

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 19, 2024**

REGULAR X **CONSENT** _____ **EFFECTIVE DATE** March 20, 2024

DATE: March 11, 2024

TO: Public Utility Commission

FROM: Benedikt Springer

THROUGH: JP Batmale and Sarah Hall **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 1158)
Recommended 2024 performance measures for Energy Trust of Oregon.

STAFF RECOMMENDATION:

Adopt Staff's proposed performance measures for evaluating the performance of Energy Trust of Oregon in 2024.

DISCUSSION:

Issue

Whether to adopt Staff's proposed performance measures for evaluating the performance of Energy Trust of Oregon (Energy Trust) in 2024.

Applicable Rule or Law

Energy Trust operates under a grant agreement with the Commission, as authorized under ORS 757.054¹, ORS 757.612,² and ORS 757.746.³ The grant agreement requires the PUC to establish quantifiable performance measures that clearly define its

¹ Electric utilities to pursue all cost effective, reliable, and feasible energy efficiency. Can be through a non-governmental entity as directed by Commission.

² Public Purpose Charge.

³ Requirements for non-governmental entities receiving funds collected pursuant to natural gas tariffs, ORS 757.054 and ORS 757.612.

expectation of Energy Trust's performance. Section 2.e. of the Grant Agreement specifies:

The Energy Trust and the PUC recognized the need for having valid and quantifiable performance measures that clearly define the PUC's expectation of the Energy Trust's performance. The performance measures are developed to clarify minimum expectations for Energy Trust on an ongoing basis and may be adjusted from time-to-time. The Energy Trust will regularly report to the PUC, comparing actual performance to the PUC established performance measures. Should the Energy Trust fail to meet the performance measures adopted by the PUC, the PUC, at its discretion, may issue a Notice of Concern. In choosing to issue such a Notice of Concern, the PUC will take into account reasonable causal factors and any mitigating actions taken by the Energy Trust.

Under 2021's House Bill (HB) 3141, the legislature requires the Commission to establish equity performance metrics for Energy Trust related to environmental justice communities and revise them through a public process at least every four years.⁴ In Order No. 22-478, the Commission approved four equity metrics for Energy Trust in compliance with HB 3141. The equity metrics and each update required by this section must reflect feedback gathered through a public process that is managed by the commission and that, at a minimum, includes representatives of environmental justice communities.

Analysis

Background

This memo presents Staff's recommended annual performance measures for Energy Trust in 2024. We first explain the purpose and process of the annual performance measures before addressing each performance measure category. This year, Staff proposes modifications to equity metrics as well as revisions to administrative and staffing cost performance measures. Staff also added new performance measures to account for Energy Trust's market infrastructure investments.

Staff and Energy Trust conducted a well-attended stakeholder workshop on February 14, 2024, to discuss the proposed changes and invite public comment. Staff received written comments from Oregon Citizens' Utility Board (CUB), PacifiCorp dba Pacific Power (PAC), Portland General Electric (PGE), and Northwest Natural (NWN). The majority of comments are addressed throughout the discussion of each measure and in

⁴ ORS 757.747.

the “Process Improvements and Related Policy Considerations” Section at the end of this memo. Additional comments and Staff responses can be found in Appendix A.

Purpose and Process

The purpose of Energy Trust performance measures is to clearly define the Commission's minimum expectations for Energy Trust's annual performance. Performance measures are not meant to be targets or goals. Rather, they reflect a threshold by which the Commission can determine the health of Energy Trust programs. The measures provide early indicators of poor performance, which if not met, signal that changes may be required to the organization's operations for compliance.

While the annual update of performance measures primarily takes place between Energy Trust and Staff, performance measures are derived from Energy Trust's specific annual goals. Energy Trust develops those collaboratively with Staff, utilities, and stakeholders in the annual budgeting and action planning process. Please note when this memo references Energy Trust's budget, it always means the OPUC-funded portion of the budget.

A substantial amount of work happens between the utilities, stakeholders, and Energy Trust each year to develop Energy Trust's energy efficiency and renewable goals as a part of the budget development process. Savings and generation goals are based on available conservation and renewable generation as indicated by utility Integrated Resource Plan (IRP) targets and market studies.⁵ Under ORS 757.746(1), Energy Trust develops utility-specific budgets, action plans, and agreements jointly with the utilities and stakeholders. In November each year, Energy Trust presents its draft annual budget and action plan to the Commission. The Commission then offers insight, direction, and recommendations to Energy Trust before finalization of the budget in December by the Energy Trust Board. This year, Energy Trust presented its 2024 budget and action plan to the Commission at a Special Public Meeting on November 2, 2023.⁶ The Energy Trust Board of Directors approved the 2024 budget and action plan on December 15, 2023.⁷

Since 2012, Staff has updated performance measures annually in Q1. Staff would note that this year in order to promote public participation and transparency, Staff circulated its proposed performance measures on February 7, 2024; conducted a stakeholder workshop on February 14; and accepted public comments until March 1. Feedback

⁵ See Order No. 12-094.

⁶ See event archive, https://oregonpuc.granicus.com/GeneratedAgendaViewer.php?view_id=2&clip_id=1239.

⁷ The 2024 budget and action plan can be found on the Energy Trust website, <https://www.energytrust.org/about/our-impact/budget-action-plan/>.

received to date is discussed under each category and more fully captured in Appendix A with a Staff response. Energy Trust performance is reviewed every year at a special public meeting, usually in April, when Energy Trust presents its annual report.

Energy Trust performance measures cover a wide range of operational aspects as follows:

- 1) Electric Energy Efficiency;
- 2) Natural Gas Energy Efficiency;
- 3) Renewable Energy;
- 4) Financial Integrity;
- 5) Program Delivery Efficiency (administrative costs);
- 6) Staffing;
- 7) Customer Satisfaction;
- 8) Benefit/Cost Ratios;
- 9) NEEA and Market Transformation;
- 10) Equity; and
- 11) Market Infrastructure Investments (newly added).

