



Energy Trust of Oregon

2018 Annual Budget and 2018-2019 Action Plan

DRAFT

Presented to the Board of Directors
November 8, 2017

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MEMO

Date: November 1, 2017
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Draft 2018 Budget and 2018-2019 Action Plan

I am pleased to present to you Energy Trust of Oregon's Draft 2018 Budget and 2018-2019 Action Plan, which will be the focus of our November 8 board meeting.

Enclosed are a handout and slide presentation summarizing the draft budget and action plan, a list of upcoming outreach activities, draft budget and action plan details, and draft staffing details. Also included are two memos requested by the Oregon Public Utility Commission (OPUC). One summarizes planning assumptions shaping the draft budget and action plan. A second identifies current energy efficiency measure exceptions approved or pending by the OPUC. Additionally, 2017 and 2019 forecast information and a financial glossary are provided for your consideration and reference. Throughout the materials, you will see links between planned activities and 2015-2019 Strategic Plan goals and strategies.

These documents guide Energy Trust in delivering the lowest-cost energy resources available to utilities and their customers, and diversifying Oregon's energy resource mix with small-scale renewable energy generation. The outcomes and benefits of our investments lower participant utility bills, avoid carbon dioxide emissions and strengthen our economy.

The draft budget and action plan are available for public comment from November 1 through November 17, 2017. In addition to the presentation at the November 8 board meeting, staff and I will provide information on the draft budget to our five affiliated utilities, two advisory councils and the Oregon Public Utility Commission. I will also record an on-demand public webinar presentation, which will be available on our website from November 7 through November 17, 2017. All materials are available on our website, www.energytrust.org/about/budget.

Feedback and comments received through these presentations will be considered and incorporated into a Final Proposed 2018 Budget and 2018-2019 Action Plan to be considered by the board of directors at the December 15 board meeting.

I look forward to our discussion next week and welcome your comments and questions.

Thank you,



Draft 2018 Budget—Overview

Energy Trust of Oregon’s annual budget and two-year action plan are developed through a transparent, public process. They guide our delivery of low-cost energy efficiency resources for the benefit of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista customers, and diversify Oregon’s energy resource mix with clean power from small-scale renewable energy systems.

Learn more at www.energytrust.org/about/budget.

Areas of Emphasis

Benefit customers and ratepayers by achieving energy goals and operating effectively

This core strategy is central to all other areas of emphasis.

Diversify participation

Increase outreach to small- and medium-sized businesses. Identify and prioritize strategies to increase access to solar in low-income communities. Contract with community-based organizations to reach under-served communities. Drive forward diversity, equity and inclusion strategies.

Enhance program methods and strategies

Utilize new, improved data resources in analysis and targeted marketing. Leverage energy-related initiatives spearheaded by others. Foster long-term relationships with business customers and support long-term project planning for communities. Target outreach to irrigation hydropower and biogas projects.

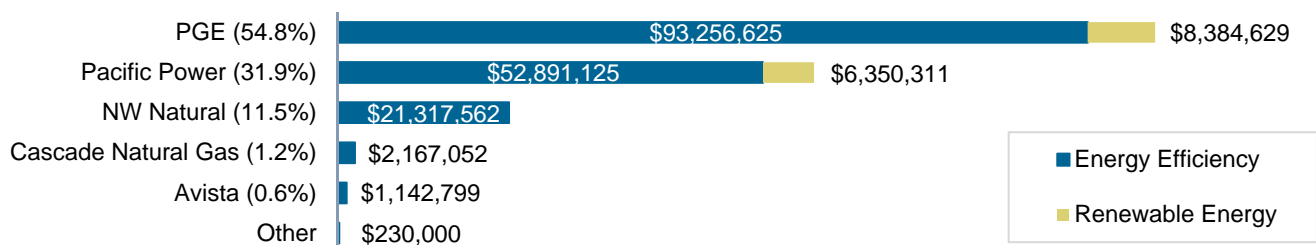
Manage change and prepare for the future

Collaborate with Northwest Energy Efficiency Alliance to identify new measures and strategies.. Support targeted demand-side management efforts with utilities. Implement recommendations from internal Organizational Review and Budget Review projects. Implement transitional strategies for key program areas, such as residential and solar

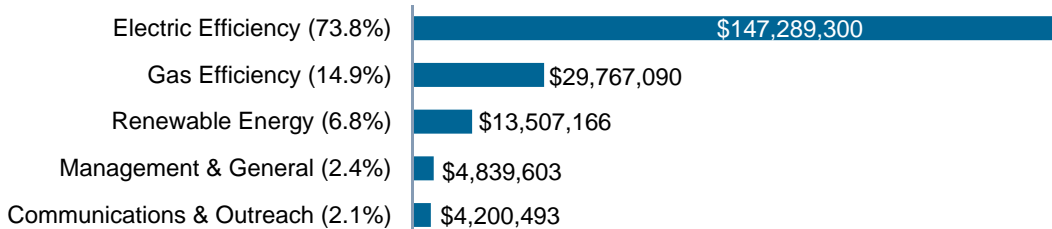
Revenue and Expenses (Oregon and Southwest Washington)

Reserve funds will be used where planned expenses exceed anticipated revenue.

Annual Revenue: \$185.7 million



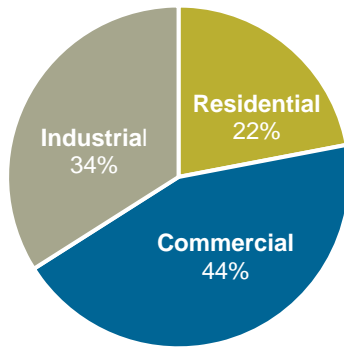
Annual Expenses: \$199.6 million



Energy Efficiency and Generation Goals (Oregon and Southwest Washington)

Electric savings

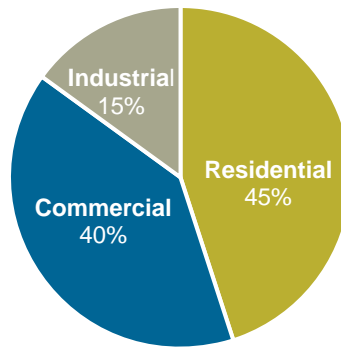
56.52 aMW
(63.89 aMW gross)



Residential
12.5 aMW; 3.4 cents/kWh
Commercial
24.6 aMW; 3.5 cents/kWh
Industrial
19.4 aMW; 2.1 cents/kWh

Natural gas savings

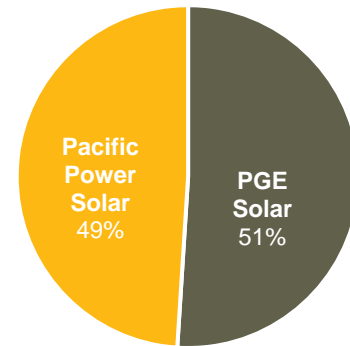
6.88 million annual therms
(7.48 million annual therms gross)



Residential
3.06 MMTh; 36.8 cents/therm
Commercial
2.75 MMTh; 34.7 cents/therm
Industrial
1.06 MMTh; 24.9 cents/therm

Renewable generation

2.18 aMW



Solar
2.18 aMW
Other Renewables
0.00 aMW

Investing \$199.6 Million to Deliver Significant Benefits

- Participants saving \$707 million on their utility bills over time from projects completed in 2018
- Energy saved at a cost of 3.0 cents/kWh and 33.5 cents/therm, a fraction of the cost of fossil fuels
- Jobs, wages and business income added to the local economy
- Air quality improvements by avoiding 4.4 million tons of carbon dioxide
- Training and support for 2,400 local businesses, many of them small companies employing 12,000 people to work on Energy Trust projects (self-reported by trade allies)

Activities by Customer Type

Homeowners and renters:

Home Energy Reviews; Energy Saver Kits; referrals to trade ally contractors; incentives for equipment, weatherization, LEDs, showerheads, clothes washers and solar; energy performance scoring for new homes, including manufactured; enhanced incentives for moderate-income customers; pilot to upgrade new manufactured homes; rural outreach; coordination with agencies serving low-income customers

Commercial businesses, public entities, nonprofits and multifamily properties:

Energy modeling, design and technical assistance; incentives for equipment, lighting and solar; Strategic Energy Management; Path to Net Zero; Pay for Performance pilot; new construction Market Solutions offering for public sector and low-income multifamily buildings; multifamily rental unit and common-area incentives

Industrial and agricultural businesses:

Technical assistance, studies and analyses; customized solutions for industrial processes; equipment, lighting and solar incentives; Strategic Energy Management; expanded outreach to small industries; rural outreach to businesses, farms and ranches; projects delivered by trade allies

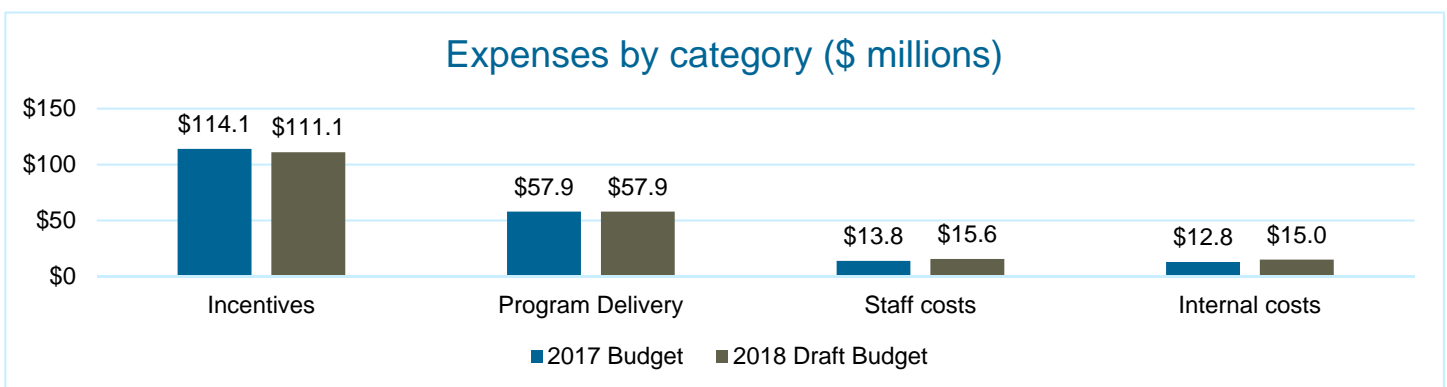
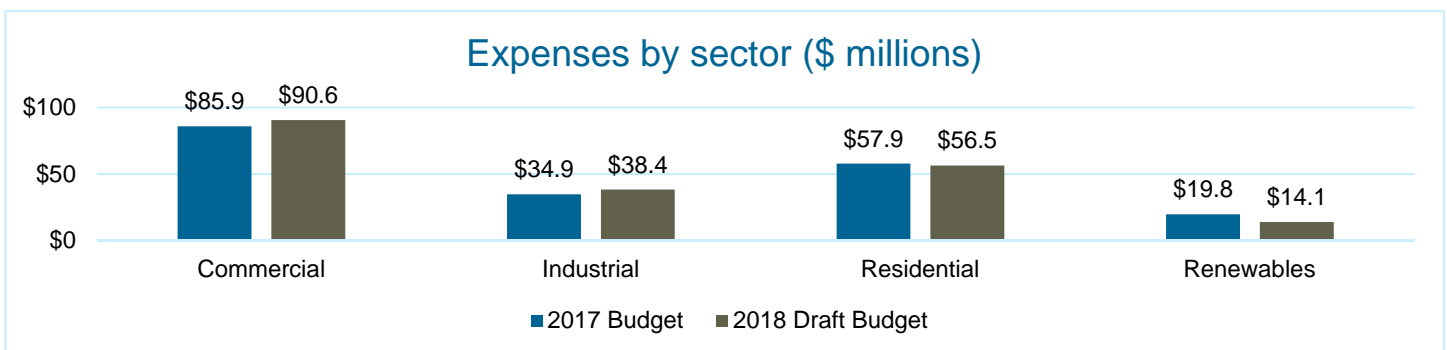
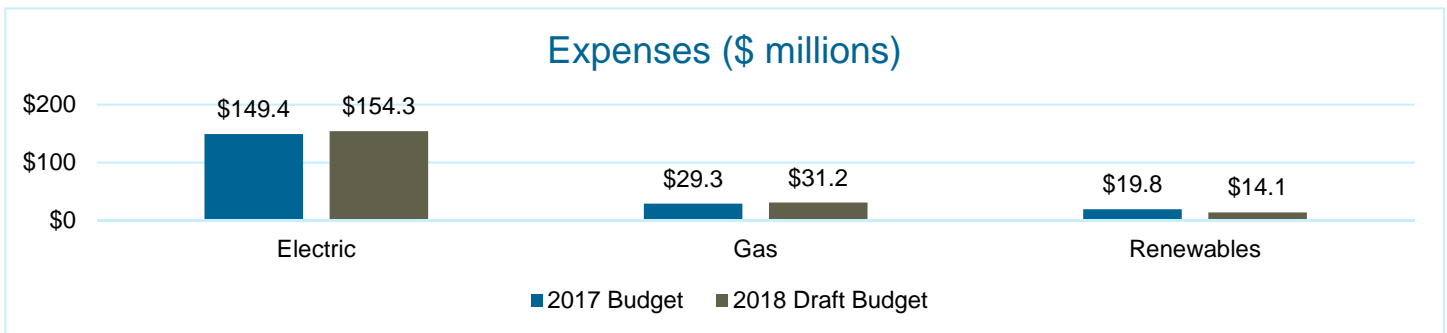
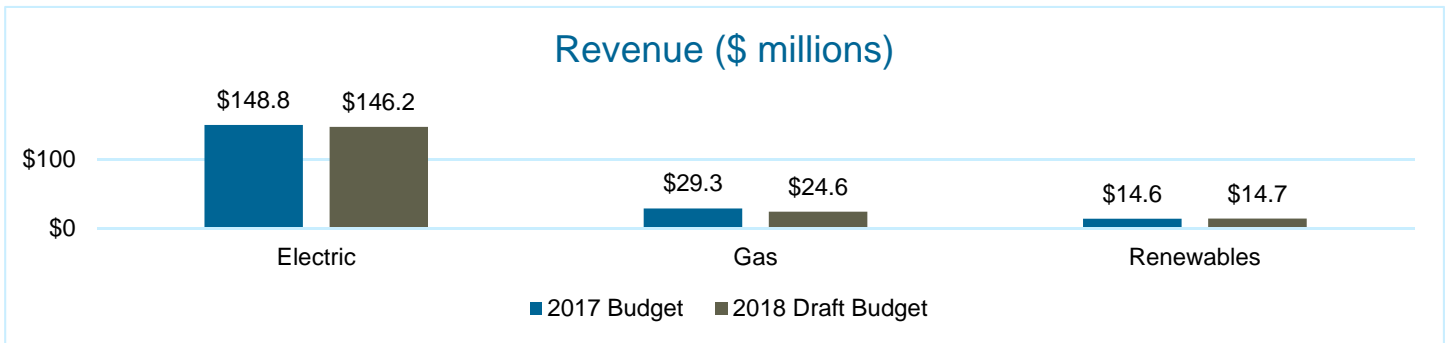
Renewable energy project developers:

Project development assistance; anaerobic digestion at wastewater treatment facilities, irrigation district modernization and hydropower; solar soft cost reduction strategies; design moderate-income solar offering

Notes: MMTh (million annual therms), aMW (average megawatt); this document reports in net except where noted. Costs/kWh or therm are levelized.

Year-to-year Comparison of Budgeted Revenues and Expenses (Oregon and Washington)

- Revenues down slightly, decreasing 3.7% over the 2017 budget
- Expenses up less than 1% over the 2017 budget
- Staff and internal costs are up compared to 2017 and remain low compared to the overall budget



Year-to-year Comparison of Budgeted Savings and Generation (Oregon and Washington)

Savings

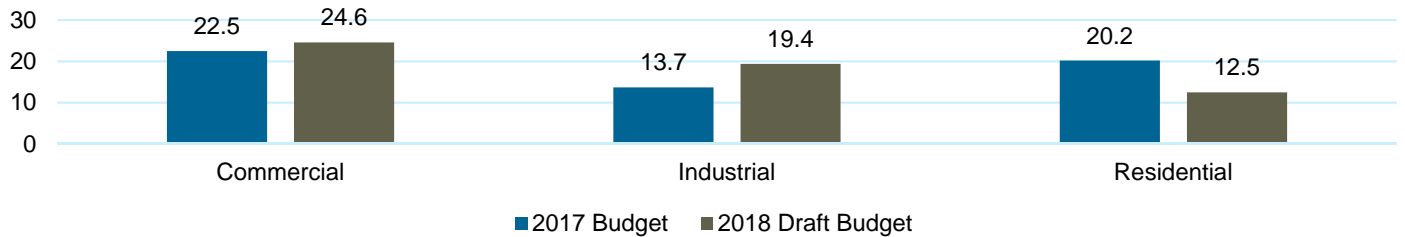
Generation

	Electric (aMW)	Gas (MMTh)	Electric (aMW)
2017 Budget	56.4	7.41	2.86
2018 Draft Budget	56.5	6.88	2.18
% change	0.2%	-7.2%	-23.8%

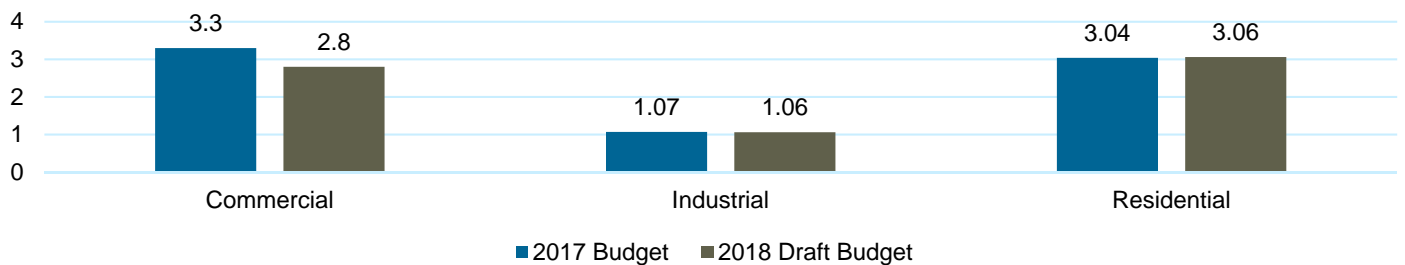
Savings Levelized Cost

	Electric (cents/kWh)	Gas (cents/therm)
2017 Budget	3.0	31.3
2018 Draft Budget	3.0	33.5

Electric savings by sector (aMW)



Gas savings by sector (MMTh)



Staffing Recap

- Increasing areas of new demand on Energy Trust include:
 - Supporting more project volume;
 - Performing critical finance tasks while developing more efficient budget and procurement systems;
 - Delivering more market data for six utility IRPs;
 - Supporting new targeted demand-side management projects that provide additional transmission and deferral benefits to the utility grid;
 - Supporting increased program utilization of web and email technology for customer transactions;
 - Supporting transitions in solar and residential markets.
- In 2018, Energy Trust projects meeting the OPUC performance measure to not exceed 7.75% on a 3-year rolling average for staffing costs.

	% Annual expenses 3-year rolling avg.	OPUC Performance Measure
2017	6.6%	✓
2018	7.1%	✓

Frequently Asked Questions: Energy Trust Annual Budget and Two-Year Action Plan

November 1, 2017

How is your budget and action plan developed?

Our annual budget and two-year action plan are developed through a transparent, public process that includes stakeholder review and input. Our five-year Strategic Plan and each utility's Integrated Resource Plan (IRP) serve as primary building blocks for the budget.

Annually starting in July and continuing through December, we work with Portland General Electric (PGE), Pacific Power, NW Natural, Cascade Natural Gas, Avista and our Conservation Advisory Council to build action plans and identify the amount of energy efficiency that can be cost-effectively acquired in the coming year. We also work to determine planned renewable energy generation within PGE and Pacific Power territories. Our budget is submitted for review and comment to the OPUC, is reviewed and approved by our board of directors by December 31 of each year, and is posted online.



How can I participate?

Public comments are actively solicited and help shape our final proposed budget and action plan presented to the board of directors. Public notices and materials for board, Conservation Advisory Council and Renewable Energy Advisory Council meetings are posted on our website in advance of each meeting and every meeting invites public comment. The OPUC hearing is also open to the public.

Written public comments are due to Energy Trust by 5 p.m., Friday, November 17, 2017. Comments may be emailed to info@energytrust.org, or mailed or submitted in person to Energy Trust of Oregon, 421 SW Oak St., Suite 300, Portland, Oregon 97204.

Who reviews and approves the budget and action plan?

Budget goals and action plans are reviewed by our board of directors, Conservation Advisory Council, Renewable Energy Advisory Council, OPUC, PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista. We also engage the public and a variety of stakeholders and utility customers. Public comment is actively sought through our website and outreach meetings.

Comments received during the outreach period are summarized, with many incorporated into a final proposed budget and action plan presented to the board at its public meeting in December. The board approves the final proposed budget and action plan.

Where can I find more information about the 2018 budget and action plan?

Visit our website at www.energytrust.org/about/budget to find the draft budget and action plan, view the budget schedule and view an on-demand presentation by Executive Director Michael Colgrove. Budget presentations and materials delivered at board and advisory council meetings are available at www.energytrust.org/about/public-meetings.

What do you take into account when setting the budget?

We work closely with all five utilities to update their plans to meet future energy needs for their customers with the goal of acquiring all available cost-effective energy efficiency. Additional information is drawn from renewable resource assessments and the most recent studies produced by the Northwest Power and Conservation Council, which identify energy efficiency and renewable energy potential throughout the Pacific Northwest. These resources drive our five-year strategic plan and guide our annual budget and two-year action plan.

Annual activities are guided by third-party program evaluations, market research, our experience delivering programs, feedback from on-the-ground contractors and customers, and input from our funding utilities, two advisory councils, the OPUC and the board of directors.

What benefits will the budget provide?

Our budget and action plan are designed to help a range of customers save energy and produce renewable power—from homeowners and renters to large businesses around the state. We deliver the low-cost energy efficiency utilities rely on to meet their customers' energy needs, and add clean, renewable power to the electric grid. Projects and actions resulting from our budget reduce participating customer utility bills, help keep energy costs lower than they otherwise would be for all utility customers, avoid carbon emissions and strengthen local economies.

How are programs and services funded?

Funding for our energy-efficiency and renewable energy programs comes exclusively from customers of PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista in Oregon, and NW Natural customers in Washington.

What accountability measures are in place to ensure funds are spent wisely?

All expenditures must comply with legal requirements guiding our investments and meet minimum annual performance measures established by the OPUC. For instance, administrative and program support costs must be below 8 percent of annual revenues, and we must receive an unmodified financial opinion on annual, independently audited financial statements. In addition, all energy-efficiency investments, excluding pilots and limited activities exempted by the OPUC, are required to be cost effective, meaning that long-term project savings must exceed related costs and be of net financial benefit to the customer. The board of directors reviews monthly financial statements, program impact evaluations and program process evaluations, and updated evaluation factors are applied to our results during an annual true-up process.

How do you report on expenditures and progress to goals and performance measures?

We report quarterly and annually to the board and OPUC on progress to goals, revenues and expenditures, and program and operations activities. We also provide information for a public purpose charge report that is submitted to the Oregon Legislature every two years by the OPUC.

What happens when funds are not spent by the end of the year?

At year-end, any unspent funds are carried over into the following year's budget and offset future revenue needs. Carryover of unspent funds can be a result of many factors, including meeting our savings goals at lower than expected costs or revenue forecasts being higher than projected due to unexpected weather changes. Renewable energy project development often occurs over multiple years and requires an upfront funding commitment.

DRAFT 2018 Annual Budget & 2018-2019 Action Plan

Table of Contents

- Overview** • Draft Budget and Action Plan Slide Presentation
- Supporting Memos** • Staffing Memo
 - Measure Exceptions Memo
 - Planning Assumptions Memo
 - Demand Response Memo explanation
- Outreach** • Key dates, how to submit comments and resource list
- Budget Detail** • 2018 Budget Recap Spending and Savings
 - 2018 Budget Income Statement by Service Territory
 - 2018 Budget Statement of Functional Expenses
 - 2018 Budget Program Expenses by Service Territory and Program
 - 2018 Budget Detail by Service Territory and Program
 - Capital Budget
- Action Plans** • Energy Efficiency Action Plans
 - Renewable Energy Action Plans
 - Support Group Action Plans
 - Diversity, Equity and Inclusion Action Plan
- Forecasts** • 2017 Budget Recap Spending and Savings
 - 2017 Forecast Income Statement by Service Territory
 - 2017 Forecast Statement of Functional Expenses
 - 2017 Forecast Summary by Service Territory and Program
 - 2017 Forecast Detail by Service Territory and Program
 - 2019 Projection Recap Spending and Savings
 - 2019 Projection Income Statement by Service Territory
 - 2019 Projection Statement of Functional Expenses
 - 2019 Projection Summary by Service Territory and Program
 - 2019 Projection Detail by Service Territory and Program
- Glossary** • Financial Glossary



Draft 2018 Annual Budget & 2018-19 Action Plan

November 8, 2017

Today's Presentation

- Draft 2018 Budget Summary
- Budget Building Blocks
- Draft 2018-2019
Action Plan Highlights
- Draft 2018 Budget Highlights
- Next Steps
- Discussion and Feedback



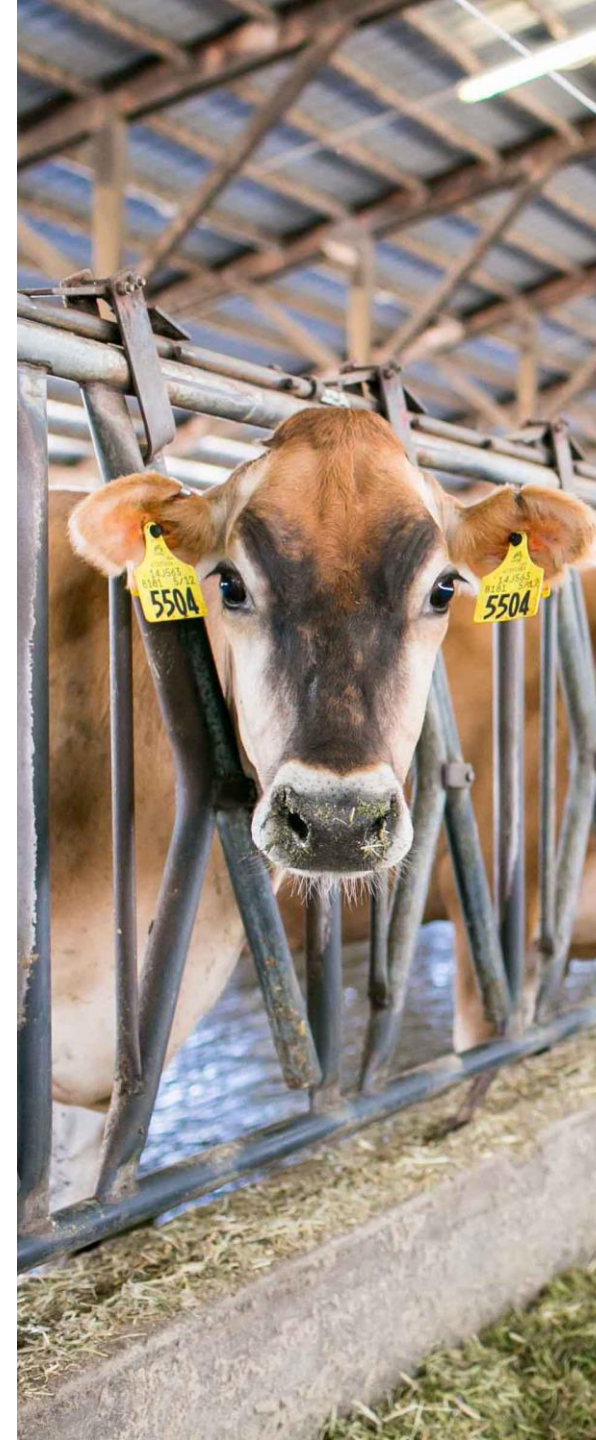
Draft 2018 Budget Summary

- Investing \$199.6 million
- Saving 56.52 aMW and 6.88 MMTh
 - Electric savings up by 0.2%
 - Gas savings down by 7.2%
- Delivering highly cost-effective energy
 - 3.0 cents/kWh levelized
 - 33.5 cents/therm levelized
- Generating 2.18 aMW
 - Renewable generation down 23.8%, largely due to solar state tax credit expiration and tighter budgets



Draft 2018 Budget Summary

- Overall spending up 0.5% due to increased project volume and an increase in internal costs
- Incentives are 55.7% of total planned expenditures
- Revenue down slightly; reserves remain within targets
- Low administrative and program support costs at 6.7%
- Three-year rolling staffing costs at 7.1%, below OPUC performance measure



Customer Benefits from 2018 Investments

- **\$707 million in future bill savings** from energy improvements made in 2018 with help from Energy Trust
- Improved air quality by avoiding 4.4 million tons of carbon dioxide
- Enough energy to power 45,820 homes and heat 12,800 homes
- Continued high customer satisfaction
- Expanded access and participation statewide
- Training and support for 2,400 local businesses



Key Takeaways

1. Sustaining a high level of savings with lower revenues
2. Overall savings stable even with significant decline in residential savings; downturn in overall savings expected in 2019
3. Residential lighting transition underway, earlier than estimated
4. Volume of energy efficiency projects and customer transactions remains high

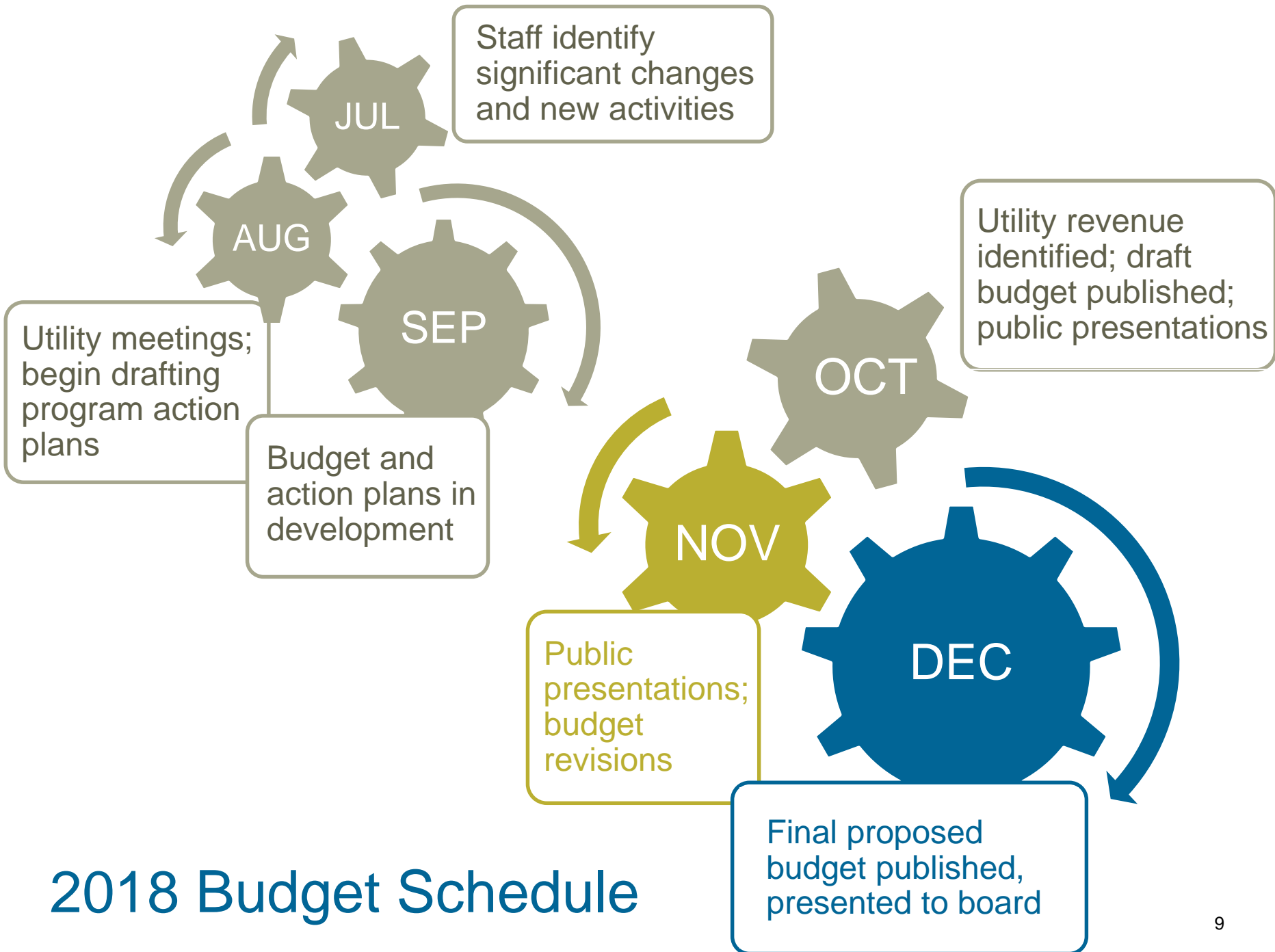


Key Takeaways, continued

5. Increasing cost per unit of savings
 - Due to market transformation successes, lower avoided costs, fewer savings per project
6. Underserved markets a strong focus moving forward
7. Solar market in transition; challenging renewable project economics
8. Resource demands on organization continue growing



Budget & Action Plan Building Blocks



Building Blocks for Budget and Action Plan

1

2015-2019
Strategic Plan
goals and
strategies

2

Utility
Integrated
Resource
Plans
Renewable
resource
availability

3

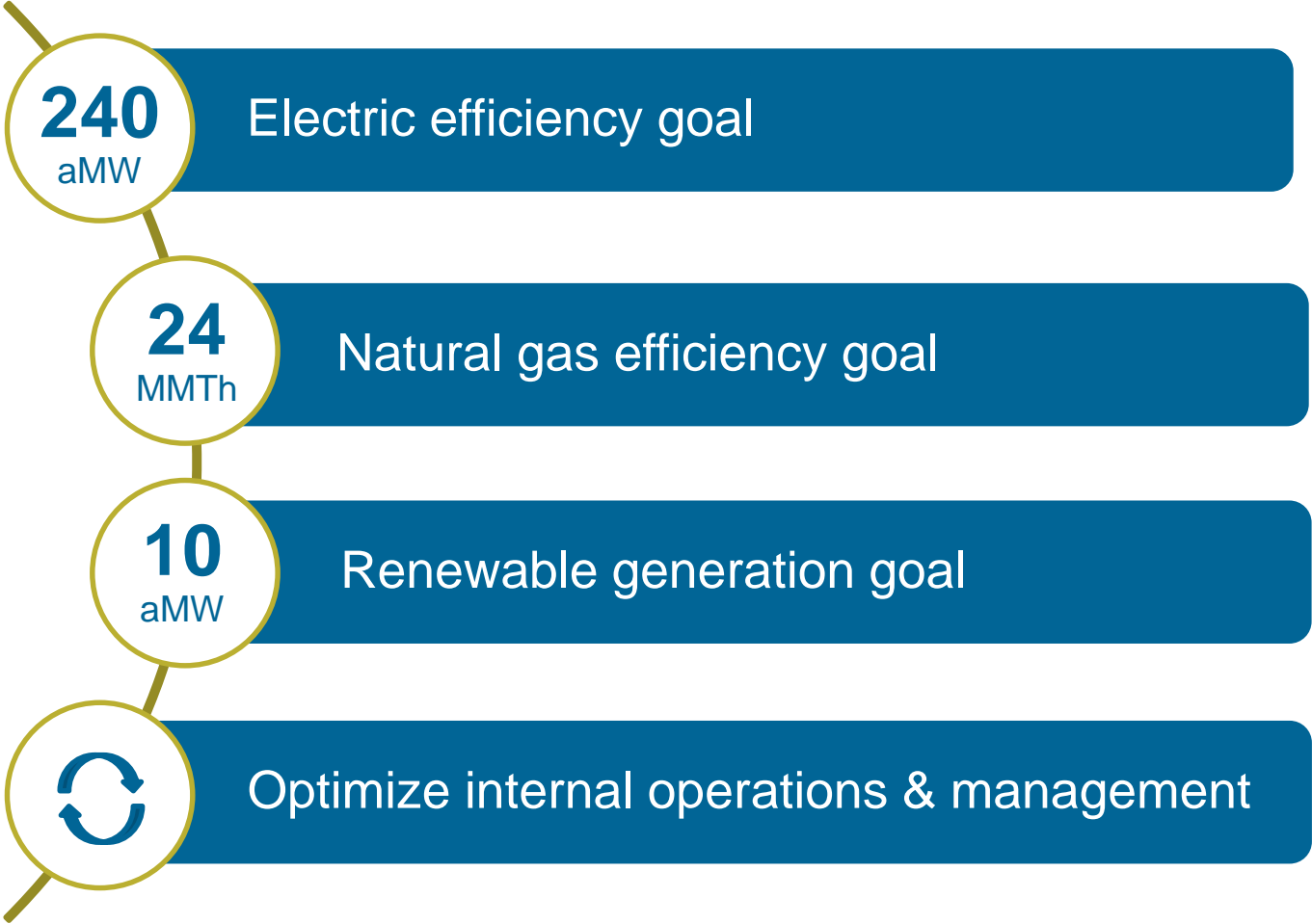
Market
knowledge
and context

4

Areas of
emphasis

Based on
goals,
strategies
and context

2015-2019 Strategic Plan Goals

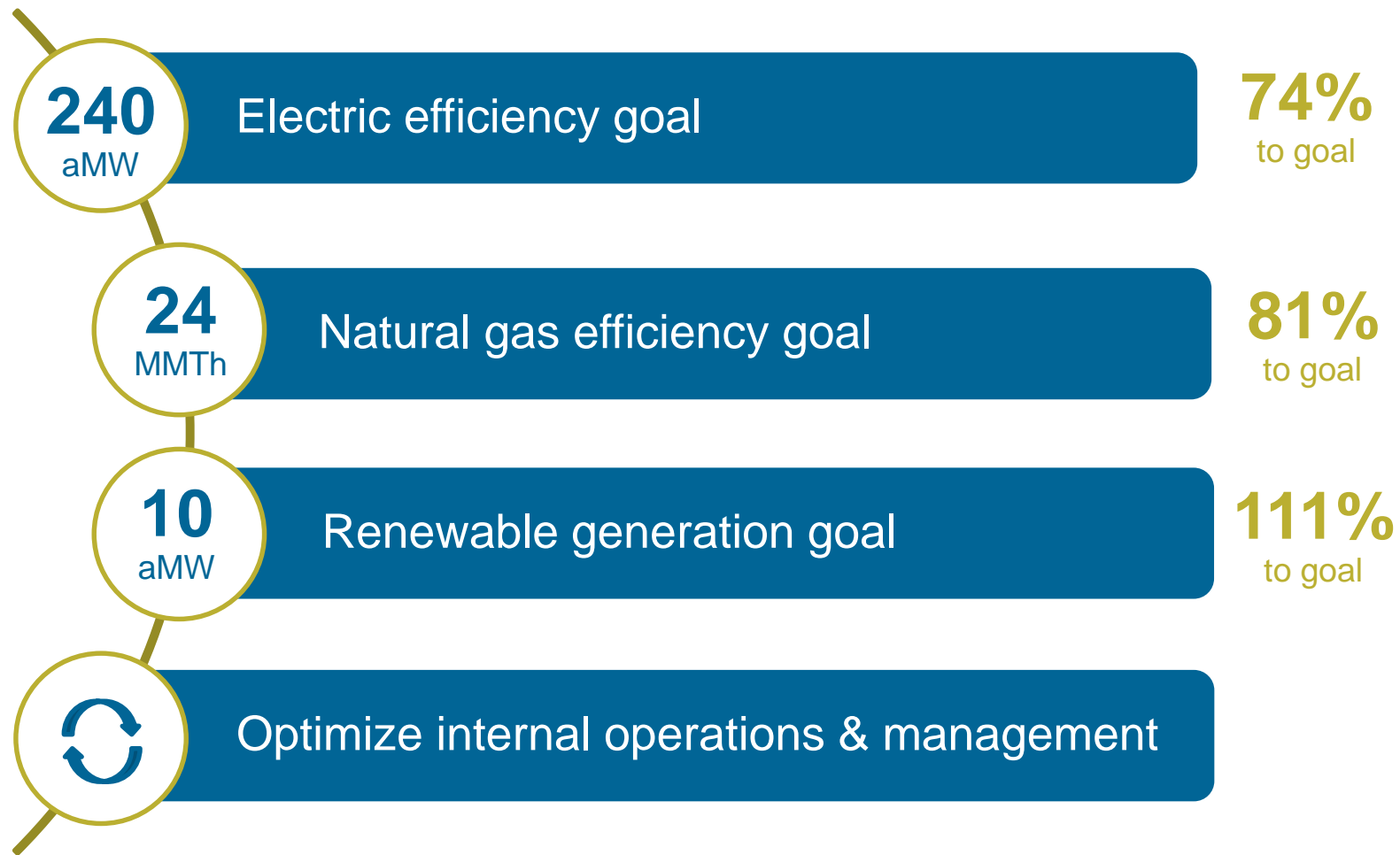


Projected 2017 Results

- Forecasting to exceed electric savings goal, fall short in gas
- Levelized costs lower than budgeted
- Renewable generation strong with high solar activity and large pipeline of hydro and biopower projects
- Expenditures trending down
- Reserves trending above targets, as anticipated
- On track for 5-year strategic plan goals

