to ensure they are still on track (Becky Walker).

Staff noted Energy Trust will work on rolling budgets as plan management is fleshed out. That is one aspect of plan management and should be reported in sync with progress on goals and any corrections being made to reach goals. Staff explained Energy Trust's cost structure is roughly 50% incentives, 30% delivery and 20% organizational costs. A rolling budget and reporting on it would include checking back on the financial plan to ensure we stay within plan parameters. Incentives vary from month to month, and staff need to review and react to any changes, adding that market and customer changes are drivers of participation rates.

*Next steps*
The next engagement for members will be at the March 13 board workshop where on strategic planning discussion with the 2025 budget in mind. Staff plans to re-engage with the council in June for additional feedback on the multi-year planning and 2025 budget changes.

**5. Member roundtable**
*Topic summary*
Council members were asked to share recent achievements and upcoming plans from their organizations.

*Discussion*
Kerry Meade, Building Potential: After 30 years, NEEC recently changed its name to Building Potential. This reflects a shift in focus and thinking to achieve more of the Northwest's goals with buildings beyond energy efficiency.

Andy Cameron, Oregon Department of Energy (ODOE): Last year ODOE put in a request for a GIS position, which has now been filled. If anyone has a GIS or geospatial plan, ODOE is interested in learning about it. There will be some new visualizations and data representations coming up.

Lisa McGarity, Avista: Avista will stand up an equity advisory group for low-income programs this year. This group will focus on Oregon operations. Another group already exists for Washington.

Becky Walker, NEEA: The new standards coming through are the end goals of what NEEA does. Big changes in standards are being proposed, which will save the country a lot of energy, including with water heaters and electric motors. NEEA has a newly approved five-year strategic plan, and the financial plan should be approved in March. A two-year load flexibility and grid flexibility project is getting started and may become a long-term part of NEEA's portfolio. Ten utilities are working together on that, including Portland General Electric. We have continued exciting program work. Federal funding and nationwide goals have led to coalition building nationally and in North America. That will increase NEEA's leverage and impact.

Jonathon Belmont, Bonneville Power Administration (BPA): BPA saw success last year and continuing into this year with direct funding demonstrations that help rural areas and consumer-owned utilities who haven't focused on energy efficiency before. A batch of applications is in review for a new round of funding. For next year, we're looking to add several new measures and programs. These are going through a new process. We're expanding in low-income and multifamily, along with those experiencing equity issues. This is region wide.

Noemi Ortiz, Cascade Natural Gas: Cascade Natural Gas has started an equity advisory group in Washington. One thing that came out of that was redoing the website translations to be more conversational. The package Cascade Natural Gas purchased includes 13 languages.

*Next Steps*
None.

**6. Public comment**
There was no additional public comment.

**7. Adjournment**
The meeting adjourned at 3 p.m. The next meeting will be held April 10, 2024.

# Tab 8

# Diversity Advisory Council Meeting Notes

February 20, 2024

**Attending from the council:**
Terrance Harris, Drexell University
Indika Sugathadasa, PDX HIVE
Rhea Standing Rock, Sunlight Solar
Rebecca Descombes
Christopher Banks, Urban League of Portland
Martin Campos-Davis, Oregon Human Development Corporation
Dolores Martinez, EUVALCREE

**Attending from Energy Trust:**
Michael Colgrove
Emily Findley
Elaine Dado
Elizabeth Fox
Melanie Bissonnette
Tracy Scott
Alicia Li
Any Coles
Danielle Rhodes
Betsy Kauffman
Cody Kleinsmith
Lindsey Diercksen
Michael Hoch
Themba Mutepfa
Monica Williams
Kate Wellington
Andi Nix
Kirstin Pinit
Alanna Hoyman-Browe
Isaiah Kamrar
Taylor Ford
Sloan Schang
Bayo Ware
Shelly Carlton
Matt Getchell
Amanda Thompson
Maddy Otto
Maddie Norman
Amber Cole
Amanda Zuniga

**Others attending:**
Melissa Cribbins, Energy Trust board
Henry Lorenzen, Energy Trust board
Ezell Watson, Oregon Public Utility Commission
Lauren Rosenstein, Oregon Department of Energy
Jessica Dover, AlmaLuna Language Services
Alder Miller, CLEAResult
Jenny Sorich, CLEAResult
Shelly Beaulieu, Dragonfly Consulting
Ivonne Saed, Saedgraphic

## 1. Welcome and introductions

Mike Colgrove, executive director, convened the meeting at 9:05 a.m. The agenda, notes and presentation materials are available on Energy Trust's website at https://www.energytrust.org/about/public-meetings/diversity-advisory-council-meetings/.