The remainder of this memo reviews each performance measure and identifies proposed changes for 2024. The memo concludes with some recommendations for process improvements, reflecting stakeholder feedback.

Measure Categories 1 and 2: Electric and Natural Gas Efficiency Savings and Levelized Costs

The performance measures for savings and levelized costs use the Board-approved savings goal as the basis for their calculations. The single savings objective per utility is calculated each year as 85 percent of Energy Trust's Board-approved savings goal at a levelized cost ceiling. The OPUC's levelized cost ceiling for Energy Trust is 115 percent of the Board-approved levelized cost goal for that year. **Staff proposes maintaining these measures for 2024 with updated targets.** The table below compares the 2023 and 2024 savings and proposes a levelized cost performance measure for each utility.

Table 1: Electric and Natural Gas Efficiency Savings and Levelized Costs

Utility	2023 Measure	Proposed 2024 Measure
Portland General Electric	Minimum of 21.7 aMW at no greater than 4.9 cent/kWh.	Minimum of 24.3 aMW at no greater than 5.8 cent/kWh.
PacifiCorp	Minimum of 16.7 aMW at no greater than 4.0 cent/kWh.	Minimum of 16.4 aMW at no greater than 6.3 cent/kWh.

Utility	2023 Measure	Proposed 2024 Measure
Northwest Natural	Minimum of 4.3 MM therms at no greater than 62 cent/therm.	Minimum of 4.6 MM therms at no greater than 80 cent/therm.
Cascade	Minimum of 0.49 MM therms at no greater than 74 cent/therm.	Minimum of 0.51 MM therms at no greater than 83 cent/therm.
Avista	Minimum of 0.36 MM therms at no greater than 64 cent/therm.	Minimum of 0.31 MM therms at no greater than 82 cent/therm.

Levelized cost increased across the board. This reflects Energy Trust’s strategy of making significant market infrastructure investments in 2024, which don’t immediately translate into savings. Staff proposes to capture the value of these infrastructure investments with two new performance measures, discussed later in the memo. Additionally, with the passing of zero mercury standards for lighting (HB 2531), many types of less efficient lighting are going to leave the market automatically, without the influence of incentives. Energy Trust anticipates this market change to reduce electric savings goals by 1.1 aMW in 2024.

One stakeholder comment was received on this section. NW Natural suggests that a measure should be added to track the percentage of savings that was verified by an independent third party.⁸ Staff appreciates the comment and believes that Energy Trust takes sufficient steps to ensure the accuracy of its savings. Energy Trust conducts validations that fall on a spectrum between desk reviews and randomized-controlled trials. Some are done in-house and others by third parties. Staff believes various methodologies cannot be reduced to a single number as suggested by NW Natural.

Staff is also aware of concerns about raising energy prices among customers. In response, Staff directed Energy Trust to start using utility data in 2024 to target offerings to energy-burdened customers.

Measure Category 3: Renewable Energy

There are four performance measures related to renewable energy. The first requires Energy Trust to report annual results for project and market development assistance, including the number of projects supported, milestones, and documentation or results from market and technology perspectives. **Staff proposes to maintain the first measure.** The second measure is the net-metered solar generation goal, set at 115 percent of the board-approved goal. **Staff proposes to decrease this target to 3.5**

⁸ UM 1158, NWN Comments, March 1, 2024.

aMW, reflecting Energy Trust’s new focus on low-and moderate-income customers. The shift to low-and moderate-income customers is also reflected in the fourth performance measure related to Public Purpose Charge (PPC) revenue for renewables: **Staff now proposes that Energy Trust spend between 25 percent and 50 percent of PPC revenue for renewables to provide activities, resources, and technologies for low- and moderate-income customers.** For the third performance measure, Energy Trust reported on solar projects outside the standard net-metered offer. **Staff proposes to clarify the language without any substantive changes.**

Table 2: Renewable Energy

2023 Measure	Proposed 2024 Measure
1. For project and market development assistance, Energy Trust will report annual results, including number of projects supported, milestones, and documentation or results from market and technology perspectives.	1. For project and market development assistance, report annual results, including number of projects supported, milestones met, and documentation of results from market and technology perspective.
2. For the standard net-metered solar program, obtain at least 4.3 aMW of installed generation.	2. For the standard net-metered solar program, obtain no less than 3.5 aMW of installed generation.
3. For solar projects funded outside of the program's standard net-metered incentive offer, Energy Trust will report all sources of funding for projects and the criteria for selection.	3. For custom projects, report criteria for selection and how the project helps achieve sector goals.
4. Invest at least \$3.9 million, or 25 percent of public purpose revenue for renewables, to provide activities, resources, and technologies for low- and moderate-income customers. ⁹	4. Spend between 25 percent and 50 percent of public purpose revenue for renewables, to provide activities, resources, and technologies for low- and moderate-income customers.

Measure Category 4: Financial Integrity

Energy Trust engages a third party to conduct a financial audit every year. **Staff proposes to maintain the current performance measure for financial integrity, which is to receive an unmodified opinion.** Energy Trust has met this measure every year since launching.

⁹ Required by ORS 757.612(3)(f).

Table 3: Financial Integrity

2023 Measure	Proposed 2024 Measure
Receive unmodified opinion from independent audit.	Receive unmodified opinion from independent audit.

Measure Category 5: Program Delivery Efficiency (Administrative Costs)

Program delivery efficiency sets maximums for administrative and program support costs. As a category this comprises:

- Employee Salaries and Fringe Benefits if not directly related to program delivery;
- Agency Contractor Services if not billed to program delivery;
- Planning and Evaluation Services if not billed to program delivery;
- Advertising and Marketing Services if not billed to program delivery;
- Other Professional Services if not billed to program delivery;
- Travel, Meetings, Trainings, and Conferences;
- Dues, Licenses, and Fees;
- Software and Hardware;
- Depreciation and Amortization;
- Office Rent and Equipment;
- Materials Postage and Telephone; and
- Miscellaneous Expenses.¹⁰

Since 2015, the Commission required Energy Trust to spend no more than 8 percent of revenues on administrative costs.¹¹ Since 2019, administrative and program support cost growth is limited to a 10 percent year-over-year increase.¹² However, Energy Trust's expansion and change in business model is necessitating changes. In 2022, the Commission kept this performance measure but waived its application.¹³ Due to the pandemic, Energy Trust underspent in 2021, creating a large increase of costs in 2022. In 2023, the Commission kept both program delivery efficiency measures but waived their application.¹⁴ Staff argued that this would give Energy Trust needed flexibility to continue to grow.