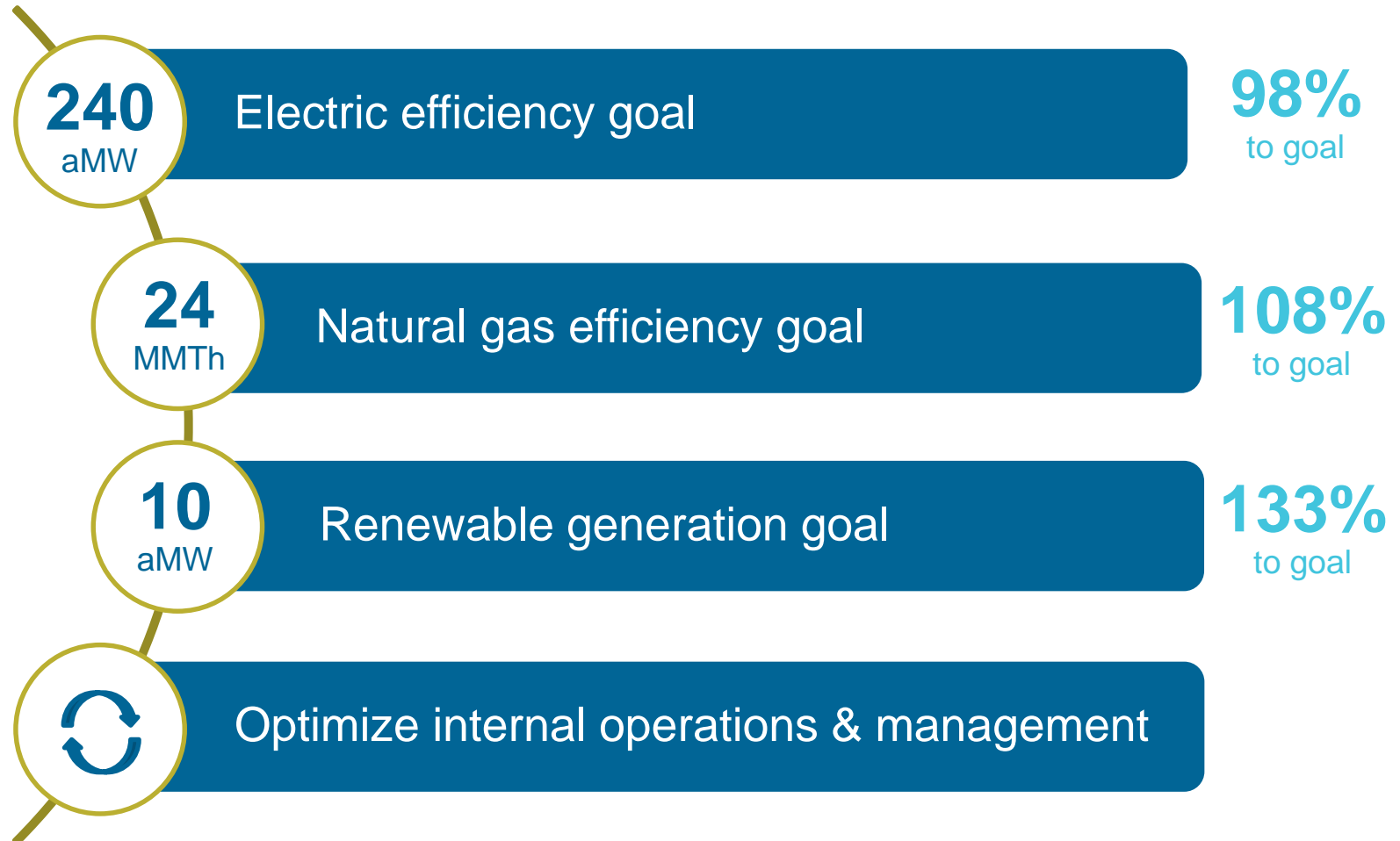


Progress to 2015-2019 Strategic Plan Goals: **Through 2017**



Progress to goal includes 2015 – Forecasted 2017 Activity

Progress to 2015-2019 Strategic Plan Goals: Through 2018



Progress to goal includes 2015 – Draft 2018 Budget Activity

2015-2019 Strategic Plan Strategies

Expand
participation

Flexibly
support mature
renewable
technologies

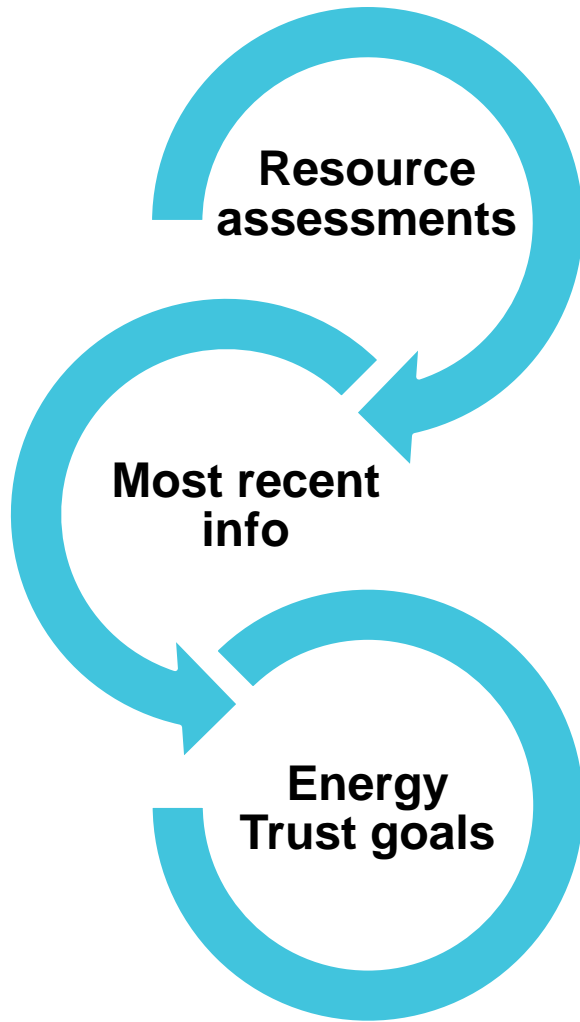
New
approaches,
emerging
technology

Pursue
complementary
initiatives with
others

Strengthen
operational
effectiveness

Manage
transitions

Annual Goal Setting



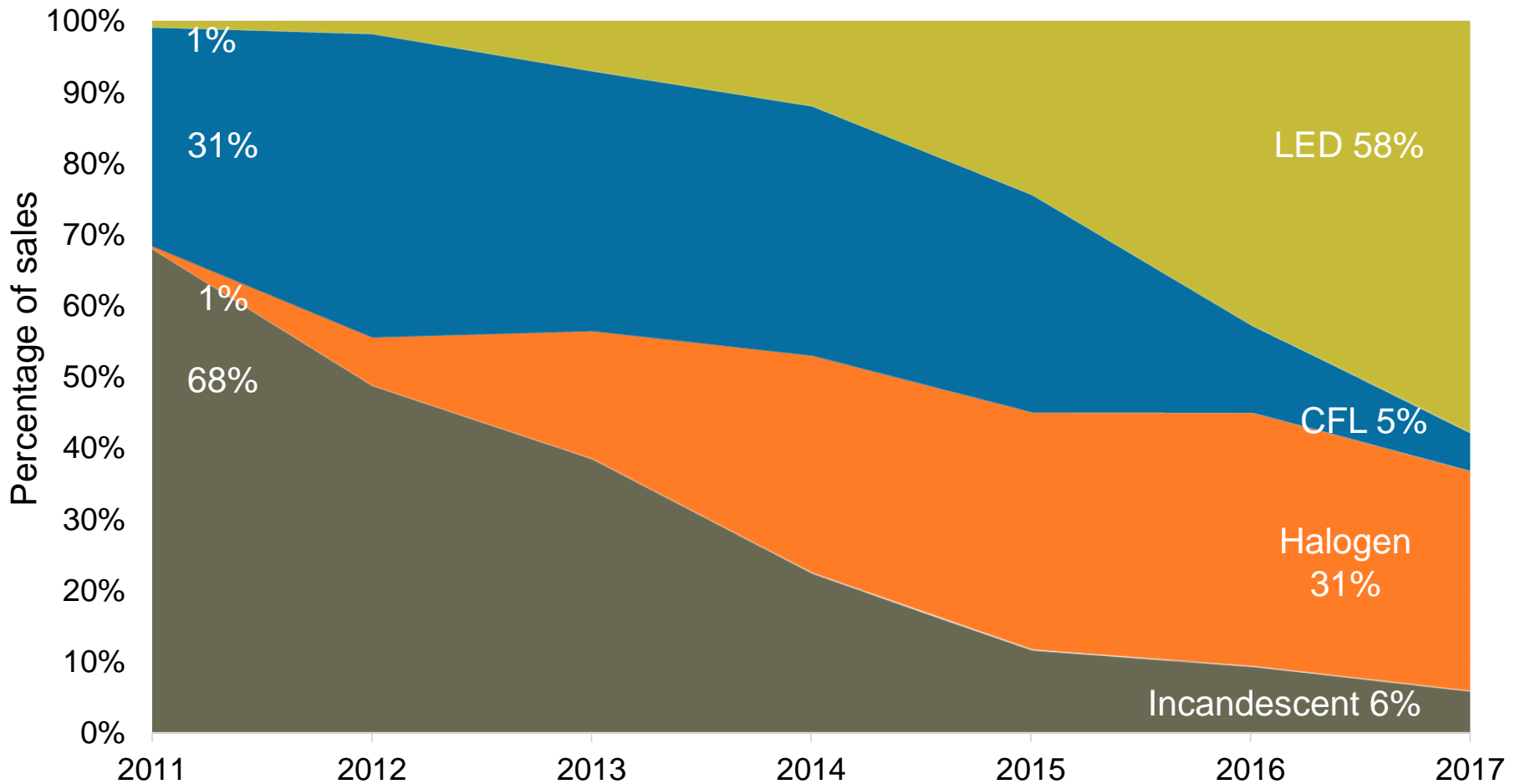
- Annual savings goals related to each utility's Integrated Resource Plan (IRP) target
 - Staggered two-year IRP cycles
 - Energy Trust annual goals can be higher because of new information
 - Utilities file tariffs to collect funding necessary to meet annual goal
- Generation goals informed by resource availability and market drivers

Market Knowledge and Context

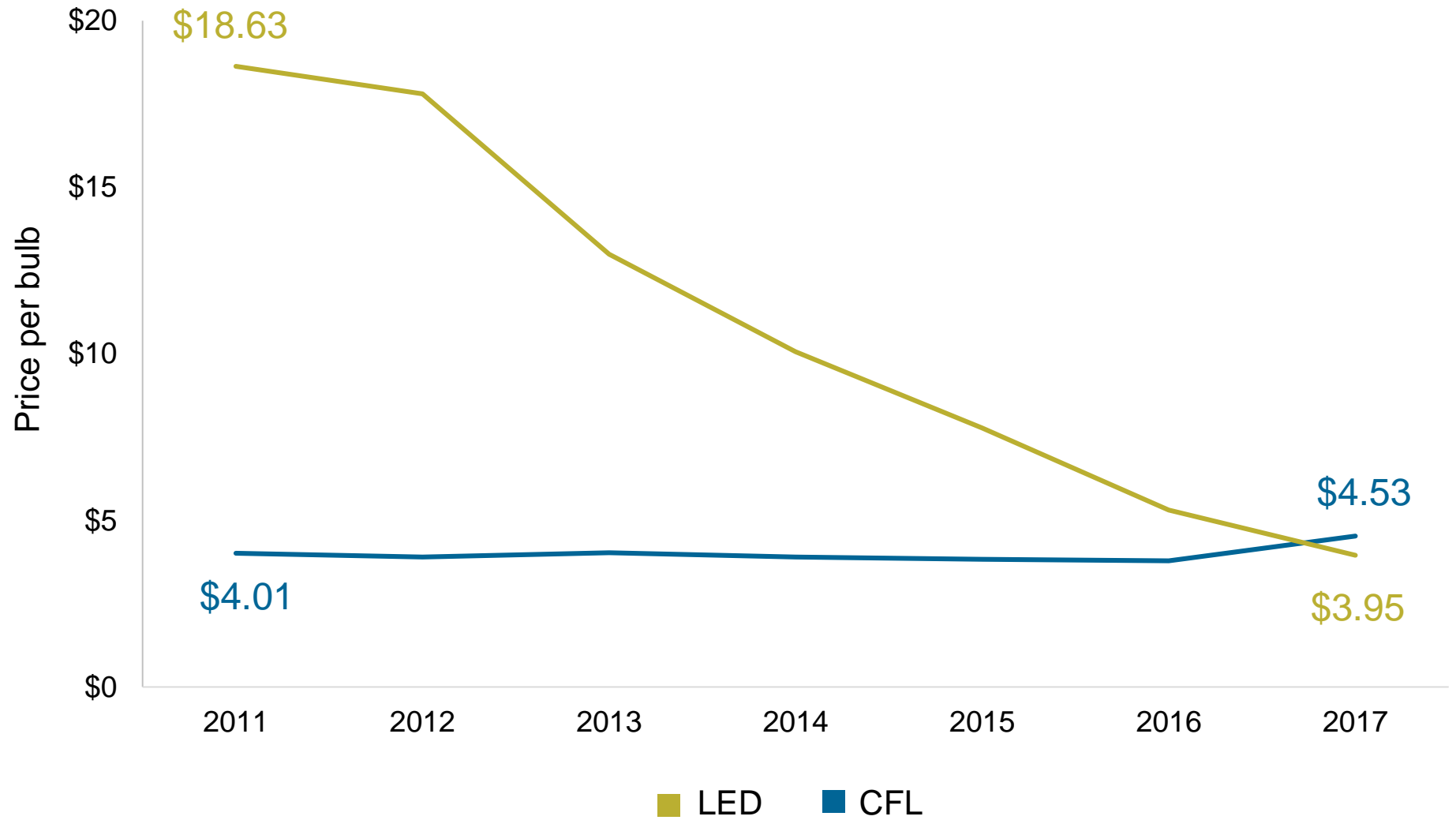
- 4th year of strategic plan
- Stable economy driving high activity in some program areas
- Oregon population diversifying, stakeholder interest growing
- Changing policies, markets and technologies
- Lower savings per project
- Avoided cost shifts
- Cost-effectiveness challenges



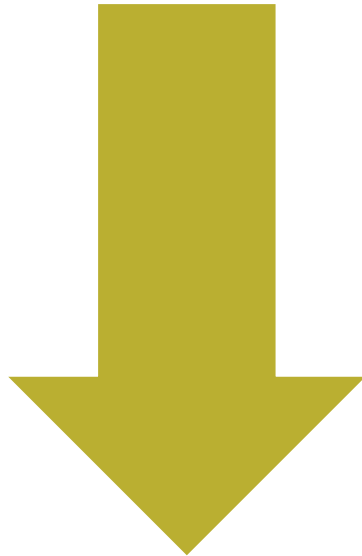
Changes in Retail LEDs: Regional Market Share



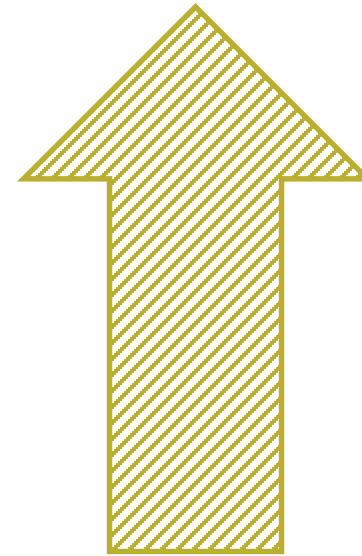
Changes in Retail LEDs: Regional Pricing



Changes in Retail LEDs: Draft 2018 Budget

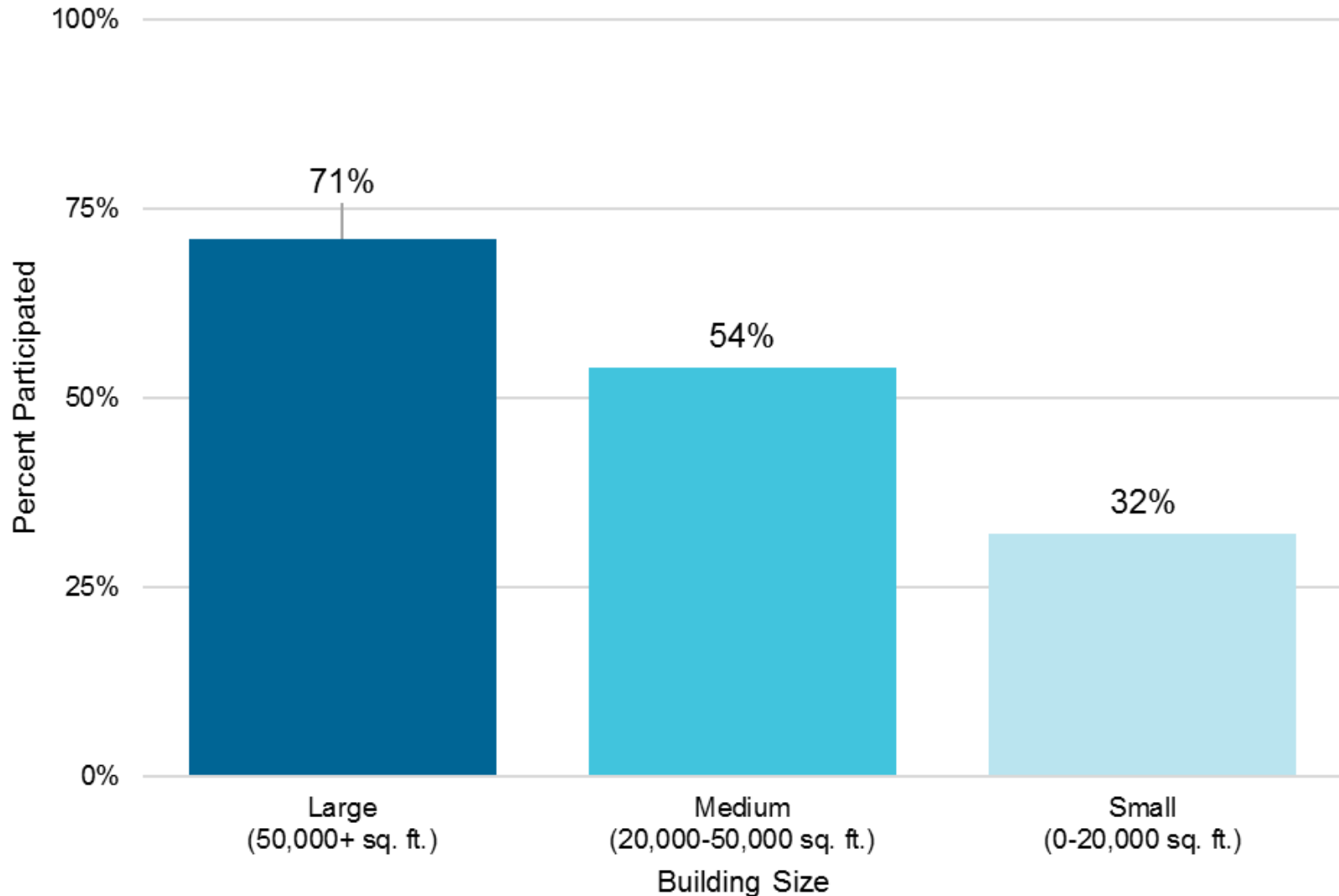


Average savings per LED bulb
reduced approx. 66%
compared to 2017

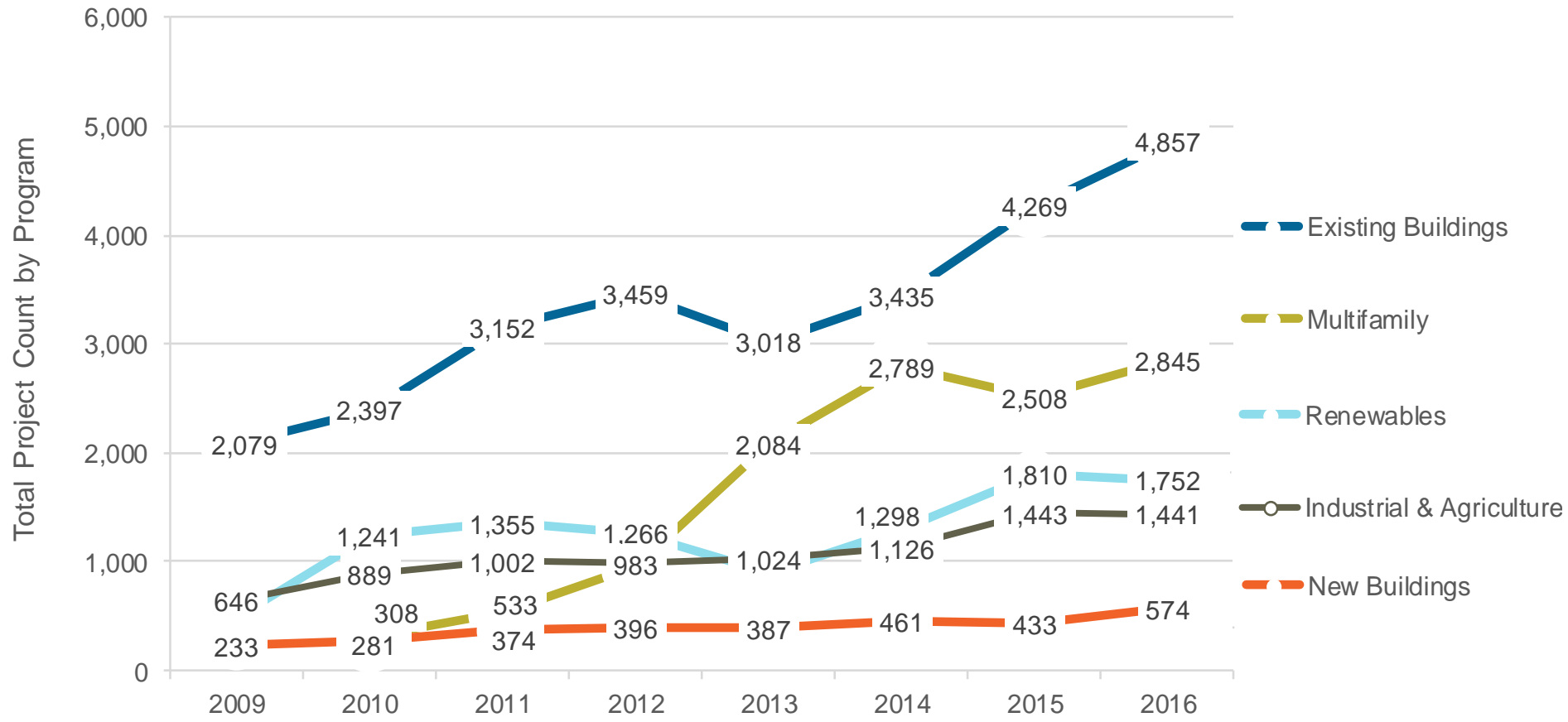


Average incentive cost per kilowatt
hour increased approx. 51%
compared to 2017

Business Participation by Building Size

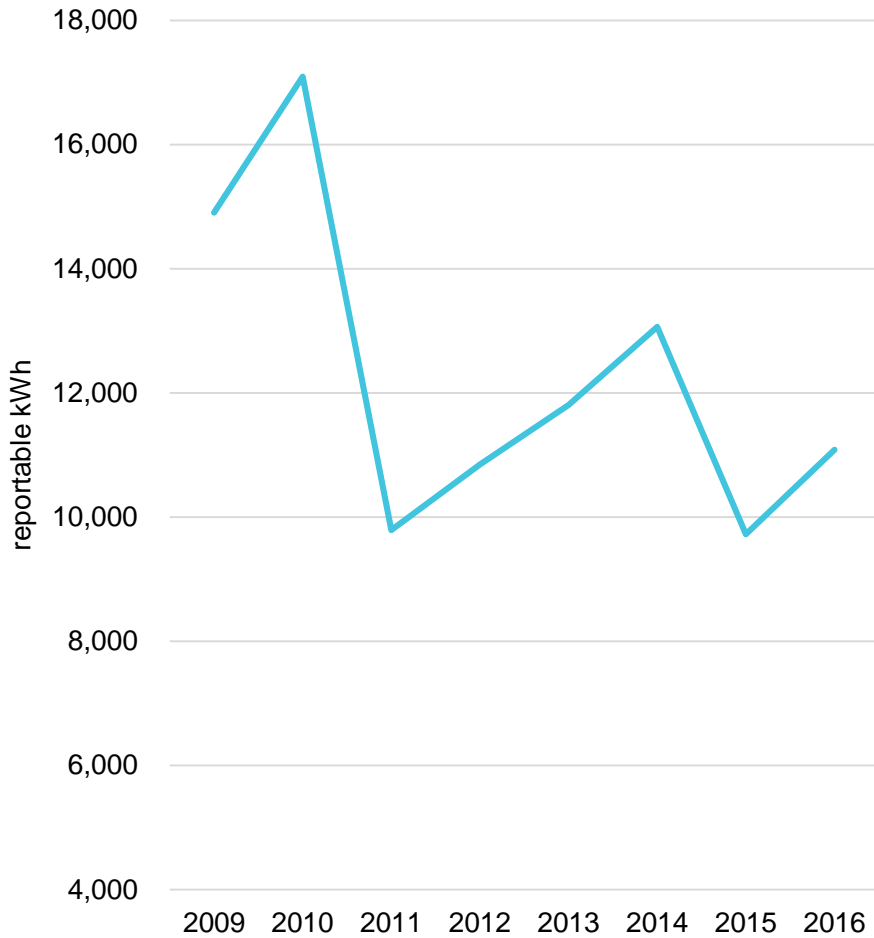


Increasing Volume of Projects Continues

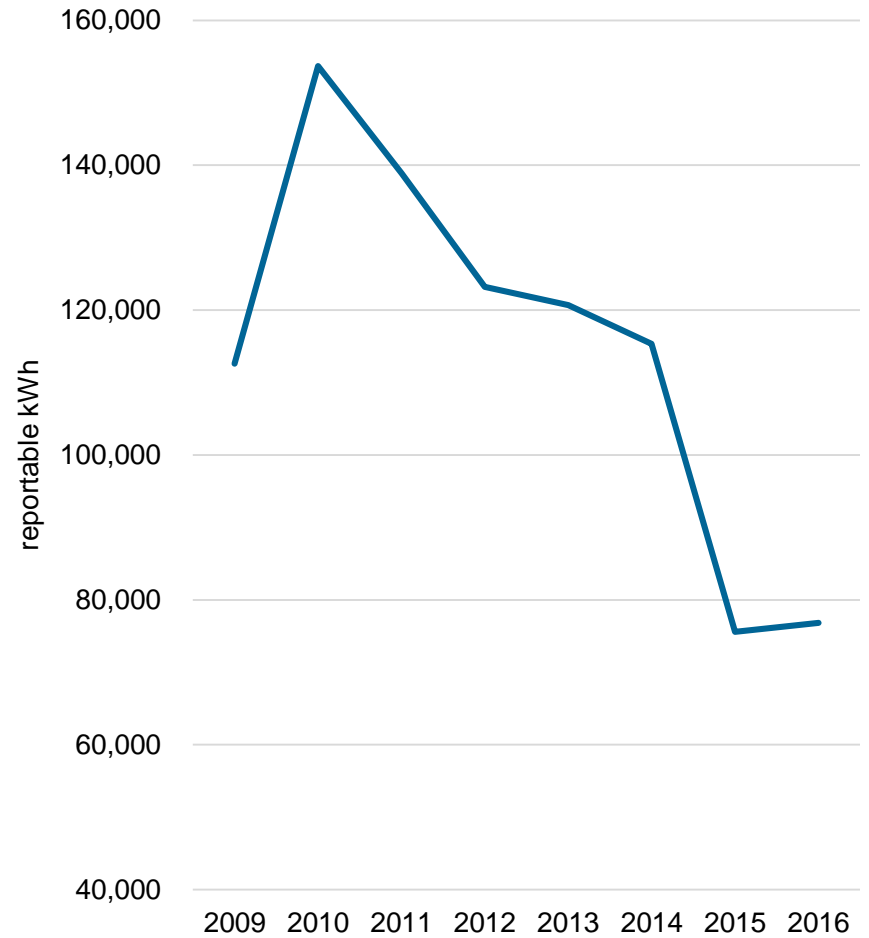


Savings per Project Trends

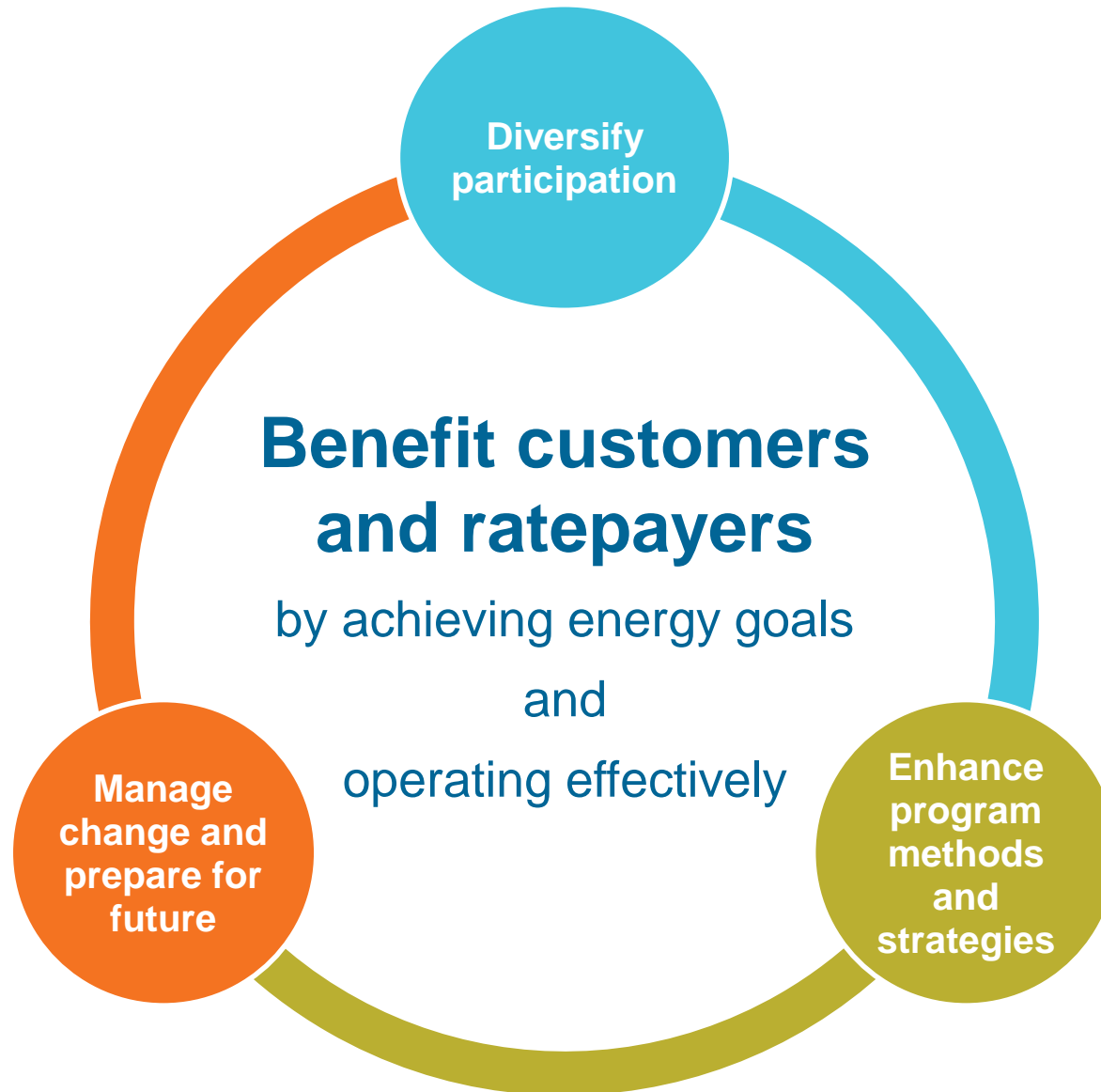
Existing Buildings:
Average Electric Savings per Project



Production Efficiency:
Average Electric Savings per Project



Draft 2018 Areas of Emphasis



Draft 2018-2019 Action Plan Highlights

1) Diversify Participation

- Increase outreach to small/medium businesses and agriculture
- Identify and prioritize strategies to increase access to solar in low-income communities
- Contract with community-based organizations to reach under-served communities in residential sector
- Drive forward organizational diversity, equity and inclusion strategies and activities



Drive forward organizational diversity, equity and inclusion strategies and activities

- Adopt organizational diversity, equity and inclusion operations plan
- Propose board-level policy
- Establish specific goals across the organization
- Apply diversity, equity and inclusion lens to our internal operations and how we deliver programs
- Develop and deepen relationships with organizations that serve diverse customer groups
- Develop systems and process for demographic data collection and use



2) Enhance Program Methods and Strategies

- Utilize new, improved data resources in analysis and targeted marketing
- Leverage energy-related initiatives spearheaded by others
- Foster long-term relationships with business customers and support long-term project planning for communities
- Focus outreach to irrigation hydropower and biogas projects



3) Manage Change and Prepare for Future

- Support targeted demand-side management efforts with utilities
- Collaborate with NEEA to identify new measures and strategies
- Implement recommendations from internal Organizational Review and Budget Review Projects
- Implement transitional strategies for key program areas (ex. solar, residential)



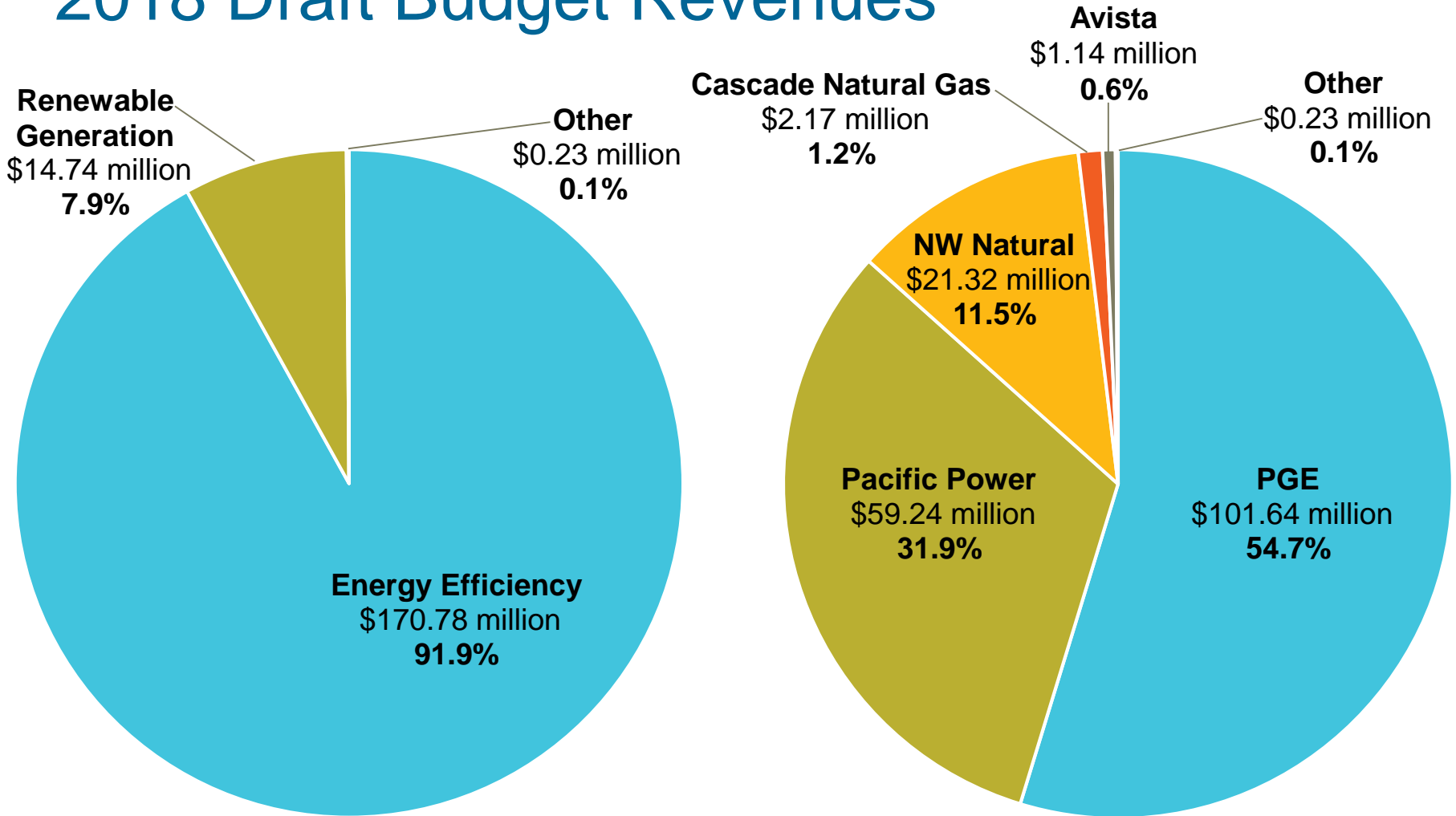
Implement transitional strategies for key program areas (ex. residential)