He reviewed the meeting agenda and provided instruction regarding available interpretation services for meeting attendees to hear content in either English or Spanish. He led a round of introductions among the council members, attendees representing Oregon Public Utility Commission and members of Energy Trust's board of directors. He then reviewed a set of ground rules originally established when the council was founded and invited current members to suggest updates on an ongoing basis.

Mike introduced a new member joining Diversity Advisory Council. Martín Campos-Davis is the executive director of the Oregon Human Development Corporation, which primarily serves farmworkers in agricultural areas and functions as a community action organization.

Energy Trust board member Melissa Cribbins provided an update on recent activity from the board's ad hoc DEI committee. The ad hoc DEI committee meets quarterly, and its work is guided by a consultant who also does one-on-one coaching with individual board members. Board members are currently reading and discussing "The 1619 Project," a long-form journalism endeavor developed by Nikole Hannah-Jones from The New York Times that aims to reframe United States history by placing the consequences of slavery and the contributions of Black Americans at the center of the national narrative. The council asked if its members could also have access to "The 1619 Project (Rhea Standing Rock). Energy Trust staff will follow up to make that available for council members.

**2. Multi-year planning and proposal for modified 2025 budget process**

*Topic summary*

Senior project manager Melanie Bissonnette and project manager Alanna Hoyman-Browe presented Energy Trust's plan to shift to a multiyear planning framework to replace its existing annual planning and budget development process, which includes building a two-year budget and action plan each calendar year. Multiyear planning is a key strategy the organization is using to accelerate savings in support of utility decarbonization goals. It will also add efficiency and flexibility to the overall planning and budgeting process. The first multiyear plan will cover 2026-2030 and include multiple time horizons and milestones throughout that period to evaluate progress to goals.

Energy Trust will develop its first multiyear plan during 2025, and the process to do so will be created in the first half of 2024. Building blocks of the multiyear plan include a five-year business plan to establish high-level priorities; a five-year staffing plan that forecasts long-range staffing and resource needs; and a five-year financial plan that includes projected expenditures and revenues needed to achieve goals. Energy Trust is exploring how it could introduce the concept of a rolling budget within its multiyear planning framework. A rolling budget is a tool that can be used to manage performance against milestones in the overall financial plan. Staff is currently considering aligning a rolling budget with heating and cooling seasons and updating it every six months.

There will be modifications to the budgeting process in 2024, which will produce a one-year budget for 2025 only. Early engagement that happens in a typical budget year will not occur because Energy Trust is already engaging stakeholders to inform strategic planning. In October, all advisory council members will be invited to a joint engagement where they can hear and weigh in on Energy Trust's budget for 2025.

*Discussion*

Council members asked if Energy Trust could share the presentation by email so they could review later (Rebecca Descombes, Rhea Standing Rock). Staff will follow up to share presentation materials.

*Next steps*

Staff will bring a multiyear plan update to Diversity Advisory Council in June or July, including an overview of what the process will look like and when the council will be engaged in 2025.

**3. Update on recruitment for DEI services director**

*Topic summary*

Mike Colgrove provided an update on the recruitment process to hire a director of DEI services to serve on Energy Trust's executive team and oversee its DEI services team. Interest in the position was higher than expected, and the hiring process is being extended due to the volume, with over 75 applications to review.

For applications that rise to the top, there will be a four-step interview process and an offer is expected to be made by mid-March. Mike thanked council member Terrance Harris for his participation in the hiring process for this position.

*Discussion*
No discussion.

*Next steps*
Council members will receive an update when a director is hired and will be introduced to them at a future meeting.

**4. Topics of interest and meeting dates for 2024**

*Topic summary*
Mike Colgrove reviewed proposed council meeting dates for this year. Council members commit to attending up to eight meetings per year, but there are currently nine scheduled for 2024. Mike proposed moving the meeting currently scheduled in person on March 12 to March 13 so the council can join a workshop with Energy Trust's board of directors and other advisory councils where they will continue strategic planning discussions. He also proposed canceling a September meeting to bring the number of meetings back down to eight. There were no concerns from council members or the budget team.