¹⁰ Last defined in Staff Memo for the November 7, 2019 Special Public Meeting Energy Trust Budget Presentation,

https://oregonpuc.granicus.com/MetaViewer.php?view_id=2&clip_id=437&meta_id=23410.

¹¹ See Order No. 15-127.

¹² See Order No. 19-072.

¹³ See Order No. 22-360.

¹⁴ See Order No. 23-082.

Given Energy Trust’s approved 2024 expansion, administrative costs will grow 27.2 percent this year, reaching 8.5 percent of revenues. In line with a suggestion by Energy Trust, **Staff proposes to start measuring program delivery efficiency as a percentage of expenditures, not revenue, and capping it at 6.5 percent.**¹⁵ Staff believes that using expenditures as a denominator is a better method since reserves will not affect the measurement. **Staff also proposes to move to measuring administrative costs as defined by Generally Accepted Accounting Principles (GAAP).** GAAP is a common set of accounting rules, requirements, and practices issued by the Financial Accounting Standards Board and the Governmental Accounting Standards Board. GAAP are widely used and create a common accounting standard for most non-profits. The change will therefore allow easier comparison of Energy Trust with other similar organizations. GAAP define items as administrative expenses if they cannot be directly tied to a program or service delivery function. It follows that this change will move expenses, such as office space and equipment, IT services, travel, conferences, and materials from administrative costs to program delivery costs if they are associated with a specific program or service. A comparison of administrative costs under different methods can be found in Table 4.

Table 4: Administrative Costs under Different Methods

	2022 Actual	2023 Budget	2024 Budget
Administrative Costs (GAAP)	14,083,859 (10,961,677)	17,816,885 (13,506,263)	22,803,607 (17,180,235)
Of Revenues	7.0 percent	8.5 percent	8.5 percent
Of Expenditures	7.2 percent	7.9 percent	7.5 percent
Of Expenditures (GAAP)	6.0 percent	6.0 percent	5.6 percent
Admin Cost Increase	13.0 percent	26.5 percent	28.0 percent
Admin Cost Increase (GAPP)	19.4 percent	23.2 percent	27.2 percent
Expenditure Growth	0.0 percent	24.0 percent	35.2 percent

In terms of administrative cost growth, **Staff proposes removing the cap this year since it is not consistent with the approved growth plans.** However, Staff would like to see economies of scale in the expansion. **To further that purpose, Staff requests Energy Trust report increases in administrative costs and compare them to expenditure growth.** Staff expects to have more in-depth discussion concerning these issues during Energy Trust’s transition to multi-year planning.

Staff generally received supportive stakeholder comments regarding these proposed changes. One workshop participant proposed to measure administrative costs in terms of energy savings. While this is technically feasible, Staff declines to add this at this

¹⁵ 2024 Energy Trust Budget and 2024-2025 Action Plan, p. 24.

point because it will be more difficult to interpret than the current proposal. NWN proposed to add reporting on program delivery costs to allow the reviewer a more complete picture.¹⁶ Staff agrees, but notes that this is already part of Energy Trust’s standard financial reporting. Staff encourages Energy Trust to include this as part of its OPUC reporting.

Table 5: Administrative Costs

2023 Measure	Proposed 2024 Measure
Administrative and program support costs must be below 8 percent of annual revenues (no more than \$16,095,768) [waived].	Administrative costs must be at or below 6.5 percent of expenditures.
Administrative and program support cost growth is limited to 10 percent year-over-year increase (no more than \$1,529,712) [waived].	Report the year-over-year increase in administrative costs in comparison with the increase in expenditures.

Measure Category 6: Staffing

Staffing costs include salaries and wages; benefits (medical, dental, life insurance, and disability insurance); and an “other” category including payroll taxes, 401k, net change in accrued vacation liability, fees for 401k and savings plan administration, and employee recognition. The Staffing performance measure previously included a 7.75 percent expenditure cap on total staffing costs, but in 2019 was changed to a 9 percent cap on year-over-year increases.¹⁷ In 2022 and 2023, the Commission kept this performance measure, but waived its application to allow for expansion of services.¹⁸

In its 2024 budget, Energy Trust budgeted an increase in staffing cost of 27.1 percent, mainly driven by the addition of 32 new full-time (FTE) staff positions.¹⁹ Increased staffing is intended to help Energy Trust acquire additional savings, particularly with historically underserved customers. This intentional shift acknowledges that new methods are required to build networks to reach new customers and geographies to work towards legislative goals of decarbonization and environmental justice under House Bills 2021, 3141 and 2475. Staffing additions will support program development and redesign, outreach and community engagement, as well as internal systems and support functions to support overall acceleration.

¹⁶ UM 1158, NWN Comments, March 1, 2024.

¹⁷ See Order No. 19-292.

¹⁸ See Order No. 22-360, Order No. 23-082.

¹⁹ 2024 Energy Trust Budget and 2024-2025 Action Plan, p. 19.

Staff is supportive of this scale-up, requiring a change to the performance measure. **Staff proposes to limit total staffing costs to 9.5 percent of expenditures (1 percentage point above budgeted) and have Energy Trust report on staffing needs and performance.** This should provide Energy Trust enough buffer to absorb unpredictable increases in benefit costs, even when total expenditures remain static.