- First year of sector redesign using a single residential PMC contract structure
- Expected benefits of redesign
 - A more robust, diversified portfolio
 - Improve flexibility to adapt to future savings opportunities
 - Maintain cost-effective offerings for customers and trade allies
- Draft 2018 budget reflects consolidated program work, resulting in cost savings, increased efficiency and in-house staff assuming key management tasks



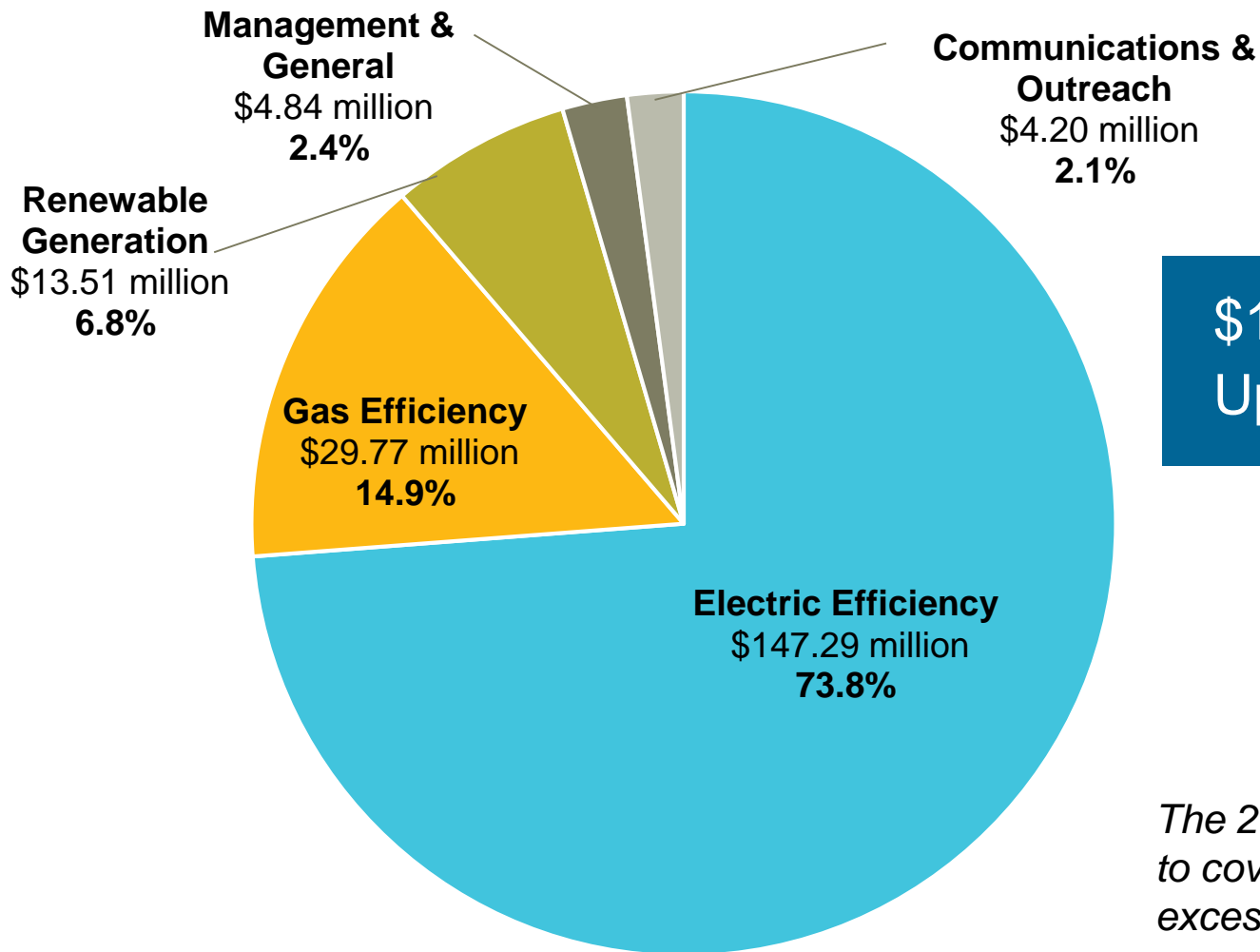
Draft 2018 Budget

2018 Draft Budget Revenues



Total 2018 revenue \$185.7 million, down 3.7%

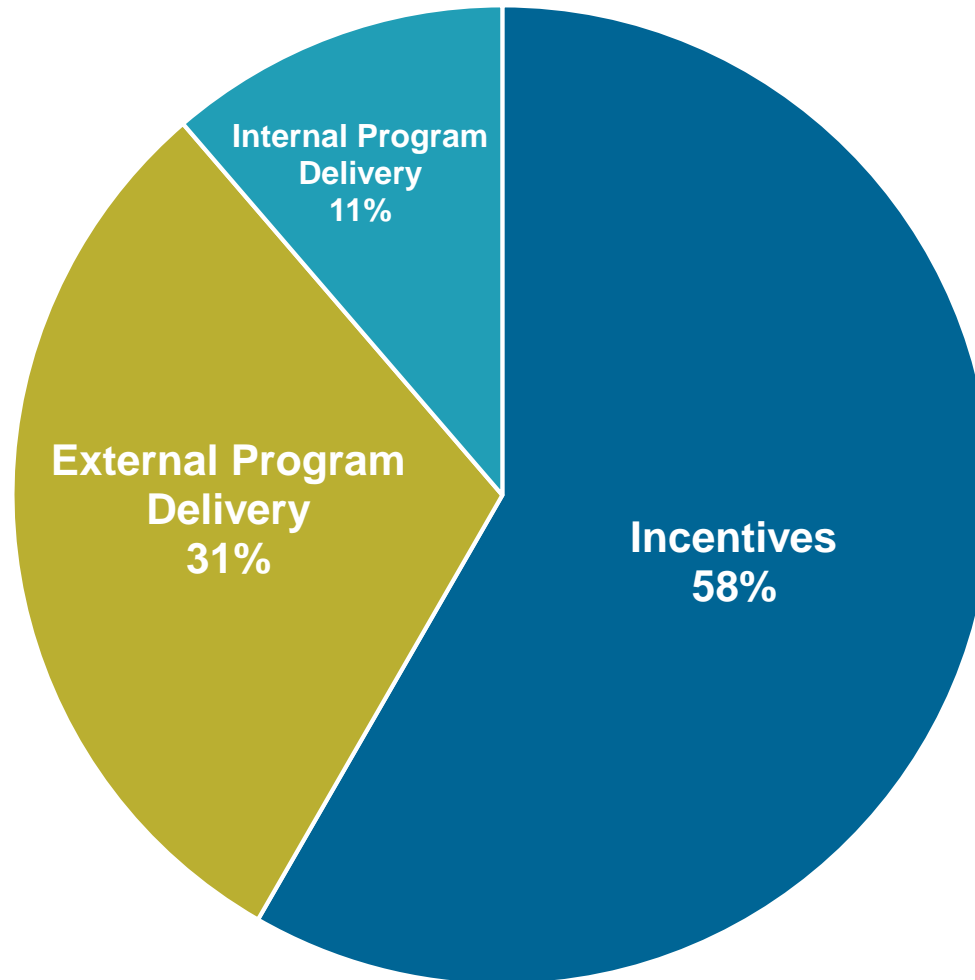
2018 Draft Budget Expenditures



\$199.6 million
Up 0.5% from 2017

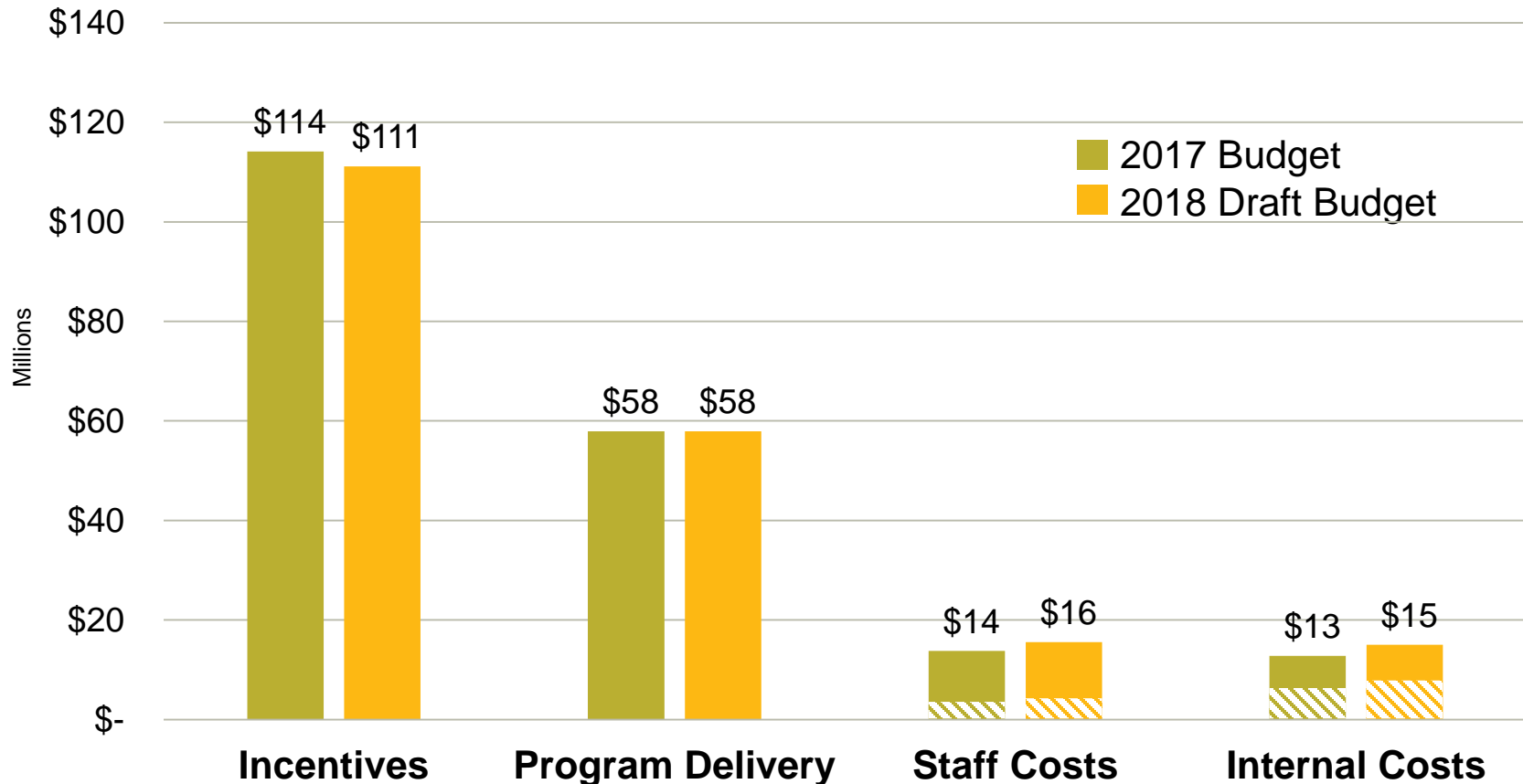
The 2018 budget utilizes reserves to cover planned expenses in excess of anticipated revenue.

2018 Draft Budget Expenditures Detail



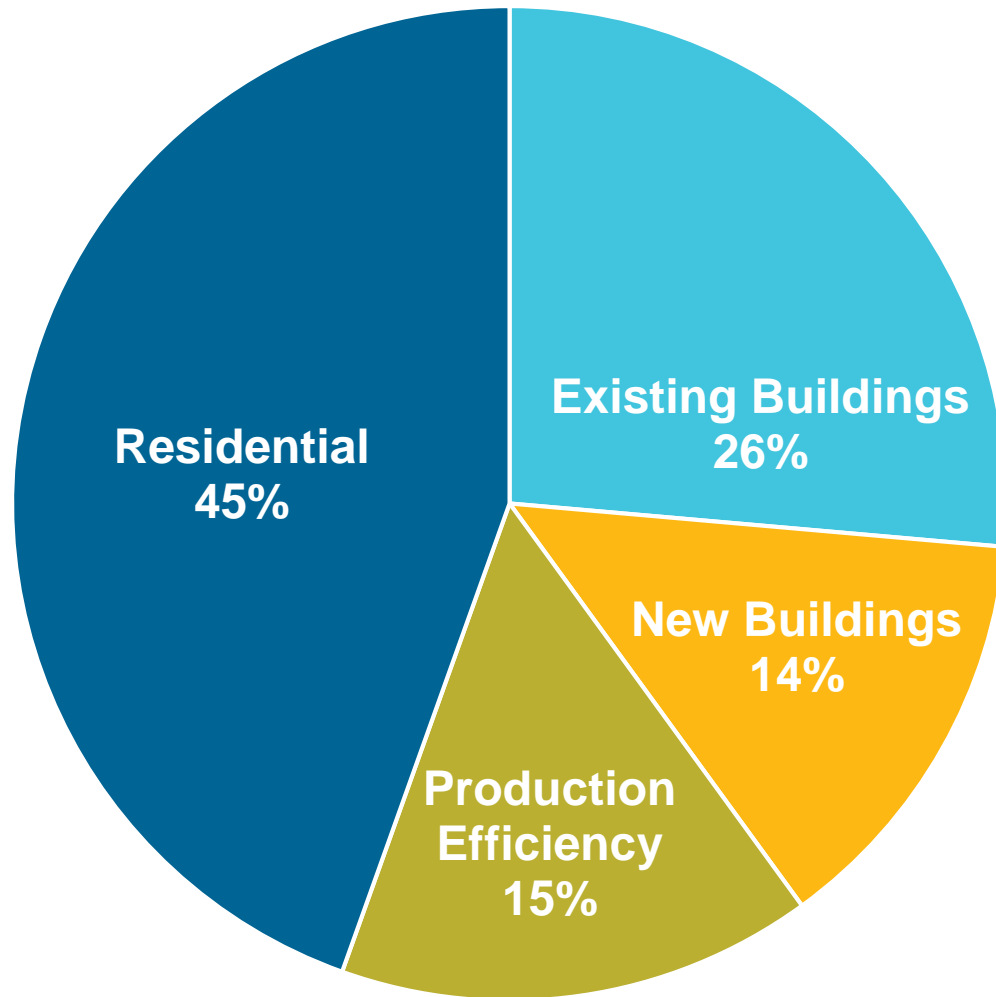
Pie chart excludes management/ general and communications/ outreach expenses

2017 Budget Compared to 2018 Draft Budget



Cross-hatches represent Management & General and Communications & Outreach as a portion of Staff Costs and Internal Costs. The remaining portion represents Internal Program Delivery.

2018 Natural Gas Savings by Program

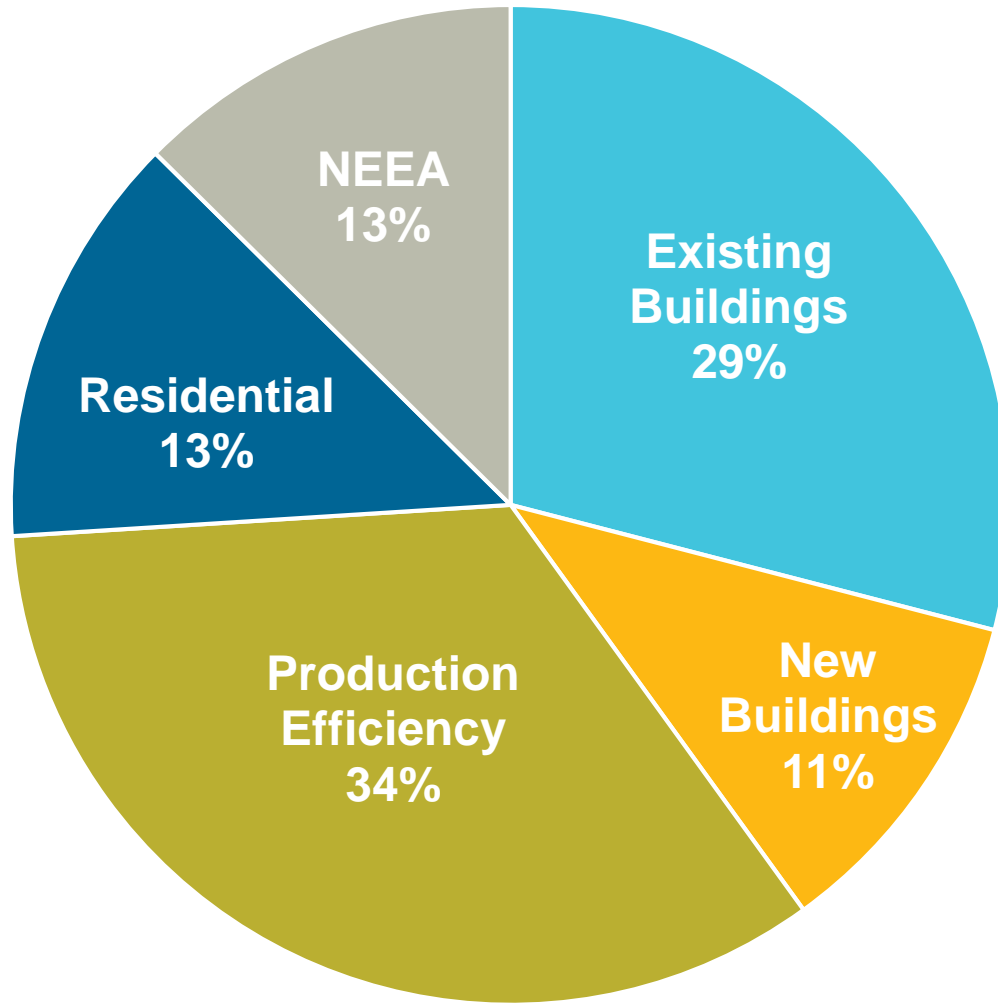


6.88 MMTh goal
33.5 cents/therm

- Savings down 7.2%
- \$31.2 million in total costs, including customer incentives, services and delivery

*MMTh: million annual therms
Cost per therm is levelized*

2018 Electric Savings by Program



56.52 aMW goal
3.0 cents/kWh

- Savings up 0.2%
- \$154.3 million in total costs, including customer incentives, services and delivery

aMW: average megawatts
Cost per kilowatt hour is levelized

2018 Renewable Energy Programs

	Total Budget 2017		Total Budget 2018		% Change	
	\$ Million	aMW	\$ Million	aMW	\$	aMW
Other Renewables	\$6.42	0.001	\$3.91*	0.00	-39%	N/A
Solar	\$13.41	2.86	\$10.23	2.18	-24%	-24%
Total	\$19.83	2.86	\$14.15	2.18	-29%	-24%

Generation down 24%
\$14.15 million in total costs,
including customer incentives, services and delivery

* Other Renewables expenditures include:

- Project development assistance payments for potential generation in future years (63%)
- Staff, professional services, outreach and other allocated costs (37%)

NEEA Goals and Budget

	2017 Goal	2017 Forecast	2018 Goal	2018 Budget (\$ Million)	2018 Levelized Cost (per kWh)
PGE (aMW)	4.12	4.57	4.51	\$4.48	1.3¢
Pacific Power (aMW)	2.87	3.17	2.65	\$2.63	1.3¢
NW Natural	-	-	-	\$1.39	N/A
Cascade Natural Gas	-	-	-	\$0.14	N/A

- Energy Trust allocated budget to NEEA for gas market transformation activities; savings are expected in subsequent years
- Avista pays for its share of NEEA gas market transformation activities directly

NEEA Coordination of End Use Load Research

- 5-year research project
- Committed funders
 - BPA, Energy Trust, Puget Sound Energy, Seattle City Light, Tacoma Power, Snohomish County PUD No. 1
 - Combined, committed funds total 82% of estimated costs
- Energy Trust commitment approximately 20% of total costs
 - \$2,480,366 over five years

Energy Trust Annual Funding Commitments

2017	2018	2019	2020	2021
\$100,000	\$496,073	\$766,951	\$650,727	\$466,615

2018 Utility Savings & Generation Summary

	2017 Budget Savings & Generation (Net) aMW or MMTh	2017 Budget (\$ Million)	2018 Budget Savings & Generation (Net) aMW or MMTh	IRP Target* for 2018 (Net) aMW or MMTh	2018 Budget (\$ Million)	2018 Budget Levelized Cost per kWh or therm
PGE (Efficiency)	34.97	\$93.61	37.03	32.39	\$97.69	2.9¢
Pacific Power (Efficiency)	21.43	\$55.80	19.49	19.76	\$56.59	3.2¢
NW Natural (OR)	6.25	\$23.89	5.62	4.44	\$24.82	32.6¢
NW Natural (WA)	0.28	\$2.08	0.36	0.36	\$2.39	52.1¢
Cascade Natural Gas	0.56	\$2.47	0.55	0.53	\$2.85	38.3¢
Avista	0.32	\$0.90	0.35	0.35	\$1.12	21.7¢
PGE (Renewable)	1.23	\$10.03	1.08	N/A	\$7.25	N/A
Pacific Power (Renewable)	1.63	\$9.80	1.10	N/A	\$6.90	N/A

MMTh: million annual therms
aMW: average megawatts
Net savings

* IRP targets reflected in net savings using 2018 Energy Trust net-to-gross ratios. These net targets align with the energy efficiency potential incorporated in current utility IRP filings.

PGE Megaproject Impact

	2017 Budget Savings & Generation (Net) aMW or MMTh	2017 Budget (\$ Million)	2018 Budget Savings & Generation (Net) aMW or MMTh	IRP Target* for 2018 (Net) aMW or MMTh	2018 Budget (\$ Million)	2018 Budget Levelized Cost per kWh or therm
PGE (Efficiency)	34.97	\$93.61	32.0 <i>without megaproject</i>	32.39	\$96.89 <i>without megaproject</i>	3.3¢ <i>without megaproject</i>
Pacific Power (Efficiency)	21.43	\$55.80	19.49	19.76	\$56.59	3.2¢
NW Natural (OR)	6.25	\$23.89	5.62	4.44	\$24.82	32.6¢
NW Natural (WA)	0.28	\$2.08	0.36	0.36	\$2.39	52.1¢
Cascade Natural Gas	0.56	\$2.47	0.55	0.53	\$2.85	38.3¢
Avista	0.32	\$0.90	0.35	0.35	\$1.12	21.7¢
PGE (Renewable)	1.23	\$10.03	1.08	N/A	\$7.25	N/A
Pacific Power (Renewable)	1.63	\$9.80	1.10	N/A	\$6.90	N/A

MMTh: million annual therms
aMW: average megawatts
Net savings

* IRP targets reflected in net savings using 2018 Energy Trust net-to-gross ratios. These net targets align with the energy efficiency potential incorporated in current utility IRP filings.

Net and Gross Savings

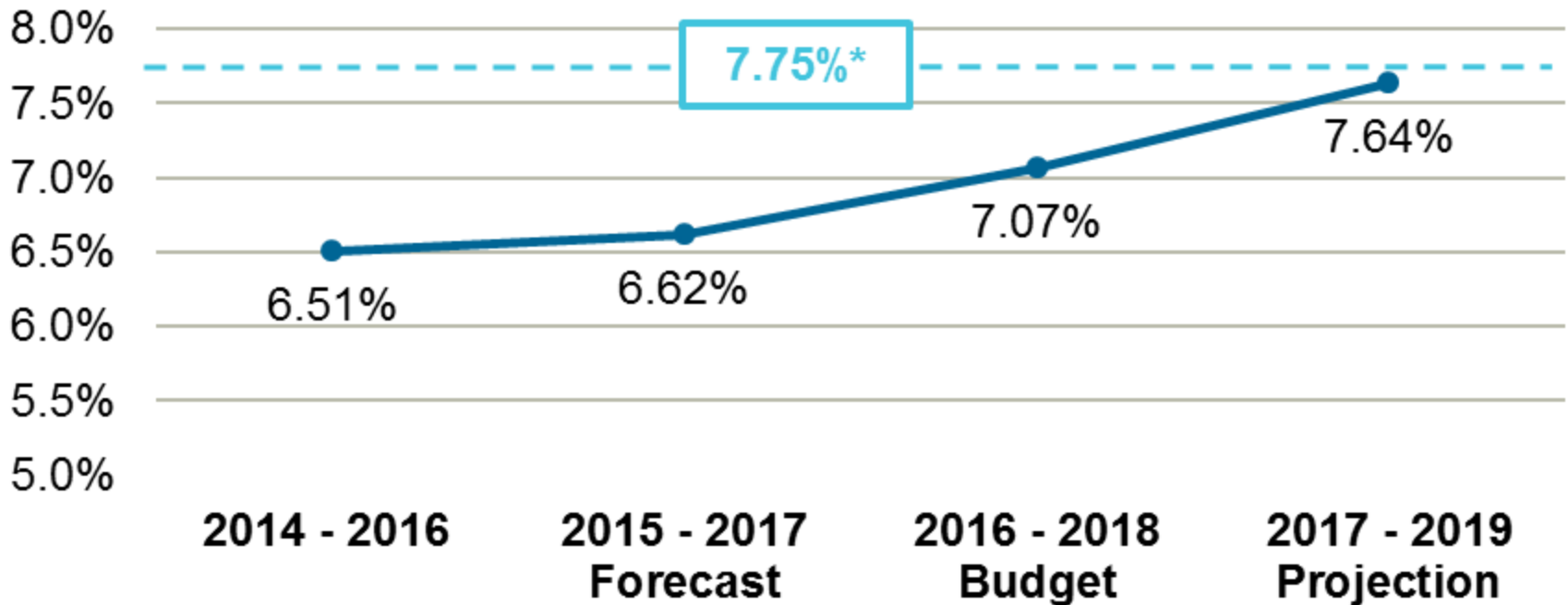
	2018 Budget Savings (Net) aMW or MMTh	2018 Budget Savings (Gross*) aMW or MMTh
PGE (Efficiency)	37.03	42.09
Pacific Power (Efficiency)	19.49	21.80
NW Natural (OR)	5.62	6.15
NW Natural (WA)	0.36	0.36
Cascade Natural Gas	0.55	0.60
Avista	0.35	0.37

- OPUC requested Energy Trust begin reporting net and gross savings totals (net savings are equivalent to Energy Trust's reportable savings)
- Provides holistic view of savings acquisition
- Aligns with regional and national reporting

* *Gross savings represent all savings from program participants, regardless of whether they are free-riders.*

Staffing Costs & OPUC Performance Metric

- Staffing costs increasing due to growing resource demands, healthcare cost increases and compensation adjustments
- Below OPUC performance measure



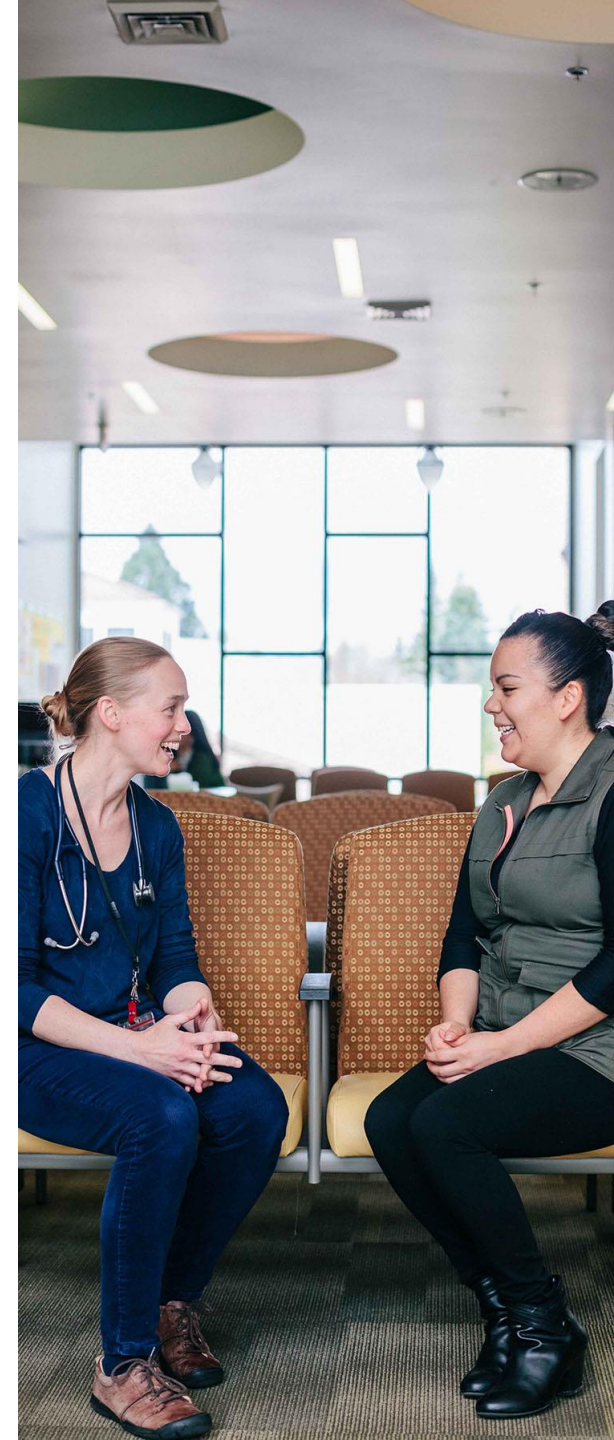
Staffing costs are embedded in internal program delivery, general communications and outreach, and management and general.

*** 3-year rolling average performance measure**

Draft 2019 Budget

2019 Budget Projection

- Expenditures are projected to increase 0.4%
- Savings expected to decrease
 - Electric savings down 9.2%
 - Gas savings down 10.7%
- Levelized costs projected to increase
 - Electric increasing to 3.1¢/kWh (3.0¢/kWh in 2018)
 - Gas increasing to 41.8¢/therm (33.5¢/therm in 2018)
- Renewable generation is expected to increase 31.5%



Summary

Key Takeaways

1. Sustaining a high level of savings with lower revenues
2. Overall savings stable even with significant decline in residential savings; downturn in overall savings expected in 2019
3. Residential lighting transition underway, earlier than estimated
4. Volume of energy efficiency projects and customer transactions remains high



Key Takeaways, continued

5. Increasing cost per unit of savings
 - Due to market transformation successes, lower avoided costs, fewer savings per project
6. Underserved markets a strong focus moving forward
7. Solar market in transition; challenging renewable project economics
8. Resource demands on organization continue growing



Budget Outreach Schedule

October & November

December

RAC/CAC presentations, Oct. 25

Draft budget online, Nov. 1

Recorded webinar online, Nov. 7

Board of Directors, Nov. 8

OPUC public meeting, Nov. 16

RAC/CAC updates, Nov. 17

Public comments due Nov. 17

Comments reviewed, final adjustments

+ www.energytrust.org/about/budget

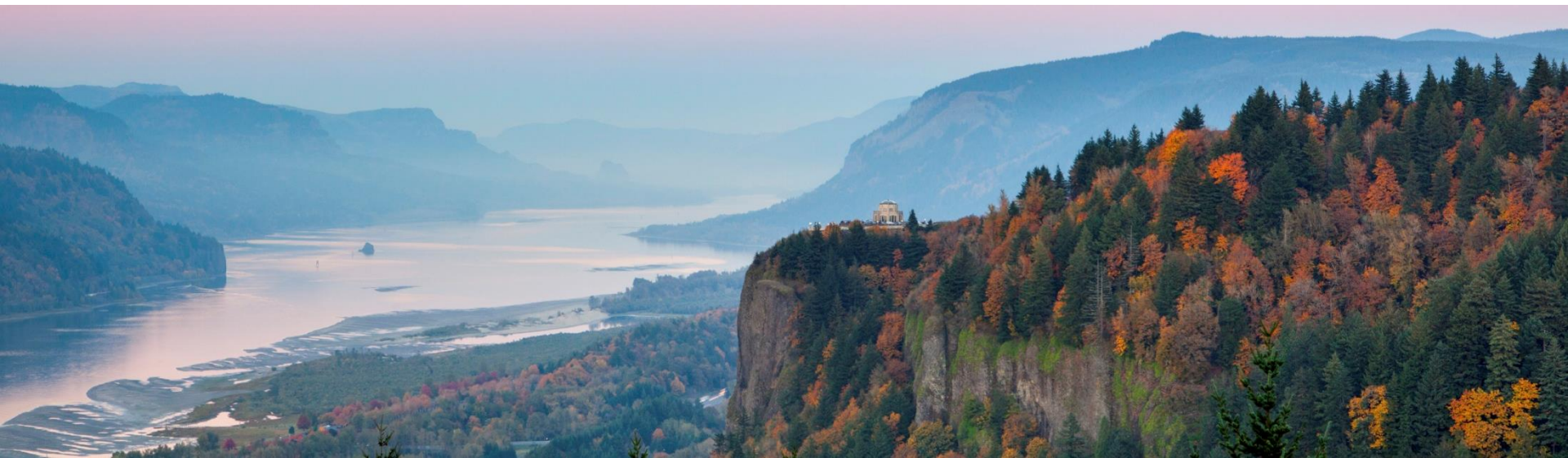
Send comments to info@energytrust.org

Final proposed budget online,
Dec. 8

Board of Directors, **Dec. 15,**
Action on Final Proposed
2018-19 Budget and Action Plan

Discussion and Feedback

- What questions do you have?
- What information needs clarification?
- Other feedback?



Thank You

info@energytrust.org

1.866.368.7878



Supplemental Information

15 Years of Affordable, Clean Energy

\$1.5 billion investment delivers these customer benefits:



More than 660,000 homes and businesses served

10,000 clean energy systems generating renewable power from the sun, wind, water, geothermal heat and biopower



\$6.9 billion in savings over time on participant utility bills from their energy-efficiency and solar investments

20 million tons of carbon dioxide emissions kept out of our air



Projected 2017 Results by Utility

	2017 Budget Savings & Generation (Net) aMW or MMTh	2017 Budget Levelized Cost per kWh or therm	2017 Forecast Savings (Net) aMW or MMTh	Forecasted % of 2017 Savings Goal (Net)	Forecasted 2017 Levelized Cost per kWh or therm
PGE (Efficiency)	34.97	2.9¢	41.51	119%	2.5¢
Pacific Power (Efficiency)	21.43	2.9¢	22.85	107%	2.5¢
NW Natural (OR)	6.25	32.9¢	5.45	87%	29.8¢
NW Natural (WA)	0.28	55.9¢	0.35	125%	49.1¢
Cascade Natural Gas	0.56	37.7¢	0.51	90%	29.2¢
Avista	0.32	22.7¢	0.34	108%	24.2¢
PGE (Renewable)	1.23		1.20	98%	
Pacific Power (Renewable)	1.63		3.21	197%	

MMTh: million annual therms
aMW: average megawatts

2018 Electric Savings, Budget by Program

	2017 Budget aMW Savings (Net)	2017 Electric Cost (\$ Million)	2018 Budget aMW Savings (Net)	2018 Electric Cost (\$ Million)	2018 Levelized Cost/kWh	% 2018 Savings
Production Efficiency	13.6	\$31.8	19.3	\$35.1	2.1¢	34%
Existing Buildings	12.1	\$41.6	14.7	\$48.6	3.4¢	26%
Existing Multifamily	2.6	\$11.2	1.8	\$9.1	5.3¢	3%
Residential	14.8	\$40.0	7.2	\$34.5	4.9¢	13%
New Buildings	6.3	\$17.5	6.3	\$19.9	3.3¢	11%
NEEA	7.0	\$7.3	7.2	\$7.1	1.3¢	13%
TOTAL	56.4	\$149.4	56.5	\$154.3	3.0¢	

aMW: average megawatts

Columns may not total due to rounding

Net savings

2018 Natural Gas Savings, Budget by Program

	2017 Budget MMTh Savings (Net)	2017 Gas Cost (\$ Million)	2018 Budget MMTh Savings (Net)	2018 Gas Cost (\$ Million)	2018 Levelized Cost/therm	% 2018 Savings
Production Efficiency	1.1	\$2.9	1.1	\$2.9	24.6¢	15%
Existing Buildings	2.2	\$9.4	1.6	\$7.0	39.1¢	24%
Existing Multifamily	0.2	\$0.9	0.2	\$1.1	47.3¢	3%
Residential	3.0	\$12.5	3.1	\$16.5	34.1¢	45%
New Buildings	0.9	\$2.4	0.9	\$2.2	20.5¢	14%
NEEA	N/A	\$1.9	N/A	\$1.5	N/A	
TOTAL	7.4	\$29.3	6.9	\$31.2	33.5¢	

MMTh: million annual therms
 Columns may not total due to rounding
 Net savings

Energy Trust allocated budget to NEEA for gas market transformation activities; savings are expected in subsequent years.

MEMO

Date: November 1, 2017
To: Board of Directors
From: Mike Colgrove, Executive Director
Subject: Staffing for the Draft 2018 Budget and 2018-2019 Action Plan

Our draft budget is based on a balance of organizational needs, staffing cost drivers, and compliance with OPUC cost metrics. The staffing expenditures proposed in the draft 2018 budget are compliant with key OPUC minimum performance metrics related to staffing costs as a percent of expenditures. Staffing as a percent of total expenditures is 7.1 percent and remains under the 7.75 percent metric, calculated on a three-year rolling average. Administrative and program support costs are at 6.8 percent of the draft budget, below the OPUC administrative and program support metric of 8 percent.

We know that there is stakeholder interest in Energy Trust's staffing budget. This memo provides background and information to support understanding of organization needs and the cost drivers associated with Energy Trust's draft 2018 staffing budget. This supporting information is provided in the following sections:

- I. Staffing for Organizational Needs
- II. Staffing Cost Drivers for the Draft 2018 Budget
- III. Energy Trust Staffing Approach and Planning

We welcome stakeholder comments about our draft staffing budget, the balance we propose between costs and support of organizational needs, and the approaches we take to achieve that balance.

I. Staffing for Organizational Needs

In last year's comments on Energy Trust's 2017 Budget, Oregon Public Utility Commission staff recommended Energy Trust "take steps to assess staffing needs and staffing allocations to ensure human resources are most appropriately aligned with organizational needs." Energy Trust's draft 2018 staffing budget has been crafted to align staffing resources with organizational needs for 2018. In 2018, Energy Trust continues to operate its core programs. Concurrently, the organization is beginning to prepare for significant change in the short and medium term based on changes in the market. Energy Trust is at an intersection of trajectories; the decline of savings related to some portions of our core energy efficiency programs even where there is higher volume of individual projects and transactions, significant changes in the renewable energy policy landscape, and the emergence of new opportunities to serve ratepayers. We propose a staffing budget with these trajectories in mind.

The draft 2018 staffing budget provides for resourcing the organizational needs listed below, which reflect a mix of continuing support for core operations and programs as well as supporting transition for change in portions of those programs. In looking ahead to opportunities, we are also proposing staffing resources that leverage our experience to design new approaches, new tactics, and new program offers.

- **Planning** support needed for, among other things, six upcoming utility IRPs at time when savings changes result in more rapid changes to cost effective measures, and more analytical support is needed for regulatory dockets
- **Planning and Program** support for Targeted Demand Side Management (DSM) pilots coordinated with utilities
- **Program** support for simultaneous high solar program volume in current program and planning for program transition and next opportunities
- **Online and Digital** support for continued increase in program and organizational use of online and digital marketing channels to engage customers and stakeholders
- **Web** support for increasing volume of customer transactions and transition activities
- **In-house Program** support for increased project volume and program design changes
- **Operations** support to continue to capture system efficiencies in Finance through automations of budgeting and procurement processes and to support higher project and transaction volume

II. Staffing Cost Drivers for the Draft 2018 Budget

Staff costs represent 7.8 percent of the total draft 2018 budget, and 7.1 percent on a three-year rolling basis. This is a 13 percent increase over the 2017 staff budget. Factors contributing to this increase in the proposed staffing budget include cost increases in healthcare insurance, budgeting for merit pay and promotions and costs associated with compliance with Oregon's new Pay Equity Law, and increased expenses for engaging employment agency staff on a contingent basis to fulfill short term staffing needs.