Mike moved on to a discussion with council members about topics they would like to discuss at future meetings and provided some ideas about 2024 areas of work they could hear about. Areas where Energy Trust will make significant investments in 2024 include expanding and supporting its Trade Ally Network, expand delivery through partnerships with community-based organizations and workforce development. Mike suggested staff could share information on ways Energy Trust is supporting trade ally businesses in new ways, including helping with internal business needs like hiring, marketing and accounting.

There will be internal restructuring of Energy Trust's DEI services team and DEI committee to manage work overseeing the DEI plan, which is focused on community engagement.

*Discussion*
A council member asked if community-based organizations need to enroll as trade allies to work with Energy Trust (Rhea Standing Rock). Mike clarified they do not; community-based organizations are a different type of delivery partner, and we have ways of supporting them that foster mutual benefit built into offers like Working Together Grants and Community Partner Funding.

The council expressed a topic of interest is Energy Trust's engagement with tribal communities, which intersects with there own work. A council member offered to share about their involvement, including providing connections to community-based organizations that work with tribes (Rhea Standing Rock). The council said Black communities in rural areas are often overlooked, but Urban League has been thinking about ways to extend services to rural communities of color that are contributing to Oregon's economy (Christopher Banks).

Mike responded it would be great to have Diversity Advisory Council members present on what their organizations are doing at future meetings. He suggested Ezell Watson could bring DEI updates from Oregon Public Utility Commission and Lauren Rosenstein could do so for Oregon Department of Energy. Other council members agreed with the approach of reserving meeting time to hear from members and their organizations.

The council suggested hearing updates on Inflation Reduction Act and other new funding opportunities, as community-based organizations field a lot of questions about that (Indika Sugathadasa), and updates from Portland Clean Energy Community Benefits Fund including its budget process and future plans (Rhea Standing Rock).

Mike suggested also including perspectives from the Climate Protection Program through Seeding Justice and other organizations and that he could invite Energy Trust's Innovation and Development team to present on new and upcoming funding opportunities periodically.

The council requested to hear updates on special projects that members are engaged in to provide a better understanding of the impact council members have on Energy Trust's work. For example, some members review and give input on request for proposals for contract opportunities and others serve on hiring panels (Rebecca Descombes).

Mike reminded the council there are still two vacancies to fill, and he will be following up with members who previously volunteered to use the skills matrix to assess gaps in skills or lived experience. For example, geographic representation from Southern Oregon and the coast is currently lacking.

*Next steps*
Energy Trust staff will add a standing agenda item reserved for council members to share the work they are doing. Staff will incorporate the council's topics of interest into agenda items for future meetings, and members are encouraged to share topic ideas by email on an ongoing basis.

**5. Adjournment**
The meeting adjourned at 10:58 a.m. The next Diversity Advisory Council meeting will take place on April 9, 2024 and details will be posted on Energy Trust's website.

# Tab 9

# Renewable Energy Advisory Council Meeting Notes

February 22, 2024

**Attending from the council:**
Angela Crowley-Koch, Oregon Solar + Storage Industries Association
Jaimes Valdez, Portland Clean Energy Fund
Joe Abraham, Oregon Public Utility Commission
Josh Peterson, Solar Monitoring Lab, University of Oregon
Stasia Brownell, Portland General Electric

**Attending from Energy Trust:**
Abby Spegman
Abi Sloan
Alanna Hoyman-Browe
Alicia Li
Alina Lambert
Bayo Ware
Chris Lyons
Dave McClelland
Dave Moldal
Eduardo Beltran
Elaine Dado
Elisa Simko
Elizabeth Fox
Frank Bellinger
Hannah Cruz
Helen Rabold
Jake Kennedy
Janelle St. Pierre
Jay Robinson
Jeni Hall
Jess Siegel
Josh Reed
Kyle Petrocine
Laura Schaefer
Lidia Garcia
Lori Lull
Maddie Norman
Matt Getchell
Melanie Bissonnette
Natalia Ojeda
Renita Lamberth
Ryan Cook
Themba Mutepfa
Tracy Scott

**Others attending:**
Dylan DSouza, Northwest Power and Conservation Council

## 1. Welcome and announcements

Matt Getchell, renewable energy program manager, convened the meeting at 1:31 p.m. on Zoom. The agenda, notes and presentation materials are available on Energy Trust's website at https://www.energytrust.org/about/public-meetings/renewable-energy-advisory-council-meetings/.