Table 6: Staffing Expenditures Costs Comparison

	2022 Actual	2023 Budget	2024 Budget
Staffing	\$16,926,312	\$20,058,105	\$25,495,474 ²⁰
Of Total Expenditures	9.5 percent	9.1 percent	8.5 percent
Increase Over Prior Year	10.9 percent	18.5 percent	27.1 percent

Table 7: Staffing Costs

2023 Performance Measure	Proposed 2024 Performance Measure
Staffing cost growth is limited to 9 percent year-over-year increase (no more than \$1,745,639) [waived]	Total staffing costs are limited to 9.5 percent of expenditures. Report on staffing needs and performance.

Measure Category 7: Customer Satisfaction

In the past, the Commission required Energy Trust to maintain a minimum of 85 percent of customers indicating they are satisfied or very satisfied overall, and with their interaction with program representatives. **Staff proposes to maintain the current performance measures.**

Table 8: Customer Satisfaction

2023 Performance Measure	Proposed 2024 Performance Measure
At least 85 percent of responding customers are satisfied or very satisfied with their overall experience.	At least 85 percent of responding customers are satisfied or very satisfied with their overall experience.
At least 85 percent of responding customers are satisfied or very satisfied with their interaction with program representatives.	At least 85 percent of responding customers are satisfied or very satisfied with their interaction with program representatives.

²⁰ The Energy Trust Draft Budget proposed staffing costs of \$25,778,033, which would have been an increase of 28.5%.

Measure Category 8: Benefit/Cost Ratios

For benefit/cost ratios of programs, the Commission has required reporting. Staff received one stakeholder comment on this issue. NWN suggests “adding a quantifiable B/C ratio as a performance measure (e.g., 1.2 or higher).” Staff believes that the current requirement of 1.0 or higher is sufficient. Furthermore, any change would need to be evaluated for consistency with the requirement in ORS 757.054(3)(a). **Staff proposes to maintain the current performance measures.**

Table 9: Benefit Cost Ratios

2023 Performance Measure	Proposed 2024 Performance Measure
Report benefit/cost ratios from both utility system and societal perspective annually.	Report benefit/cost ratios from both utility system and societal perspective.
Report significant mid-year changes to benefit/cost ratios in quarterly reports.	Report significant mid-year changes to benefit/cost ratios in quarterly reports.

Measure Category 9: NEEA and Market Transformation

The Commission has required Energy Trust to report on the benefits generated through NEEA membership and activities related to membership. **Staff proposes to maintain the current performance measures.**

Table 10: NEEA and Market Transformation

2023 Measure	Proposed 2024 Measure
Report annually savings and costs.	Report annually savings and costs.
Report annually savings strategies.	Report annually savings strategies.
Show Energy Trust direction to NEEA through committee membership.	Show Energy Trust direction to NEEA through committee membership.
Summarize annually Energy Trust direction to NEEA.	Summarize annually Energy Trust direction to NEEA.
Summarize annually NEEA initiatives Energy Trust opts out of and why.	Summarize annually NEEA initiatives Energy Trust opts out of and why.

Measure Category 10: Equity

Under House Bill 3141, the Commission is statutorily required to establish equity metrics to evaluate Energy Trust performance over time.²¹ Staff conducted multiple rounds of stakeholder engagements which led to the adoption of equity metrics at the

²¹ ORS 757.747.

end of 2022.²² In Order No. 23-082, the Commission adopted specific targets for the equity metrics to better measure annual performance. ***In 2024, Staff proposes to build on these developmental metrics focused on activities and move toward measurable outcomes wherever possible, as shown in the Table 11.***

While Staff received generally supportive comments, stakeholders posed many questions regarding the equity metrics in the workshop and written comments. Some stakeholders, including PGE, felt that more concrete targets than merely “increasing participation or savings” were necessary. After discussion with Energy Trust, Staff finds that because many programs are still in development, in some instances (like Metric 3), it is difficult to establish specific targets. However, in other cases Staff believes it has established sufficiently concrete measures. Staff also notes that the outcomes of increased outreach activities (Metric 3), will be captured to some extent by increased participation and savings as reported within the three other metrics.

In response to a comment by CUB addressing how renters are served by Energy Trust programs, Staff has added to Metric 1 and Metric 3 that Energy Trust should include renter/owner status in reported demographic data if available.

In response to a comment by PAC expressing concerns that programs might not reach all areas proportionately, Staff added to Metric 2 that Energy Trust should report on how its outreach efforts have been distributed across different utility service territories. For Metric 1 and Metric 3, Staff clarified that it expects reporting by utility service territory. Other stakeholders such as CUB asked for detailed reporting on feedback mechanisms Energy Trust uses, and descriptions of how learnings are incorporated into program evolution. While Staff agrees that those are important issues for internal operations, Staff believes this to be out of the scope of minimum performance thresholds.

Furthermore, Staff refers stakeholders to upcoming opportunities in Docket No. UM 2211, implementation of differential rates and programs under House Bill 2475. This public process will include a review of how energy efficiency and other demand-side programs may be underserving environmental justice communities and include many opportunities for stakeholder participation.²³

All other comments regarding equity metrics are addressed in Appendix A.

²² See Order No. 22-478.

²³ UM 2211, Phase 2 Proposal, <https://edocs.puc.state.or.us/efdocs/HAH/um2211hah326749023.pdf>.