- Employee health care premiums for 2018 are increasing 11 percent compared to 2017. To keep increases as low as possible Energy Trust went to market for competitive rates, and negotiated strongly with the current medical insurance provider who reduced their original quote from 23 percent to 13 percent, resulting in an overall 11 percent increase in healthcare benefits. By contrast for 2017, Energy Trust was able to negotiate no change to rates. Energy Trust employees pay a percentage of their health care costs and participate in wellness programs and preventative care to help maintain low utilization rates. Nevertheless, given trends in the health care market, we anticipate cost increases to maintain employee health care over the next few years.
- The draft 2018 budget includes 6 percent for compensation adjustments. The 6 percent has two components: 3.1 percent for merit and promotion adjustments for existing staff, in line with World at Work survey of regional and national averages, and 2.9 percent for compensation adjustments that may be required as we undertake a pay equity analysis for compliance with Oregon's new Pay Equity Law.
- Increases to the 2018 staffing budget are also driven by increased budget for employment agency staff. Employment agency staff are a flexible staffing resource to deploy for peaks in workload demands, including implementation of information system projects and as partial backfill for extended employee leaves.

III. Energy Trust Staffing Approach and Planning

Energy Trust determines staffing needs by assessing resources available to meet the Energy Trust's annual and strategic goals. Staff resources are deployed through a hybrid model of mostly outsourced contractors and a comparatively small staff of regular employees and employment agency staff. This annual planning takes into account skills available in the outsource market, short-term versus long-term need, strategic value of needed functions to the organization, anticipated program transitions, new and emerging program designs, operational efficiency, total cost and overall value to utility customers. A mix of workforce provides some flexibility for Energy Trust to respond to market and program changes.

1. **Employee workforce:** Energy Trust employees are the basis of the organization's strategic and operations management and accountability. The functions appropriate for employees include strategic direction, budget authority, financial transacting, negotiating contracts, core reporting and communications functions, stakeholder engagement, and managing employees and contractors. Other practical considerations are how tightly a role is integrated with other roles internal to the organization, and the duration of the work. Additionally, internal staff manage and deliver the Industrial and Agriculture Sector programs and all aspects of Renewable Sector programs, which include the Solar program and Other Renewables program.

Employee staffing decisions are typically undertaken in two scenarios: filling vacancies and in the annual budget and action planning process. Employees can be regular full-time, temporary (including interns), or part-time. Temporary and part-time employees provide flexibility for workforce considerations, but ongoing administrative and oversight obligations must be considered to determine whether short-term employee staffing approaches have adequate return on investment. Temporary and part-time employee staffing provides greater degrees of flexibility to respond to program and market changes than do regular full-time employee staff. Interns are used extensively by Energy Trust as flexible staffing resources to fulfill short-term, more project-oriented work, but also to expose a future generation to industry workforce opportunities.

2. **Outsourced workforce:** Energy Trust contracts with outside companies to deliver most programs. Program Management Contractors and Program Delivery Contractors draw from regional and national talent pools and can quickly scale up to manage and deliver program services to customers, such as technical assistance and incentive qualification and delivery. Leveraging this ability has allowed Energy Trust to grow and retract programs at a rapid pace as new cost-effective approaches are developed or as markets mature and incentives are phased out. Other examples of outsourced workforce are call center services, trade ally insurance verifiers, web form developers, and audio-visual support for board meetings. Outsourced workforce can be contractually deployed, and contract language can provide for flexibility in scaling up or down to program and market needs. Outsourced workforce needs are typically identified through annual contract planning. Flexibility is provided through contract terms.
3. **Employment Agency workforce:** If the work is of a more limited time duration but needs to be closely supervised, or is integrated tightly with other work, a third option is

hiring staff on a contingent basis through an employment agency. Employment agency staff are not Energy Trust employees; they are employees of various staffing agencies. Employment agency staff work on site in close proximity with Energy Trust employees. Agency staff are a good fit for project work and to meet work demands during busy cycles or to backfill for employee leaves. They provide a high level of flexibility for responding to change. However, an equally important factor to consider when utilizing agency staff is the learning curve associated with industry complexity and the value of retaining staff with deep institutional knowledge and critical skills over a longer term. Lost productivity due to higher rates of turnover of agency staff (who are often seeking regular, full-time work while signed on with an agency) is disruptive to Energy Trust projects and operations, and limits overall efficiency and effectiveness.

For 2019 and beyond, Energy Trust anticipates different approaches to staffing planning. As noted above, Energy Trust sees changes ahead for some portion of current core programs and operations, and Energy Trust is already working to pilot and test new approaches. Changes in technologies, success in transforming markets, new opportunities, and potential changes in Energy Trust's funding structure associated with the sunset of SB 1149 are all factors which may also lead to significant changes to both total revenue, expenditures and staffing in future years.

Through an Organization Review project commissioned by Energy Trust's executive director, a team of staff is currently reviewing the organization's systems, processes and structure. The team is charged with making recommendations for changes in structure and processes that will optimize Energy Trust's ability to be nimble and effective as the organization responds to a dynamic future. Workforce, staffing, and career development planning have been specifically identified as focus areas and initial work is underway to analyze the organization's workforce needs more holistically for 2019 and beyond.

Through our work on pilots and tests of new approaches and with the benefit of recommendations on organization systems, processes, and structure, we expect to have a more specific understanding of future organization-wide workforce needs. Workforce planning will (i) be more holistic across the organization, examining vacancy opportunities in any one group to potentially support identified needs in other areas, and (ii) have a heavier focus on needed training, retraining and career development approaches to support and build flexibility for staffing identified current and future needs. In addition, we expect to examine the use of the current outsourced workforce and employment agency resources to ensure that they also support organization needs as they evolve and change.

MEMO



Date: November 1, 2017
To: Board of Directors
From: Mike Colgrove, Executive Director
Subject: Measure Exceptions as of October 23, 2017

In the Oregon Public Utility Commission's comments on Energy Trust's Draft 2016 Budget and 2016-2017 Action Plan, the commission requested that Energy Trust summarize energy efficiency measure exceptions incorporated into the Draft 2018 Budget and 2018-2019 Action Plan, and include this information in future draft budget and action plan materials. In response, Energy Trust has compiled the information below, including a list of all current measure exceptions.

Background

Commission Order No. 94-590 in Docket UM 551 specifies that the Total Resource Cost Test (TRC) must be used to determine if energy efficiency measures and programs are cost-effective. The same order allows for measures that are not cost-effective to be included in utility programs if it is demonstrated that:

- A. The measure produces significant non-quantifiable non-energy benefits. In this case, the incentive payment should be set at no greater than the cost-effective limit (defined as present value of avoided costs plus 10 percent) less the perceived value of bill savings, e.g. two years of bill savings
- B. Inclusion of the measure will increase market acceptance and is expected to lead to reduced cost of the measure
- C. The measure is included for consistency with other demand-side management programs in the region
- D. Inclusion of the measure helps increase participation in a cost-effective program.
- E. The package of measures cannot be changed frequently, and the measure will be cost-effective during the period the program is offered.
- F. The measure or package of measures is included in a pilot or research project intended to be offered to a limited number of customers.
- G. The measure is required by law or is consistent with commission policy and/or direction.

Summary of measures with exceptions that will be offered in 2018

Several measures are pending exceptions, which may be granted by the OPUC on November 7, 2017. This document is written as if exception requests will be granted according to OPUC staff recommendations. The OPUC has granted or is expected to grant exceptions on 71 measures that are currently being offered in five programs, including:

- Existing Buildings
- Existing Multifamily
- New Buildings (including new multifamily construction)
- Residential
- Production Efficiency

The following tables represent the portion of total Energy Trust savings from measures with exceptions for 2016 and for 2017 (through October 23).

2016 Measures	kWh	kWh % of total	Therms	Therms % of total
Measures with Exceptions	21,017,263	3.67%	83,967	1.18%
Packages that contain measures with exceptions	1,110,559	0.19%	14,941	0.21%
Savings from measures that do not have exceptions	550,262,484	96.13%	7,011,938	98.61%
Grand Total	572,390,306	100.00%	7,110,846	100.00%
2017 Measures (year to date through 10/23/2017)	kWh	kWh % of total	Therms	Therms % of total
Measures with Exceptions	4,921,965	1.59%	62,398	1.73%
Packages that contain measures with exceptions	756,291	0.24%	596	0.02%
Savings from measures that do not have exceptions	304,513,229	98.17%	3,535,158	98.25%
Grand Total	310,191,485	100.00%	3,598,152	100.00%

Of the 71 measures with an exception or with pending exception requests from the OPUC:

- 17 are pending approval by the OPUC on November 7, 2017. The OPUC's October 10, 2017, order in the UM 1696 cost-effectiveness exception docket indicates that more than 17 measures are pending exceptions. The order uses a more granular definition of a measure than this report. In this report, some measures are combined for brevity.
- 43 will be offered by programs in 2018 under exceptions.
- Seven are cost-effective after being subjected to updated 2018 avoided costs, and will be offered in 2018.
- 23 are considered minor measures. For a minor measure, the total dollars and savings associated with the measure are less than 5 percent of total annual program activity or the TRC for the measure is greater than 0.8. Some minor measures are currently under review by OPUC staff.

Measure exceptions were approved by the OPUC according to the criteria outlined section above. The following table identifies how many measures qualified for each criteria listed above.

Exception Criteria	Number of Instances (Some measures meet multiple criteria)
A	26
B	19
C	33
D	35
E	7
F	5
G	0

Complete list of 2018 Energy Trust measures with exceptions (By date exception was granted)

Program	Measure	Exception Criteria	Date Exception Granted	Exception Expiration Date	Cost-Effective with 2018 Avoided Costs***	Offered in 2018	Comments
Existing Multifamily	Retrofit of Single Pane Windows Electric with efficient windows	A	11/07/17*	12/31/19**	No	Yes	Only a subset of 2017 measures will be offered in 2018
Residential Program (Existing Homes)	Manufactured Homes (Gas)	C, D	11/07/17*	N/A**	No	Yes	Savings revised for 2018
Production Efficiency	Irrigation - Rotating Impact Sprinkler	A, C, D	11/07/17*	12/31/19**	No	Yes	
Production Efficiency	Irrigation - Multi-Trajectory Low Pressure Sprinkler Replacement	A, C, D	11/07/17*	12/31/19**	No	Yes	
Production Efficiency	Irrigation - Goose Necks	A, C, D	11/07/17*	12/31/19**	Yes	Yes	Savings revised for 2018; 2017 savings are cost effective with new avoided costs
Production Efficiency	Irrigation - Flow Control Nozzle for Impact Sprinkler	A, C, D	11/07/17*	12/31/19**	No	Yes	Savings revised for 2018
Production Efficiency	Irrigation - Drain Replacement	A, C, D	11/07/17*	12/31/19**	No	Yes	Savings revised for 2018
Production Efficiency	Irrigation - Drop Tube or Hose Extension	A, C, D	11/07/17*	12/31/18**	No	Yes	Savings revised for 2018
Production Efficiency	Irrigation - New or Rebuilt Brass Impact Sprinkler	A, C, D	11/07/17*	12/31/18**	No	Yes	Savings revised for 2018
Production Efficiency	Irrigation - Rotating Sprinkler for Low-Pressure	A, C, D	11/07/17*	12/31/18**	No	Yes	
Existing Multifamily, Residential	Gas Storage Water Heaters: Energy Star	B	11/07/17*	N/A**	No	Yes	measure redesigned for 2018
New Homes	Energy Performance (EPS) Path 4 (Gas)	B, D	11/07/17*	12/31/19**	No	Yes	measure redesigned for 2018
New Homes	EPS Path 2 (Electric)	B, C, D	11/07/17*	12/31/19**	No	Yes	measure redesigned for 2018
New Homes	EPS Path 1 (Electric)	B, C, D	11/07/17*	12/31/19**	No	Yes	measure redesigned for 2018
Existing Multifamily	Ductless Heat Pumps (DHPs) in Multifamily	A, B, C,	11/07/17*	12/31/19**	No	Yes	savings updated for 2018

Program	Measure	Exception Criteria	Date Exception Granted	Exception Expiration Date	Cost-Effective with 2018 Avoided Costs***	Offered in 2018	Comments
Residential (Existing Homes)	DHPs in Manufactured Homes Replacing Electric Zonal Heat	A, B, C,	11/07/17*	12/31/19**	No	Yes	Savings Updated For 2018
Residential (Existing Homes)	DHPs In Single Family Replacing Electric Zonal Heat	A, B, C	11/07/17*	12/31/19**	No	Yes	Savings updated for 2018
Existing Multifamily	Ceiling Insulation (Gas) UCT	C	05/25/17	N/A	No	Yes	
Multifamily, Residential	Gas Storage Water Heaters: Energy Star	B	12/29/16	12/31/17	No	No	Measure redesigned for 2018 exception requested. Decision on 11/7/17
Multifamily	DHP In Existing Multifamily (Portland) 3/4 Ton	D	10/19/2016	12/30/2017	No	No	Measure redesigned for 2018 exception requested. Decision on 11/7/17
Multifamily (≤ 4 Units Or Side-By-Side)	Ceiling Insulation Incentive Cap (Gas)	A	9/8/2016	N/A	Yes	Yes	
Multifamily (≤ 4 Units Or Side-By-Side)	Floor Insulation Incentive Cap (Gas)	A	9/8/2016	N/A	No	Yes	
Multifamily (≤ 4 Units Or Side-By-Side)	Wall Insulation (Including Knee Wall) Incentive Cap (Gas)	A	9/8/2016	N/A	No	Yes	
Residential (New Homes)	Path 4 (EPS) Advanced Whole Home Subtype Weighted	B, C, D	8/18/2016	N/A	No	No	Measure redesigned for 2018 exception requested. Decision on 11/7/17
Multifamily (> 4 Units)	Windows (Electric)	A	4/29/2016	12/31/2017	No	No	New 2018 exception requested. Decision on 11/7/17 for a subset of these measures
New Buildings	Market Solutions - Retail Building Type Good-To-Better (Incremental)	D	11/2/2015	N/A	No	Yes	
New Buildings	Market Solutions - Schools Lighting Reduction	D, E	11/2/2015	N/A	No	Yes	

Program	Measure	Exception Criteria	Date Exception Granted	Exception Expiration Date	Cost-Effective with 2018 Avoided Costs***	Offered in 2018	Comments
Existing Buildings, New Buildings	Oversized Air Cooled Condenser W/VFD Compared to VFD on Standard (Cz2)	D	10/28/2015	N/A	No	Yes	
Multifamily, Residential	Gas Storage Water Heaters: EF 0.67, 0.70	B	9/2/2015	12/31/2016	No	No	Measure redesigned for 2018 exception requested. Decision on 11/7/17
Residential (Existing Homes)	Ductless Heat Pumps	B, C	9/2/2015	N/A	No	No	Measure redesigned for 2018. Exception requested. Decision on 11/7/17
New Homes, Products	Clothes Washers (Gas Only)	C	9/2/2015	N/A	No	Yes	
Multifamily (≤ 4 Units), Existing Single Family	Ceiling Insulation Incentive Cap (Gas)	A	4/30/2015	N/A	No	Yes	
Multifamily (≤ 4 Units), Existing Single Family	Floor Insulation Incentive Cap (Gas)	A	4/30/2015	N/A	No	Yes	
Multifamily (≤ 4 Units), Existing Single Family	Wall (Including Knee Wall) Insulation Incentive Cap (Gas)	A	4/30/2015	N/A	No	Yes	
Existing Buildings, New Buildings	LED Refrigeration Case Lighting (T12 to LED Low Power)	D	3/12/2015	N/A	N/A	No	Measure was redesigned in 2016. Equivalent measures are cost effective
Multifamily	Ceiling Insulation (Electric)	A, C	1/29/2015	N/A	Yes	Yes	
Multifamily	Floor Insulation (Electric)	A	1/29/2015	N/A	Yes	Yes	
New Buildings-Multifamily	Pilot - Gas Condo Pack	F	1/29/2015	N/A	No	No	Not currently offered, but available if there is market interest
Existing Buildings, New Buildings, Production Efficiency	Zero Loss Drains	C	1/15/2015	N/A	No	No	

Program	Measure	Exception Criteria	Date Exception Granted	Exception Expiration Date	Cost-Effective with 2018 Avoided Costs***	Offered in 2018	Comments
Existing Buildings, New Buildings, Production Efficiency	Receiver Capacity Addition (Retrofit)	C	1/15/2015	N/A	No	Yes	
Existing Buildings	2 Lamp 4 Foot T8 To 25w LED	E	11/10/2014	N/A	N/A	No	Measure redesigned in 2017. Now cost effective
Residential (Existing Homes)	Pilot - Air Sealing As Added Requirement For Ceiling Insulation	F	10/1/2014	N/A	N/A	No	
Residential (Existing Homes)	Manufactured Home Duct And Air Sealing (Gas)	C	10/1/2014	N/A	No	Yes	
Existing Buildings, Residential	Spa Covers (Gas)	C	10/1/2014	N/A	No	Yes	
Residential (New Homes)	New Homes Builder Option Package With 0.67 Water Heater	B, C	10/1/2014	N/A	N/A	No	Measure redesigned to EPS
Multifamily	Ceiling Insulation in stacked structures (Gas)	A	10/1/2014	N/A	No	Yes	
New Buildings	New Commercial Buildings Condensing Tank Water Heater - Schools	B	10/1/2014	N/A	No	Yes	
New Buildings	Market Solutions - Good-To-Better And Better-To-Best (Gas)	A, B, D, E	10/1/2014	N/A	N/A	No	Multifamily Market Solutions revised in 2015
New Buildings	Market Solutions - Tankless Water Heat In Offices	A, B, D, E	10/1/2014	N/A	N/A	No	Office Market solutions revised in 2016
Multifamily (≤ 4 Units), Existing Homes	Pilot - Condensing Gas Furnace (Rental)	F	8/20/2014	N/A	Yes	No	Pilot revised into a cost-effective measure in 2017
Multifamily, Existing Homes	Duct Insulation (Electric)	A, D	7/22/2014	N/A	Yes	Yes	Measure only offered by multifamily
Residential (New Homes)	Zonal Electric Advanced Electric Resistance Home	C, D	7/22/2014	N/A	N/A	No	Redesigned for 2017

Program	Measure	Exception Criteria	Date Exception Granted	Exception Expiration Date	Cost-Effective with 2018 Avoided Costs***	Offered in 2018	Comments
Existing Buildings, New Buildings	LED A-Lamp (Omnidirectional 310 To 749 Lm)	B	7/22/2014	N/A	N/A	No	Redesigned in 2016, equivalent measure is cost effective
Existing Buildings, New Buildings	Ozone Laundry – Motel	D	7/22/2014	N/A	N/A	No	
New Buildings (multifamily)	HVAC - AAHP 5 ton	D	7/22/2014	N/A	N/A	No	Measure canceled along with other RTUs due to change in federal standards
New Buildings (multifamily)	HVAC - GSHP 2 ton	D	7/22/2014	N/A	N/A	No	Measure canceled along with other RTUs due to change in federal standards
New Buildings (multifamily)	HVAC - WSHP 2 ton	D	7/22/2014	N/A	N/A	No	Measure canceled along with other RTUs due to change in federal standards
New Buildings (multifamily)	HVAC - AC Unit 12.5 ton	D	7/22/2014	N/A	N/A	No	Measure canceled along with other RTUs due to change in federal standards
New Buildings	Market Solutions - Radiant Heating and Cooling in Offices	A, B, E	7/22/2014	N/A	N/A	No	Office Market solutions revised in 2016
New Buildings	Market Solutions - Air Barriers in Offices	C, D, E	7/22/2014	N/A	N/A	No	Office Market solutions revised in 2016
New Buildings	Market Solutions - Fan Static Pressure in Offices and Retail	B, E	7/22/2014	N/A	N/A	No	Office Market solutions revised in 2016
New Buildings	Market Solutions - Phantom Plug Load in Offices	B, C	7/22/2014	N/A	Yes	Yes	Office Market solutions revised in 2016. exception continues
Residential (Existing Homes)	Pilot - Nest Thermostat	F	7/22/2014	N/A	N/A	No	Pilot revised into a cost-effective measure
Existing Buildings, New Buildings	Commercial Vent Hoods With VFD < 2hp (Electric)	D	7/22/2014	N/A	No	Yes	
Production Efficiency	Irrigation - Drain Replacement	C, D	7/22/2014	N/A	No	Yes	Measure redesigned for 2018 exception; requested decision on 11/7/17

Program	Measure	Exception Criteria	Date Exception Granted	Exception Expiration Date	Cost-Effective with 2018 Avoided Costs***	Offered in 2018	Comments
Production Efficiency	Irrigation - Drop Tube or Hose Extension	C, D	7/22/2014	N/A	No	Yes	Measure redesigned for 2018 exception; requested decision on 11/7/17
Production Efficiency	Irrigation - New or Rebuilt Brass Impact Sprinkler	C, D	7/22/2014	N/A	No	Yes	Measure redesigned for 2018 exception; requested decision on 11/7/17
Production Efficiency	Irrigation - Rotating Sprinkler for Low-Pressure	C, D	7/22/2014	N/A	No	Yes	New 2018 exception; requested decision on 11/7/17
Existing Buildings, Production Efficiency	Various High Performance 4' T8 Lamps	C, D	7/22/2014	N/A	N/A	No	
Existing Buildings, New Buildings	Street Lights For Pacific Power, Schedule 51 70w HPS/48W LED	C, D	5/2/2014	N/A	No	Yes	
Existing Buildings	Pilot - Pay for Performance	F	2/18/2014	N/A	N/A	No	Pilot granted an exception; moved forward into measure that is expected to be cost-effective

* Several measures are pending exceptions, which will be determined by the OPUC on November 7, 2017. While the OPUC's decision is not yet known, this document is written as if exception requests will be granted according to OPUC staff recommendations.

** Expiration dates are pending OPUC approval on November 7, 2017.

*** Measures that are not offered in 2018 or have been redesigned have not been tested for 2018 cost-effectiveness.

MEMO



Date: November 1, 2017
To: Board of Directors
From: Mike Colgrove, Executive Director
Subject: Planning Assumptions for Draft 2018 Budget and 2018-2019 Action Plan

In the Oregon Public Utility Commission's comments on the Energy Trust Proposed Final 2016 Budget and 2016-2017 Action Plan, the commission requested that Energy Trust document major planning assumptions and changes, and include this information in future draft budget and action plan materials so it is readily available to Oregon Public Utility Commission staff and stakeholders.

In response to this request, Energy Trust compiled the following list of major planning assumptions that shape the direction and content of Energy Trust's Draft 2018 Budget and 2018-2019 Action Plan. Program-specific key assumptions, risks and challenges are also included in program action plans. We welcome your feedback on this information and how best to integrate it in future budget materials.

- **Oregon has experienced robust economic growth** for the last few years. It is assumed that the current favorable economic environment will continue, resulting in project activity in all sectors through 2018. The State of Oregon Economic Indicators report for August 2017, published by University of Oregon, tracks indicators that "suggest ongoing growth in Oregon at above average pace of activity." Strong new residential and commercial construction is expected to remain, resulting in robust participation in related program offerings.
- **Avoided costs for energy efficiency were updated** for 2018 measure and program planning. Electric avoided costs will decrease regardless of measure life. Gas avoided costs decreased for measures with measure lives less than 20 years, and gas avoided costs increased for measures with measure lives greater than 20 years, with some variation related to load profile.
 - Measures slated for update for 2018 have been evaluated for cost-effectiveness using updated avoided costs.
 - The update to avoided costs will result in challenges for some programs, as some measures are no longer being cost-effective.
 - Energy Trust is aware that the OPUC will run a docket on avoided costs in late 2017 that will continue into 2018. Outcomes from this docket will influence how avoided costs are formulated and updated in the future. If the outcomes of the docket are available, Energy Trust may update avoided costs by July 1, 2018.
- **Prescriptive measure baselines for many residential and commercial measures have been updated** due to changes in federal minimum equipment efficiency standards, state energy building codes and market preferences, and due to new information from field tests. Measures with baseline changes include LED lighting, ductless heat pumps and New Homes new construction building option paths.

- Energy Trust will continue to track equipment standards and market trends, and these may result in additional adjustments for Energy Trust's 2019 Budget and 2019-2020 Budget and Action Plan.
- **Energy efficiency program savings realization rates remain similar or have increased for all programs except the Existing Buildings program.** This program's Savings Realization Adjustment Factor will decrease for electric and gas measures due to low realization rates discovered in recent impact evaluations.
- **Oregon Department of Energy's Residential Energy Tax Credit program will sunset** at the end of 2017. Energy Trust provides incentives for measures that are also eligible for RETC. The expiration of RETC is expected to reduce the number of installations through Energy Trust programs for ductless heat pumps, whole house heat pumps, gas furnaces in rentals and Savings Within Reach projects, heat pump water heaters, gas tank water heaters, gas water heaters, windows in Multifamily buildings, and solar.
- **In addition to the sunset of RETC at the end of 2017, participation in Solar program will be influenced by:**
 - Continued declines in costs are assumed; however, a federal trade case may result in import tariffs that could increase solar pricing in 2018 and beyond.
 - If the legislature adopts a new state residential solar tax credit in the 2018 session, the above-market cost for a residential project may change quickly. The program will need to be prepared to make a swift change in incentive strategy if such legislation appears to move forward.
 - OPUC's resource value of solar docket (UM 1716) will likely complete in 2018. Energy Trust's budget assumes any subsequent changes to net metering or compensation levels for solar generation would not be in place in time to impact above-market cost or incentive strategy in 2018.
- **Participation in Other Renewables program will be influenced by:**
 - Flat or declining avoided-cost rates available for renewable projects that sell power on the wholesale energy market, potentially leading to higher above market costs.
 - The December 31, 2017 sunset of the Oregon Renewable Energy Development Grant will increase above market costs for some renewable energy projects.
 - Continued demand from the nascent clean fuels marketplace for sources of biogas to be processed into renewable natural gas for vehicle fueling and pipeline injection. This will reduce feedstock availability for renewable electricity generation.
- **Energy Trust anticipates continued engagement in all major efficiency market sectors.** Programs will continue in their previous forms with the exception of the residential sector. Energy Trust consolidated its three residential programs (Existing Homes, New Homes and Products) into one residential program to achieve more cost-effective delivery as Energy Trust exits portions of the market that have been saturated.
- **If analysis indicates the SB 838 spending cap for large energy-using customers is exceeded, Existing Buildings, New Buildings and Production Efficiency programs will need to act** to reduce spending on these customers.

- **Increased LED market share and reduced incremental costs for the residential sector indicate** that Energy Trust incentives are no longer necessary to encourage some customers to buy some LED lighting products. This will result in a reduction of the savings that Energy Trust claims for residential lighting. Energy Trust continues to monitor baselines for LED lamps and anticipates that incentives will no longer be necessary at some point in 2018 or 2019.
- **Lighting activity is expected to remain strong for commercial and industrial sectors**, as we expect continued customer investment in LED projects.
- **Existing Multifamily program will save less energy from measures directly installed in dwelling units**, including LEDs, showerheads and faucet aerators. This results from the program's success saturating the market and encouraging market acceptance of these measures.
- **Successful market penetration and evolving market conditions are leading to an increased focus on midstream and upstream approaches** in residential and commercial sectors in 2018-2019.
- **Energy Trust expansion into Avista service territory will continue** in 2018, requiring additional resources across the organization. Pacific Power activity in areas that overlap with Avista territory may increase.
- **Interest in peak load management continues to grow** as utilities anticipate more load constraints. Energy Trust will continue to engage with Pacific Power, NW natural and other stakeholders to design and deliver in demand reduction activities that are linked to energy efficiency and renewable generation objectives.
- **Energy Trust will continue to fund NEEA at historical levels**, and NEEA will continue to engage in deep collaboration with other funding partners in pursuit of electric and gas market transformation programs.
- **Oregon's population will continue to expand and diversify** in 2018 and beyond.

While a memo on Energy Trust demand response activity was provided in the 2016 budget materials, a 2017 update on those activities will be provided as part of the Energy Trust 2017 Annual Report available April 15, 2018, as requested by the Oregon Public Utility Commission.

2018 Budget and 2018-19 Action Plan Outreach

Key dates

Wednesday, October 25—Presentation to the Energy Trust Renewable Energy Advisory Council and Conservation Advisory Council

Wednesday, November 1—Public comment period opens; draft materials posted online

Tuesday, November 7— On-demand webinar available. Executive Director Michael Colgrove will present an overview of the draft budget and action plan, with opportunities to submit comments and ask questions via email.

Wednesday, November 8—Presentation on the draft budget and action plan to the Energy Trust Board of Directors

Thursday, November 16—Presentation on the draft budget and action plan at a public workshop of the Oregon Public Utility Commission, held at the OPUC Main Hearing Room, 201 High Street SE, Salem, Oregon

Friday, November 17—Public comment period closes

Friday, November 17—Review of any changes to the draft materials with the Energy Trust Renewable Energy Advisory Council and Conservation Advisory Council

Friday, December 8—Budget documents are revised and posted online

Friday, December 15—Presentation to the Energy Trust board on the final proposed budget and action plan, along with a summary of public comments; after making any final changes, the board votes on the budget

Submitting comments, attending public meetings

Written public comments are due to Energy Trust by 5 p.m., Friday, November 17, 2017. Comments may be emailed to info@energytrust.org, mailed or submitted in person to Energy Trust of Oregon, 421 SW Oak St., Suite 300, Portland, Oregon 97204.

Energy Trust Board of Directors, Conservation Advisory Council and Renewable Energy Advisory Council meetings are open to the public and held at Energy Trust of Oregon, 421 SW Oak St., Suite 300, Portland, Oregon 97204.

Resources

Visit the Energy Trust website at www.energytrust.org/about/budget/ for links to budget and action plan materials and to view the most up-to-date budget schedule. Check back November 7 to access the on-demand webinar.

All Energy Trust board and advisory council meeting agendas, packet materials and meeting notes are online at www.energytrust.org/about/public-meetings.

**Energy Trust of Oregon
Income Statement
2017 to 2019**

	Budget 2017	Forecast 2017	Budget 2018	Projection 2019
<u>REVENUES</u>				
Public Purpose Funds-PGE	37,255,027	38,241,267	37,484,629	37,484,629
Public Purpose Funds-PacifiCorp	27,524,599	29,583,394	28,525,981	28,525,981
Public Purpose Funds-NW Natural	17,392,246	18,714,900	18,279,834	22,979,834
Public Purpose Funds-Cascade	2,900,000	3,129,325	2,167,052	2,917,052
Public Purpose Funds-Avista	1,036,869	1,059,824	1,142,799	1,142,799
Total Public Purpose Funds	86,108,742	90,728,711	87,600,294	93,050,294
Incremental Funds - PGE	65,291,750	65,333,595	64,156,625	64,156,625
Incremental Funds - PacifiCorp	33,375,078	35,518,465	30,715,755	30,715,755
NW Natural - Industrial DSM	5,920,596	5,920,596	548,172	3,743,643
NW Natural - Washington	2,020,834	2,020,834	2,489,556	2,461,974
Revenue from Investments	210,000	400,000	230,000	230,000
TOTAL REVENUE	192,927,000	199,922,200	185,740,403	194,358,292
<u>EXPENSES</u>				
Program Subcontracts	57,903,505	56,933,877	58,029,538	58,838,917
Incentives	114,122,042	109,429,111	111,127,375	112,594,564
Salaries and Related Expenses	13,774,959	13,275,804	15,578,685	16,248,202
Professional Services	9,421,807	7,593,532	11,676,898	9,699,871
Supplies	48,600	45,100	47,500	47,500
Telephone	69,900	56,800	51,600	51,600
Postage and Shipping Expenses	18,000	18,000	24,500	24,000
Occupancy Expenses	950,433	950,433	944,433	948,133
Noncapitalized Equip. & Depr.	1,341,183	1,156,770	965,059	796,630
Call Center	200,000	162,000	180,000	180,000
Printing and Publications	16,550	15,050	15,050	15,050
Travel	228,700	218,450	238,650	236,250
Conference, Training & Mtng Exp	209,450	165,950	254,800	239,800
Interest Expense and Bank Fees	4,000	1,800	1,500	1,500
Insurance	110,000	110,000	110,000	110,000
Miscellaneous Expenses	3,000	3,000	3,000	3,000
Dues, Licenses and Fees	150,552	151,750	355,061	351,111
TOTAL EXPENSES	198,572,681	190,287,427	199,603,648	200,386,127
TOTAL REVENUE LESS EXPENSES	(5,645,681)	9,634,773	(13,863,246)	(6,027,835)

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	48.6	6.1	54.7	14.73	3.4	1,481,693	37.46
Business Energy Solutions – Multifamily	9.1	1.1	10.1	1.80	5.3	174,707	47.29
Business Energy Solutions – New Buildings	19.9	2.2	22.2	6.26	3.3	936,040	20.50
Mkt Transformation (Alliance)	2.3	0.4	2.7	1.81	2.5		
Total Commercial	79.9	9.8	89.7	24.60	3.5	2,592,439	33.62
Industrial							
Production Efficiency	35.1	2.9	38.0	19.34	2.1	1,064,753	24.60
Mkt Transformation (Alliance)	0.4	0.0	0.4	0.08	8.2		
Total Industrial	35.5	2.9	38.4	19.42	2.1	1,064,753	24.94
Residential							
Home Energy Solutions – Residential	34.5	15.1	49.6	7.23	4.9	2,865,630	33.15
Mkt Transformation (Alliance)	4.4	1.0	5.4	5.27	1.0		
Total Residential	38.9	16.1	55.0	12.50	3.4	2,865,630	36.16
Washington							
Business Energy Solutions – Existing Buildings		0.9	0.9			160,000	53.79
Home Energy Solutions – Residential		1.3	1.3			199,244	47.68
Mkt Transformation (Alliance)		0.1	0.1				
Total Washington		2.4	2.4			359,244	52.11
Total Energy Efficiency	\$154.3	\$31.2	\$185.5	56.52	3.0	6,882,066	33.49

RENEWABLE RESOURCES

	ACTIVITY BASIS		ACCOUNTING BASIS	ACTIVITY BASIS		ACCOUNTING BASIS	
	BUDGET (\$M)		BUDGET (\$M)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)
Other Renewables	9.1		3.9	1.32	6.89	0.00	#DIV/0!
Solar Electric	9.0		10.2	1.18	7.59	2.18	4.70
Total Renewable Resources	\$18.1		\$14.1	2.50	7.22	2.18	6.49

TOTAL BUDGET - ALL

\$199.6

¹ some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2018 Draft Annual Budget

	ENERGY EFFICIENCY									
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista	Oregon Total	NWN WA	ETO Total
REVENUES										
Public Purpose Funding	29,100,000	22,175,370	51,275,370	-	18,279,834	2,167,052	1,142,799	72,865,055	-	72,865,055
Incremental Funding	64,156,625	30,715,755	94,872,380	548,172				95,420,552	2,489,556	97,910,108
Contributions										
Revenue from Investments										
TOTAL PROGRAM REVENUE	93,256,625	52,891,125	146,147,750	548,172	18,279,834	2,167,052	1,142,799	168,285,607	2,489,556	170,775,163
EXPENSES										
Program Management (Note 3)	4,006,077	2,321,977	6,328,054	195,012	1,137,557	127,396	55,319	7,843,337	157,343	8,000,680
Program Delivery	27,307,830	15,962,284	43,270,113	833,727	5,210,809	761,447	261,716	50,337,811	537,131	50,874,942
Incentives	53,245,073	30,712,817	83,957,888	2,495,321	11,471,508	1,586,855	644,741	100,156,311	1,107,956	101,264,267
Program Eval & Planning Svcs.	3,340,339	1,970,763	5,311,101	108,285	555,900	72,207	29,920	6,077,414	200,404	6,277,818
Program Marketing/Outreach	2,321,214	1,328,947	3,650,160	26,860	736,676	82,870	36,477	4,533,043	109,189	4,642,232
Program Legal Services	-	-	-	-	-	-	-	-	-	-
Program Quality Assurance	36,110	22,712	58,821	-	23,321	1,999	859	85,000	-	85,000
Outsourced Services	1,255,824	696,672	1,952,495	47,685	282,455	34,141	14,473	2,331,250	36,550	2,367,800
Trade Allies & Cust. Svc. Mgmt.	333,820	197,409	531,229	5,999	140,392	13,840	6,085	697,544	43,211	740,755
IT Services	1,040,831	583,982	1,624,812	30,791	297,211	32,602	14,634	2,000,051	44,547	2,044,598
Other Program Expenses - all	379,165	225,455	604,620	17,819	76,083	11,381	4,602	714,504	43,788	758,292
TOTAL PROGRAM EXPENSES	93,266,283	54,023,018	147,289,293	3,761,499	19,931,912	2,724,738	1,068,826	174,776,265	2,280,119	177,056,384
ADMINISTRATIVE COSTS										
Management & General (Notes 1 & 2)	2,368,616	1,371,985	3,740,599	95,527	506,196	69,200	27,145	4,438,665	57,907	4,496,572
Communications & Customer Svc (Notes 1 & 2)	2,055,819	1,190,801	3,246,621	82,913	439,349	60,060	23,559	3,852,502	50,259	3,902,761
Total Administrative Costs	4,424,435	2,562,786	6,987,220	178,440	945,545	129,260	50,704	8,291,167	108,166	8,399,333
TOTAL PROG & ADMIN EXPENSES	97,690,718	56,585,804	154,276,513	3,939,939	20,877,457	2,853,998	1,119,530	183,067,432	2,388,285	185,455,717
TOTAL REVENUE LESS EXPENSES	(4,434,093)	(3,694,679)	(8,128,763)	(3,391,767)	(2,597,623)	(686,946)	23,269	(14,781,825)	101,271	(14,680,554)
NET ASSETS - RESERVES										
Cumulative Carryover at 12/31/17 Forecast	7,060,245	6,321,979	13,382,224	3,591,768	3,649,049	993,901	128,749	21,745,691	98,729	21,844,420
Change in net assets this year	(4,434,093)	(3,694,679)	(8,128,763)	(3,391,767)	(2,597,623)	(686,946)	23,269	(14,781,825)	101,271	(14,680,554)
Interest Attributed										
Ending Net Assets - Reserves	2,626,152	2,627,300	5,253,452	200,001	1,051,426	306,955	152,018	6,963,852	200,000	7,163,852
Ending Reserve by Category										
Program Reserves (Efficiency and Renewables)	2,626,152	2,627,300	5,253,452	200,001	1,051,426	306,955	152,018	6,963,852	200,000	7,163,852
Assets Released for General Purpose										
Emergency Contingency Pool										
TOTAL NET ASSETS CUMULATIVE	2,626,152	2,627,300	5,253,452	200,001	1,051,426	306,955	152,018	6,963,852	200,000	7,163,852

Note 1) Management & General and Communications & Customer Service Expenses (Admin) have been allocated based on total expenses.

Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not allow allocation of admin costs to program expenses.

Note 3) Program Management costs include both outsourced and internal staff.