Stasia Brownell was introduced as a new Renewable Energy Advisory Council member; Eduardo Beltran and Alicia Li were introduced as new project managers in the Renewable Energy Sector at Energy Trust. Staff posted a position for a Community Solar Project Manager. Congratulations to long-serving RAC member Les Perkins upon his appointment to the Oregon Public Utility Commission.

## *2.* 2023 preliminary annual results

*Topic summary*

Tracy Scott, director of energy programs, provided an overview of the preliminary annual results on generation and efficiency across all sectors. The official savings and generation, performance measures, program and organization accomplishments, and Diversity Equity and Inclusion results will be available in the Oregon Public Utility Commission Annual Report on April 15. The preliminary generation results show goals were met for both Portland General Electric and Pacific Power.

*Discussion*

Members asked why Integrated Resource Planning targets were higher than utility goals (Stasia Brownell). Gas targets were established before program goals were set for service areas and staff set more conservative goals based on the Q3 forecast. Staff confirmed the 25% low- and moderate-income spending metric applies only to the Renewable sector, not energy efficiency programs.

*Next steps*
Members can see the official results in the public report posted in April.

**3. 2024 plans**
*Topic summary*
Jess Siegel, Dave McClelland and Dave Moldal from the Renewables team presented three-year goals, key tactics and internal visions for the sector. Major themes include: continue to broaden access to affordable renewable energy technologies through incentives and upstream market support; increase equitable access to renewable energy by serving underserved and low-income communities; support communities and customers in adopting renewable energy technologies for resilience; and work with utilities to enable renewables and storage to provide grid flexibility and other grid benefits.

*Discussion*
Council members were glad to see that Solarize campaigns are still included as an Energy Trust program and asked about the link between community-based organization engagement and prescriptive battery storage incentives, and whether nonprofits or community-based organizations are eligible for those incentives (Jaimes Valdez). Staff is working to launch commercial battery incentives up to $10,000 per customer to continue to develop the solar + storage market in Oregon and will include nonprofits, affordable multifamily housing projects and tribes (Matt Getchell, Dave McClelland). The sector is also exploring higher, custom project development assistance and installation incentives for energy resilience projects. Community Renewable Energy Grant Program (C-REP) money is available for projects from Oregon Department of Energy; staff recognized that there is a gap in C-REP funding for projects that Energy Trust can support (Dave Moldal).

Members asked if the 2024 goals are based on net-metering policy as the foundation (Jaimes Valdez). Net-metering is the foundation that the programs have been built upon, which may change in the future. A concern for Energy Trust staff is how this change may impact bill savings for households with low or moderate incomes (Dave McClelland).

Members asked about the possibility of key tactics not being achievable because of limitations in budget, and in that case, if key tactics would be cut (Josh Peterson). Staff responded that these are larger visions on what the team is working toward, and there will be a multi-year planning process that will help guide the team to the ideal future (Jess Siegel). In addition, the key tactics and vision will assist the team to decide on what external funding to pursue (Dave McClelland).

Some key tactics focus on a diverse Trade Ally Network and working with low- and moderate-income households but there is a concern that there aren’t a lot of controls around education to customers or controls on disclosures (Stasia Brownell). The sector will focus on consumer protection while developing programs for low-income customers. This will be discussed more in the development process (Dave McClelland). Members expressed there needs to be more incentives toward updating electrical capacity on properties, especially multifamily properties, in addition to the key tactics presented (Stasia Brownell). Members asked if community solar expansion is seen as a necessary piece of implementing these visions (Jaimes Valdez). There is no indication the program is going to increase in its capacity in terms of megawatts and the OPUC indicated in 2021 that it would require a program redesign because of the cost to ratepayers that is incorporated into the program (Joe Abraham).

*Next steps*
Staff will continue to keep members engaged in these topics throughout the year.

## 4. Update on the 2024 legislative session

*Topic summary*

Natalie Ojeda, Chris Lyons and Hannah Cruz on Energy Trust's policy services team provided an update on energy-related legislation moving though the short legislative session in Salem. Energy items are not top priorities but still present, and the state is operating with a positive revenue forecast. Bills mentioned include SB 1525 A, HB 4015, HB 4080A, HB 4090 A, SB 1581 A, SB 1596 A, HB 4112, SB 1537 A, and SB 1530 A. The session is expected to end March 10.