Table 11: Equity-Related Performance Measures

Equity Metric	2023 Target	Proposed 2024 Target
<p>1. Access to Support for Communities. Increased support to nonprofit organizations with a purpose to serve environmental justice communities or to support nonprofit-led initiatives serving environmental justice communities. Increased support can be incentives, training, and funding for energy efficiency upgrades, solar, or solar-with-storage projects.</p>	<p>Increased support by \$200,000 to \$1.8 million to nonprofit organizations with a purpose to serve environmental justice communities or to support nonprofit-led initiatives serving environmental justice communities.</p>	<p>Spend at least \$4.5 million in support (including incentives) of nonprofit organizations supporting environmental justice communities.</p> <p>In comparison with 2023, increase the number of participating community-based organizations, the number of projects completed, the amount of savings achieved, and amount of incentives delivered. Furnish reports by utility service territory.</p> <p>Report any additional demographic information for customers (e.g. income categories, race/ethnicity, renter/owner) if available.</p>
<p>2. Access to Information. Increased funding to support targeted outreach to environmental justice communities, including funding for community ambassadors, education, and workshops.</p>	<p>10 additional combined FTEs or community ambassadors focused on this effort, a roughly 35 percent increase in people over the 16.5 FTE and 12 community ambassadors in 2022.</p>	<p>Add staff to a total of 35 FTE to support targeted outreach to environmental justice communities.</p> <p>Describe at least ten examples of how outreach efforts have led to new projects that delivered savings to environmental justice communities. Make note of how efforts have been distributed across utility service territories.</p>
<p>3. Energy Burden Reduction. New and expanded low-cost and no-cost offers to reduce energy burden created and launched.</p>	<p>10 total offers, a 25 percent increase from the 8 offers available in 2022.</p>	<p>In comparison with 2023, increase the number of community partners and customers receiving no-or low-cost offers. Furnish</p>

Equity Metric	2023 Target	Proposed 2024 Target
		<p>reports by utility service territory.</p> <p>Report any additional demographic information for customers (e.g. income categories, race/ethnicity, renter/owner) if available.</p>
<p>4. Community Resilience. Solar and solar-with-storage system projects supported for low and moderate-income residents in areas with limited infrastructure or high energy burden.</p>	<p>At least 5 CBOs engaged in creating and evolving the solar plus storage offer</p>	<p>Increase the number of solar and solar plus storage projects in development or completed for low-and moderate-income customers.</p> <p>Report total projects and projects (completed and in development) in census tracts that are rural or have above-average energy burden.</p> <p>Report learnings from program operations and stakeholder feedback. Describe how learnings will be used to improve program offerings.</p>

Measure Category 11: Market Infrastructure Investments

In 2024, Energy Trust is investing \$2.6 million to develop and expand the Trade Ally network, \$2 million for workforce development, \$4.6 million for partnerships with community-based organizations, and \$3 million for community engagement and support. At the Commission’s November 2, 2023, Special Public Meeting, Commissioners directed Staff to work with parties to develop performance measures associated with Energy Trust’s market infrastructure investments.²⁴ After consultation with Energy Trust, stakeholders, and utilities, Staff proposes new outcome-based measures for some of these investments.

For the investment into the Trade Ally network, Staff proposes Energy Trust, in comparison with 2023, increase the number and diversity of active trade allies, as well as the number of projects completed and savings. Energy Trust should also

²⁴ See also, Oregon Public Utility Commission letter to Energy Trust of Oregon, December 6, 2023.

explain how its efforts have helped customers gain access to a broader and more diverse network of qualified contractors. Staff believes this balances utilities' interest in specific measurable outcomes with Energy Trust's concern that the number of Trade Allies ebb and flow for numerous unrelated reasons. The second part of the measure acknowledges Energy Trust's position that developing and expanding the Trade Ally network is more complicated than can be captured in statistics. Staff is curious to compare and contrast the two measures during the performance review in 2025.

The outcomes of workforce development activities are harder to measure. Energy Trust argues that efforts are in their infancy, making it unrealistic to expect measurable results by the end of the year. **Staff proposes that Energy Trust report its activities and spending, but also explain how its efforts have helped potential trades people gain skills and opportunities, and have increased the availability of qualified workers.** Staff expects to establish more definitive measurable goals in 2025.

Energy Trust's investments in community-based partners are covered by the equity metric, "1) Access to Support for Communities." This metric includes specific measurable outcomes, i.e. increasing the number of participating community-based organizations, the number of projects completed, the amount of savings achieved, and incentive amounts delivered.

Energy Trust's investments in community outreach are covered by the equity metric, "2) Access to Information." Unfortunately, Energy Trust does currently not track the numbers of projects or savings that are related to community outreach. Given the large expansion to 35 FTE, Staff requests that Energy Trust provide in narrative form examples of how its outreach efforts resulted in savings. In 2025, Staff will want to see reporting on measurable results.

Staff received some written and verbal comments on this section, which have been incorporated. During the workshop, a stakeholder asked that measures show how priority contractors have benefited. Staff believes that its proposed Trade Ally performance measure captures exactly that. Another stakeholder asked that Energy Trust focus workforce development on rural as well as urban areas. In response, Staff clarified in the workforce development measure that the location of activities need to be reported. Northwest Natural asked Staff to include the amount of savings achieved through Trade Allies. This is already included in the measure.²⁵ A last comment received during the workshop concerned reporting on how Energy Trust collaborates with other entities and uses other funding sources. Staff believes this already to be included in the workforce development performance measure.

²⁵ UM 1158, NWN Comments, March 1, 2024.

Table 12: Market Infrastructure Investments

Area of Investment	Proposed 2024 Performance Measure
Trade Ally network	<p>In comparison with 2023, increase the number and diversity (women- and minority-owned small businesses) of active trade allies, as well as the number of projects completed and savings.</p> <p>Report the number of Trade Allies located in every county.</p> <p>Explain how Energy Trust efforts have helped customers gain access to a broader and more diverse network of qualified contractors.</p>
Workforce development	<p>Report activities (including their location and utility service area) and spending.</p> <p>Explain how Energy Trust efforts have helped customers gain access to a broader and more diverse network of qualified contractors.</p>
Partnerships with community-based organizations	See equity metric 1) Support for Communities.
Community engagement and support	See equity metric 2) Access to Information.

Process Improvements and Related Policy Considerations

Stakeholders commented on numerous issues outside the scope of establishing minimum performance standards for Energy Trust. Staff therefore makes recommendations to redirect this feedback into more appropriate venues or to enhance Energy Trust’s stakeholder engagement processes.

- Many comments received asked for relevant related information; for example, PGE asked detailed questions about how certain programs operate.²⁶ Another commenter asked about the NAICS codes of Trade Allies. CUB asked Energy Trust to provide an account of how it conducts planning, goal setting, and feedback gathering, especially in relation to community-based organizations.²⁷ **Staff recommends Energy Trust seek community feedback and engage its advisory councils on what information should be included in its annual report. Furthermore, Staff recommends reviewing 2025 performance**

²⁶ UM 1158, PGE PGE Comments, March 1, 2024.