	RENEWABLE ENERGY			Other	TOTAL
	PGE	PacifiCorp	Total		All Programs
REVENUES					
Public Purpose Funding	8,384,629	6,350,611	14,735,239	-	87,600,294
Incremental Funding					97,910,108
Contributions					
Revenue from Investments				230,000	230,000
TOTAL PROGRAM REVENUE	8,384,629	6,350,611	14,735,239	230,000	185,740,403
EXPENSES					
Program Management (Note 3)	703,120	679,024	1,382,144		9,382,824
Program Delivery	215,240	161,260	376,500		51,251,442
Incentives	5,043,717	4,819,391	9,863,108		111,127,375
Program Eval & Planning Svcs.	115,559	116,899	232,458		6,510,276
Program Marketing/Outreach	129,444	122,056	251,500		4,893,732
Program Legal Services	3,038	2,962	6,000		6,000.00
Program Quality Assurance	-	-	-		85,000
Outsourced Services	348,869	335,130	683,999		3,051,799
Trade Allies & Cust. Svc. Mgmt.	32,730	30,187	62,917		803,672
IT Services	150,225	145,453	295,678		2,340,276
Other Program Expenses - all	181,604	171,259	352,862		1,111,154
TOTAL PROGRAM EXPENSES	6,923,546	6,583,621	13,507,166	-	190,563,550
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	175,833	167,200	343,032		4,839,604
Communications & Customer Svc (Notes 1 & 2)	152,612	145,119	297,731		4,200,492
Total Administrative Costs	328,445	312,319	640,763	-	9,040,096
TOTAL PROG & ADMIN EXPENSES	7,251,991	6,895,940	14,147,929		199,603,646
TOTAL REVENUE LESS EXPENSES	1,132,638	(545,329)	587,310	230,000	(13,863,243)
NET ASSETS - RESERVES					
Cumulative Carryover at 12/31/17 Forecast	6,914,137	5,078,343	11,992,480	9,671,809	43,508,709
Change in net assets this year	1,132,638	(545,329)	587,310	230,000	(13,863,243)
Interest Attributed					
Ending Net Assets - Reserves	8,046,775	4,533,014	12,579,790	9,901,809	29,645,451
Ending Reserve by Category					
Program Reserves (Efficiency and Renewables)	8,046,775	4,533,014	12,579,790		19,743,642
Assets Released for General Purpose				4,901,809	4,901,809
Emergency Contingency Pool				5,000,000	5,000,000
TOTAL NET ASSETS CUMULATIVE	8,046,775	4,533,014	12,579,790	9,901,809	29,645,451

Energy Trust of Oregon
Statement of Functional Expenses
2018 Draft Annual Budget

	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total
Program Expenses							
Incentives	101,264,267	9,863,108	111,127,375				111,127,375
Program Management & Delivery	57,643,038	386,500	58,029,538				58,029,538
Payroll and Related Expenses	4,361,942	1,372,144	5,734,087	2,807,169	1,996,034	4,803,203	10,537,290
Outsourced Services	7,225,749	1,014,499	8,240,248	1,149,150	1,331,000	2,480,150	10,720,398
Planning and Evaluation	3,017,745	159,458	3,177,203	11,959	199,323	211,282	3,388,485
Customer Service Management	359,236	51,838	411,074				411,074
Trade Allies Network	381,520	21,078	402,599				402,599
Total Program Expenses	174,253,497	12,868,626	187,122,124	3,968,278	3,526,357	7,494,635	194,616,759
Program Support Costs							
Supplies	13,662	4,161	17,823	10,019	6,737	16,756	34,579
Postage and Shipping Expenses	10,469	1,469	11,938	5,512	2,025	7,537	19,475
Telephone	3,575	1,575	5,150	2,010	1,620	3,630	8,780
Printing and Publications	2,085	985	3,071	5,672	3,445	9,117	12,188
Occupancy Expenses	281,365	92,476	373,840	158,192	127,498	285,690	659,531
Insurance	32,771	10,771	43,542	18,425	14,850	33,275	76,817
Equipment	4,618	170,618	175,235	2,596	2,092	4,689	179,924
Travel	72,250	18,000	90,250	55,400	50,000	105,400	195,650
Meetings, Trainings & Conferences	73,000	23,400	96,400	53,000	22,000	75,000	171,400
Interest Expense and Bank Fees				1,500		1,500	1,500
Depreciation & Amortization	39,290	12,914	52,204	22,090	17,804	39,894	92,098
Dues, Licenses and Fees	224,313	6,200	230,513	30,610	18,000	48,610	279,123
Miscellaneous Expenses	894	294	1,188	502	405	907	2,095
IT Services	2,044,598	295,678	2,340,276	505,796	407,658	913,454	3,253,730
Total Program Support Costs	2,802,889	638,540	3,441,429	871,325	674,136	1,545,461	4,986,890
TOTAL EXPENSES	177,056,387	13,507,166	190,563,552	4,839,603	4,200,493	9,040,096	199,603,648

OPUC Measure vs. 8% **6.73%**

Energy Trust of Oregon
Summary by Service Territory and Program
2018 Draft Annual Budget

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency											
Commercial											
Existing Buildings	\$29,526,101	\$19,076,813	\$48,602,914	\$1,681,859	\$2,932,964	\$1,081,241	\$391,389	\$6,087,454	\$54,690,368		\$54,690,368
Multifamily Bldgs	6,631,608	2,440,585	9,072,193		954,776	34,750	83,921	1,073,447	10,145,640		10,145,640
New Buildings	13,849,116	6,071,469	19,920,585	292,223	1,595,245	246,867	112,045	2,246,380	22,166,965		22,166,965
NEEA	1,456,554	855,436	2,311,990		336,994	37,444		374,437	2,686,427	38,084	2,724,511
Total Commercial	51,463,378	28,444,304	79,907,682	1,974,082	5,819,979	1,400,301	587,355	9,781,718	89,689,400	954,258	90,643,658
Industrial											
Production Efficiency	22,039,077	13,054,066	35,093,143	1,965,857	676,252	197,993	36,118	2,876,221	37,969,364		37,969,364
NEEA	243,161	142,809	385,970						385,970		385,970
Total Industrial	22,282,238	13,196,875	35,479,113	1,965,857	676,252	197,993	36,118	2,876,221	38,355,334		38,355,334
Residential											
Residential Combined	21,163,118	13,310,766	34,473,884		13,470,094	1,154,463	496,056	15,120,613	49,594,497	1,331,060	50,925,557
NEEA	2,781,978	1,633,860	4,415,837		911,129	101,237		1,012,366	5,428,204	102,966	5,531,170
Total Residential	23,945,096	14,944,625	38,889,721		14,381,224	1,255,700	496,056	16,132,979	55,022,701	1,434,026	56,456,727
Energy Efficiency Program Costs	97,690,713	56,585,804	154,276,517	3,939,939	20,877,455	2,853,995	1,119,529	28,790,918	183,067,435	2,388,284	185,455,719
Renewables											
Solar Electric (Photovoltaic)	5,324,803	4,910,016	10,234,819						10,234,819		10,234,819
Other Renewable	1,927,188	1,985,922	3,913,110						3,913,110		3,913,110
Renewables Program Costs	7,251,991	6,895,938	14,147,929						14,147,929		14,147,929
Cost Grand Total	104,942,704	63,481,742	168,424,446	3,939,939	20,877,455	2,853,995	1,119,529	28,790,918	197,215,364	2,388,284	199,603,648

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Draft Annual Budget

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Washington (with NEEA)	Solar Renewables	Custom Renewables	ETO Total
Program Management	1,355,190	758,591	698,352	-	1,792,998	-	3,238,207	-	157,343	772,868	609,276	9,382,825
Program Delivery:	14,348,217	3,859,727	5,432,950	2,518,914	10,264,262	344,570	8,434,651	5,134,522	537,131	376,500	-	51,251,444
Incentives:	32,666,891	3,925,145	12,573,969	-	21,596,342	-	29,393,968	-	1,107,956	7,345,500	2,517,608	111,127,379
Program Eval & Planning Svcs.:	1,576,950	322,160	1,023,080	45,844	1,225,195	23,919	1,812,428	47,838	200,404	188,607	43,851	6,510,276
Program Marketing/Outreach:	1,122,207	387,580	564,859	-	303,001	-	2,155,397	-	109,189	241,500	10,000	4,893,733
Program Legal	-	-	-	-	-	-	-	-	-	3,000	3,000	6,000
Program Quality Assurance:	-	-	-	-	-	-	85,001	-	-	-	-	85,001
Outsourced Services:	384,250	131,000	526,000	-	556,000	-	734,000	-	36,550	338,999	345,000	3,051,799
Trade Allies & Cust. Svc. Mgmt.:	110,975	48,097	38,100	-	39,738	-	460,635	-	43,211	62,811	106	803,673
IT Services:	371,175	211,378	265,480	-	304,487	-	847,531	-	44,547	165,831	129,847	2,340,276
Other Program Expenses	277,575	42,465	40,227	-	167,700	-	186,538	-	43,788	275,666	77,197	1,111,156
TOTAL PROGRAM EXPENSES	52,213,430	9,686,143	21,163,017	2,564,758	36,249,723	368,489	47,348,356	5,182,360	2,280,119	9,771,282	3,735,885	190,563,562
ADMINISTRATIVE COSTS												
Management & General	1,326,027	245,993	537,462	65,136	920,608	9,359	1,202,471	131,613	57,907	248,155	94,878	4,839,609
Communications & Customer Svc	1,150,913	213,506	466,486	56,534	799,034	8,122	1,043,675	114,231	50,259	215,383	82,348	4,200,491
Total Administrative Costs	2,476,940	459,499	1,003,948	121,670	1,719,642	17,481	2,246,146	245,844	108,166	463,538	177,226	9,040,100
Total Program & Admin Expenses	54,690,370	10,145,642	22,166,965	2,686,428	37,969,365	385,970	49,594,502	5,428,204	2,388,285	10,234,820	3,913,111	199,603,662
Energy Savings (kwh)	129,054,655	15,731,808	54,849,649	15,865,110	169,398,243	711,343	63,316,814	46,174,509				495,102,130
Energy Savings (therms)	1,481,692	174,707	936,040	-	1,064,753	-	2,865,630	-	359,244			6,882,066
Energy Generation (kwh)										19,083,900	-	19,083,900

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Draft Annual Budget

ENERGY EFFICIENCY

PGE

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Program Management	731,858	495,419	438,521		963,986		1,376,293		4,006,077
Program Delivery:	7,911,599	2,520,703	3,434,024	1,361,704	5,651,013	217,079	3,585,864	2,625,844	27,307,830
Incentives:	17,451,855	2,563,426	7,805,506		12,927,886		12,496,400		53,245,073
Program Eval & Planning Svcs.:	856,420	215,849	644,523	28,882	702,401	15,069	847,057	30,138	3,340,339
Program Marketing/Outreach:	620,007	253,120	356,119		175,851		916,117		2,321,214
Program Legal									-
Program Quality Assurance:							36,110		36,110
Outsourced Services:	207,284	85,553	328,486		322,683		311,818		1,255,824
Trade Allies & Cust. Svc. Mgmt.:	59,866	31,411	23,794		23,062		195,687		333,820
IT Services:	200,230	138,047	165,792		176,714		360,048		1,040,831
Other Program Expenses	149,738	27,733	25,122		97,327		79,245		379,165
TOTAL PROGRAM EXPENSES	28,188,857		13,221,887	1,390,586	21,040,923	232,148	20,204,639	2,655,982	93,266,283
ADMINISTRATIVE COSTS									
Management & General	715,892	160,790	335,787	35,316	534,361	5,896	513,122	67,452	2,368,616
Communications & Customer Svc	621,352	139,557	291,443	30,652	463,794	5,117	445,360	58,544	2,055,819
Total Administrative Costs	1,337,244		627,230	65,968	998,155	11,013	958,482	125,996	4,424,435
Total Program & Admin Expenses	29,526,101		13,849,117	1,456,554	22,039,078	243,161	21,163,121	2,781,978	97,690,724
Energy Savings (kwh)	79,103,180	11,810,311	35,485,139	9,995,019	120,791,651	448,146	37,624,400	29,089,941	324,347,788

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Draft Annual Budget

ENERGY EFFICIENCY

Pacific Power

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Program Management	472,597	182,326	192,248		610,350		864,456		2,321,977
Program Delivery:	5,104,410	927,677	1,505,480	799,731	3,704,865	127,491	2,250,468	1,542,162	15,962,284
Incentives:	11,259,599	943,400	3,421,943		7,245,205		7,842,670		30,712,817
Program Eval & Planning Svcs.:	577,333	79,437	282,559	16,962	431,157	8,850	556,765	17,700	1,970,763
Program Marketing/Outreach:	400,161	93,154	156,123		104,159		575,350		1,328,947
Program Legal									-
Program Quality Assurance:							22,712		22,712
Outsourced Services:	133,926	31,486	144,009		191,130		196,121		696,672
Trade Allies & Cust. Svc. Mgmt.:	38,679	11,560	10,431		13,660		123,079		197,409
IT Services:	129,369	50,804	72,683		104,670		226,456		583,982
Other Program Expenses	96,746	10,206	11,013		57,648		49,842		225,455
TOTAL PROGRAM EXPENSES	18,212,820	2,330,050	5,796,489	816,693	12,462,844	136,341	12,707,919	1,559,862	54,023,018
ADMINISTRATIVE COSTS									
Management & General	462,538	59,175	147,209	20,741	316,510	3,463	322,734	39,615	1,371,985
Communications & Customer Svc	401,456	51,360	127,769	18,002	274,712	3,005	280,114	34,383	1,190,801
Total Administrative Costs	863,994	110,535	274,978	38,743	591,222	6,468	602,848	73,998	2,562,786
Total Program & Admin Expenses	19,076,814	2,440,585	6,071,467	855,436	13,054,066	142,809	13,310,767	1,633,860	56,585,803
Energy Savings (kwh)	49,951,475	3,921,496	19,364,509	5,870,091	48,606,592	263,197	25,692,414	17,084,568	170,754,342

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Draft Annual Budget**

ENERGY EFFICIENCY

NW Natural Industrial

EXPENSES	Multifamil							Efficiency Total
	Existing Buildings	y Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	
Program Management	40,830		5,446		148,736			195,012
Program Delivery:	145,350		6,864		681,513			833,727
Incentives:	1,337,397		240,523		917,401			2,495,321
Program Eval & Planning Svcs.:	37,721		12,488		58,076			108,285
Program Marketing/Outreach:	8,989		2,157		15,714			26,860
Program Legal								
Program Quality Assurance:								-
Outsourced Services:	11,891		6,960		28,834			47,685
Trade Allies & Cust. Svc. Mgmt.:	3,434		504		2,061			5,999
IT Services:	11,487		3,513		15,791			30,791
Other Program Expenses	8,590		532		8,697			17,819
TOTAL PROGRAM EXPENSES	1,605,689	-	278,987	-	1,876,823	-	-	3,761,499
ADMINISTRATIVE COSTS								
Management & General	40,778		7,085		47,664			95,527
Communications & Customer Svc	35,393		6,150		41,370			82,913
Total Administrative Costs	76,171	-	13,235	-	89,034	-	-	178,440
Total Program & Admin Expenses	1,681,860	-	292,222	-	1,965,857	-	-	3,939,940
Energy Savings (therms)	497,146		267,298		751,105	-	-	1,515,549

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Draft Annual Budget

ENERGY EFFICIENCY

NW Natural Gas

EXPENSES	Existing Buildings	y Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Program Management	73,144	71,909	50,724		53,237		888,543		1,137,557
Program Delivery:	789,459	365,872	397,214	321,731	152,123		2,314,546	869,864	5,210,809
Incentives:	1,741,434	372,073	902,863		389,162		8,065,976		11,471,508
Program Eval & Planning Svcs.:	72,448	23,903	68,172		26,645		364,732		555,900
Program Marketing/Outreach:	61,907	36,740	41,192		5,405		591,432		736,676
Program Legal									
Program Quality Assurance:							23,321		23,321
Outsourced Services:	20,737	12,418	37,996		9,919		201,385		282,455
Trade Allies & Cust. Svc. Mgmt.:	5,989	4,559	2,752		709		126,383		140,392
IT Services:	20,031	20,037	19,177		5,432		232,534		297,211
Other Program Expenses	14,980	4,025	2,906		2,992		51,180		76,083
TOTAL PROGRAM EXPENSES	2,800,129	911,536	1,522,996	321,731	645,624	-	12,860,032	869,864	19,931,912
ADMINISTRATIVE COSTS									
Management & General	71,113	23,150	38,678	8,171	16,396		326,597	22,091	506,196
Communications & Customer Svc	61,722	20,092	33,571	7,092	14,231		283,467	19,174	439,349
Total Administrative Costs	132,835	43,242	72,249	15,263	30,627	-	610,064	41,265	945,545
Total Program & Admin Expenses	2,932,964	954,778	1,595,245	336,994	676,251	-	13,470,096	911,129	20,877,459
Energy Savings (therms)	720,841	151,228	541,482	-	255,710	-	2,435,806	-	4,105,068

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Draft Annual Budget**

ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Program Management	26,991	2,617	7,850		13,757		76,181		127,396
Program Delivery:	291,780	13,316	61,469	35,748	63,996		198,486	96,652	761,447
Incentives:	643,625	13,542	139,719		98,263		691,706		1,586,855
Program Eval & Planning Svcs.:	24,250	870	10,550		5,849		30,688		72,207
Program Marketing/Outreach:	22,866	1,337	6,375		1,583		50,709		82,870
Program Legal									
Program Quality Assurance:							1,999		1,999
Outsourced Services:	7,645	452	5,880		2,904		17,260		34,141
Trade Allies & Cust. Svc. Mgmt.:	2,208	166	426		208		10,832		13,840
IT Services:	7,385	729	2,968		1,590		19,930		32,602
Other Program Expenses	5,522	147	450		876		4,386		11,381
TOTAL PROGRAM EXPENSES	1,032,272	33,176	235,687	35,748	189,026	-	1,102,177	96,652	2,724,738
ADMINISTRATIVE COSTS									
Management & General	26,216	843	5,986	908	4,801		27,991	2,455	69,200
Communications & Customer Svc	22,754	731	5,195	788	4,167		24,295	2,130	60,060
Total Administrative Costs	48,970	1,574	11,181	1,696	8,968	-	52,286	4,585	129,260
Total Program & Admin Expenses	1,081,242	34,750	246,868	37,444	197,994	-	1,154,463	101,237	2,853,998
Energy Savings (therms)	211,339	6,053	79,795	-	48,176	-	208,828	-	554,191

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Draft Annual Budget**

ENERGY EFFICIENCY

Avista

EXPENSES	Multifamil								Efficiency Total
	Existing Buildings	y Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	
Program Management	9,770	6,320	3,563		2,932		32,734		55,319
Program Delivery:	105,619	32,159	27,899		10,752		85,287		261,716
Incentives:	232,981	32,704	63,415		18,425		297,216		644,741
Program Eval & Planning Svcs.:	8,778	2,101	4,788		1,067		13,186		29,920
Program Marketing/Outreach:	8,277	3,229	2,893		289		21,789		36,477
Program Legal									
Program Quality Assurance:							859		859
Outsourced Services:	2,767	1,091	2,669		530		7,416		14,473
Trade Allies & Cust. Svc. Mgmt.:	799	401	193		38		4,654		6,085
IT Services:	2,673	1,761	1,347		290		8,563		14,634
Other Program Expenses	1,999	354	204		160		1,885		4,602
TOTAL PROGRAM EXPENSES	373,663	80,120	106,971	-	34,483	-	473,589	-	1,068,826
ADMINISTRATIVE COSTS									
Management & General	9,490	2,035	2,717		876		12,027		27,145
Communications & Customer Svc	8,236	1,766	2,358		760		10,439		23,559
Total Administrative Costs	17,726	3,801	5,075	-	1,636	-	22,466	-	50,704
Total Program & Admin Expenses	391,389	83,921	112,046	-	36,119	-	496,055	-	1,119,532
Energy Savings (therms)	52,367	17,426	47,465	-	9,762	-	220,995	-	348,014

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Draft Annual Budget**

ENERGY EFFICIENCY

NW Natural Washington

EXPENSES	Existing Buildings	NEEA Commercial	Residential	NEEA Residential	Efficiency Total
Program Management	50,923		106,420		157,343
Program Delivery:	173,286	36,359	229,183	98,303	537,131
Incentives:	455,400		652,556		1,107,956
Program Eval & Planning Svcs.:	63,817		136,587		200,404
Program Marketing/Outreach:	74,000		35,189		109,189
Program Legal					
Program Quality Assurance					
Outsourced Services:	1,000		35,550		36,550
Trade Allies & Cust. Svc. Mgmt.:	20,727		22,484		43,211
IT Services:	18,372		26,175		44,547
Other Program Expenses	17,155		26,633		43,788
TOTAL PROGRAM EXPENSES	874,680	36,359	1,270,777	98,303	2,280,119
ADMINISTRATIVE COSTS					
Management & General	22,214	923	32,273	2,497	57,907
Communications & Customer Svc	19,280	801	28,011	2,167	50,259
Total Administrative Costs	41,494	1,724	60,284	4,664	108,166
Total Program & Admin Expenses	916,174	38,083	1,331,061	102,967	2,388,283
Energy Savings (therms)	160,000	-	199,244		359,244

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Draft Annual Budget**

RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Program Management	402,492	300,628	703,120
Program Delivery:	215,240		215,240
Incentives:	3,806,000	1,237,717	5,043,717
Program Eval & Planning Svcs.:	93,963	21,596	115,559
Program Marketing/Outreach:	125,644	3,800	129,444
Program Legal	1,561	1,477	3,038
Program Quality Assurance:			-
Outsourced Services:	176,369	172,500	348,869
Trade Allies & Cust. Svc. Mgmt.:	32,678	52	32,730
IT Services:	86,276	63,949	150,225
Other Program Expenses	143,419	38,185	181,604
TOTAL PROGRAM EXPENSES	5,083,642	1,839,904	6,923,546
ADMINISTRATIVE COSTS			
Management & General	129,106	46,727	175,833
Communications & Customer Svc	112,056	40,556	152,612
Total Administrative Costs	241,162	87,283	328,445
Total Program & Admin Expenses	5,324,804	1,927,187	7,251,992
Energy Generation (kwh)	9,427,000	-	9,427,000

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Draft Annual Budget**

RENEWABLE PROGRAMS

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Program Management	370,376	308,648	679,024
Program Delivery:	161,260		161,260
Incentives:	3,539,500	1,279,891	4,819,391
Program Eval & Planning Svcs.:	94,644	22,255	116,899
Program Marketing/Outreach:	115,856	6,200	122,056
Program Legal	1,439	1,523	2,962
Program Quality Assurance:			-
Outsourced Services:	162,630	172,500	335,130
Trade Allies & Cust. Svc. Mgmt.:	30,133	54	30,187
IT Services:	79,555	65,898	145,453
Other Program Expenses	132,247	39,012	171,259
TOTAL PROGRAM EXPENSES	4,687,640	1,895,981	6,583,621
ADMINISTRATIVE COSTS			
Management & General	119,049	48,151	167,200
Communications & Customer Svc	103,327	41,792	145,119
Total Administrative Costs	222,376	89,943	312,319
Total Program & Admin Expenses	4,910,016	1,985,924	6,895,941
Energy Generation (kwh)	9,656,900	-	9,656,900

Capital Expenditure Budget

Description	Useful lives / depreciation policy	2018	2019
Information Systems			
AV System Upgrades	3 years	58,000	
Procurement Automation Software	3 years	175,000	
Helpdesk Software	3 years	10,000	
Servers and Storage	3 years	66,000	30,000
		<u>309,000</u>	<u>30,000</u>
Office Operations			
Kitchen Remodel	7 years	35,000	
Bathroom Stalls Remodel	7 years	13,100	
Chair rails for Kilowatt/Megawatt	7 years	6,252	
Replace Three Copiers	5 years	60,000	
Conference Room Chairs	5 years	10,000	
		<u>124,352</u>	
		<u><u>433,352</u></u>	<u><u>30,000</u></u>
TOTAL CAPITAL PURCHASES			

Commercial Sector—Existing Buildings

Existing Buildings Program Description

Energy Trust's Existing Buildings program provides electric and gas energy-efficiency solutions for existing commercial buildings. The program has three components: program management and delivery through Program Management Contractor ICF International, commercial Strategic Energy Management and Pay for Performance offerings through ICF International, and management and delivery of the Existing Multifamily program through PMC Lockheed Martin. The Multifamily Action Plan is a separate document. The Existing Buildings program consists of four tracks.

1. The **custom track** saves electricity and natural gas through energy-efficient capital projects and operations and maintenance upgrades. PMC account managers, trade allies and engineering firms identify and promote customer opportunities.
2. The **standard track** provides incentives for standard measures with predetermined savings for buildings of all sizes and across all commercial market sectors. The program promotes measures through customer outreach and cultivation of trade ally contractors.
3. The **lighting track** uses a combination of customer outreach and outreach through a network of trade allies. In addition to the traditional lighting track, the program offers incentives provided midstream to distributors and retailers with savings passed onto small commercial customers and state agencies.
4. The **energy performance management track** uses training, tools, technical assistance and incentives to help customers save energy by improving energy management practices.
 - **Commercial Strategic Energy Management** has a year-long enrollment cycle using a cohort approach. Through commercial Strategic Energy Management, Energy Trust offers technical assistance to deepen commitment to energy management. The offering helps customers drive persistent energy-efficiency improvements in large buildings or campuses. Customers are paid incentives for incremental savings achieved at the end of each enrollment year, as well as for milestones achieved throughout the year.
 - Customers participating in **Pay for Performance** enter into agreements with contractors to implement a suite of measures at a single site. The offering includes annual financial incentives for demonstrated energy savings each year for three years. Pay for Performance projects can include operations and maintenance, behavioral changes and capital upgrades.
 - **Retrocommissioning** projects feature incentives for specific operations and maintenance measures such as controls or HVAC adjustments, paid at project installation completion.
 - **Building Operator Certification and Energy Management Certification** offer incentives for coursework completion offered by the Northwest Water and Energy Education Institute.

2018 Strategic Focus

- Promote and add gas measures and/or measures with both gas and electric savings to increase gas opportunities and achieve goals.
- Adapt lighting program offerings to respond to changes in the market, standards and codes.
- Increase regional outreach and continue an emphasis on reaching a diverse set of customers, including size, type and location.

Draft 2018-2019 Program Action Plans

Commercial Sector—Existing Buildings

- Dedicate outreach and contractor recruitment resources to promote participation of minorities and women in Energy Trust's Trade Ally Network.
- Expand midstream offerings to streamline program delivery, improve cost-effectiveness of measures and target customers who purchase and install their own lighting rather than hiring a trade ally.
- Design and refine delivery strategies to expand participation, support a growing pipeline of long-term customers and influence a culture of energy management across businesses and institutions in Oregon.
- Find ways to reduce costs and drive better cost-effectiveness while maintaining a high level of customer service and support.

2018 Activities—Ongoing

Expand participation

- The program has consistently grown over the years and has exceeded 5,000 enrollments per year through a variety of delivery channels, targeted outreach and marketing efforts, and tailored program offerings to meet a wide range of customers. Staff expects enrollments to continue to grow and will focus efforts on achieving Energy Trust's savings and equity objectives.
- Expand outreach level of effort in northeast Oregon to better serve Cascade Natural Gas and Avista customers.
- Work with organizations that focus on diverse customer groups.
- Continue direct installation of efficient lighting to serve small business customers throughout the state and support equitable access to program opportunities.
- Deliver SEM Continuation cohorts in Southern Oregon, Central Oregon, Willamette Valley and Portland and launch two year-one cohorts.
- Support targeted demand-side management efforts with utilities.

Explore new savings opportunities

- Collaborate with NEEA to identify new measures, strategies and delivery channels.

Streamline program operations

- Reduce operational costs by improving processes and eliminating activities that are not effectively supporting the program for long-term savings.
- Work with the PMC to find opportunities to streamline SEM customer communication and support.
- Build a portfolio of SEM learning modules for workshop delivery that meets the needs of customers with evolving energy management practices.

Increase focus on quality technical assistance and design support through training for trade allies and technical consultants.

Increase market penetration

- Dedicate outreach and contractor recruitment resources to promote participation of minorities and women in Energy Trust's Trade Ally Network.

Draft 2018-2019 Program Action Plans

Commercial Sector—Existing Buildings

- Employment of regionally located trade ally coordinators will continue to build awareness among regional customers.

2018 Activities—New

Expand participation

- Re-engage underperforming trade allies and technical consultants with training and support to help them be more effective in closing projects.
- Launch the first combined commercial and industrial SEM cohort, which will take place in Northeast Oregon.
- Explore potential for a North Coast SEM cohort for commercial and industrial customers.

Grow program offerings

- Update program procedures to vet third-party energy studies and provide incentives for these projects.
- Investigate a midstream offering for HVAC for a 2019 launch.
- Enroll six buildings in the 2017 Pay for Performance pilot.

Explore new savings opportunities

- Identify pilot opportunities for new measures, such as working on a collaborative pilot with NEEA and Bonneville Power Administration for pumps and circulators.
- Explore ideas and conduct field tests of prescriptive, behavioral and technical strategies that will drive cost-effective energy savings in 2019.

Streamline program operations

- Refine and Implement improvements to multisite applications.
- Explore opportunities for additional calculators and tools to reduce processing time for custom energy audits and studies.

Deepen relationships with customers

- Utilize key account management strategy to support SEM opportunities.
- Create a standardized tracking system for long-term planning for larger customers.
- Continue emphasis on diversity based on customer size and location. Focus on inclusion of all customer types and business ownership.

Refine delivery strategies

- Engage stakeholders to support community energy efforts involving commercial buildings, including Multnomah County's PropertyFit Commercial Property Assessed Clean Energy and City of Portland Energy Performance Reporting.
- Leverage improved internal data systems for market analysis to engage new participants and explore new offers.
- Release request for proposals for revised commercial and industrial lighting tool.
- Promote integration of lighting controls and other best practices in comprehensive lighting projects through promotion of advanced lighting strategies.

Draft 2018-2019 Program Action Plans

Commercial Sector—Existing Buildings

- Refine SEM incentives to better support activity milestones.

2018 Key Assumptions, Risks and/or Challenges

- Market trends and analysis indicate that the lighting replacement market will continue to be very strong in 2018, which will continue to place demand on incentive budgets.
- Revisions to incentive levels made in 2017 and proposed for 2018 should help bring down per-unit costs that will allow the program to meet goals within budget.
- Historically low savings realization adjustment factors of 71 percent for electric and 58 percent for gas that resulted from the last evaluation will result in a significantly lower cost-to-savings ratio.
- Gas savings continue to be a challenge based on low gas costs and current avoided costs. As measure approval documents expire, it will be harder for gas measures to pass cost-effectiveness tests and offerings could be eliminated.
- Cost-effectiveness of the overall program is a potential concern given lower avoided costs and relatively higher delivery cost due to a growing number of smaller sites enrolled.
- If analysis indicates the SB 838 spending cap is exceeded for large energy users, the program will need to act to reduce spending on these customers.

2019 Expected Changes

- Revisions to incentive levels made in 2017 and proposed for 2018 should further help bring down per-unit costs in 2019.
- Lower evaluation factors will result in lower achieved savings at a higher cost per unit. This is especially challenging for gas measures in Existing Buildings.
- A decline in eligible lighting measures is anticipated due to market adoption and significantly lower LED pricing.

Draft 2018-2019 Program Action Plans

Commercial Sector—Existing Buildings

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2017 Reforecast	\$41.1	\$4.0	\$45.0	14.7	3.0	1,149,120	34.3
2018 Budget	\$48.6	\$6.1	\$54.7	14.7	3.4	1,481,693	37.5
2019 Projection	\$49.4	\$6.3	\$55.7	15.2	3.4	1,526,142	37.9

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
Incentives	30,265,172	26,619,419	32,666,890	33,748,506
Delivery Costs	14,507,334	14,098,646	15,696,186	15,905,167
ETO expenses				
Staffing	734,572	673,521	838,953	871,082
Marketing	325,500	289,000	282,475	286,500
Other Services	1,163,484	625,962	1,355,286	1,177,591
General	42,000	39,159	205,500	198,500
Allocations	1,052,722	971,391	1,168,138	1,153,337
Sub-Total before Admin Costs	48,090,784	43,317,098	52,213,428	53,340,683
Administrative Costs	2,026,236	1,725,693	2,476,940	2,374,560
TOTAL EXPENSE	50,117,020	45,042,791	54,690,368	55,715,243

Commercial Sector—Existing Multifamily

Existing Multifamily Program Description

Delivered through Program Management Contractor Lockheed Martin, the Existing Multifamily program serves existing multifamily structures with two or more dwelling units across diverse market segments, including market rate housing, affordable housing, assisted living facilities, campus housing facilities, homeowners associations and individual unit owners. Offerings include free installation of LEDs, showerheads and faucet aerators, and distribution of energy-saving advanced power strips in tenant units. Other offerings are incentives for common-area lighting upgrades; incentives for standard measures including HVAC equipment, water heaters, weatherization, appliances and foodservice equipment; midstream incentives provided to distributors for qualifying equipment and lighting measures; incentives for custom projects; and technical services including technical analysis studies and free walkthrough surveys.

2018 Strategic Focus

- Expand participation in market segments and regions where participation has historically been lower, using market and program participation data analysis and customized marketing and outreach strategies
- Foster long-term relationships with customers to drive repeat participation and deeper energy savings.
- Develop a strategic plan for utilizing data to drive program design improvements and targeted outreach.
- Enhance relationships with market actors, including trade allies, distributors, manufacturers and partners such as Oregon Housing and Community Services, the City of Portland and the Portland Water Bureau.
- Seek new savings opportunities by monitoring new technologies and conducting field tests and pilots.
- Maintain strong cross-program collaboration to identify ways to align on offerings and messaging, streamline program participation and reduce customer confusion.
- Enhance engagement strategies and services for affordable housing customers.
- Explore tenant engagement strategies.
- Develop customized strategies to engage with customers of various sizes, types and locations throughout the state.
- Develop potential strategies to redesign the direct installation offering to maintain cost-effective offerings for instant-savings measures, including LEDs, showerheads, faucet aerators and advanced power strips.

2018 Activities—Ongoing

Deepen relationships with customers and expand participation

- Maintain account management approach with PMC representatives who conduct direct outreach to property owners and managers, including dedicated representatives located in Central Oregon and Southern Oregon.

Draft 2018-2019 Program Action Plans

Commercial Sector—Existing Multifamily

- Expand the delivery of energy-efficiency workshops for multifamily customers, presenting relevant information based on their market segment and region.
- Analyze market and program participation data to identify key areas of opportunity and refine messaging based on market segment and region.
- Develop outreach tactics for customer groups with lower participation rates, such as smaller multifamily properties and customers outside of the Portland Metro area.
- Increase trade ally driven program activity through enhanced trade ally support, one-on-one engagement and educational resources, and encouraging use of business development funds.
- Dedicate outreach and contractor recruitment resources to promote participation of minorities and women in Energy Trust's Trade Ally Network.

Offer a wide range of incentives and services

- Provide free direct installation of LEDs, showerheads and faucet aerators, and distribution of energy-saving advanced power strips in individual dwelling units.
- Promote common-area lighting solutions, with outreach emphasis on smaller multifamily properties.
- Promote standard measures, which saw strong uptake in 2017.
- Continue and expand midstream incentives paid to distributors for appliances, water heating and HVAC equipment, with savings passed onto customers.
- Support multifamily customers enrolled in commercial Strategic Energy Management.

Grow program offerings and seek new savings opportunities

- Partner with the Portland Water Bureau on a water sub-metering pilot to study the savings associated with shifting participants from master-metered to individually metered water billing.
- Optimize the benchmarking offering to provide customers with actionable reports that help them prioritize property improvements and track impacts.
- Drive participation in the efficient wall heater pilot to determine if energy-efficient wall heaters provide savings for multifamily customers who are not able to make other upgrades.
- Continue limited rollout of an online tool enabling customers to solicit multiple bids for custom projects through a competitive online request for proposals process. Determine if this service increases project close rates and decreases timeframes for custom projects.
- Leverage Multnomah County and Prosper Portland's (formerly the Portland Development Commission) PropertyFit Commercial Property Assessed Clean Energy initiative as a financing option to enable deeper savings for interested customers. PropertyFit leverages Energy Trust incentives and loans to provide 100 percent of funding to commercial property owners in Multnomah County who complete comprehensive energy-efficiency and renewable energy projects, with long-term loans from Prosper Portland repaid through energy savings or electricity production. This tool may lead to comprehensive projects for customers previously limited by access to capital.
- Incorporate Tier 2 advanced power strips with activity sensors into the direct installation offering, based on outcome of 2017 analysis.

Draft 2018-2019 Program Action Plans

Commercial Sector—Existing Multifamily

2018 Activities—New

Refine outreach strategies to expand participation

- Use data analytics to identify areas with high savings opportunities and lower participation rates.
- Refine program design and outreach strategies by incorporating lessons learned from market analysis and data-driven program outreach.
- Simplify requirements and increase distributor motivation to participate, and explore ways to leverage midstream incentive strategies across programs.
- Conduct secondary research to identify opportunities for increasing participation in specific market sectors.

Explore new program services and savings opportunities

- Assess opportunities for enhancing services to help affordable housing participants install comprehensive upgrades.
- Identify opportunities to engage renters to help reduce in-unit energy consumption.
- Assess opportunities for testing behavioral energy savings initiatives in multifamily properties.
- Investigate alternative delivery options for direct installation of energy-efficient products in tenant units.
- Launch new incentives for rooftop unit controls and heat pump advanced controls.
- Support targeted demand-side management efforts with utilities.

Streamline program design to improve customer experience

- Simplify program forms and processes to meet customer needs, especially for direct installation enrollment and portfolio managers installing measures at multiple sites.
- Pursue additional online incentive applications and enrollment forms.

2018 Key Assumptions, Risks and/or Challenges

- Existing Multifamily has several key measures that may be discontinued due to cost-effectiveness; these current unknowns will have significant impacts on 2018-19 budgets. Exception requests are currently under review by the OPUC for ductless heat pumps and single-pane window replacements in electrically heated stacked structures. Additionally, the program expects to discontinue incentives for replacing double-pane windows in electrically heated stacked structures, as well as electric tank water heaters, in 2018.
- The expiration of the Residential Energy Tax Credit will impact window and ductless heat pump measures.
- The direct installation track faces eroding savings per measure and per site and increased market saturation.

2019 Expected Changes

- With the increasing challenges to the direct installation track, the model for instant-savings devices for multifamily properties will need to change in 2019 to maintain viability.
- In a dynamic lighting market, program offerings may also need to change in 2019.

Draft 2018-2019 Program Action Plans

Commercial Sector—Existing Multifamily

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2017 Reforecast	\$8.4	\$1.2	\$9.6	1.9	4.6	171,585	70.3
2018 Budget	\$9.1	\$1.1	\$10.1	1.8	5.3	174,707	47.3
2019 Projection	\$8.8	\$1.2	\$9.9	1.6	5.5	168,020	52.3

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
Incentives	6,138,506	3,909,372	3,925,144	3,686,310
Delivery Costs	4,586,068	4,536,067	4,645,000	4,673,609
ETO expenses				
Staffing	268,166	235,667	318,497	344,046
Marketing	45,900	40,000	40,400	39,400
Other Services	119,250	44,000	208,000	228,000
General	9,000	4,000	11,500	9,500
Allocations	490,786	461,296	537,601	527,244
Sub-Total before Admin Costs	11,657,676	9,230,402	9,686,142	9,508,109
Administrative Costs	491,179	367,726	459,498	423,271
TOTAL EXPENSE	12,148,855	9,598,128	10,145,640	9,931,380

Commercial Sector—New Buildings

New Buildings Program Description

New Buildings influences commercial design and construction practices to deliver buildings with low energy use. Program staff work closely with building owners and design teams to make energy considerations part of building design criteria and an asset for the building owner in both major renovations and new construction projects. Outreach managers influence a broad range of market actors, leveraging energy-efficiency and renewable energy strategies and incentives to achieve energy savings targets. New Buildings delivers highly technical solutions, simplified where possible, to create cost-effective, above-code options that leverage architectural design solutions and systems. New Buildings provides incentives to support high-performance design, including early design assistance, energy modeling incentives and a solar ready offering; incentives for whole building approaches including modeled savings, standard incentive packages for small commercial buildings; and prescriptive and calculated incentives such as standard offerings and lighting calculators.