*Discussion*

Members noted Oregon Department of Energy will be out of funding in June for the Solar + Storage Rebate program and there is a push to add an additional $10 million in funding. HB 4112 incentivizes clean energy manufacturing in Oregon and members asked if this would include funding for software development (Josh Peterson). Staff confirmed the bill is around hard equipment, including components that produce or store energy from sun, water or other renewable resources (Hannah Cruz, Natalia Ojeda).

*Next steps*

None.

## 5. Multiyear planning and 2025 budgeting changes

*Topic summary*

Melanie Bissonnette and Alanna Hoyman-Browe from the multiyear planning team presented on upcoming changes as the organization shifts to a multiyear planning framework over the next two years. The transition will include a multiyear savings assessment and multiyear plan process design that will allow the organization to use big picture thinking and outline an approach to maximize acquisition of cost-effective savings by 2030. There will be multiple engagements with council members this year that will leverage strategic planning engagements; however, there will not be deep dive sessions with council members, like in previous years. Instead, 2024 Action Plans will be extended to 2025. There will still be a Joint Advisory Council Budget Workshop.

*Discussion*

Council members asked if the 2025 budget is segmented with Public Purpose Charge funds and precludes other funders (Jaimes Valdez). Staff responded that the budget hasn't been defined, but the organization will continue to pursue other funding opportunities (Alanna Hoyman-Browe). Council members asked how the plan will account for dynamic changes in the market, like the Inflation Reduction Act funding (Josh Peterson). Staff noted there will be check points along the way within the plan management scoping. There will be opportunities to identify key shifts in the market or in the economy that may have an impact on the ability to achieve equity or savings goals. The goal is the plan is not updated constantly but allows for course corrections (Melanie Bissonnette).

*Next steps*

There will be an opportunity for council members to provide feedback on the multiyear plan in June.

## 6. Public comment

No public comment.

## 7. Adjourn

The meeting adjourned at 3:25 p.m. The council is invited to take part in an in-person only board workshop on strategic planning on March 13. The next regular meeting of the council will be Thursday, April 18 at 1:30. This will be a hybrid meeting.

# Tab 10

# Community Partner Funding
# Board Briefing Paper

**April 2024**

*This briefing paper provides background on Community Partner Funding, which offers higher incentives to organizations delivering upgrades and incentives to people with lower incomes, communities of color and rural communities—all of whom have not been adequately served by energy programs in the past and are most likely to experience high energy burden. The paper provides an overview of Community Partner Funding, a discussion of relationships with partner organizations, the initiative's impact and the significance of its success.*

Energy Trust of Oregon

## Overview

Energy Trust's 2020-2024 Strategic Plan calls for engaging customers it has underserved with energy efficiency and renewable energy programs and services. One way Energy Trust is doing this is through the Community Partner Funding pathway, a set of larger cash incentives that participating community-based organizations or community service providers (partners) can access for the benefit of communities historically underserved by Energy Trust. Through Community Partner Funding, Energy Trust provides a pathway to bring home energy improvements to more people with low incomes, communities of color and rural customers.

## Partner Organizations

Partners are trusted, local organizations known in their communities who enable Energy Trust to more effectively reach priority customer groups. There are 28 partners located throughout the state—from Lake County Resources Initiative in Lakeview to Seeds for the Sol in Corvallis to Wallowa Resources in Enterprise.

Partners must serve—or develop an offer that serves—at least one of the following:

- People experiencing low to moderate incomes
- Communities of color
- Rural communities
- Indigenous communities
- Veterans
- People experiencing disabilities
- Renters

## How it Works

Energy Trust offers Community Partner Funding through the Residential program for single-family customers and the Existing Buildings program for multifamily customers. For the Residential program, community-based organizations install home energy improvements for their clients. For resources delivered through the Existing Buildings program, Energy Trust partners with eligible property owners, developers, managers and landlords of multifamily housing to deliver energy efficiency upgrades to multifamily customers.

Partners provide energy saving recommendations and work with trade ally contractors to coordinate installations in customers' homes. In addition to providing guidance through home energy assessments, Community Partner Funding offers higher incentives to participants for HVAC, weatherization and water heating upgrades. These cover between 40-70% of project costs and, in some cases, cover the full project costs through a pilot for efficient heat pumps and insulation upgrades.

## Results

Energy Trust launched Community Partner Funding for single-family customers in 2019 and for owners and residents of multifamily buildings in 2022.