²⁷ UM 1158, CUB Comments, March 1, 2024.

measures with the aim of more clearly drawing the distinction between “essential performance criterion” and “reporting requirement.” Beyond performance measures, Staff should give Energy Trust clear direction what should be included in its annual report.

- Many commenters asked Energy Trust to explain what it learned in 2023 and how this informs program improvements. For example, PGE asked whether the increase in the number of no-or low-cost offers by 25 percent in 2023 translates into direct benefit for our priority populations. The utility also sought information on how these offers complement existing low-income weatherization programs and anticipated Inflation Reduction Act incentives.²⁸ CUB went farther asking that performance measures be established only after review of the prior year’s results.²⁹ Unfortunately, because there is always a lag between the end of a reporting period, the collection of data, and creation of reports, this would lead to a rotating date for performance reviews.

However, Staff believes that the stakeholder questions point at a lack of awareness of, and opportunities for, transparency regarding how Energy Trust performance is reviewed and how this informs program improvements. Staff recommends a more robust process to be conducted to review Energy Trust performance. **The presentation of the 2023 annual report should be followed by a public comment period. Energy Trust should then use the recommendations for its 2025 budget planning and program improvements.** Staff also notes that for 2026, Energy Trust will transition to multi-year planning which will come with a more flexible and expansive relationship between annual results and budgeting.

- Staff received many comments that made specific policy recommendations and proposed programs. CUB asked for more programs that target renters. NWN asked Energy Trust to establish goals relating to Renewable Natural Gas and electrification. PAC asked to better coordinate discussions of Community Benefits Indicators with Energy Trust. All of these suggestions are outside the scope of establishing performance measures. However, they point at lacking transparency for how stakeholders can influence Energy Trust planning and program development. **Staff recommends Energy Trust publish more information on its website for new stakeholders explaining how they can provide input and dialogue on planning and program development.** These may include Strategic Plan workshops with the Board in March and May; advisory council meetings and Board budget workshops; and public comment on

²⁸ UM 1158, PGE Comments, March 1, 2024.

²⁹ UM 1158, CUB Comments, March 1, 2024.

the draft budget in October. All are open to the public. **Staff also encourages Energy Trust to continue to utilize its advisory councils for gathering more program-level input from stakeholders and consider additional public information sessions.**

- As noted, many of these concerns can be addressed through the upcoming UM 2211 docket, which will cover energy affordability more broadly. Staff and Energy Trust will participate with stakeholders in sharing opportunities to best target existing and new programs for environmental justice communities.

Summary of Proposed Performance Measures

The proposed 2024 performance measures for Energy Trust are detailed below. Staff includes the previous year's performance measures for comparison purposes.

Table 13: Proposed 2024 Performance Measures

Measure Category	2023 Measure	Proposed 2024 Measure
Electric Savings PGE	Minimum of 21.7 aMW at no greater than 4.9 cent/kWh.	Minimum of 24.3 aMW at no greater than 5.8 cent/kWh.
PAC	Minimum of 16.7 aMW at no greater than 4.0 cent/kWh.	Minimum of 16.4 aMW at no greater than 6.3 cent/kWh.
Gas Savings NWN	Minimum of 4.3 MM therms at no greater than 62 cent/therm.	Minimum of 4.6 MM therms at no greater than 80 cent/therm.
Cascade NG	Minimum of 0.49 MM therms at no greater than 74 cent/therm.	Minimum of 0.51 MM therms at no greater than 83 cent/therm.
Avista	Minimum of 0.36 MM therms at no greater than 64 cent/therm.	Minimum of 0.31 MM therms at no greater than 82 cent/therm.
Renewable Sector	For project and market development assistance, Energy Trust will report annual results, including number of projects supported, milestones, and documentation or results from market and technology perspectives.	For project and market development assistance, report annual results, including number of projects supported, milestones met, and documentation of results from market and technology perspective.
	For the standard net-metered solar program, obtain at least 4.3 aMW of installed generation.	For the standard net-metered solar program, obtain no less than 3.5 aMW of installed generation.
	For solar projects funded outside of the program's standard net-metered incentive	For custom projects, report criteria for selection and how the project helps achieve sector goals.

Measure Category	2023 Measure	Proposed 2024 Measure
	offer, Energy Trust will report all sources of funding for projects and the criteria for selection.	
	Invest at least \$3.9 million, or 25 percent of public purpose revenue for renewables, to provide activities, resources, and technologies for low- and moderate-income customers.	Spend between 25 percent and 50 percent of public purpose revenue for renewables, to provide activities, resources, and technologies for low- and moderate-income customers.
Financial Integrity	Receive unmodified opinion from independent audit.	Receive unmodified opinion from independent audit.
Program Delivery Efficiency - Administrative Costs	Administrative and program support costs must be below 8 percent of annual revenues (no more than \$16,095,768) [waived].	Administrative costs must be at or below 6.5 percent of expenditures.
	Administrative and program support cost growth is limited to 10 percent year-over-year increase (no more than \$1,529,712) [waived].	Report the year-over-year increase in administrative costs in comparison with the increase in expenditures.
Staffing Costs	Staffing cost growth is limited to 9 percent year-over-year increase (no more than \$1,745,639) [waived]	Total staffing costs are limited to 9.5 percent of expenditures. Report on staffing needs and performance.
Customer Satisfaction	At least 85 percent of responding customers are satisfied or very satisfied with their overall experience	At least 85 percent of responding customers are satisfied or very satisfied with their overall experience
	At least 85 percent of responding customers are satisfied or very satisfied with their interaction with program representatives	At least 85 percent of responding customers are satisfied or very satisfied with their interaction with program representatives
Benefit/Cost Ratios	Report benefit/cost ratios from both utility system and societal perspective annually.	Report benefit/cost ratios from both utility system and societal perspective.
	Report significant mid-year changes to benefit/cost ratios in quarterly reports.	Report significant mid-year changes to benefit/cost ratios in quarterly reports.
NEEA and Market Transformation	Report annually savings and costs.	Report annually savings and costs.