2018 Strategic Focus

- Build market momentum for net zero and Architecture 2030 goals through Path to Net Zero and whole-building offerings.
- Drive savings and prepare customers and building industry professionals for advancing codes and standards through customizable incentive packages.
- Accelerate adoption of emerging technologies and approaches through partnerships, pilots and other promotions.
- Influence decisions from early design to occupancy by deploying additional tools and repositioning offerings to drive further market adoption and improve building energy performance.
- Launch a competitive selection process for program design, delivery and management contracts.
- Support evaluations, including of program impact, program process and large or complex project evaluations.

2018 Activities—Ongoing

Targeted offerings

- Encourage innovation the Path to Net Zero offering designed to push savings to at least 40 percent better than code and incorporate solar to reach net-zero energy goals.
- Support the connection between energy efficiency and resilience through education, technical assistance and implementation of renewable and efficiency measures. Implement solar ready, an offering that supports early feasibility of installing solar.
- Provide custom solutions using whole-building energy modeling, technical assistance, early design assistance, and standard and custom measures to capture savings in larger projects. Target and support small commercial construction through streamlined approaches.

Comprehensive market delivery

Draft 2018-2019 Program Action Plans

Commercial Sector—New Buildings

- Continue regional outreach and delivery model with personnel based in Eastern Oregon, Southern Oregon and the Portland Metro area. Emphasize diversity and inclusion of all customer types in program offers, outreach, training and education.
- Engage the small commercial market through standard incentive packages for small commercial buildings, targeted by building types.
- Engage the data center market, targeting small- and mid-sized facilities.
- Engage with the public sector and market actors involved in projects supported by bond measures, and provide design assistance and support for these projects from inception.

Continue strategic market transformation activities

- Provide training and education opportunities for design professionals and building owners around the state on high-performance building design strategies and technologies, including solar.
- Promote and release results from the 2017 Net Zero Fellowship. Release and promote opportunities similar to the 2017 Fellowship and small project grants.
- Coordinate with NEEA to leverage regional activity, enhanced codes pathway and commercial lighting, and prepare for code updates estimated to improve electric baseline by 5-10 percent.
- Explore supporting a pilot program with NEEA for an advanced HVAC technology with heat recovery.

2018 Activities—New

Expand participation and deepen relationships with customers

- Increase delivery of Best and Very Best Market Solutions incentive packages that deliver more savings to customers.
- Expand the training and education offering—Allies for Efficiency—with best practices, case studies and local success stories. Expand market delivery through co-sponsorships and regional building tours.
- Add a net zero leadership series with the objective of supporting emerging building industry professionals and their ability to apply net-zero design strategies to the growing number of net-zero projects.
- Collaborate with cities to advance energy-efficiency opportunities at the master planning stage, supporting large-scale developments.
- Help design teams maintain energy strategies identified in early design through late-stage cost-cutting exercises.
- Help owners make a more compelling business case for solar and high-performance buildings through targeted customer stories, training and education.

Refine measures and offerings

- Revise Market Solutions for several targeted building types—including multifamily, grocery and schools—and create new Market Solutions offerings for public sector facilities and low-income multifamily buildings, including features that help overcome barriers to energy efficiency faced by nonprofit developers building affordable housing.
- Develop variable refrigerant flow offering for specific markets as identified in a 2017 pilot.
- Streamline modeling and technical review processes to address perceived barriers to participation.

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Commercial Sector—New Buildings

Refine strategic program development and innovation

- Explore and test tools, technologies and strategies to improve design assumptions and building performance, creating a feedback loop from building operators to building designers.
- Develop offerings for measures that may be next in line for code through code scans and work of other groups, such as Pacific Northwest National Laboratory and NEEA.
- Support targeted demand-side management efforts with partner utilities.

2018 Key Assumptions, Risks and/or Challenges

- Construction will continue at a fast pace through 2018-2019, with strong activity in office, retail, mixed-use, multifamily and school buildings.
- Few large savings projects are expected to enter and complete the program in 2018, such as data centers and health care projects. Additional technical support may be needed for new leads.
- If analysis indicates the SB 838 spending cap is exceeded for large energy users, the program will need to act to reduce spending on these customers.

2019 Expected Changes

- The new version of the Oregon energy code is expected in 2018, which will necessitate measure and offering redevelopment and will likely impact savings starting in 2019.
- The pace of construction is expected to continue into 2019, particularly for education and other bond-funded projects.
- Refine program offerings using learnings from Path to Net Zero to drive deeper savings in all projects. Incorporate energy target setting by providing an energy use intensity target for all projects entering the program, starting with a phased rollout in 2018.
- The program will identify opportunities for deeper impact by providing support to new construction development areas that closely align with energy efficiency, such as renewable energy, resilience and master planning.
- Savings from data centers are likely to increase after low savings in 2017 and 2018.

Draft 2018-2019 Program Action Plans

Commercial Sector—New Buildings

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2017 Reforecast	\$17.2	\$2.2	\$19.5	6.1	2.8	897,658	20.0
2018 Budget	\$19.9	\$2.2	\$22.2	6.3	3.3	936,040	20.5
2019 Projection	\$18.3	\$2.6	\$20.9	6.6	2.9	987,271	22.6

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
Incentives	11,174,545	11,261,627	12,573,969	12,003,809
Delivery Costs	6,124,078	6,124,078	6,121,575	6,121,575
ETO expenses				
Staffing	328,025	318,766	411,585	329,938
Marketing	132,000	127,000	157,000	119,000
Other Services	720,067	280,551	1,186,333	701,822
General	0	7,900	13,000	11,000
Allocations	660,233	590,365	699,555	687,811
Sub-Total before Admin Costs	19,138,948	18,710,287	21,163,017	19,974,955
Administrative Costs	806,392	745,392	1,003,947	889,223
TOTAL EXPENSE	19,945,340	19,455,679	22,166,964	20,864,178

Commercial Sector—Southwest Washington

Southwest Washington Commercial Program Description

Energy Trust's Washington Existing Buildings program provides gas energy-efficiency solutions for existing commercial buildings. Business customers of NW Natural in Washington can receive incentives for qualifying energy-efficient upgrades and retrofits. The program provides incentives for select measures in existing and new commercial buildings, including office buildings, restaurants and other foodservice buildings, dormitory and assisted living facilities, greenhouses and multifamily structures. The Washington Existing Buildings program consists of two tracks:

- The **custom track** saves natural gas through energy-efficient capital projects and operations and maintenance upgrades. Program Management Contractor account managers and engineering firms identify and promote customer opportunities. The custom track also includes opportunities in retrocommissioning, which features targeted incentives for operations and maintenance improvements such as controls or HVAC adjustments.
- The **standard track** provides incentives for standard measures with predetermined savings for buildings of all sizes and across all commercial market sectors. The program promotes measures through customer outreach and cultivation of trade ally contractors.

2018 Strategic Focus

- Identify and work with customers, architects and trade allies on new construction projects.
- Continue to work with school districts based on recent bond approvals.
- Strengthen the trade ally network to work with small- and medium-sized businesses.
- Introduce new gas measures including HVAC, restaurant equipment and measures for multifamily structures.
- Continue emphasis on diversity based on customer size, location, customer types and business ownership.

2018 Activities—Ongoing

Expand participation

- Dedicate outreach and contractor recruitment resources to promote participation of minorities and women in Energy Trust's Trade Ally Network.

Grow program offerings

- Promote non-funded studies to accommodate medium-usage customers through the custom track. Trade allies are encouraged to submit single-measure custom projects to the program for review without a proposal for funding or a request for study incentive. This cuts out several steps and time delays in the process (proposal for study, negotiation on study cost, issuing a work order for a study, etc.) This also helps medium-usage customers with smaller projects because the program cannot pay for studies where potential savings do not justify the study costs. Non-funded studies are for custom

Draft 2018-2019 Program Action Plans

Commercial Sector—Southwest Washington

projects where only a limited number of variables determine the savings. Projects may include custom boilers or roof insulation over 50,000 square feet.

- Continue to review measures nearing expiration while developing new gas measures.

Streamline program operations and deepen relationships with customers

- Refine customer acquisition and account management to identify market opportunities and serve NW Natural commercial ratepayers efficiently.

Refine delivery strategies

- Increase focus on trade ally delivery through trade ally coordinator outreach and training.

Deliver technical assistance and design support

- Focus on working with active allied technical assistance contractors.

Increase market penetration

- Dedicate outreach and contractor recruitment resources to promote participation of minorities and women in Energy Trust's Trade Ally Network.
- Explore opportunities for Spanish or other language collateral.

2018 Activities—New

Expand participation

- Use building permit information to expand new construction participation.

Grow program offerings

- Investigate a midstream offering for HVAC for a 2019 launch.

Streamline program operations

- Refine and implement improvements to multisite applications.
- Explore offering instant incentives paid directly to trade allies.

Deepen relationships with customers

- Create a standardized spreadsheet for long-term planning for larger customers.

Deliver technical assistance and design support

- Introduce every-other-month trainings for allied technical assistance contractors.

2018 Key Assumptions, Risks and/or Challenges

- Gas savings continue to be a challenge based on low gas costs and current avoided costs. It will be harder for gas measures to pass cost-effectiveness tests and offerings may be eliminated, such as warm air furnaces.

Draft 2018-2019 Program Action Plans

Commercial Sector—Southwest Washington

- Forecasting custom pipeline development and realization of custom project savings in a relatively small commercial program can be challenging. One large project can make up a large percentage of program budget. Ensuring an accurate forecast for 2018 is a high priority

2019 Expected Changes

- Boilers bring in the largest savings per standard applications. Over the past few years, as participation in boiler projects decreased, incentives were raised. This measure has one of the highest per unit costs. If participation in 2018 continues at the same level, in 2019 it may be necessary to reduce the boiler incentives to level the overall per unit cost.

Draft 2018-2019 Program Action Plans

Commercial Sector—Southwest Washington

	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2017 Reforecast		\$0.8	\$0.8			146,876	53.5
2018 Budget		\$0.9	\$0.9			160,000	53.8
2019 Projection		\$0.9	\$0.9			160,000	53.2

Incentives	414,087	430,680	455,400	455,400
Delivery Costs	246,200	246,200	258,286	258,286
ETO expenses				
Staffing	25,751	22,272	25,923	28,972
Marketing	3,500	3,500	14,000	14,000
Other Services	11,000	11,000	11,000	1,000
General	17,860	17,860	14,698	14,338
Allocations	94,804	84,810	95,373	95,016
Sub-Total before Admin Costs	813,202	816,322	874,680	867,012
Administrative Costs	34,263	32,521	41,494	38,597
TOTAL EXPENSE	847,465	848,843	916,174	905,609

Industrial Sector: Production Efficiency

Production Efficiency Program Description

Energy Trust's Production Efficiency program provides electric and gas energy-efficiency solutions for all sizes and types of eligible industrial, agricultural, and municipal water and wastewater customers. The program provides services and incentives through three primary delivery tracks. Production Efficiency is designed and managed in-house by staff, and is delivered to market through the support of Program Delivery Contractors and other market actors.

1. The **standard tracks** focus on simpler, common equipment measures, typically installed through Energy Trust trade allies and other vendors. They are delivered by standard track PDCs that focus on trade ally outreach and training, new measure and calculator tool development, project verification and delivery of savings from lighting, irrigation, small compressed air, variable frequency drives and other standard and calculated measures.
2. The **custom track** allows for a comprehensive approach to gas and electric process efficiency projects, retrofits, and operations and maintenance improvements. Custom PDCs are industrial efficiency experts who act as long-term energy efficiency account managers for industrial customers of all sizes and types in assigned geographic territories, delivering approximately half of all Production Efficiency savings. Allied Technical Assistance Contractors provide analyses in support of the program for custom projects.
3. The **energy performance management track** includes training, tools and technical support of industrial Strategic Energy Management coaches to help customers save energy by establishing or improving energy management practices in the workplace. SEM offerings aim to secure and deepen customer commitment to energy management and improve capability to drive persistent, measureable improvements in the energy intensity of their operations. The energy performance management track includes both first-year SEM for new participants and Continuous SEM for graduates who would like to further improve their energy management practices.

2018 Strategic Focus

- Implement and improve standard, custom and industrial SEM offerings.
- Increase outreach, technical services and other support to the agriculture sector and to small- to medium-sized industrial customers to boost savings in these areas.
- Increase the number of gas projects completed in all tracks to help reduce fluctuations in annual savings from larger projects.
- Work with other organizations such as NEEA and Pacific Northwest National Laboratory to help deploy emerging technologies, including tests of new applications of existing technology such as smart controls, energy information systems and advanced lighting design.
- Improve internal processes and systems, including use of data and information to support program activities and technical management of all tracks.
- Dedicate outreach and contractor recruitment resources to promote participation of minorities and women in Energy Trust's Trade Ally Network.
- Adapt design, implementation and operations to accommodate the increasing volume of small projects. Since 2015, staff have seen an increase of almost 30 percent in project volume, and expect this growth to continue.

Draft 2018-2019 Program Action Plans

Industrial Sector: Production Efficiency

2018 Activities—Ongoing

Continuously improve program design and services

- Work with standard track PDCs to recruit, train and support trade ally vendors to sell efficient products, equipment and systems.
- Develop marketing and outreach strategies and streamline delivery to small- to medium-sized industrial customers.
- Deploy custom PDCs as long-term account managers and technical consultants for all types and sizes of industrial customers.
- Refine and expand Continuous SEM offering.

Broaden participation

- Recruit new participants into first-year and Continuous SEM, adding 15-20 new SEM participants.
- Provide rural outreach and services to farmers, irrigators and their vendors, including leveraging and collaborating with other agencies and nonprofits who are active in agriculture.
- Drive geographic diversity of gas and electric savings through outreach to trade allies, associations and other market actors across the state.
- Update and implement marketing, communication and event strategies to meet the needs of smaller customers and to support program outreach. Many marketing activities will continue, including direct marketing, materials to support PDC outreach, a quarterly customer newsletter, sponsorship of the NW Industrial Energy Efficiency Summit and the Oregon Manufacturing Awards. These activities and the My Business advertising campaign will be retooled, as needed, to address market opportunities.
- Work with utilities and other industry partners to improve awareness of the benefits of efficiency and services available for small- to medium-sized industrial customers.

Develop new measures and approaches to save energy

- Promote integration of lighting controls and other best practices in comprehensive lighting projects through ongoing promotion of advanced lighting strategies.
- Promote the regional diagnostic tool lending library to build capacity of industrial and agricultural customers to diagnose energy waste and savings opportunities.
- Continue to provide outreach, technical services and incentives to reduce energy use of new or expanding cannabis production facilities. Engage with local market actors and peers in other states to accelerate efficiency solutions and inform planning and strategies.

2018 Activities—New

Continuously improve program design and services

- Release request for proposals for revised commercial and industrial lighting tool.
- Review custom track design, release Request for Qualifications and contract with Custom Track program delivery contractors.

Draft 2018-2019 Program Action Plans

Industrial Sector: Production Efficiency

- Explore opportunities to streamline technical analysis studies for small and medium customers.
- Support targeted demand-side management efforts with partner utilities.

Broaden participation

- Focus on strategies to build community of energy champions (SEM and possibly other participants) to encourage cross pollination of ideas and identify deeper savings opportunities for customers
- Launch the first combined Commercial and Industrial SEM cohort, which will take place in Northeast Oregon.
- Explore a North Coast SEM cohort for commercial and industrial customers.
- Implement a tablet-based scoping tool to quickly identify opportunities and improve outreach to small and medium customers.
- Look for opportunities to reach historically under-participating customers and communities.

Develop new measures and approaches to save energy

- Launch training and a pilot for advanced integrated controls for lighting in 2018.
- Research non-lighting indoor agriculture measures and the interactive effects of efficiency upgrades with process lighting.
- Continue to develop new measures and calculator tools for small compressed air, irrigation, refrigeration and other common measures.

2018 Key Assumptions, Risks and/or Challenges

- The energy savings goal and budget assumes that the current economic and policy environment will not change in significant ways compared to 2017.
- If analysis indicates the SB 838 spending cap is exceeded for large energy users, the program will need to act to reduce spending on these customers.
- Production Efficiency costs and savings are historically difficult to forecast due to unpredictable project completion timelines and variable savings for large projects. To continue to acquire all cost-effective savings, it may be necessary to tap reserves if savings and costs are higher than budgeted.
- As the program serves more small- to medium-sized customers, it will need to manage program costs and tactics to scale delivery. Smaller projects are generally less cost-effective. Program cost-effectiveness may decrease as the number of large projects are limited and the number of small projects grows.
- Market trends and analysis indicate that the lighting replacement market will continue to be very strong in 2018.

2019 Expected Changes

- No changes expected for 2019 at this point.

Draft 2018-2019 Program Action Plans

Industrial Sector: Production Efficiency

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2017 Reforecast	\$34.2	\$2.7	\$36.9	16.6	2.3	1,112,759	21.4
2018 Budget	\$35.1	\$2.9	\$38.0	19.3	2.1	1,064,753	24.6
2019 Projection	\$35.5	\$2.9	\$38.3	17.3	2.4	1,064,753	24.7

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
Incentives	20,094,731	22,285,937	21,596,341	21,970,986
Delivery Costs	10,242,462	10,069,962	10,559,262	11,032,489
ETO expenses				
Staffing	1,194,516	1,331,522	1,497,998	1,644,456
Marketing	317,000	278,000	298,000	299,000
Other Services	665,533	758,678	1,451,334	932,444
General	35,500	35,500	38,500	38,500
Allocations	755,969	718,144	808,285	789,723
Sub-Total before Admin Costs	33,305,711	35,477,743	36,249,720	36,707,598
Administrative Costs	1,403,288	1,413,384	1,719,641	1,634,107
TOTAL EXPENSE	34,708,999	36,891,127	37,969,361	38,341,705

Residential Sector—Residential

Residential Program Description

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. The program is delivered through Program Management Contractor CLEAResult, with retail promotions delivered through Program Delivery Contractor Ecova and EPS new construction offerings delivered through PDC TRC. Incentives are available for energy-efficient HVAC and water heating equipment, lighting, appliances and weatherization upgrades. The program delivers these efficiency services through a number of key market channels:

Retail and distribution

- **Retail incentives** are paid to retailers and passed through consumers as instant discounts on lighting, showerheads and water heaters at point of purchase.
- **Distributor incentives** are paid to distributors to encourage the stocking and sales of energy-saving equipment, such as fireplaces with electronic ignitions and efficient gas and electric water heaters.

EPS new construction

- Energy Trust works with **builders and verifiers** to increase the energy-efficiency of newly constructed homes. Energy Trust provides incentives, educational opportunities, trade and program ally support, and quality assurance.

Manufactured homes

- Energy Trust offers **incentives and no-cost upgrades to existing manufactured homes, including** HVAC and weatherization upgrades. Owners receive an incentive check for the energy upgrades after completing an application. No-cost air sealing and free contractor-installed LEDs and showerheads are also available for owners of manufactured homes.
- Energy Trust offers support, incentives, education and collateral for **new manufactured home retailers and manufacturers** for the sale and sighting of ENERGY STAR® homes, as well as Heat Pump space and water heating equipment in all electric ENERGY STAR homes.

Home retrofit

- Residential customers can receive **standard incentives** for heating systems, fireplaces, insulation, windows and washing machines after completing an incentive application.
- Increased Savings Within Reach incentives for income qualified (moderate-income) homeowners reduce the up-front cost of energy upgrade projects. Incentives are paid to the trade ally and passed onto customers through lower up-front project costs. An on-bill loan repayment option is also available for customers of PGE, Pacific Power and NW Natural.

2018 Strategic Focus

- Transition program management to new PMC and program delivery to two new PDCs.
- Bolster participation among diverse customer and trade ally groups through targeted offerings and data driven outreach.
- Prepare to respond to reduced savings from lighting and water conservation devices by focusing on measures and program designs that drive new types of participation.
- Engage the supply chain to increase cost-effective savings acquisition.

Draft 2018-2019 Program Action Plans

Residential Sector—Residential

- Identify opportunities for operational efficiencies in incentive processing, trade ally management, quality assurance, consolidated measure analysis and submission processes across multiple sectors.
- Increase capabilities to support targeted demand-side management efforts with utilities.

2018 Activities—Ongoing

Product and service development

- Transition whole-home EPS offering to the updated Oregon Residential Energy Code, which represents an average improved baseline of 6 to 8 percent above the 2014 Oregon Specialty code.
- Support the City of Hillsboro's sustainability objectives for the development of South Hillsboro. Work with additional municipalities to share best practices for community-based strategies to drive efficient new construction practices
- Continue a pilot to assess energy savings potential and program design for replacement of older vintage manufactured homes with newly constructed, efficient manufactured homes.
- Complete delivery and evaluation of automated thermostat optimization pilot, with a goal of developing additional savings opportunities from smart thermostats. This is accomplished through the deployment of additional software algorithms to communicate with and control smart thermostats.
- Pilot delivery and develop a best practices guide for the design and installation of ductless heat pumps as primary heating systems in residential new construction.

Customer acquisition

- Continue marketing campaigns to maintain awareness and drive participation.
- Simplify customer experience through instant incentive offerings.
- Coordinate with Oregon Housing and Community Services, Community Action Partnership of Oregon and agencies serving low-income populations to develop energy-saving strategies.
- Use Energy Saver Kits as a customer engagement tool.
- Dedicate outreach and contractor recruitment resources to promote participation of minorities and women in Energy Trust's Trade Ally Network.

Operations management and fulfillment

- Offer full portfolio of residential incentives to electric and gas customers.
- Expand midstream offerings for water heaters and gas hearths with electronic ignition.
- Offer incentives for self-installed web-enabled smart thermostats to homeowners and builders, and promote thermostat optimization to Nest Thermostat customers.
- Support and expand energy-efficiency advancements in moderate-income and rental homes, with focus on heating system upgrades.
- Provide broad field services to support trade ally and builder participation with consistent engagement throughout the state.
- Continue collaboration with utilities and Craft3 on process improvements for financing with repayment through utility bills.

Draft 2018-2019 Program Action Plans

Residential Sector—Residential

2018 Activities—New

New product and service development

- Develop a methodology to produce a five-year measure savings assessment, incorporating market intelligence, emerging technology roadmaps, resource planning, customer acquisition strategies and existing Integrated Resource Plan assessments.
- Deploy an automated meter data analytics platform to engage trade allies, program delivery staff and Energy Trust evaluation staff to improve work quality, energy savings outcomes and standard baseline assumptions for measure analysis.
- Update new construction quality control and workflow processes to facilitate an increasingly consultative approach to increase the program's influence on the new construction market.
- Transition from heat pump offering from Heating Seasonal Performance Factor requirements to requirements that optimize heat pump sizing and controls for the broader market.
- Engage stakeholders to develop a consensus-based net-zero home specification for gas and electric heated homes. Use best practices and technical roadmap for future residential energy code updates.

Customer acquisition

- Support a five-year measure savings assessment by developing an accompanying plan identifying future customer acquisition strategies.
- Develop a competitive solicitation and enrollment for trade allies to offer specialized services in under-participating market segments.
- Contract with community-based organizations to ensure residential offers and promotions engage underserved communities, in coordination with Communications and Customer Service. Contracted activities may include advising PMC on best practices and/or delivery of services to engage customers.
- Engage with Home Energy Score stakeholders to support adoption of Home Energy Scores and promote energy-efficiency improvements.
- Diversify distribution of incentives across the supply chain to increase savings acquisition and participation.
 - Explore strategies to maintain gas fireplace savings by moving fireplace efficiency upgrade and electronic ignition upgrade incentives to distributors.
 - Transition clothes washer incentives from a customer incentive check to instant discount for lower-cost, efficient models.
 - Increase measure uptake of ductless heat pumps in new manufactured homes by working closely with Northwest Energy Works. Develop and coordinate relationships between retailers and ductless heat pump installers.
- Support targeted demand-side management efforts with utilities.

Operations management and fulfillment

- Monitor the impact of the discontinuation of Residential Energy Tax Credit to determine impacts on retail prices and demand for measure technologies

Draft 2018-2019 Program Action Plans

Residential Sector—Residential

- Develop efficiencies and enhance customer service through incentive processing changes, including implementation of direct deposit payments and automated communications to high-volume participants
- Explore more efficient quality assurance protocols, including adding new technologies, working with new program partners and adding new data resources.

2018 Key Assumptions, Risks and/or Challenges

- The program will transition to a new consolidated program and implementation structure.
- The program will be under several cost-effectiveness constraints, including the sunset of RETC.
- A strong home improvement market will continue to bolster window and equipment purchases.
- Energy Saver Kit strategy consolidation and order form enhancements will reduce overall savings from water- and energy-saving devices in kits while improving installation rates. As the kit strategy evolves, some combinations of products may not be cost-effective but could be supported through new strategies to use LEDs to engaged new, underserved customers.
- As the new construction residential building code goes into effect, a consistent market penetration of EPS built homes is expected.
- Increased LED market share and reduced incremental costs will significantly reduce lighting savings and increase per unit costs. This may reverse current efforts to expand participation of smaller retailers in rural areas.

2019 Expected Changes

- The residential delivery structure is expected to continue to evolve.
- The program will expand specialized ally participation opportunities to align with identified critical low participation areas.
- The program will continue to expand income-qualified program offers and no-cost offerings.
- The program will diversify distribution of incentives across the supply chain to increase savings acquisition and participation across the service territory.
- Staff will continue to manage reductions to lighting and showerhead savings potential.
- Staff will evaluate pilots to determine opportunities for program integration.

Draft 2018-2019 Program Action Plans

Residential Sector—Residential

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2017 Reforecast	\$39.0	\$11.5	\$50.5	17.4	2.3	2,965,574	29.2
2018 Budget	\$34.5	\$15.1	\$49.6	7.2	4.9	2,865,630	33.1
2019 Projection	\$28.4	\$16.1	\$44.5	5.2	5.3	2,034,987	50.7

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
Incentives	29,972,113	29,978,827	29,393,967	24,600,933
Delivery Costs	13,386,288	13,012,849	11,928,476	11,678,160
ETO expenses				
Staffing	1,057,045	1,101,045	1,209,778	1,316,824
Marketing	664,000	617,000	675,000	758,750
Other Services	1,624,466	1,567,634	1,486,370	1,464,814
General	65,250	65,250	72,500	72,500
Allocations	2,511,120	2,240,128	2,582,261	2,552,535
Sub-Total before Admin Costs	49,280,282	48,582,733	47,348,352	42,444,516
Administrative Costs	2,076,354	1,935,468	2,246,146	2,081,229
TOTAL EXPENSE	51,356,636	50,518,201	49,594,498	44,525,745

Residential Sector—Southwest Washington

Southwest Washington Residential Program Description

Residential programs in Southwest Washington acquire cost-effective gas savings by engaging with builders and homeowners. Energy Trust engages with builders to increase energy efficiency of newly constructed homes through incentives, education, trade and program ally support, and quality assurance. For single-family and small multifamily homeowners, Energy Trust provides energy savings through incentives for efficient space heating and controls, water heating, insulation, windows, water conservation and behavioral actions, education, trade ally support, financing with repayment through utility bills, and market interventions.

2018 Strategic Focus

- Transition to consolidated delivery of Washington residential program through New Homes Program Delivery Contractor TRC.
- Bolster participation among diverse customer and trade ally groups through further enhancements of targeted offerings and outreach based on continuous data input.
- Continue outreach that builds on existing relationships with trade allies while continuing to enhance participation through engagement across the supply chain to increase cost-effective savings acquisition.
- Grow the residential incentive portfolio by introducing multifamily measure options.
- Coordinate with NW Natural stakeholder and trade ally relationships to drive participation in Existing Homes offerings and EPS homes.
- Monitor and incorporate new gas saving technologies and products into the program.
- Continue to grow and develop builder and verifier networks through outreach activities to support increased market share of EPS homes.
- Prepare for 2019 Washington Residential Energy code changes, including monitoring and tracking updates and participating in stakeholder groups.
- Identify opportunities for operational efficiencies in incentive processing, trade ally management, quality assurance, and consolidated measure analysis and submission processes across sectors.
- Ensure program is forecasted, budgeted and managed to meet performance criteria as defined by the Washington Utility and Transportation Commission and as specified in the 2018 NW Natural Washington Energy Efficiency Plan, including incentive to delivery ratio, Utility Cost Test and Total Resource Cost Test results. Provide rationale as to why the portfolio should still only be evaluated on Utility Cost Test.

2018 Activities—Ongoing

- Work with NW Natural to ensure program delivery is in alignment with goals.
- Work with NW Natural to ensure compliance to Washington Utilities and Transportation Commission regulatory requirements and to provide robust and accurate reporting.

Draft 2018-2019 Program Action Plans

Residential Sector—Southwest Washington

- Explore and execute on strategies to increase incentive spending compared to total program delivery costs. Strategies and activities include supply chain and midstream efforts for gas fireplace electronic ignition and gas tank water heaters, Nest Seasonal Savings, Energy Saver Kit distribution and introduction of a consumer facing tankless water heater measure.
- Collaborate with NW Natural on marketing campaigns and strategies.

Existing Homes

Expand participation

- Support trade ally experience through customized in-person engagements that facilitates incentive application submission.

Grow program offerings and explore new savings opportunities

- Increase engagement across the supply chain to increase cost-effective savings acquisition of thermostat optimization, fireplace electronic ignition and midstream water heaters.

Streamline program operations

- Collaborate with Craft3, a nonprofit community development financial institution, to improve processes for financing with repayment through utility bills.
- Reduce administrative impacts through improved program quality assurance processes, leveraging technology innovations, program partners and available data resources.
- Launch updated Energy Saver Kit measures, including showerheads, shower wands and faucet aerators.

New Homes and Products

Maintain and grow program offerings and increase market penetration

- Promote EPS™, a home energy performance score, through engagement, training and support of verifier and builder networks.
- Collaborate with Bonneville Power Administration Simple Steps, Smart Savings™ to offer discounted showerheads at retail stores.

Technical and design assistance

- Support administration of third-party field quality assurance, including coordination with verifiers to maintain quality assurance and quality control procedures.
- Provide outreach and technical services to help participating builders maximize energy savings.

Streamline program operations and refine delivery strategy

- Collaborate with Axis software provider company, Pivotal, to identify database improvements.
- Use permit data to target builder recruitment and engagement with existing trade allies.

2018 Activities—New

Existing Homes

Expand participation and increase market share of efficient equipment

- Engage trade allies and other interested stakeholders to increase market share of smart thermostats.

Draft 2018-2019 Program Action Plans

Residential Sector—Southwest Washington

- Engage with community stakeholders and allies to drive participation and offerings aligned with community needs.
- Reach new and diverse customers through targeted marketing.
- Dedicate outreach and contractor recruitment resources to promote participation of minorities and women in Energy Trust's Trade Ally Network.

Grow program offerings

- Add offerings for small multifamily customers in Washington with support from Existing Multifamily PMC Lockheed Martin.

Explore new savings opportunities

- Assess introduction of additional small multifamily incentives in the residential portfolio as part of a midyear Washington Utilities and Transportation Commission tariff filing.

Streamline program operations

- Develop efficiencies and enhanced customer service through incentive processing changes, including direct deposit payments and automated communications
- Evolve quality assurance protocols to reduce administrative impacts, including exploration of new technologies, program partners and available data resources.

Deepen relationships with customers

- Leverage data analytics to target email marketing.
- Ensure culturally appropriate messaging for multiple Hispanic target markets through consulting with IZO Marketing.

Refine delivery strategies

- Diversify distribution of incentives across the supply chain to increase savings and participation across the service territory.

New Homes and Products

Expand participation and increase market share of efficient equipment

- Customize EPS market support for actor and stakeholders.

Comprehensive market delivery

- Identify market engagement strategies to support builder retention and recruitment.

Increase market penetration

- Support real estate market engagement across residential programs.

Deliver technical assistance and design support

- Provide early design assistance to builders and verifiers to identify more savings opportunities at the design phase.

2018 Key Assumptions, Risks and/or Challenges

Existing Homes

- A strong home improvement market will continue to bolster energy upgrade purchases.
- Additional financing options in the market will continue to compete with On-Bill Repayment
- Midstream engagement relies on market actors' acceptance of data reporting requirements.

New Homes and Products

Draft 2018-2019 Program Action Plans

Residential Sector—Southwest Washington

- New construction will continue to be robust in Clark County. High market adoption and participation in EPS New Homes is expected. The program will work to ensure accurate forecasting and budgeting for an evolving and expanding market.

2019 Expected Changes

- Expand specialized ally participation opportunities to increase low participation areas.
- Diversify distribution of incentives across the supply chain to increase savings acquisition and participation across the service territory.
- 2018 Washington Residential Energy code changes will impact 2019 planning and evaluation and 2020 New Homes administration and savings trends.

Draft 2018-2019 Program Action Plans

Residential Sector—Southwest Washington

	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2017 Reforecast		\$1.2	\$1.2			206,796	44.0
2018 Budget		\$1.3	\$1.3			199,244	47.7
2019 Projection		\$1.4	\$1.4			206,815	47.2

Incentives	475,510	641,256	652,556	683,571
Delivery Costs	285,746	285,746	301,585	301,585
ETO expenses				
Staffing	67,362	53,964	59,207	65,842
Marketing	10,000	10,000	10,000	10,000
Other Services	50,550	35,550	50,550	50,550
General	22,112	22,112	20,865	21,225
Allocations	170,795	151,680	176,014	177,200
Sub-Total before Admin Costs	1,082,075	1,200,308	1,270,777	1,309,973
Administrative Costs	45,592	47,819	60,284	58,316
TOTAL EXPENSE	1,127,667	1,248,127	1,331,061	1,368,289

Northwest Energy Efficiency Alliance

Northwest Energy Efficiency Alliance Description

Northwest Energy Efficiency Alliance identifies and drives market transformation programs to accelerate and sustain market adoption of energy-efficient products, services and practices across commercial, industrial and residential sectors, working in coordination with Energy Trust. NEEA researches and assesses emerging energy-efficiency opportunities and facilitates coordinated regional strategies to permanently remove market barriers and leverage the collective scale and power of the region. NEEA's role in market transformation efforts varies by program, and generally focuses on activities with market participants upstream from Energy Trust and utility customers.

2018 Strategic Focus

Fill the energy-efficiency market transformation pipeline with new products/services/practices.

- Identify new opportunities through scanning, research and market partner engagement.
- Assess the potential and confirm the viability of newly identified emerging technologies, including technical analysis and assessment of market barriers.
- Screen, select and prepare technologies to enter the market transformation pipeline.

Create market conditions that will accelerate and sustain the market adoption of emerging energy-efficiency products, services and practices.

- Influence market actors to increase availability of energy-efficient products and services.
- Improve/ensure product quality.
- Build market knowledge and capability to support new products, services or practices.
- Identify and develop market resources that capitalize on the compelling value proposition for a new product, service or practice.
- Increase product awareness.
- Develop strategies to address price/first cost issues.
- Influence and support the successful implementation of more stringent building codes and appliance standards.

Accelerate and sustain market adoption of efficient natural gas products/practices/services resulting in increased consumer choice and efficiency of natural gas use in the Pacific Northwest

2018 Activities—Ongoing

Fill the pipeline with new energy-efficiency products, services and practices.

- Advance an initiative to replace packaged commercial rooftop units with a combination dedicated outdoor air system, heat recovery ventilator and variable capacity heat pump driven by a natural gas engine.
- Advance an initiative to drive adoption of optimized motor driven circulator systems for reduction in thermal energy losses of hot water systems.

Draft 2018-2019 Program Action Plans

Northwest Energy Efficiency Alliance

Accelerate and sustain market adoption of energy-efficient electric products, services and practices.

- **Heat pump water heaters:** Increase emergency replacement penetration through targeted installer training and manufacturer incentives; support increased utility midstream program adoption; gather research and data necessary to advance the federal standard for small tanks.
- **Ductless heat pumps:** Develop improved consumer awareness/confidence/valuation tools.
- **Retail product portfolio:** Expand ENERGY STAR engagement to grow influence on manufacturers; Improve data management and analysis to better inform decisions and provide value to funders; refine and finalize evaluation approach.
- **Super-efficient heat pump dryers:** Complete market research to segment market and increase confidence and demand for super-efficient dryers; refine super-efficient dryer technology roadmap; support voluntary and Federal standards processes.
- **Manufactured homes:** Offer incentive and technical support to manufacturers to build NEEM 2.0 to help overcome cost and knowledge/capability barriers.
- **Next step homes:** Identify, validate and propose long-term state-specific energy code targets and measures; increase coordination and consistency between home certification programs in the region; garner utility support for builders and market partners to improve knowledge/awareness and reduce costs; develop and deliver technical training to improve builder knowledge/awareness.
- **Reduced wattage lamp replacement:** Negotiate and refine distributor contracts to prioritize aggressive restocking efforts; develop/improve distributor market intelligence reports.
- **Luminaire level lighting controls:** Deliver installer and distributor training to improve knowledge/awareness; leverage distributor platform to engage distributors and gather data; develop marketing strategies to support utilities in driving awareness; influence annual product specification revisions; leverage third-party research and customer demonstrations to inform program strategies.
- **Commercial code enhancement:** Assess and rank technologies/practices for inclusion in 2018 Washington state code proposals; explore collaboration opportunities with Next Step Homes initiative to leverage strategies and processes to influence and support code adoption.
- **Window attachments:** Collaborate with Attachment Energy Rating Council (AERC) on test procedures and rating protocols to establish standard measurement for product performance; drive increased manufacturer membership in AERC to improve product availability, performance and differentiation; support ENERGY STAR labelling process to improve Low-E Storm Window product differentiation and standards; build product confidence through support for regional demonstration projects.
- **Commercial and industrial infrastructure programs:** Support City of Portland disclosure ordinance with marketing and technical assistance for commercial real estate to improve awareness/adoption among target audience. Actively promote, support and grow Strategic Energy Management Hub as fundamental resource and customer engagement tool; continue convening/facilitating NW SEM Collaborative; coordinate planning with sponsors and execute 2018 regional Industrial Technical Training plan; continue Trade Ally NXT Level support and collaboration with utilities through promotional activities and evaluation of program impact.

Draft 2018-2019 Program Action Plans

Northwest Energy Efficiency Alliance

Accelerate development and adoption of efficient natural gas products, practices and services.

- **Efficient gas water heaters:** Support launch and adoption of non-powered .67 Energy Star water heater; support development and complete testing of efficient gas heat pump water heaters from other manufacturers; submit draft WA code proposal for residential gas storage water heater damper requirements.
- **Combination space and water heating product:** Collaborate with manufacturers on design/build/test of combi units; identify and/or test additional technologies for combi units.
- **Rooftop HVAC:** Complete product field tests of condensing gas roof top units; engage in state building code process to establish path for additional make up air efficiency option.
- **Efficient gas dryers:** Continue ENERGY STAR product lab testing, finalize lab testing of modulating valve and heat recovery next tier product and provide data to Department of Energy and ENERGY STAR; engage extra-regional partners to expand influence with manufacturers; educate manufacturers on performance challenges.
- **Hearth products:** Influence product development of a low capacity hearth; draft code proposal to influence WA state building code to eliminate standing pilot lights.

2018 Activities—New

Fill the pipeline with new electric energy-efficiency products, services and practices.