Through the end of 2023, partners have completed more than 4,500 home energy assessments and upgrades at over 2,200 homes and multifamily units across Oregon. Partners have delivered a cumulative total of over $5.5 million in incentives to customers to help them save 3.5 million kilowatt hours of electricity and 6,700 therms of natural gas.

As Table 1 shows, Community Partner Funding has grown each year by nearly every measure (the one exception is therms saved, which dipped in 2022 due to market challenges but returned to previous savings levels in 2023). (Note that because some partners and sites were active over multiple years, the totals of those columns do not equal the sum of all years.)

Table 1. Community Partner Funding, by year

| Year | Partners | Sites | Upgrades | Incentives | Therms | kWh |
|---|---|---|---|---|---|---|
| **2019** | 1 | 26 | 121 | $90,999 | - | 109,503 |
| **2020** | 6 | 131 | 500 | $351,745 | 105 | 401,325 |
| **2021** | 12 | 351 | 698 | $584,118 | 2,508 | 544,033 |
| **2022** | 21 | 618 | 1,086 | $1,154,273 | 1,587 | 819,937 |
| **2023** | 30 | 1,327 | 2,128 | $3,360,832 | 2,500 | 1,620,883 |
| **Total** | **32** | **2,265** | **4,533** | **$5,541,967** | **6,700** | **3,495,681** |

Tables 2 and 3 illustrate how the total figures, above, break down by Residential and Existing Buildings program delivery (note that individual partners and sites may be counted in multiple programs). In 2023, the Residential program worked with 25 organizations to deliver nearly $1.6 million in incentives to help homeowners at more than 800 sites. Some of the most important services these community partners provided were home energy assessments, which often led to other upgrades such as home weatherization and heating system replacement.

Table 2: Community Partner Funding through the Residential program, by year

| Year | Partners | Sites | Measures | Incentives | Therms | kWh |
|---|---|---|---|---|---|---|
| **2019** | 1 | 26 | 119 | $90,679 | - | 109,503 |
| **2020** | 6 | 131 | 490 | $352,065 | 105 | 401,325 |
| **2021** | 12 | 349 | 692 | $580,718 | 2,508 | 541,644 |
| **2022** | 17 | 524 | 915 | $919,409 | 1,587 | 719,712 |
| **2023** | 25 | 805 | 1,096 | $1,585,202 | 2,500 | 846,194 |

Also in 2023, Energy Trust distributed over $1.7 million in incentives to multifamily partners to improve energy efficiency at 527 sites. All of these sites serve at least one of the priority customer groups. About two-thirds of the total units were affordable housing units and about a third of the total units were in rural areas.

Table 3: Community Partner Funding through the Existing Buildings program, by year

| Year | Partners | Sites | Measures | Incentives | Therms | kWh |
|---|---|---|---|---|---|---|
| **2022** | 8 | 97 | 153 | $235,899 | - | 101,245 |
| **2023** | **14** | **527** | **1,020** | **$1,770,914** | **-** | **770,648** |

In addition to providing direct benefits to families and individuals by creating more affordable, comfortable and healthy homes (both owned and rented), Community Partner Funding has invested in community-based organizations themselves so that they can build necessary infrastructure to deliver offers, such as hiring more staff, marketing their services or receiving technical assistance and training. Since 2018, Energy Trust has been investing in capacity building as part of its efforts to develop relationships with the communities it serves. However, Energy Trust began tracking these figures as part of Community Partner Funding only in 2020. From 2020 through 2023, Energy Trust has invested a total of $2.2 million in community-based organizations' capacity and infrastructure. This investment will increase in 2024, with an additional $1,736,800 expected to be invested this year.

## Impact

Working with trusted, on-the-ground partners to co-create offers and processes helps Energy Trust explore new programs, reach targeted communities, and empower all Oregonians to realize the benefits of energy efficiency. Community Partner Funding reduces utility costs, makes people more comfortable in their homes, and makes homes safer during extreme weather.

Norma Ramirez, from partner organization EUVALCREE, a nonprofit that helps improve the lives of children and families in Eastern Oregon's rural communities, described the value of participation in Community Partner Funding: "Prior to us working with Energy Trust, there was little to no discussion about the importance of energy efficiency, about making home improvements to save hundreds of dollars on utilities. This program is a wonderful start so we can initiate those conversations and bring forward more programs, more rewards, more incentives for our communities."