Measure Category	2023 Measure	Proposed 2024 Measure
	Report annually savings strategies.	Report annually savings strategies.
	Show Energy Trust direction to NEEA through committee membership.	Show Energy Trust direction to NEEA through committee membership.
	Summarize annually Energy Trust direction to NEEA.	Summarize annually Energy Trust direction to NEEA.
	Summarize annually NEEA initiatives Energy Trust opts out of and why.	Summarize annually NEEA initiatives Energy Trust opts out of and why.
Equity – Access to Support for Communities	Targets: Increased support by \$200,000 to \$1.8 million to nonprofit organizations with a purpose to serve environmental justice communities or to support nonprofit-led initiatives serving environmental justice communities.	<p>Targets: Spend at least \$4.5 million in support (including incentives) of nonprofit organizations supporting environmental justice communities.</p> <p>In comparison with 2023, increase the number of participating community-based organizations, the number of projects completed, the amount of savings achieved, and the dollar amount of incentives delivered. Furnish reports by utility service territory.</p> <p>Report any additional demographic information for customers (e.g. income categories, race/ethnicity, renter/owner) if available.</p>
Equity – Access to Information	Target: 10 additional combined FTEs or community ambassadors focused on this effort, a roughly 35 percent increase in people over the 16.5 FTE and 12 community ambassadors in 2022.	<p>Targets: Add staff to a total of 35 FTE to support targeted outreach to environmental justice communities.</p> <p>Describe at least ten examples of how outreach efforts have led to new projects that delivered savings to environmental justice communities. Make note of how efforts have been distributed across utility service territories.</p>
Equity – Energy Burden Reduction.	Target: 10 total offers, a 25 percent increase from the 8 offers available in 2022.	Targets: In comparison with 2023, increase the number of community partners and customers receiving no-or low-cost offers. Furnish reports by utility service territory.

Measure Category	2023 Measure	Proposed 2024 Measure
		<p>Report any additional demographic information for customers (e.g. income categories, race/ethnicity, renter/owner) if available.</p>
Equity – Community Resilience	<p>Target: At least 5 CBOs engaged in creating and evolving the solar plus storage offer</p>	<p>Targets: Increase the number of solar and solar plus storage projects in development or completed for low-and moderate-income customers.</p> <p>Report total projects and projects (completed and in development) in census tracts that are rural or have above-average energy burden.</p> <p>Report learnings from program operations and stakeholder feedback. Describe how learnings will be used to improve program offerings.</p>
Market Infrastructure Investments		<p>Trade Ally Network: In comparison with 2023, increase the number and diversity (women- and minority-owned small businesses) of active trade allies, as well as the number of projects completed and savings.</p> <p>Report the number of Trade Allies located in every county.</p> <p>Explain how Energy Trust efforts have helped customers gain access to a broader and more diverse network of qualified contractors.</p>
		<p>Workforce Development: Report activities (including their location and utility service area) and spending.</p> <p>Explain how Energy Trust efforts have helped customers gain access to a broader and more diverse network of qualified contractors.</p>

Conclusion

Staff proposes to adopt 2024 performance measures for Energy Trust as shown in Table 13.

PROPOSED COMMISSION MOTION:

Adopt Staff's proposed performance measures for evaluating the performance of Energy Trust of Oregon in 2024.

Appendix A: Stakeholder Comments

Table below contains additional stakeholder comments on equity metrics and Staff responses.

Party	Comment	Staff Response
PGE	Access to Support for Communities: “How and by when will this result in direct benefit to our priority populations? What are Energy Trust’s goals in terms of increased participation and direct benefits to communities over time? How are these benefits demonstrated?” ³⁰	Staff believes that the proposed measure directly addresses these questions.
PGE	Access to Information: “When will this result in direct benefit to our priority populations? What were the learnings and participation for 2023 and what is expected in 2024?” ³¹	Staff believes it will take some time for the ramp-up of outreach to lead to effects. At the same time, the effects of outreach will be captured by increased participation and savings in the other three equity metrics. 2023 Learnings and participation will be available in Energy Trust’s 2023 Annual Report.
PGE	General: “It remains unclear how our priority populations benefit directly from the proposed increased investment and its proposed use. [...] The expected impacts of near-term actions to build Energy Trust staff and delivery capacity in terms of out-year participation and savings remain unclear and PGE sees it is reasonable to request the estimated program participation and savings from these investments.” ³² (PGE)	Energy Trust has in the past and will in the future report on how priority populations benefit from investments. ³³ Staff has included reporting on participation and savings in three of the four equity metrics, with the intent of establishing specific targets in future years.
CUB	Access to Support for Communities: “1.) Are there established accountability and feedback mechanisms with existing CBO partners? 2.) If so, are they being utilized? 3.) Do they inform the	Staff believes that these comments largely address issues outside the scope of performance measures. Staff

³⁰ UM 1158, PGE Comments, March 1, 2024.

³¹ UM 1158, PGE Comments, March 1, 2024.

³² UM 1158, PGE Comments, March 1, 2024.

³³ UM 1158, Staff and Energy Trust Presentation, Public Workshop on February 14, 2024, Slide 23, <https://edocs.puc.state.or.us/efdocs/HAH/um1158hah326637023.pdf>; and Energy Trust Presentation, Special Public Meeting on November 2, 2023, Slides 63 and 64, https://oregonpuc.granicus.com/Viewer.php?view_id=2&clip_id=1239&meta_id=37543.