- Explore advancement of initiatives in the following areas:
 - Residential: CO2 combined space and water heating
 - Residential: Ultra high definition TVs
 - Residential: Connected/advanced thermostats focusing on control of central and zonal systems
 - Residential/commercial: Inverter-driven packaged terminal heat pumps
 - Residential/commercial: Expand understanding of other window attachments including blinds and films
 - Commercial: Occupancy control of HVAC and task/ambient HVAC
 - Commercial/industrial/agricultural: Pump operator certification
 - Industrial: Smart compressed air valves
 - Agricultural: Pivot commissioning

Accelerate and sustain market adoption of energy-efficient electric products, services and practices.

- **Heat pump water heaters:** Complete market research to allow deeper analysis of potential audience and how to leverage other programs and partners; Explore methods for partnering with market actors to turn emergency replacements into planned replacements; explore funder interest in leveraging retail platform for a regional midstream approach for water heaters.

Draft 2018-2019 Program Action Plans

Northwest Energy Efficiency Alliance

- **Ductless heat pumps:** Investigate and implement cost containment strategies such as Quick Connect, Do It Yourself, Bulk Buys and non-traditional installers; Seek and leverage additional market transformation partners such as climate, health and advocates for hard-to-reach population.
- **Retail product portfolio:** Establish planning and coordination process for federal standards to maximize influence and impact.
- **Super-efficient heat pump dryers:** Leverage market test information to hone consumer, manufacturer and retail value propositions; develop retailer trainings; explore paired laundry opportunities; investigate new emerging technology for super-efficient dryers.
- **Manufactured homes:** Provide utility outreach and support to plan NEEM 2.0 incentive programs to reduce product cost; provide retailer sales tools and resources needed to sell NEEM 2.0 in order to improve knowledge/capability and clarify value proposition.
- **Next step homes:** Collaborate with commercial code enhancement to create state action plans to achieve long-term code targets; coordinate with city and utility activities to achieve Climate Action plans.
- **Reduced wattage lamp replacement:** Explore opportunities to expand distributor platform by bundling additional NEEA and utility pilot programs and continuing Low-Watt push; leverage Jan. 2018 Federal Standard to reinforce Low-Watt restocking and reduced 32 watt shipments to region.
- **Luminaire level lighting controls:** Develop training to familiarize installers and designers on product specifics; engage with key sales influencers (manufacturer reps, specifiers and designers); leverage Integrated Design Labs to build awareness.
- **Commercial code enhancement:** Complete and update State Coordination Plans for next code change cycles; implement market intervention strategies to improve coordination between utility programs, market practice and code process; convene utility design group for information exchange and lessons learned.
- **Window attachments:** Develop and test consumer messaging/marketing strategies; develop retail engagement strategy to improve availability/awareness of products; collaborate with utilities and RTF to develop downstream programs and incentives.
- **Commercial and industrial infrastructure programs:** Develop commercial real estate marketing plan to increase traffic to Navigator (BetterBricks site) and Spark tools. Commercial real estate value proposition and program activities with funder work group; investigate future role of NEEA in regional Strategic Energy Management (SEM) success and facilitate growth of North American-wide collaborative; launch Trade Ally NXT Level 2 training and differentiate value to trade allies.

Accelerate development and adoption of efficient natural gas products, practices and services.

- **Efficient gas water heaters:** Support expansion of utility rebates for ENERGY STAR water heaters to address low demand/awareness and prime the market for more efficient products; increase engagement with additional manufacturers to drive development of other gas heat pump water heater products.
- **Combination space and water heating product:** Collaborate with manufacturers to develop installation best practices and product sales tools; build awareness and demand through technology education and supply chain development; conduct product characterization to define cost, size and performance parameters required for success.

Draft 2018-2019 Program Action Plans

Northwest Energy Efficiency Alliance

- **Hearth products:** Partner with burner manufacturer to socialize testing results with major OEMs and influence product development of low capacity hearths; participate in codes and standards process to eliminate standing pilot light in Washington State building code.
- **Gas dryers:** Utilize Retail Products Platform to incentivize retailers to stock specified products; investigate additional gas dryer technologies.
- **Rooftop HVAC:** Implement supply chain and commercial building outreach strategy focused on educating and engaging the market, honing value proposition and overcoming adoption barriers; recruit one commercial facility for field study; identify and address utility program launch requirements.

2018 Key Assumptions, Risks and/or Challenges

- Funding will continue at current level.
- Deep collaboration with funding partners will continue.
- Less active federal/state bodies could slow work to drive change through codes and standards.
- Regulatory or governing body decisions could curtail investments in energy efficiency, including elimination/expiration of tax credits.
- Unpredictable economic and market dynamics with manufacturers, retailers and other supply chain participants could impact activities.
- There could be a Regional Technical Forum backlog for getting measures approved.
- Timely utility program uptake by funders could be impacted by issues with cost-effectiveness.
- Inconsistency in incentive approaches across the region can create market confusion.
- Ongoing viability of key market partners like ENERGY STAR, Attachment Energy Ratings Council could be threatened.
- Achieving regional consensus on value and prioritization of programs or infrastructure could result in reduced scope of work.
- Engagement with extra-regional partners may not be successful in driving necessary scale for program/product development.
- Mid-cycle assessment for natural gas market transformation could result in reduced scale/scope of work.

2019 Expected Changes

- Active engagement in the Reduced Wattage Lamp Replacement initiative will end.
- Additional new emerging technologies and products will be identified to fill the pipeline.

Draft 2018-2019 Program Action Plans

Northwest Energy Efficiency Alliance

	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2017 Reforecast	\$7.3	\$1.2	\$8.5	7.7	1.2		
2018 Budget	\$7.1	\$1.5	\$8.6	7.2	1.3		
2019 Projection	\$6.9	\$2.0	\$9.0	5.3	1.7		

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
Delivery Costs	8,070,829	8,070,829	8,132,667	8,481,547
ETO Expenses	79,782	72,939	117,600	121,670
Sub-Total before Admin Costs	8,150,611	8,143,768	8,250,267	8,603,217
Administrative Costs	343,414	324,436	391,382	382,988
TOTAL EXPENSE	8,494,025	8,468,204	8,641,649	8,986,205
NEEA by Program				
Commercial	2,852,738	2,844,083	2,686,428	2,750,954
Industrial	240,338	237,437	385,969	378,051
Residential	5,292,403	5,278,376	5,428,204	5,669,124
Washington	108,546	108,308	141,048	188,076
TOTAL EXPENSE	8,494,025	8,468,204	8,641,649	8,986,205

Draft 2018-2019 Program Action Plans

Renewable Energy Sector—Solar



Solar Program Description

The Solar program aims to create a vigorous and sustainable market for solar in Oregon that will ultimately thrive without incentives. The program design is based on offering incentives that are managed in response to market behavior; increasing consumer awareness through education and marketing; protecting consumers by enforcing business and quality standards; aiding the industry to drive down non-hardware soft costs; and ensuring a robust, qualified installer base. In 2018, the program will focus on improving equitable access to solar for lower-income customers and supporting innovative applications of solar that provide greater value to communities or the grid.

The program works with an approved network of solar trade ally installers to provide incentives for construction of high-quality solar electric systems throughout Oregon. The program offers **standard incentives** for smaller-scale systems across all sectors and customer types. Starting in 2018, the program will provide periodic opportunities for **custom incentives** for solar projects that fall outside the standard offerings and provide additional community or utility benefits.

2018 Strategic Focus

- Provide incentives to help the market transition after the expiration of Residential Energy Tax Credits at the end of 2017.
- Respond to market, regulatory and policy changes that affect the solar industry and solar above-market costs.
- Support the solar industry in making business, process and technical improvements that reduce soft costs.
- Maintain a pipeline of solar projects across sectors through project support, education, marketing and collaboration with industry and advocates.
- Support innovative applications of solar and advanced solar technologies to provide additional community or utility benefits.
- Engage with stakeholders across the state to identify strategies for increasing solar adoption in low- and moderate-income communities.
- Support targeted demand-side management efforts with utilities.

2018 Activities—Ongoing

Adapt incentive offerings to market changes

- Moderately increase residential incentives to account for expected higher above-market costs and lower demand after the expiration of the Residential Energy Tax Credit.
- Refocus and simplify standard commercial incentives to target smaller projects.
- With lower expected demand and more focused standard incentives, re-allocate incentive funds to new initiatives noted below.

Support industry in soft-cost reduction

Draft 2018-2019 Program Action Plans

Renewable Energy Sector—Solar

- Continue lead generation services to quickly connect customers with trade allies and reduce trade ally customer acquisition soft costs. Enhance website with new online solar calculator and improved automation and tracking.
- Provide trade allies with continued business development opportunities to improve their technical expertise, customer acquisition, project accounting and internal quality management processes.
- Continue statewide marketing to support consumer education about solar.

Provide data and expertise for decision-makers

- Support the OPUC with expertise and market data relevant to ongoing solar-related work, including community solar program development, storage and resource value of solar docket.
- In partnership with the U.S. Department of Energy and software developer Kevala, continue development of mapping tools to provide context and visualization for localized solar impacts and benefits to the grid.
- Provide project development support to customers exploring the feasibility of using solar plus storage systems to provide grid benefits and/or improve community resilience.

2018 Activities—New

Enhance program delivery

- Implement PowerClerk 2, a new version of online incentive administration software that allows for better integrations and more customized offerings.
- Implement a new custom incentive for net-metered solar projects that fall outside the standard offerings and provide additional community or grid benefits. Use this pathway to collaborate with utility voluntary fund programs to support projects with additional community value.

Support applications of solar that provide higher utility value

- Explore and test ways to deploy solar to meet peak energy needs, including pairing with energy efficiency, storage or flexible loads. Test methods to influence adoption of solar systems with more advanced controls for storage or flexible loads.
- Support targeted demand-side management efforts with partner utilities. Coordinate with utilities and customers to pilot applications for advanced solar technologies, such as smart inverters and solar plus storage integration.
- Develop communication materials to address growing customer interest in solar plus storage.
- Leverage solar trade ally expertise to provide additional value for customers and utilities. For example, collaborate with efficiency programs to provide incentives when solar trade allies install smart thermostats at the time of solar installation.

Broaden access to solar and improve solar workforce diversity

- Solicit input from stakeholders on proposed strategies for increasing solar adoption in low- and moderate-income communities. With support from a U.S. Department of Energy grant, collaborate with the Clean Energy States Alliance and six other states to identify and prioritize strategies to increase access to solar for low- and moderate-income communities.

Draft 2018-2019 Program Action Plans

Renewable Energy Sector—Solar

- Design and test a solar incentive offer for moderate-income customers in owner-occupied, single-family homes.
- Evaluate tools for measuring baseline adoption of solar by customer demographic and identifying opportunities for increased access.
- Dedicate outreach and contractor recruitment resources to promote participation of minorities and women in Energy Trust's Trade Ally Network.

2018 Key Assumptions, Risks and/or Challenges

- The Residential Energy Tax Credit for solar systems will expire at the end of 2017. To qualify, customers must submit an application by December 31, 2017 and have systems installed by April 1, 2018. This will likely result in heavier installation volume in Q1 and early Q2 of 2018, followed by a drop in residential installations for the remainder of the year.
- Continued declines in solar costs are assumed. However, a current federal trade case may result in import tariffs that could significantly increase solar pricing in 2018 and beyond.
- If the legislature adopts a new state residential solar tax credit in the 2018 session, the above-market cost for a residential project may change quickly. The program will need to be prepared to make a swift change in incentive strategy if such legislation appears to move forward.
- OPUC's resource value of solar docket (UM 1716) will likely complete in 2018. The budget assumes any subsequent changes to net metering or compensation levels for solar generation would not be in place in time to impact above-market cost or incentive strategy in 2018.

2019 Expected Changes

- If above-market costs decline, the program will need to transition incentives out of segments of the market that need less support.
- The OPUC's community solar program will likely be active and available in 2019. As an alternative option to direct onsite installation of solar, this may influence demand for standard incentives.
- The Federal Investment Tax Credit will remain at 30 percent through 2019, and will step down to 26 percent in 2020.

Draft 2018-2019 Program Action Plans

Renewable Energy Sector—Solar

	ACTIVITY BASIS			ACCOUNTING BASIS		
	BUDGET	GOAL	COST	BUDGET	GOAL	COST
Year	(\$ millions)	aMW	(\$ mils / aMW)	(\$ millions)	aMW	(\$ mils / aMW)
2017 Reforecast	\$9.3	2.52	\$3.7	\$12.4	4.41	\$2.8
2018 Budget	\$9.0	1.18	\$7.6	\$10.2	2.18	\$4.7
2019 Projection	\$9.1	1.25	\$7.3	\$9.4	1.22	\$7.7

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
Incentives	10,620,000	9,808,500	7,345,500	6,670,000
Delivery Costs	454,500	489,500	386,500	386,500
ETO expenses				
Staffing	628,931	646,601	762,868	777,247
Marketing	177,000	179,250	234,500	229,500
Other Services	372,499	230,875	421,999	331,499
General	170,800	149,300	205,300	185,300
Allocations	444,051	393,837	414,615	403,396
Sub-Total before Admin Costs	12,867,781	11,897,863	9,771,282	8,983,442
Administrative Costs	542,165	473,994	463,537	399,915
TOTAL EXPENSE	13,409,946	12,371,857	10,234,819	9,383,357
Plus/minus Incentives committed for future yrs	(3,679,998)	(3,062,499)	(1,282,499)	(270,000)
TOTAL EXPENSE, Action Plan	9,729,948	9,309,358	8,952,320	9,113,357

Draft 2018-2019 Program Action Plans

Renewable Energy Sector—Other Renewables



Other Renewables Program Description

The Other Renewables program supports renewable energy projects up to 20 megawatts in nameplate capacity that generate electricity using biopower, geothermal, hydropower and wind technologies. Most projects are less than 2 megawatts in size. The goal of the program is to expand Energy Trust's renewable energy portfolio across a range of technologies and improve market conditions.

The program provides project development assistance incentives and installation incentives. **Project development assistance incentives** can pay for a portion of the costs of feasibility studies, technical assistance or other non-capital cost assessments and investigations to help projects move from concept to construction. Qualified projects may access project development assistance incentives multiple times, up to the limits of funding caps, enabling applicants to move through consecutive development activities. The program also provides **installation incentives** calculated on a custom basis after a detailed technical and financial review of a project's application. All incentives are paid following successful project installation or activity completion.

2018 Strategic Focus

- Maintain development assistance and installation incentive support for a broad portfolio of technologies to sustain and grow Oregon's vibrant small- and community-scale distributed renewable energy generation markets.
- Focus outreach and project development assistance on technologies and project types able to offset onsite load or leverage additional benefits that can bring outside funders and financing.
- Continue innovative delivery models, such as the irrigation modernization initiative, to accelerate the pace of project development and completions.
- Continue efforts to optimize the performance of operating projects to maximize value for ratepayers.
- Support biopower projects using anaerobic digestion with entities that can benefit operationally and financially from generating electricity from materials such as fat, oils and grease; source separated municipal food waste; food processing waste and brewery waste. Continue to assess regional markets for co-digestible feedstock.

2018 Activities—Ongoing and New

Expand participation

- Focus development assistance outreach on irrigation hydropower and net-metered biogas projects while remaining open to supporting hydropower, biopower and geothermal projects outside of these target areas.
- Expand participation in the irrigation modernization initiative to meet increasing interest and market uptake.
- Expand outreach to smaller water resource recovery facilities that may be able to pursue on-site generation and net-zero energy use through solar and/or anaerobic digestion.
- Hold two competitive solicitations for projects seeking installation incentives greater than \$150,000.

Deepen relationships with customers

Draft 2018-2019 Program Action Plans

Renewable Energy Sector—Other Renewables

- Support existing irrigation modernization participants with technical assistance and project development assistance.
- Transition the first set of irrigation modernization participants to hydropower project design and other project development activities.
- Build relationships with project developers and stakeholders with biomass, small hydropower and geothermal potential.
- Support water resource recovery facilities in their efforts to reduce energy use and add new net-metered renewable energy projects, in coordination with energy efficiency programs.
- Explore modest incentive support to encourage optimization of generation at previously incentivized and operating facilities.

Efficiently manage administrative functions

- Manage Renewable Energy Certificate (REC) delivery from new projects while continuing work with PGE and Pacific Power to initiate REC delivery for existing, operational projects.
- Respond to data requests related to OPUC dockets and activity, legislative activity and other requests.

2018 Key Assumptions, Risks and/or Challenges

- Staff assume there will be no new federal or state energy tax credits or incentive policies.
- The December 31, 2017 sunset of the Oregon Renewable Energy Development Grant will increase above market costs.
- Staff expect continued demand from the nascent clean fuels marketplace for sources of biogas to be processed into renewable natural gas for vehicle fueling and pipeline injection, reducing feedstock availability for renewable electricity generation.
- Staff anticipate flat or declining avoided-cost rates available for projects that sell power on the wholesale energy market, potentially leading to higher above market costs.

2019 Expected Changes

- Staff expect 2019 activities to be similar to 2018.

Draft 2018-2019 Program Action Plans

Renewable Energy Sector—Other Renewables

	ACTIVITY BASIS			ACCOUNTING BASIS		
	BUDGET (\$ millions)	GOAL aMW	COST (\$ mils / aMW)	BUDGET (\$ millions)	GOAL aMW	COST (\$ mils / aMW)
2017 Reforecast	\$5.4	0.32	\$16.7	\$5.8	0.00	\$3,518.5
2018 Budget	\$9.1	1.32	\$6.9	\$3.9	-	\$0.0
2019 Projection	\$5.5	0.40	\$13.9	\$10.4	1.64	\$6.3

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
Incentives	4,967,377	4,493,492	2,517,608	8,775,050
ETO expenses				
Staffing	547,107	540,764	609,276	625,640
Marketing	18,000	8,500	3,000	3,000
Other Services	382,000	341,000	355,000	279,000
General	17,900	21,100	22,100	22,100
Allocations	224,916	215,698	228,899	217,900
Sub-Total before Admin Costs	6,157,300	5,620,554	3,735,883	9,922,690
Administrative Costs	259,429	223,915	177,226	441,727
TOTAL EXPENSE	6,416,729	5,844,469	3,913,109	10,364,417
Plus/minus Incentives committed for future yrs	1,207,723	(470,368)	5,202,393	(4,814,950)
TOTAL EXPENSE, Action Plan	7,624,452	5,374,101	9,115,502	5,549,467

Management and General

Management and General Group Description

The Management and General group encompasses the executive, board relations, legal, finance, human resource and general office operations functions. It provides key leadership to support Energy Trust strategic goals and operations.

2018 Strategic Focus

- Seek continued improvements in program and administrative efficiencies, identifying metrics to measure productivity gains where practical and worthwhile.
- Enhance organizational and individual readiness and ability to serve and expand participation among an increasingly diverse customer base by supporting Energy Trust's Diversity Equity Inclusion Initiative.
- Develop staff and maintain culture of achievement and high employee engagement.
- Continue to be open to and prepare for emerging policy and funding opportunities.
- Manage risk, compliance, human resources, financial reporting, auditing and facilities.
- Support the board of directors.

2018 Activities—Ongoing

Executive

- Support and implement the goals and objectives detailed in Energy Trust's Diversity, Equity, and Inclusion Operations Plan.
- Continue to expand the understanding and application of Lean Startup methodologies in product design.
- Finalize the first phase of the Organizational Review Project by completing a set of structure and process improvement recommendations designed to ensure optimal performance of Energy Trust in the current and future energy environment.
- Complete the first phase of the Budget Review Project and consider recommendations for improvement to realize greater efficiencies and stakeholder engagement.
- Continue Executive Director customer and stakeholder engagement throughout Energy Trust territory to connect with utility partners, trade allies, public officials and board members.

Legal

- Support the organization with contract review, negotiation and drafting to manage organizational legal risk and ensure efficient and effective operations.
- Provide informed and efficient legal advice services to program and other Energy Trust staff.
- Manage legal risk and monitor relevant policy developments that may impact Energy Trust; provide information and training as needed.
- Support the board of directors in regular meetings and in planning activities, including the annual strategic planning retreat.

Human Resources

Draft 2018-2019 Support Group Action Plans

Management and General

- Continue to support Energy Trust's recruitment, hiring, and retention needs, with focus on strategic staff planning including, but not limited to, increasing diversity in Energy Trust's workforce.
- Continue to invest in staff development, including ongoing work on the career development program, to support managers and employees in developing critical skills and competencies needed to achieve strategic goals, broaden workforce capacity and retain a high performing staff.
- Establish process for improved manager onboarding and training for increased effectiveness and compliance.
- Manage and support Energy Trust's performance management process.

Finance

- Implement incentive payment process improvements identified in the previous year
- Expand electronic payment to appropriate participants
- Upgrade Great Plains Dynamics and improve reporting and query functionality
- Focus on continued excellence in financial operations, audit, budget, and reporting.

2018 Activities—New

Executive

- Support Energy Trust's Board of Directors' strategic planning process to kick off in May 2018 for the 2020-2024 Strategic Plan.
- Initiate a series of coordinated executive trainings and work sessions covering a variety of business management topics. Develop an organizational implementation plan based on the recommendations of the Organizational Review Project to ensure optimal operations of the organization.
- Develop an implementation plan to revise and update Energy Trust's budget process based on Phase I recommendations by the Budget Review Project Team as reviewed by the Board of Directors and the OPUC.

Legal

- Monitor 2018 regulatory and legislative policy developments and provide relevant legal and policy advice to Energy Trust.
- Provide legal advice and support for recommendations from the Organization Review project.
- Support initial research and information gathering efforts in anticipation of Energy Trust's next strategic planning development process.

Human Resources

- Begin implementation of recommendations from the Organizational Review project related to human resources processes, organizational structure and employee engagement.
- Develop onboarding process for managers, including a manager manual and training curriculum for new and aspiring managers.
- Support Energy Trust's Diversity, Equity and Inclusion Goals through enhanced recruitment, hiring and retention strategies aimed at diversifying Energy Trust's workforce.
- Implement an Applicant Tracking System to achieve efficiencies, gain data analysis capabilities and improve internal operations related to recruiting new employees.

Draft 2018-2019 Support Group Action Plans

Management and General

Finance

- Adapt policies and procedures to meet federal requirements for funding, in response to review performed in the prior year.
- Implement procurement and accounts payable automation to gain efficiencies and improve transparency in expense management.
- Implement on line time keeping for payroll to improve efficiency across the organization.

2018 Key Assumptions, Risks and/or Challenges

- Management of the organization will continue to evolve to maintain a highly efficient and effective enterprise.
- Pressure will continue to maintain low administrative costs, meet and exceed expectations, and adapt to changes as they arise.

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
ETO expenses				
Staffing	2,657,215	2,412,903	2,807,169	2,935,701
Other Services	639,500	411,906	1,149,150	770,500
General	169,230	122,644	150,910	146,410
Allocations	678,837	663,211	732,374	684,014
Total Expense	4,144,782	3,610,664	4,839,603	4,536,625

General Communications and Outreach

General Communications and Outreach Description (Housed in Communications and Customer Service Group)

The Communications and Customer Service group engages customers, stakeholders and the public through general communications, results reporting, public relations, marketing, outreach, education initiatives, online resources and social media. Communications and Customer Service staff, services and resources create and strengthen public awareness of the value of energy efficiency and renewable energy; support customer access to information and cash incentives; position Energy Trust as an expert resource; expand the organization's reach to new customers and stakeholders; and support organizational transparency and accountability.

Work is performed by Communications and Customer Service staff in coordination with program staff, operations staff and program contractors. Staff apply expertise in project management and change management, and tap contracted resources for project support, creative services, market research, website and electronic forms development.

2018 Strategic Focus

- Deliver stakeholder and customer communications, and provide program and organizational support during periods of change or transition. Respond to data requests and inquiries related to regulatory and policy proceedings.
- Lead general outreach in coordination with programs and contracted resources to increase regional awareness, facilitate connection to offers and services, identify project opportunities through community planning processes, and expand participation in diverse and underserved communities and customer groups.
- Use a variety of research methods and contracted resources to gain customer and market insights that support initiatives for engaging diverse and underserved customer groups.
- Based on research, implement educational strategies—including community education, public service announcements and education-focused content on website—to expand customer awareness and participation over time.
- Apply Diversity, Equity and Inclusion Lens to activities that have significant impact on how we reach and engage customers. Learn and adapt based on observations.
- Drive innovation online to reduce costs and better serve customers and stakeholders with targeted resources and with easier online transactions using digital signatures and other tactics.
- Increase knowledge of stakeholder interactions through adoption of Stakeholder Relationship Management system.

2018 Activities—Ongoing

Communicate benefits and results

- Leverage media interest to increase customer awareness of the value of energy efficiency, renewable energy and Energy Trust as a resource.
- Deliver quarterly and annual public reports, preliminary annual report, utility reports and data analysis. Improve reporting tools for recurring data requests; continue focus on data integrity and utilization.

Draft 2018-2019 Support Group Action Plans

General Communications and Outreach

- Deliver organizational communications, including presentations, public meeting notes and budget outreach communications.
- Respond to inquiries from the OPUC, legislators, stakeholders, media, customers and others. Prepare brief summaries and support spokespersons on topics of recurring interest.
- Inform stakeholders through regular communications and information sessions on Energy Trust results, benefits and value to customers.
- Serve as resource to board and executive director. Coordinate executive director trips across service territory to meet with stakeholders, customers and public.

Connect customers and stakeholders to services through efficient operations

- Maintain regionally based staff in Eastern and Southern Oregon, serving as a resource to community, business, local governments and public sector stakeholders. Leverage local efforts and partnerships to spur participation in Energy Trust programs.
- Identify, review and approve requests for sponsorships, event participation and Energy Trust memberships.
- Support “Making Energy Work in Rural Communities” workshops in select communities.
- Provide financial support for locally based Resource Assistance for Rural Environments (RARE) interns as they continue energy planning and efforts leading to project activity; tap program resources and evaluate impact.
- Support efforts to expand participation by leading and sharing customer insights research, guiding marketing strategy and tactics, and implementing communications and outreach activities.
- Support energy efficiency and renewable energy program marketing and communications through centralized production design, creative services management, bulk email, media purchasing and relationships, and brand guidelines.
- Maintain and enhance the organization’s website, campaign microsites, social media accounts and bulk email platform, using best practices to ensure the best digital customer experience.
- Support the design and development of online self-service tools to increase operational efficiency and boost customer satisfaction. Lead maintenance and development of electronic customer application forms.
- Continue support for Customer Relationship Management (CRM) or other system enhancements that support effective targeted marketing, enable transactional email with customers, capture stakeholder information and improve reporting analytics.
- Maintain efficient and effective processes for reporting, advertising procurement and tracking, collateral development, website and forms updates, targeted email and newsletter distribution, and other support functions.
- Collaborate with programs and IT to explore and implement systems and strategies that support future targeted marketing needs.

Support organizational communications and initiatives

- Provide communications, outreach and marketing leadership on Diversity, Equity and Inclusion team.
- Provide project management, change management and other expertise to support cross-organization projects and teams, including utility-specific targeted demand-side management projects and a cross-program low-income coordination group.

Draft 2018-2019 Support Group Action Plans

General Communications and Outreach

- Continually improve presentation resources and staff representation of Energy Trust.
- Support internal communications.

2018 Activities—New

- Coordinate with residential sector as they expand capacity to reach underserved communities through contracts with community-based organizations. Identify and address gaps in general outreach.
- Use a variety of methods—including contracting with community-based organizations and businesses with specific expertise reaching underserved communities—to gain customer insights, market insights and baseline data that support initiatives for engaging diverse and underserved customer groups.
- Collaborate with IT and programs to explore methods for collecting, tracking, analyzing and reporting on customer demographic information so that the organization can track on awareness and participation metrics for underserved customer and contractor groups.
- Based on 2016 and 2017 research findings, reduce overall advertising investment and increase outreach and event marketing, while optimizing advertising to reach customers in all service territories.
- Complete marketing pilots targeted for Latino communities; review effectiveness and adjust and scale activity as needed.
- Develop education-focused web content for consumers who need additional information before taking action, and develop a campaign that drives to that content.
- Contract with external agency for brand audit, to evaluate impact of Energy Trust brand on customers, stakeholders and non-participants.
- Launch functionality in CRM system to allow for tracking stakeholder interactions; ensure user adoption.
- Build on success of previous LivingWise school curriculum by offering an in-class educational tool as a field test for school engagement activities in the 2017-2018 school year.
- Procure a third-party platform to provide digital transaction management services and enhance project efficiency with a trial implementation for several key processes.
- Launch redesigned online trade ally finder with a more intuitive, user-friendly interface based on 2016 market research.
- Deliver communications and outreach support for new or modified program offerings, such as manufactured home replacement, home scoring, community solar, residential sector and significant incentive changes.
- Participate in early planning and outreach for the 2020-2024 Strategic Plan, including delivery of topical content to the board of directors supporting understanding of stakeholders and potential community engagement approaches.

2018 Key Assumptions, Risks and/or Challenges

- The 2018 short legislative session will result in data requests and engagement at a level similar to past sessions, providing periods of increased work for communications and outreach staff.
- Energy-related policy decisions driving changes to programs or creating new opportunities related to our mission, including OPUC dockets and legislative actions, will require communications support and

Draft 2018-2019 Support Group Action Plans

General Communications and Outreach

responsiveness to data requests. Potential policy decisions driving solar program changes will require Communications and Customer Service resources for communications and project management.

- Residential transition activities will primarily be addressed in 2017 with some remaining activity in Q1 2018.
- Resources to support operational changes, project needs and enhancements will need to be prioritized to determine timing and resource availability.

2019 Expected Changes

- Adapt and refine communications, outreach, marketing and online approaches based on changes in delivery of services to customers and market, opportunities to engage stakeholders, and systems improvements that enable process efficiencies or new functionality.
- Support stakeholder engagement and communications related to development of 2020-2024 Strategic Plan.

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
ETO expenses				
Staffing	1,717,405	1,688,040	1,996,034	2,100,262
Marketing	762,000	648,000	668,000	598,000
Other Services	659,000	609,000	663,000	648,000
General	79,000	77,500	93,500	93,500
Allocations	666,126	657,144	779,959	747,545
Total Expense	3,883,531	3,679,684	4,200,493	4,187,307

Customer Service and Trade Ally

Customer Service and Trade Ally Description (Housed in Communications and Customer Service Group)

Energy Trust's Communications and Customer Service group provides staff, services and resources to administer and manage customer experience and the trade ally network. Communications and Customer Service supports customer access to information, services and cash incentives to support a consistent and positive customer experience, and contractor access to offers, training and customer leads. This is accomplished by working with programs and operational support groups on standards, training and strategic planning to support customers and a network of informed contractors with high-quality customer service.

The Customer Service and Trade Ally team delivers services through staff based in Communications and Customer Service, a call center contract for call-taking and administrative services, a trade ally insurance verification contract, and coordination across all Energy Trust business functions. Staff also coordinate with customer service and trade ally specialists at program delivery contractors.

2018 Strategic Focus

- Enhance and expand knowledge of Trade Ally Network through research, improved data collection, documentation of procedures, and creation of standardized reports.
- Ensure rural, minority- and women-owned businesses are aware of and access to the Trade Ally Network through outreach. Establish target goals for participation.
- Support programs in developing and understanding the value of ally membership and our programs for customers and contractors in a dynamic market with potentially decreasing incentives and program changes.
- Expand customer awareness of Energy Trust's ally network throughout our service territory to help drive savings and lower customer acquisition costs for contractors.
- Seek operational efficiencies across all functional areas through examination of core processes and identification of long-term customer experience goals, key performance metrics and support service needs; leverage residential changes for streamlining of processes and enhancements to customers and contractors.

2018 Activities—Ongoing

Systems and data

- Collaborate with forms manager and program staff to improve user experience for paper and online customer application forms and to ensure timely updates and maintenance of forms.
- Continue support for customer relationship management (CRM) system enhancements.
- Enhance e-communications targeting trade allies including the Insider newsletter.

Trade Ally Network

- Support redesign of web-based Trade Ally Finder through serving on the project team.
- Administer the Trade Ally Network, in alignment with program strategies, to ensure compliance and contractor access to program and technical information; communicate updates through forums, newsletters and other targeted communications.

Draft 2018-2019 Support Group Action Plans

Customer Service and Trade Ally

- Enhance trade ally online enrollment process to include new ally types and sub-programs.
- Work with programs to assess need and potentially expand the star rating to sectors other than residential and solar.

Customer experience and outreach

- Continue gaining insights from existing research and conduct additional market research to fill gaps in knowledge.
- Support the design and development of customer and ally online self-service tools to increase program operational efficiency and boost customer awareness and satisfaction.
- Provide strategic direction and guidance to programs and business functions to ensure high-quality customer service. Convene customer service staff from all business functions to ensure continuous process improvements and exceptional service to customers.
- Assist programs with strategic planning, communications and complaint resolution during planned measure or program design changes affecting customers or trade allies.
- Maintain general call center customer services and Interactive Voice Response system (IVR). Continue monitoring IVR system implemented in 2016 for customer experience and expected data and operational efficiencies.

2018 Activities—New

Systems and data

- Work with programs and IT to build a means to track projects completed by minority- and women-owned businesses, and other attributes, and develop strategies for increasing the number of projects submitted by minority- and women-owned businesses.
- Lead effort to consolidate trade ally data into a self-service Power BI dashboard through collaboration with the data warehouse team.
- Participate in Project Tracker forecast and project opportunities team to support requirements gathering, development of user interface and to serve as a change management resource.
- Determine, based on 2017 research, enhancements or changes to residential trade ally portal.
- Collaborate with programs to explore opportunities to expand lead generation services, similar to the current solar process, to efficiency programs.

Trade Ally Network

- Expand forums in rural and coastal areas to allow for trade ally outreach and training, and to improve contractor participation.
- Establish a goal to increase participation in Trade Ally Network by minority- or women-owned businesses.
- Continue work to assess potential outreach efforts, memberships and relationships that could support increasing the diversity of the Trade Ally Network, including women- and minority-owned businesses. Support outreach activities and track on progress to established goals.
- Examine Trade Ally Network enrollment requirements and ensure administration of the network provides access to all businesses seeking to serve Energy Trust customers.
- Explore a soft cost reduction strategy for Trade Ally Network.
- Drive improvements to trade ally star rating, in collaboration with programs, to review scoring scale and methodology and maintain consistency across programs.

Draft 2018-2019 Support Group Action Plans

Customer Service and Trade Ally

Customer experience and outreach

- Share findings from internal interviews on customer experience enhancements and goals.
- Complete transitions in residential sector, ensuring efficient customer and contractor operations.

2018 Key Assumptions, Risks and/or Challenges

- Customer interest in simplified, online and self-service options will continue, resulting in a need to be aware of best practices, stay current in service options and work closely with IT on long-term planning.
- Challenges to cost-effectiveness are likely to continue for many of incentives and offerings, requiring Energy Trust to continuously adapt and evolve to ensure value to our ally network and customers.
- Changes to program design, such as increased upstream incentives, will impact the customer and contractor experience. More resources will be required to support trade allies and articulate Energy Trust's value and benefit to trade allies.

2019 Strategic Focus

- Lead process improvement or customer experience initiatives that benefit business operations.
- Support changes to customers and contractor services as we work in new markets or adapt program design.

Expenses

Staffing	521,826	438,422	404,773	437,553
Marketing	1,000	1,000	1,000	1,000
Other Services	43,558	31,558	60,500	44,500
General	218,050	177,050	211,950	205,550
Total Expense	784,434	648,030	678,223	688,603

Planning and Evaluation

Planning and Evaluation Group Description

The Planning team develops forward-looking estimates of efficiency program costs and savings. The team works with utilities to develop forecasts for long-range savings and cost goals. The team also updates avoided costs; develops cost-effectiveness tools; provides planning support to renewables team; helps develop long- and short-term plans; works with program groups to integrate plans into program strategies, including projects to defer utility investments in local transmission and distribution; serves as a central point of coordination on market research; and manages savings and cost-effectiveness reporting.

The Planning Engineering team oversees the measure development process and acts as quality control agent for Energy Trust's estimates of measure energy savings, cost and cost-effectiveness. This group also coordinates the integration of emerging technologies into Energy Trust markets and programs.

The Evaluation team assesses the effectiveness of efficiency and renewable energy program implementation, and estimates savings and generation on a retrospective basis. Evaluation also manages the integration of new efficiency measures into Energy Trust's IT system and manages complex datasets for Energy Trust.

2018 Strategic Focus

- Refine ability to demonstrate Energy Trust's value in an evolving utility system and aid utilities in grid and gas system management—both total system and local—in addition to reducing overall electricity and gas requirements.
- Support programs evolution to adopt new measures and approaches to acquire savings after markets are transformed and some historical sources of savings are no longer available.
- Help utilities plan for the possible range of efficiency resources available in the future as technologies and grid needs evolve.
- Support exploration of strategic issues in preparation for the 2020-2024 Strategic Plan.
- Refine organization-wide planning, evaluation and other processes, including emerging technology development, measure development, pilot development and implementation, and use of data to target and reach all eligible customers and incorporating new savings approaches.

2018 Activities—Ongoing

- Deliver enhanced energy efficiency supply and cost estimates for use in integrated planning processes for the five utilities that fund Energy Trust.
 - Refine estimation process for valuing peak savings from efficiency measures.
 - Provide a broader range of energy savings estimates to reflect the possibility of additional savings from emerging technologies, behavioral approaches and broader application of advanced building practices.
 - Communicate with stakeholders to provide transparency on forecast modeling, and gather feedback on how to improve methods.

Draft 2018-2019 Support Group Action Plans

Planning and Evaluation

- Develop benefit/cost sensitivity analysis tools for use in the budget process.
- For Energy Trust standard and other reports, provide analysis and summarize savings, generation and economic performance. Lead discussion with regulators and stakeholders on the role of savings attribution in setting and tracking against goals.
- Develop and update measures as needed.
- Expand capability to utilize energy efficiency and renewable energy to reduce the cost of operating the grid.
 - Improve estimates of peak reduction from energy efficiency savings and renewable generation.
 - Continue technical analysis and support for two Pacific Power transmission and distribution deferral pilots and one or more NW Natural pipeline deferral pilots. Respond to opportunities for similar pilots with other utilities.
 - Complete process evaluations of transmission and deferral pilots, and start evaluating other similar pilots, as needed.
 - Draw lessons about requirements for success for these efforts, and determine applicability of specific analytic techniques and value of various resources.
 - Develop improved energy savings load shapes for selected measures that more accurately reflect summer peak savings, using prior metering and analysis.
 - Support regional End Use Load Research project, and use first data from additional metered sites to increase understanding of load shapes of energy savings.
 - Explore tools for identifying differential value of savings and generation at different locations across the grid.
 - Coordinate with utilities and Energy Trust programs to help utilities accomplish their demand response goals.
- Assist the renewable energy sector in analyzing and assessing specific renewable energy investments.
- Deliver impact evaluations of savings from all major efficiency programs and select renewable energy programs. Adjust methods to reflect increased importance of peak savings and generation.
- Conduct process evaluations on a periodic basis for all major programs.
 - Increase emphasis on evaluating success at reaching under-served markets and using data to target underserved and high-yield markets.
 - Develop, test and refine datasets that support targeted marketing to high-savings-yield and high potential under-served markets.
- Explore areas of expanded service if opportunities arise (e.g., further support for utility grid management programs).
- Streamline and integrate processes, including the pilot process and the measure maintenance and approval process.
- Broaden initiatives to work with built-in data loggers and/or communications for advanced equipment (lighting fixtures, HVAC equipment and water heaters) and service providers using that data to ensure that operations are efficient.
- Support ongoing market research and development.
- Use evaluation results and other intelligence to true up energy savings recorded in systems.
- Possibly release new avoided costs for 2019 measure and program planning, depending on whether utilities and OPUC identify value of seasonal peaks.

