

Q1 2024 REPORT ON ENERGY TRUST OF OREGON'S ACTIVITIES FOR NW NATURAL IN WASHINGTON

January 1 through March 31, 2024

This quarterly report covers the period of January 1 through March 31, 2024 and addresses progress toward 2024 goals for the NW Natural energy-efficiency program in Washington. It includes information on expenditures, gas savings, projects completed and incentives paid during the quarter.

I. PROGRAM SUMMARY

A. General

- **Energy Trust achieved 30% of its annual savings goal in quarter one**, above the 10% of annual goal expected in quarter one. Savings are typically lower in the first half of the year as more studies and assessments are completed compared to the second half of the year when more projects are completed.
- **The commercial sector achieved 43% of its annual savings goal in quarter one**, which is above historical program savings trends.
- **The residential sector achieved 14% of its annual savings goal in quarter one**, which is above historical program savings trends.

B. Commercial sector highlights

- Commercial savings were driven by custom operations and maintenance projects, primarily through Strategic Energy Management.
- Energy Trust continued to offer increased incentives launched in 2023 in 2024. To increase awareness of these incentives, staff sent emails and did in-person visits to education facilities, assisted living, food service sites and large healthcare facilities.
- Commercial program staff met with residential program staff to discuss outreach plans and processes for the multifamily sector. The goal of this discussion was to review project lead sharing and specific measure applications for multifamily.
- Staff in supporting school districts and other large commercial customers in their efforts to benchmark their facilities to determine their Energy Use Intensity (EUI) in order to meet the state's new Green Building standards. Many customers are confused about the requirements and timeline for meeting the standards.
- NW Natural began including Washington's Climate Commitment Act fee on customer bills. This new fee, which is directly to the customer's natural gas usage, is administered by the Department of Ecology with the purpose of reducing greenhouse gas emissions. In response to questions from customers about the new fee, Energy Trust staff is letting them know energy savings can help lower the amount they owe.

C. Residential sector highlights

- Residential savings were driven by gas furnaces, smart thermostats and weatherization projects. New Construction savings were lower than historically, which was expected as incentive offer wind down.
- Attic insulation projects increased significantly in quarter one compared to this time last year as a result of consistent weatherization contractor sales staff trainings offered in late 2023.
- Gas furnace projects in quarter one were down compared to this time last year, continuing a trend first identified in quarter three of 2023 and reported by regional contractors. In quarter one, Energy Trust invested in significant marketing of gas furnace incentives – including paid media, paid social, print ads, emails, and direct mailers – to drive project activity later in the year.
- Staff continue to attend more in-person events, with outreach to historic event partners occurring throughout quarter one including a commitment to attend the Clark Public Utilities' Home & Garden Fair in April.
- Staff participated in early discussions with the EEAG on introducing higher incentives for income-qualified households. These incentives, similar to Energy Trust's Savings Within Reach offers in Oregon, would help contractors reach new customers and help more people afford energy-efficiency upgrades.
- Staff did outreach to insulation contractors who have not used Energy Trust incentives before and are not enrolled trade allies. This included seeking referrals from siding and other home-exterior contractors who work with weatherization contractors, which led to relationships being forged with three new insulation contractors serving Southwest Washington.

D. Washington Utilities and Transportation Commission performance metrics

The table below compares quarterly results to 2024 goals, as established in NW Natural's Energy Efficiency Plan for Washington (filed in 2023).

2024 results compared to goals

Metric	Goal	2024 YTD	Q1 results	Q2 results	Q3 results	Q4 results
Therms Saved	244,239	72,662	72,662			
Total Program Expenditures	\$ 3,464,008	\$ 631,001	\$ 631,001			
Average Levelized Cost Per Therm	Less than \$0.90	\$ 1.33	\$ 1.33			
Utility Cost at Portfolio Level	Greater than 1.00	Reported annually	Reported annually			

- This table does not include savings goal or budget associated with NW Natural's Washington Low-Income Energy Efficiency program delivery.
- Northwest Energy Efficiency Alliance (NEEA) gas market transformation activities are not included in this table.

II. QUARTERLY RESULTS

A. Expenditures¹

		Q1 actual expenditures	Q1 budgeted expenditures	Budget variance
Commercial	Commercial	\$ 290,754	\$ 254,000	\$ 36,754
	Commercial administration	\$ 21,187	\$ 20,495	\$ 692
	Commercial Total	\$ 311,940	\$ 274,494	\$ 37,446
Residential	Residential	\$ 297,390	\$ 392,142	\$ -94,752
	Residential administration	\$ 21,670	\$ 31,641	\$ -9,971
	Residential Total	\$ 319,060	\$ 423,783	\$ -104,723
Total expenditures		\$ 631,001	\$ 698,277	\$ -67,276

B. Incentives paid²

		Q1 actual incentives	Q1 actual expenditures	Percent incentives/expenditures
Commercial	\$	70,715	\$ 311,940	23%
Residential	\$	120,938	\$ 319,060	38%
Total Incentives	\$	191,653	\$ 631,001	30%

- Incentives paid account for approximately 36% of year-to-date program expenses, when total program expenses are adjusted down by 15% to account for costs that a utility-delivered program would recover through rates.

C. Savings

		Q1 savings therms	Annual goal therms	Percent achieved Q1	Levelized cost/therm
Commercial	Existing Buildings - custom	-	46,500	-	
	Existing Buildings - standard	6,350	37,260	17%	
	New Buildings - custom	-	-	N/A	
	New Buildings - standard	-	5,640	-	
	Strategic Energy Management	50,526	43,779	115%	
Commercial total		56,876	133,179	43%	\$ 1.20
Residential	Home retrofit	15,026	105,088	14%	
	Midstream and retail	-	151	-	
	New manufactured homes	-	-	N/A	
	Small multifamily	761	2,496	30%	
	EPS new construction	-	3,325	-	
Residential total		15,786	111,060	14%	\$ 1.94
Total		72,662	244,239	30%	\$ 1.33

- Quarterly savings in recent years were on average: 11% of annual savings in Q1, 18% of annual savings in Q2, 18% of annual savings in Q3 and 53% of annual savings in Q4.

¹ Columns may not total due to rounding.

² NEEA expenditures excluded per NW Natural Washington's Energy Efficiency Plan.

III. YEAR-TO-DATE RESULTS

A. Activity highlights—sites served

	Q1	Q2	Q3	Q4	Total
Commercial					
Food Service	-				-
HVAC	1				1
HVAC Controls	1				1
Operations & Maintenance	9				9
Process cooling	-				-
Process heating	-				-
Refrigeration	-				-
Study	1				1
Water Heating	-				-
Weatherization	-				-

	Q1	Q2	Q3	Q4	Total
Residential					
EPS new construction	-				-
New manufactured homes	-				-
HVAC	120				120
HVAC Controls	59				59
Water Heating	4				4
Weatherization	27				27

- This table of sites served excludes offerings purchased at distributors and retail (gas fireplaces and showerheads) because Energy Trust does not receive site data for those purchases.

B. Revenue

Source	YTD actual revenue	YTD budgeted revenue
NW Natural \$	1,144,645 \$	1,144,645

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