Party	Comment	Staff Response
	<p>2024 goal of more participating CBOs? 4.) If there are not established accountability and feedback mechanisms with CBO partners, are efforts being made to secure them? 5.) Would existing CBO partners recommend working with ETO? [...] One suggestion is to add another reporting performance measure either in this docket or elsewhere, to analyze ETO's relationships with CBOs and make recommendations for strategies to grow CBO engagement and support. [...] Will there be demographic data (such as race, geography, language spoken at home etc.) tied to the savings achieved? If various priority communities are lumped together, there could of course still be equity issues at play based on race or geography, or the intersection of both, for example."³⁴</p>	<p>agrees that Energy Trust should try to collect demographic information on participants and report it whenever available.</p>
CUB	<p>Access to Information: "For example, what has been learned about ETO's relationship with community ambassadors from 2023? Is there existing data, qualitative or quantitative, that suggests staffing increases from 2022 to 2023 improved access to information via outreach? We wonder if the process with ambassadors to date has informed this goal. Moreover, we wonder what the intention is of hiring more staff over more community ambassadors and wonder if community ambassadors will be asked to fill some of these roles. Relatedly was there consideration of increasing or expanding capacity grants to CBOs to support those existing programs, including but not limited to education and workshops already being implemented on the ground?</p> <p>[...] We also think it would be useful to measure the absolute and proportional spending of these outreach dollars to different subgroups within an outreach program that seeks to reach priority populations (Martín & Lewis, 2019, p. 9). Better understanding not just how much money is allocated to outreach, but how that money is</p>	<p>Staff believes that these comments largely address issues outside the scope of performance measures. Staff does expect Energy Trust to include in its report information on the different groups targeted in outreach efforts.</p>

³⁴ UM 1158, CUB Comments, March 1, 2024.

Party	Comment	Staff Response
	allocated across the various priority populations, is an important measure. [...] We also wonder if this will include the ways that ETO is coming to a better understanding of barriers surrounding access to information about available services as well as barriers to delivery of those services.” ³⁵	
CUB	Energy Burden Reduction: “CUB is wondering if/how ETO is measuring received low or no-cost offers for renters compared to homeowners in priority populations. We would like to see, if possible, this also be an aspect of demographic data from customers.” ³⁶	Staff agrees and would like to see Energy Trust report this.
CUB	Community Resilience: “It would be helpful to add the necessity of data tracking around withdrawals from programming. It would be important to understand, from qualifying to implementation, if any qualifying priority households are lost along the way. [...] we are curious if ETO is measuring outcomes beyond energy specific outcomes. Solar and solar plus storage projects have the ability to assist with altering far-reaching financial and social conditions for priority populations (Martín & Lewis, 2019, p. 11). We understand this would require extensive analysis, but wonder if efforts could be put into place over time to better understand this.” ³⁷	Staff believes these suggestions go beyond the requirements for minimum performance thresholds and should be considered by Energy Trust for inclusion in its general reporting.
CUB	General: “(3) Adding rationale to the proposal document for each metric would help provide more context, clarity and transparency for stakeholder understanding and feedback.” ³⁸	Staff will attempt to do a better job at explaining the context of each measure next year and appreciates the suggestion.
NWN	Access to Support for Communities: “NW Natural recommends expanding the support beyond nonprofit organizations. While the support of nonprofits should be continued, there may be room in the budget to include other organizations that are centered in priority communities. In addition, consideration should be given on whether the proposed \$4.5 million in support (including	Staff believes that it is appropriate to focus on non-profit organizations here. Support to for-profit entities is covered by Energy Trust’s numerous Trade Ally development activities. Staff believes that reporting on

³⁵ UM 1158, CUB Comments, March 1, 2024.

³⁶ UM 1158, CUB Comments, March 1, 2024.

³⁷ UM 1158, CUB Comments, March 1, 2024.

³⁸ UM 1158, CUB Comments, March 1, 2024.

Party	Comment	Staff Response
	incentives) of nonprofit organizations should be coupled with a specific energy savings goal to be achieved.” ³⁹	savings is appropriate this year, with the intent of establishing saving targets in the future.
NWN	Access to Information: “NW Natural is supportive of the qualitative approach to measure success with various outreach examples. While the number of staff members enables more outreach, the number as a metric does not directly correlate to success.” ⁴⁰	Staff appreciates the comment.
NWN	Energy Burden Reduction: “NW Natural is supportive of increasing low or no cost offerings to customers and recommends including a savings target in this metric. Energy savings at the customer level have a direct impact.” ⁴¹	Staff believes that low-income customers served by no- or low-offers is a decent proxy for energy burden reduction. Calculating the exact reduction is a subject for program evaluation.
PAC	<p>General: “The Company hopes to increasingly align metrics to the following questions:</p> <ul style="list-style-type: none"> - How can we collectively track that funding, resources, and activities are effectively allocated and reported across all areas of the service territory? <p>What steps can be taken to develop performance metrics that not only reflect these efforts but also highlight an allocation of Energy Trust investment and efforts that is proportional with utility funding?”⁴²</p>	Staff expects Energy Trust to make investments proportional to utility contributions. Where possible, language has been modified to include reporting by utility service territory. Staff also notes that Energy Trust’s extensive existing reporting already shows large investments in rural areas.
PAC	General: “These CBIs, while still in development in coordination with the Company’s Community Benefits Input and Advisory Group, are important for gauging community needs and it is important to ensure that metrics that overlap with Energy Trust work are coordinated. Active collaboration with Energy Trust in delivering these CBIs for energy efficiency and distributed generation is ongoing and vital. The current draft performance measures, however, lacks an acknowledgement	Staff will work to ensure that 2025 performance measures are complementary or coordinated with CBIs.

³⁹ UM 1158, NWN Comments, March 1, 2024.

⁴⁰ UM 1158, NWN Comments, March 1, 2024.

⁴¹ UM 1158, NWN Comments, March 1, 2024.

⁴² UM 1158, PAC Comments, March 1, 2023.

Party	Comment	Staff Response
	of CBIs and a preliminary plan for integrating these efforts.” ⁴³	
	General: Report ethnicity/race of Energy Trust Staff. ⁴⁴	After discussions with Energy Trust, Staff does not see a need for this reporting requirement.

⁴³ UM 1158, PAC Comments, March 1, 2023.

⁴⁴ Stakeholder comments received during the workshop are unattributed.