Draft 2018-2019 Support Group Action Plans

Planning and Evaluation

2018 Activities—New

- Develop and expand activities started in 2017, which represent the tip of several icebergs of work, which will engage us heavily in 2018.
- Use information from the new Regional Emerging Technology Advisory Committee process and regional project list to inform the development of pilots, field tests and measures by Energy Trust programs.
- Help integrate customer-centered design into Energy Trust initiative development processes.

2018 Key Assumptions, Risks and/or Challenges

- Energy Trust has achieved, or will shortly achieve, market transformation or saturation for many key efficiency measures, especially for efficiency in homes. New efficient technologies either have more modest savings and applicability, are far more costly, or are highly uncertain and will take some time to reach the market. Yet Energy Trust has exceeded savings goals consistently in recent years. This creates significant uncertainties about future savings and costs.
- Success in improving planning processes—both for local areas with transmission, distribution and pipeline constraints and system-wide constraints—depend on effective engagement with and support from the five utilities and two regulator commissions who serve our customers.
- Refinements to avoided cost forecasts depend on utility/regulatory agreement on methodologies to deal with uncertainty regarding future technologies, and to value summer versus winter peak and other details of power forecasting.
- The measure development process requires coordination between regionally coordinated emerging technology work, the Planning group, program managers and Program Management Contractors. Success is dependent on our ability to communicate, identify crucial research, set priorities and coordinate activities.

2019 Expected Changes

- Work on the upcoming strategic plan will transition to implementation and metrics
- Begin to standardize approach to using efficiency and renewable energy to reduce costs of grid and gas system.
- Draw inferences from last few years of emerging technology development work to assess what augmentation of the conservation supply is possible.
- As part of region, make decisions regarding the future role of Northwest Energy Efficiency Alliance for gas and electric efficiency and for grid management.

Draft 2018-2019 Support Group Action Plans

Planning and Evaluation

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
Program Specific P&E				
Evaluation Services	2,030,000	1,302,340	3,081,074	2,661,072
Planning Services	378,300	360,735	382,000	376,000
Other	7,000	11,900	7,000	7,000
Total Program Specific P&E	2,415,300	1,674,975	3,470,074	3,044,072
Non Program Specific P&E				
Evaluation Services	170,000	172,000	155,000	130,000
Planning Services	160,000	237,568	410,000	410,000
Staffing	1,850,121	1,687,674	1,975,763	2,158,014
Other Services	150,000	0	150,000	150,000
General	60,950	64,225	106,338	106,388
Allocations	563,802	539,990	591,384	551,346
Total Non Program Specific P&E	2,954,873	2,701,457	3,388,485	3,505,748
GRAND TOTAL	5,370,173	4,376,432	6,858,559	6,549,820

Information Technology

Information Technology Group Description

The Information Technology (IT) group builds technical mastery and continuously improves and enhances systems to deliver business value in collaboration with engaged product owners and users. The group builds and utilizes professional and technical skills to provide effective and efficient IT resources required by each energy program and operational support group. IT resources include hardware, infrastructure, information systems, reporting capabilities and technical support.

2018 Strategic Focus

- Enhance foundational systems including Project Tracking (PT), Customer Relationship Management (CRM) and web services.
- Revise data and reporting infrastructure to accommodate changing data and reporting needs from the business, including new visual presentation tools for data.
- Continue migration of applications to the cloud-computing environment.
- Build out performance monitoring tools that proactively assess health of computing resources.

2018 Activities—Ongoing

- **IT staff time allocation:** Maintain general distribution of IT staff time:
 - Operations support, administrative, professional development and outreach: 30 percent
 - Technical debt and upgrades: 30 percent
 - Enhancements and projects: 40 percent
- **Operations support:** Offer technical support and consultation for hardware and applications.
- **Help desk:** Utilize a centralized model for intake, tracking and resolution of user help requests.
- **System and hardware updates:** Deploy software updates and patches to desktop applications, operating systems, and preventative and emergency hardware replacement.
- **Backup and recovery:** Create nightly backups of email, files and data that staff can restore as needed to recover from various potential data-loss scenarios.
- **Bug fixes:** Develop fixes to reported bugs in PT and CRM.
- **Relieve technical debt:** Develop changes to improve underlying architecture of IT systems, removing known issues that impede performance, flexibility or robustness of systems.
- **Enhancements to PT, CRM and Business Intelligence (BI):** Develop systems changes to address reported user needs as prioritized by the Business Systems Prioritization Team.
- **Support for Business Systems Prioritization Team:** Consult with members of team in assessment of enhancements, including technical analysis.
- **IT Steering Committee:** Rely on IT Steering Committee to allocate IT resources among large projects and enhancements.
- **Professional development:** Support staff development of mastery of areas of technology that improve Energy Trust systems or IT processes.
- **Use external resources to increase capacity:** Bring in external development resources to supplement staff.

Draft 2018-2019 Support Group Action Plans

Information Technology

2018 Activities—New

- **Migrate select applications and services to the cloud:** Move some applications to the cloud and investigate the potential of moving others.
 - Applications most likely to move to the cloud:
 - Microsoft Office 365
 - SharePoint
 - Microsoft CRM
 - SQL Reporting database
 - Applications to investigate move to the cloud:
 - Project Tracking (PT)
 - Additional databases
 - File share
- **Complete migration of import service to version 2 web services:** Various applications and vendors use the import service to send bulk data into Energy Trust systems. All import services will be migrated to use V2 web services.
- **Revise our approach to reporting data:** Based on feedback from staff interviews in 2017, restructure how we surface views of data to users, improve the quality control process for data through “sanctioned datasets” and support the introduction of Microsoft PowerBI for dashboards, reporting and visual presentation.
- **Enable demographic data capture and analysis:** Update systems to support evolving needs of the organization to better collect, track, analyze, and report on demographic information related to program participation and Trade Allies.
- **Upgrade Microsoft Dynamics Great Plains:** Upgrade financial software to the latest version.
- **Update forecasting functionality in PT:** Enhance system to eliminate duplicate project data entry and improve organizational ability to report on forecasted projects.
- **Integrate reversal process into PT:** Add functionality to PT to track stages of reversals and other corrections to transactions. Changes will streamline the process and allow easier root cause analysis to reduce future corrections.
- **Integrate measure maintenance and approval process into PT:** Add functionality to PT to track and archive all documents and approvals related to measure approval and maintenance, replacing the current manual process.
- **Revise approach to file sharing.** As part of ongoing focus on security, staff will explore how to protect file server documents while allowing for file sharing and collaboration.

2018 Key Assumptions, Risks and/or Challenges

- **Significant backlog of systems enhancement requests:** We currently have backlogs for CRM and PT enhancements that represent more than two years of work with current staff levels. We are approaching this challenge in several ways. First, we are working with the business to create clearer estimates of the cost of each enhancement for them to better assess value, drop enhancements with limited value, and prioritize the enhancements with the highest value. Second, we plan to include sprints between major projects dedicated solely to enhancements to give this area more focus. Third,

Draft 2018-2019 Support Group Action Plans

Information Technology

we will propose an increase in our contract staff budget to increase our throughput of enhancement work.

- **No significant changes will be needed to track program activities:** Programs will continue to track CRM and PT activities the same as in 2017.
- **IT job market in Portland will remain competitive:** There is significant demand for skilled IT professionals in the Portland market, which makes staff retention and hiring challenging.
- **Limit maximum number of IT projects:** In past years, staff found it challenging to balance multiple development projects at the same time. Managing more than two or three projects at once overwhelms the small team's ability to make progress due to frequent context switching. Sequencing development needs will continue to be an important aspect in addressing this challenge.

2019 Expected Changes

- Complete the migration of resources and applications to the cloud-computing environment.
- Modify systems and architecture based on a year of performance monitoring results.
- Extend proactive approach to assessing improvement to PT and CRM by working closely with business users to understand ongoing work processes.

	2017 Budget	2017 Forecast	2018 Budget	2019 Projection
Staffing	2,176,918	2,124,643	2,660,859	2,612,623
Other Services	35,000	35,000	180,000	22,000
Supplies and Equipment	78,450	73,450	97,250	101,450
Software	137,700	107,700	202,411	236,290
Depreciation	875,624	745,221	348,915	195,973
General	110,200	72,400	94,600	94,600
Allocations	179,107	169,117	172,976	168,944
Total General	1,381,081	1,167,888	916,152	797,257
Total Expense	3,592,999	3,327,531	3,757,011	3,431,880

Diversity, Equity and Inclusion

Initiative Description

Energy Trust strives to create a more diverse, equitable and inclusive organization to effectively serve our existing and expanding customer base. Energy Trust's Diversity, Equity and Inclusion Initiative spans all groups and activities in the organization. The DEI Initiative grew out of Energy Trust's 2015-2019 Strategic Plan, which prioritized expanding participation and improving operations.

The initiative seeks to:

- Inform and shape all aspects of our day-to-day work.
- Find eligible customers to participate in, benefit from and contribute to our results.
- Develop a supportive culture for diverse employees to work together.
- Engage diverse customers and contractors through program participation and contracting for goods and services, including contracting for program management and delivery services.
- Expand customer insights to inform programs and organization.
- Measure progress.

This initiative action plan document is provided as a summary of activities embedded in program, support and executive action plans and budgets. The information and budget figures provided below are not a comprehensive accounting of all Diversity, Equity and Inclusion activities or investments.

2018 Strategic Focus

- Energy Trust will adopt an initial organization-wide Diversity, Equity and Inclusion Operations Plan to guide and structure Diversity, Equity and Inclusion efforts.
- Energy Trust will focus on Diversity, Equity and Inclusion goals and objectives to drive program design and organization operations.
- Energy Trust will apply a Diversity, Equity and Inclusion Lens to ensure Diversity, Equity and Inclusion concepts are considered in making decisions. The lens is a set of questions to think through and ensure Diversity, Equity and Inclusion is considered at all stages of decision-making.
- Energy Trust staff will continue to learn about and better serve Oregon's increasingly diverse and dynamic customers and communities.

2018 Activities—Ongoing

Diversity, Equity and Inclusion Specific

- Establish and provide administrative support for Diversity, Equity and Inclusion team and creation of Diversity, Equity and Inclusion Operations Plan.
- Engage community-based organizations to seek insights, data and guidance on approaches.
- Promote Diversity, Equity and Inclusion organizational readiness activities for Energy Trust staff.

Draft 2018-2019 Initiative Action Plan

Energy Programs

- Develop and deepen relationships with organizations that reach and serve diverse customer groups.
- Analyze market and program participation data to identify key areas of opportunity, and refine messaging based on market segment and region.
- Develop outreach tactics for customer groups with lower participation rates, such as customers outside of the Portland Metro area and continue an emphasis on reaching a diverse set of customers, including size, type and location.
- Maintain account management approach with Program Management Contractor business development representatives who conduct direct outreach to property owners and managers, including dedicated representatives located outside of the Portland Metro area.
- Increase trade-ally driven program activity through enhanced trade ally support, one-on-one engagement and educational resources, and encouraging business development funds.
- Dedicate outreach and contractor recruitment resources to promote participation of minority- and women-owned businesses in Energy Trust's Trade Ally Network.
- Provide rural outreach and services to farmers, irrigators and their vendors, including collaborating with other agencies and nonprofits.
- Expand the delivery of energy-efficiency workshops for multifamily customers, presenting relevant information based on market segment and region.
- Maintain Savings Within Reach incentives for income qualified (moderate-income) homeowners reduce the up-front cost of energy upgrade projects. Incentives are paid to the trade ally and passed onto customers through lower up-front project costs. An on-bill loan repayment option is also available for customers of PGE, Pacific Power and NW Natural.
- Coordinate with Oregon Housing and Community Services, Community Action Partnership of Oregon and agencies serving low-income populations to develop energy-saving strategies.
- Use Energy Saver Kits as a customer engagement tool. Customers can order Energy Saver Kits from Energy Trust's website at no cost, including energy-saving LEDs, showerheads and faucet aerators.

Management and General (Executive, Finance and Human Resources, Legal)

- Invest in staff development to support managers and employees in developing critical skills and competencies needed to achieve strategic goals, broaden workforce capacity and retain high performing staff.

General Communications and Outreach

- Support efforts to expand participation by leading and sharing customer insights research, guiding marketing strategy and tactics, and implementing communications and outreach activities.
- Provide communications, outreach and marketing leadership on Diversity, Equity and Inclusion team.

2018 Activities—New

Diversity, Equity and Inclusion Specific

- Provide training and support for initial Diversity, Equity and Inclusion Operations Plan, including Diversity, Equity and Inclusion Goals and Objectives and use of Diversity, Equity and Inclusion Lens.
- Support implementation of board-level Diversity, Equity and Inclusion policy.
- Develop systems and process for demographic data collection and use.

Draft 2018-2019 Initiative Action Plan

- Support board of directors efforts to increase diversity of board members.

Energy Programs

- Apply Diversity, Equity and Inclusion Lens to activities that have significant impact on program design, delivery and management. Learn and adapt based on observations.
- Use data analytics to identify areas with high savings opportunities and lower participation rates.
- Refine program design and outreach strategies by incorporating lessons learned from market analysis and data-driven program outreach.
- Conduct research to identify opportunities to increase participation in specific market sectors.
- Dedicate outreach and contractor recruitment resources to promote participation of minorities and women in Energy Trust's Trade Ally Network.
- Establish relationships with organizations that focus on businesses representing diverse communities.
- Contract with community-based organizations to ensure residential offers and promotions engage underserved communities, in coordination with Communications and Customer Service. Contracted activities may include advising PMCs on best practices to engage customers and/or delivery of services.
- Add New Buildings Market Solutions offering for public sector facilities and low-income multifamily buildings, including features that help overcome barriers to energy efficiency faced by nonprofit developers building affordable housing.
- Solicit input from stakeholders on proposed strategies for increasing solar adoption in low- and moderate-income communities. With support from a U.S. Department of Energy grant, collaborate with the Clean Energy States Alliance and six other states to identify and prioritize strategies to increase access to solar for low- and moderate-income communities.
- Design and test a solar incentive offer for moderate-income customers in owner-occupied, single-family homes.
- Evaluate tools for measuring baseline adoption of solar by customer demographic and identify opportunities for increased access.

Management and General (Executive, Finance and Human Resources, Legal)

- Support Energy Trust's Diversity, Equity and Inclusion goals through enhanced recruitment, hiring, and retention strategies aimed at diversifying Energy Trust's workforce.
- Apply Diversity, Equity and Inclusion Lens to activities that have significant impact on recruiting, hiring and retention. Learn and adapt based on observations.

General Communications

- Lead general outreach in coordination with programs and contracted resources to increase regional awareness, facilitate connection to offers and services, identify project opportunities through community planning processes, and expand participation in diverse and underserved communities and customer groups.
- Use a variety of research methods and contracted resources to gain customer and market insights that support initiatives for engaging diverse and underserved customer groups.

Draft 2018-2019 Initiative Action Plan

- Apply Diversity, Equity and Inclusion Lens to activities that have significant impact on how we reach and engage customers. Learn and adapt based on observations.

Customer Service and Trade Ally

- Develop an approach to increase participation in the Trade Ally Network by minority- or women-owned businesses, and projects submitted by minority- and women-owned businesses.
- Assess current events, memberships and relationships that support increasing the diversity of the trade ally network, including women- and minority-owned businesses.
- Focus outreach efforts to increase interest and participation by rural, minority- and women-owned businesses interested in joining the Trade Ally Network.
- Examine Trade Ally Network enrollment requirements to ensure access to all businesses seeking to serve Energy Trust customers.
- Apply Diversity, Equity and Inclusion Lens to activities that have significant impact on customer service and Trade Ally Network management. Learn and adapt based on observations.

Planning and Evaluation

- Apply Diversity, Equity and Inclusion Lens to planning and evaluation activities, and contracts. Learn and adapt based on observations.

Information Technology

- Build a means to collect, track and analyze demographic data about customers to develop baselines and measure progress against Diversity, Equity and Inclusion Goals for customer participation.
- Build a means to track projects completed by minority- and women-owned businesses to develop baselines and measure progress against Diversity, Equity and Inclusion Goals for Trade Ally Network participation.

2018 Key Assumptions, Risks and/or Challenges

- Outreach to community-based organizations may increase stakeholder feedback on Diversity, Equity and Inclusion efforts. This is an opportunity to learn and build on information received, but also a risk.
- In implementing an initial Diversity, Equity and Inclusion Operations Plan, Energy Trust may be challenged to achieve the plan's initial goals. The Diversity, Equity and Inclusion Operations Plan will require a continuous learning feedback loop, and goals, objectives, and strategies may evolve based on learning.

2019 Expected Changes

- Continuous learning and feedback will occur, and changes to the Diversity, Equity and Inclusion Operations Plan should be expected based on experience.
- Relationships with community-based organizations will inform our efforts in 2018, and these relationships could result in different program design ideas and consulting arrangements.

Draft 2018-2019 Initiative Action Plan

Start Up expenditures in support of Diversity, Equity and Inclusion

The budget figures provided below represent discreet startup expenditures only. Incentives, contract costs, and other expenditures which benefit diverse participants are embedded throughout the organization and not called out separately in this budget.

	2018	2019
Community outreach	\$62,000	\$32,000
Customer research and data collection	\$157,000	\$147,000
Development and support of new DEI Advisory Council	\$100,000	\$75,000
Organization readiness, support and training	\$233,500	\$169,500
TOTAL	\$552,500	\$423,500

2017 Budget Recap Spending and Savings - R3: Reforecast

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	41.1	4.0	45.0	14.7	3.0	1,149,120	34.26
Business Energy Solutions – Multifamily	8.4	1.2	9.6	1.9	4.6	171,585	70.29
Business Energy Solutions – New Buildings	17.2	2.2	19.5	6.1	2.8	897,658	19.98
Mkt Transformation (Alliance)	2.5	0.3	2.8	1.9	2.6		
Total Commercial	69.2	7.7	76.9	24.6	3.0	2,218,363	31.39
Industrial							
Production Efficiency	34.2	2.7	36.9	16.6	2.3	1,112,759	21.42
Mkt Transformation (Alliance)	0.2	0.0	0.2	0.1	3.8		
Total Industrial	34.4	2.7	37.1	16.7	2.4	1,112,759	21.42
Residential							
Home Energy Solutions – Residential	39.0	11.5	50.5	17.4	2.3	2,965,574	29.18
Mkt Transformation (Alliance)	4.5	0.8	5.3	5.7	0.9		
Total Residential	43.5	12.3	55.8	23.1	2.0	2,965,574	31.11
Washington							
Business Energy Solutions – Existing Buildings		0.8	0.8			146,876	53.46
Home Energy Solutions – Residential		1.2	1.2			206,796	43.98
Mkt Transformation (Alliance)		0.1	0.1				
Total Washington		2.2	2.2			353,672	49.13
Total Energy Efficiency	147.2	24.9	172.1	64.4	2.5	6,650,367	30.51

RENEWABLE RESOURCES

	ACTIVITY BASIS		ACCOUNTING BASIS	ACTIVITY BASIS		ACCOUNTING BASIS	
	BUDGET (\$M)		BUDGET (\$M)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)
Other Renewables	5.5		5.8	0.32	17.3	0.00	3,518.5
Solar Electric	9.1		12.4	2.52	3.61	4.41	2.80
Total Renewable Resources	14.7		18.2	2.84	5.15	4.41	4.13

TOTAL BUDGET - ALL

\$190.3

1 some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2017 Draft Annual Forecast

	ENERGY EFFICIENCY							Oregon Total	NWN WA	ETO Total
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista			
REVENUES										
Public Purpose Funding	29,538,752	22,997,376	52,536,128	-	18,714,900	3,129,325	1,059,824	75,440,178	0	75,440,178
Incremental Funding Contributions	65,333,595	35,518,465	100,852,060	5,920,596				106,772,656	2,020,834	108,793,490
Revenue from Investments										
TOTAL PROGRAM REVENUE	94,872,346	58,515,841	153,388,188	5,920,596	18,714,900	3,129,325	1,059,824	182,212,833	2,020,834	184,233,667
EXPENSES										
Program Management (Note 3)	3,414,600	1,835,768	5,250,370	127,747	612,082	58,616	40,213	6,089,028	123,466	6,212,494
Program Delivery	27,266,083	15,918,885	43,184,969	758,233	4,886,541	549,709	266,024	49,645,475	498,542	50,144,017
Incentives	52,730,995	28,904,039	81,635,035	2,187,694	8,710,073	979,351	543,031	94,055,182	1,071,936	95,127,118
Program Eval & Planning Svcs.	2,133,073	1,207,800	3,340,872	63,421	351,131	35,822	22,552	3,813,799	163,983	3,977,782
Program Marketing/Outreach	2,675,820	1,544,351	4,220,171	24,015	745,159	55,431	51,018	5,095,791	103,832	5,199,623
Program Legal Services	-	-	-	-	-	-	-	-	-	-
Program Quality Assurance	41,238	24,319	65,558	-	17,308	1,043	1,092	85,000	-	85,000
Outsourced Services	856,590	481,301	1,337,894	18,922	246,781	17,631	15,523	1,636,750	36,550	1,673,300
Trade Allies & Cust. Svc. Mgmt.	340,136	190,331	530,468	5,387	98,760	7,468	6,368	648,452	35,010	683,462
IT Services	973,067	526,993	1,500,062	25,793	212,716	18,923	13,923	1,771,417	39,455	1,810,872
Other Program Expenses - all	286,680	159,992	446,673	11,782	50,277	5,016	3,232	516,980	48,013	564,993
TOTAL PROGRAM EXPENSES	90,718,282	50,793,779	141,512,072	3,222,994	15,930,828	1,729,010	962,976	163,357,874	2,120,787	165,478,661
ADMINISTRATIVE COSTS										
Management & General (Notes 1 & 2)	1,789,938	1,002,198	2,792,134	63,592	314,327	34,114	18,999	3,223,166	41,846	3,265,012
Communications & Customer Svc (Notes 1 & 2)	1,824,154	1,021,355	2,845,508	64,808	320,335	34,765	19,363	3,284,780	42,646	3,327,426
Total Administrative Costs	3,614,092	2,023,553	5,637,642	128,400	634,662	68,879	38,362	6,507,946	84,492	6,592,438
TOTAL PROG & ADMIN EXPENSES	94,332,374	52,817,332	147,149,714	3,351,394	16,565,490	1,797,889	1,001,338	169,865,820	2,205,279	172,071,099
TOTAL REVENUE LESS EXPENSES	539,972	5,698,509	6,238,474	2,569,202	2,149,410	1,331,436	58,486	12,347,013	(184,445)	12,162,568
NET ASSETS - RESERVES										
Cumulative Carryover at 12/31/16	6,507,279	644,839	7,152,117	1,028,150	1,485,656	(335,865)	68,620	9,398,678	283,171	9,681,849
Change in net assets this year	539,972	5,698,509	6,238,474	2,569,202	2,149,410	1,331,436	58,486	12,347,013	(184,445)	12,162,568
Interest Attributed										
Ending Net Assets - Reserves	7,047,251	6,343,348	13,390,591	3,597,352	3,635,066	995,571	127,106	21,745,691	98,726	21,844,417
Ending Reserve by Category										
Program Reserves (Efficiency and Renewables)	7,047,251	6,343,348	13,390,591	3,597,352	3,635,066	995,571	127,106	21,745,691	98,726	21,844,417
Assets Released for General Purpose										
Emergency Contingency Pool										
TOTAL NET ASSETS CUMULATIVE	7,047,251	6,343,348	13,390,591	3,597,352	3,635,066	995,571	127,106	21,745,691	98,726	21,844,417

Note 1) Management & General and Communications & Customer Service Expenses (Admin) have been allocated based on total expenses.

Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not allow allocation of admin costs to program expenses.

Note 3) Program Management costs include both outsourced and internal staff.

	RENEWABLE ENERGY			Other	TOTAL
	PGE	PacifiCorp	Total		All Programs
REVENUES					
Public Purpose Funding	8,702,515	6,586,018	15,288,533	-	90,728,711
Incremental Funding					108,793,490
Contributions					
Revenue from Investments				400,000	400,000
TOTAL PROGRAM REVENUE	8,702,515	6,586,018	15,288,533	400,000	199,922,200
EXPENSES					
Program Management (Note 3)	601,451	595,914	1,197,365		7,409,859
Program Delivery	274,120	205,380	479,500		50,623,517
Incentives	7,300,740	7,001,252	14,301,992		109,429,110
Program Eval & Planning Svcs.	96,667	92,712	189,379		4,167,161
Program Marketing/Outreach	103,850	88,900	192,750		5,392,373
Program Legal Services	1,973	2,027	4,000		4,000
Program Quality Assurance	-	-	-		85,000
Outsourced Services	268,004	251,371	519,375		2,192,675
Trade Allies & Cust. Svc. Mgmt.	43,111	36,005	79,116		762,578
IT Services	130,885	130,992	261,878		2,072,750
Other Program Expenses - all	153,391	139,673	293,063		858,056
TOTAL PROGRAM EXPENSES	8,974,192	8,544,226	17,518,418	-	182,997,079
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	177,067	168,584	345,651		3,610,663
Communications & Customer Svc (Notes 1 & 2)	180,452	171,807	352,258		3,679,684
Total Administrative Costs	357,519	340,391	697,909		7,290,347
TOTAL PROG & ADMIN EXPENSES	9,331,711	8,884,617	18,216,327		190,287,426
TOTAL REVENUE LESS EXPENSES	(629,196)	(2,298,599)	(2,927,794)	400,000	9,634,774
NET ASSETS - RESERVES					
Cumulative Carryover at 12/31/16	7,543,333	7,376,941	14,920,274	9,271,809	33,873,932
Change in net assets this year	(629,196)	(2,298,599)	(2,927,794)	400,000	9,634,774
Interest Attributed					
Ending Net Assets - Reserves	6,914,137	5,078,342	11,992,480	9,671,809	43,508,706
Ending Reserve by Category					
Program Reserves (Efficiency and Renewables)	6,914,137	5,078,342	11,992,480		33,836,897
Assets Released for General Purpose				4,671,809	4,671,809
Emergency Contingency Pool				5,000,000	5,000,000
TOTAL NET ASSETS CUMULATIVE	6,914,137	5,078,342	11,992,480	9,671,809	43,508,706

Energy Trust of Oregon
Statement of Functional Expenses
2017 Draft Annual Forecast

	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total
Program Expenses							
Incentives	95,127,119	14,301,992	109,429,111				109,429,111
Program Management & Delivery	56,444,377	489,500	56,933,877				56,933,877
Payroll and Related Expenses	3,736,757	1,187,365	4,924,122	2,412,903	1,688,040	4,100,943	9,025,065
Outsourced Services	4,687,875	759,625	5,447,500	411,906	1,257,000	1,668,906	7,116,406
Planning and Evaluation	2,423,207	145,879	2,569,085	5,403	126,968	132,371	2,701,457
Customer Service Management	353,494	71,124	424,617				424,617
Trade Allies Network	329,968	17,992	347,961				347,961
Total Program Expenses	163,102,796	16,973,477	180,076,273	2,830,212	3,072,009	5,902,221	185,978,494
Program Support Costs							
Supplies	13,066	3,966	17,031	9,284	6,467	15,751	32,783
Postage and Shipping Expenses	4,469	1,469	5,938	5,012	2,025	7,037	12,975
Telephone	3,575	1,575	5,150	2,010	1,620	3,630	8,780
Printing and Publications	2,085	985	3,071	5,672	3,445	9,117	12,188
Occupancy Expenses	283,152	93,063	376,215	159,197	128,308	287,505	663,721
Insurance	32,771	10,771	43,542	18,425	14,850	33,275	76,817
Equipment	4,618	117,118	121,735	2,596	2,092	4,689	126,424
Travel	70,250	16,500	86,750	50,300	45,000	95,300	182,050
Meetings, Trainings & Conferences	39,000	21,400	60,400	46,750	12,500	59,250	119,650
Interest Expense and Bank Fees				1,800		1,800	1,800
Depreciation & Amortization	29,583	9,723	39,306	16,632	13,405	30,038	69,344
Dues, Licenses and Fees	81,531	6,200	87,731	14,294	16,500	30,794	118,525
Miscellaneous Expenses	894	294	1,188	502	405	907	2,095
IT Services	1,810,871	261,877	2,072,749	447,976	361,057	809,033	2,881,782
Total Program Support Costs	2,375,865	544,941	2,920,806	780,452	607,676	1,388,128	4,308,934
TOTAL EXPENSES	165,478,662	17,518,417	182,997,079	3,610,664	3,679,684	7,290,348	190,287,427
OPUC Measure vs. 8%	5.1%						

Energy Trust of Oregon
Program Expense by Service Territory
2017 Draft Annual Forecast

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency											
Commercial											
Existing Buildings	\$25,995,415	\$15,061,945	\$41,057,360	\$1,150,666	\$2,102,363	\$600,103	\$132,298	\$3,985,430	\$45,042,790	\$848,844	\$45,891,634
Multifamily Bldgs	6,115,558	2,265,475	8,381,033		1,062,097	54,675	100,325	1,217,096	9,598,129		9,598,129
New Buildings	11,715,312	5,517,248	17,232,560	263,931	1,614,215	248,240	96,732	2,223,118	19,455,678		19,455,678
NEEA	1,499,299	1,041,885	2,541,185		272,608	30,289		302,898	2,844,083	30,807	2,874,890
Total Commercial	45,325,584	23,886,554	69,212,138	1,414,597	5,051,284	933,307	329,355	7,728,542	76,940,680	879,651	77,820,331
Industrial											
Production Efficiency	21,675,651	12,517,758	34,193,409	1,936,796	566,041	170,198	24,684	2,697,719	36,891,128		36,891,128
NEEA	140,088	97,349	237,437						237,437		237,437
Total Industrial	21,815,739	12,615,107	34,430,846	1,936,796	566,041	170,198	24,684	2,697,719	37,128,565		37,128,565
Residential											
Residential Combined	24,526,374	14,463,949	38,990,323		10,262,387	618,189	647,302	11,527,878	50,518,201	1,248,125	51,766,326
NEEA	2,664,677	1,851,724	4,516,401		685,779	76,197		761,976	5,278,377	77,500	5,355,877
Total Residential	27,191,051	16,315,673	43,506,724		10,948,166	694,386	647,302	12,289,854	55,796,578	1,325,625	57,122,203
Energy Efficiency Program Costs	94,332,374	52,817,334	147,149,708	3,351,393	16,565,490	1,797,892	1,001,340	22,716,114	169,865,822	2,205,277	172,071,099
Renewables											
Solar Electric (Photovoltaic)	6,756,356	5,615,501	12,371,857						12,371,857		12,371,857
Other Renewable	2,575,354	3,269,115	5,844,469						5,844,469		5,844,469
Renewables Program Costs	9,331,710	8,884,616	18,216,326						18,216,326		18,216,326
Cost Grand Total	103,664,084	61,701,950	165,366,034	3,351,393	16,565,490	1,797,892	1,001,340	22,716,114	188,082,148	2,205,277	190,287,425

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Draft Annual Forecast

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Washington (with NEEA)	Solar Renewables	Custom Renewables	ETO Total
Program Management	1,081,596	633,478	608,537	-	1,434,022	-	2,331,393	-	123,466	656,601	540,764	7,409,857
Program Delivery:	12,909,460	3,803,377	5,433,137	2,710,806	9,967,463	204,027	9,565,368	5,051,837	498,542	479,500	-	50,623,517
Incentives:	26,619,419	3,909,373	11,261,627	-	22,285,937	-	29,978,827	-	1,071,936	9,808,500	4,493,492	109,429,111
Program Eval & Planning Svcs.:	1,009,064	217,207	436,607	24,313	742,630	24,313	1,335,352	24,313	163,983	143,454	45,925	4,167,161
Program Marketing/Outreach:	1,074,111	375,879	531,172	-	280,500	-	2,834,132	-	103,832	184,250	8,500	5,392,376
Program Legal	-	-	-	-	-	-	-	-	-	2,000	2,000	4,000
Program Quality Assurance:	-	-	-	-	-	-	85,000	-	-	-	-	85,000
Outsourced Services:	80,250	22,999	130,000	-	294,499	-	1,109,000	-	36,550	180,375	339,000	2,192,673
Trade Allies & Cust. Svc. Mgmt.:	104,827	46,601	39,558	-	41,195	-	416,269	-	35,010	78,213	903	762,576
IT Services:	328,743	187,215	235,131	-	269,680	-	750,646	-	39,455	146,874	115,003	2,072,747
Other Program Expenses	109,626	34,275	34,518	-	161,817	-	176,743	-	48,013	218,096	74,968	858,056
TOTAL PROGRAM EXPENSES	43,317,096	9,230,404	18,710,287	2,735,119	35,477,743	228,340	48,582,730	5,076,150	2,120,787	11,897,863	5,620,555	182,997,074
ADMINISTRATIVE COSTS												
Management & General	854,678	182,122	369,167	53,967	700,000	4,505	958,572	100,157	41,846	234,753	110,898	3,610,665
Communications & Customer Svc	871,014	185,604	376,225	54,998	713,382	4,591	976,896	102,070	42,646	239,241	113,018	3,679,685
Total Administrative Costs	1,725,692	367,726	745,392	108,965	1,413,382	9,096	1,935,468	202,227	84,492	473,994	223,916	7,290,350
Total Program & Admin Expenses	45,042,788	9,598,130	19,455,679	2,844,084	36,891,125	237,436	50,518,198	5,278,377	2,205,279	12,371,857	5,844,471	190,287,424
Energy Savings (kwh)	128,467,532	16,766,029	53,358,285	16,866,941	145,425,803	946,017	152,006,993	49,966,575				563,804,175
Energy Savings (therms)	1,149,120	171,585	897,658	-	1,112,759	-	2,965,574	-	353,672			6,650,368
Energy Generation (kwh)										38,656,268	14,551	38,670,819

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Draft Annual Forecast

ENERGY EFFICIENCY

PGE

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Program Management	621,659	403,533	368,624		819,122		1,201,662		3,414,600
Program Delivery:	7,586,073	2,422,792	3,310,322	1,427,513	5,429,652	120,376	4,421,113	2,548,242	27,266,083
Incentives:	15,213,274	2,490,312	6,730,772		13,540,164		14,756,473		52,730,995
Program Eval & Planning Svcs.:	580,751	139,753	269,448	14,345	440,748	14,345	659,338	14,345	2,133,073
Program Marketing/Outreach:	631,626	239,439	322,992		164,794		1,316,969		2,675,820
Program Legal									-
Program Quality Assurance:							41,238		41,238
Outsourced Services:	52,651	14,651	78,233		173,019		538,036		856,590
Trade Allies & Cust. Svc. Mgmt.:	60,488	29,685	23,806		24,202		201,955		340,136
IT Services:	189,692	119,258	141,501		158,437		364,179		973,067
Other Program Expenses	63,257	21,833	20,774		95,068		85,748		286,680
TOTAL PROGRAM EXPENSES	24,999,471		11,266,472	1,441,858	20,845,206	134,721	23,586,711	2,562,587	90,718,282
ADMINISTRATIVE COSTS									
Management & General	493,258	116,041	222,296	28,449	411,291	2,658	465,383	50,562	1,789,938
Communications & Customer Svc	502,687	118,260	226,545	28,993	419,153	2,709	474,279	51,528	1,824,154
Total Administrative Costs	995,945		448,841	57,442	830,444	5,367	939,662	102,090	3,614,092
Total Program & Admin Expenses	25,995,416		11,715,313	1,499,300	21,675,650	140,088	24,526,373	2,664,677	94,332,380
Energy Savings (kwh)	80,711,811	12,392,888	35,376,355	9,951,495	101,562,026	558,150	93,612,772	29,480,279	363,645,778

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Draft Annual Forecast

ENERGY EFFICIENCY

Pacific Power

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Program Management	360,176	149,486	173,601		487,415		665,090		1,835,768
Program Delivery:	4,394,846	897,510	1,558,974	992,000	3,672,597	83,651	2,548,495	1,770,812	15,918,885
Incentives:	8,813,518	922,523	3,169,812		7,269,791		8,728,395		28,904,039
Program Eval & Planning Svcs.:	346,992	51,771	126,895	9,968	252,906	9,968	399,332	9,968	1,207,800
Program Marketing/Outreach:	365,933	88,699	152,111		95,169		842,439		1,544,351
Program Legal									-
Program Quality Assurance:							24,319		24,319
Outsourced Services:	21,815	5,427	36,844		99,919		317,296		481,301
Trade Allies & Cust. Svc. Mgmt.:	35,047	10,997	11,211		13,977		119,099		190,331
IT Services:	109,909	44,179	66,639		91,498		214,768		526,993
Other Program Expenses	36,651	8,088	9,783		54,902		50,568		159,992
TOTAL PROGRAM EXPENSES	14,484,887	2,178,680	5,305,870	1,001,968	12,038,174	93,619	13,909,801	1,780,780	50,793,779
ADMINISTRATIVE COSTS									
Management & General	285,797	42,987	104,689	19,770	237,522	1,847	274,450	35,136	1,002,198
Communications & Customer Svc	291,260	43,809	106,690	20,147	242,062	1,882	279,697	35,808	1,021,355
Total Administrative Costs	577,057	86,796	211,379	39,917	479,584	3,729	554,147	70,944	2,023,553
Total Program & Admin Expenses	15,061,944	2,265,476	5,517,249	1,041,885	12,517,758	97,348	14,463,948	1,851,724	52,817,331
Energy Savings (kwh)	47,755,721	4,373,141	17,981,930	6,915,446	43,863,776	387,867	58,394,221	20,486,296	200,158,397

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Draft Annual Forecast

ENERGY EFFICIENCY

NW Natural Industrial

EXPENSES	Multifamil							Efficiency Total
	Existing Buildings	y Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential Residential	
Program Management	31,814		4,344		91,589			127,747
Program Delivery:	99,056		7,363		651,814			758,233
Incentives:	929,161		229,574		1,028,959			2,187,694
Program Eval & Planning Svcs.:	23,479		4,780		35,162			63,421
Program Marketing/Outreach:	7,499		1,772		14,744			24,015
Program Legal								
Program Quality Assurance:								-
Outsourced Services:	1,670		1,772		15,480			18,922
Trade Allies & Cust. Svc. Mgmt.:	2,683		539		2,165			5,387
IT Services:	8,414		3,204		14,175			25,793
Other Program Expenses	2,806		470		8,506			11,782
TOTAL PROGRAM EXPENSES	1,106,582	-	253,818	-	1,862,594	-	-	3,222,994
ADMINISTRATIVE COSTS								
Management & General	21,834		5,008		36,750			63,592
Communications & Customer Svc	22,251		5,104		37,453			64,808
Total Administrative Costs	44,085	-	10,112	-	74,203	-	-	128,400
Total Program & Admin Expenses	1,150,667	-	263,930	-	1,936,797	-	-	3,351,395
Energy Savings (therms)	392,741		164,005		686,852	-	-	1,243,598

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Draft Annual Forecast

ENERGY EFFICIENCY

NW Natural Gas

EXPENSES	Existing Buildings	y Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Program Management	50,392	70,213	51,056		27,092		413,329		612,082
Program Delivery:	615,176	421,554	458,494	262,164	156,947		2,312,701	659,505	4,886,541
Incentives:	1,233,687	433,302	932,241		333,944		5,776,899		8,710,073
Program Eval & Planning Svcs.:	42,898	22,412	29,236		10,276		246,309		351,131
Program Marketing/Outreach:	51,212	41,661	44,736		4,309		603,241		745,159
Program Legal									
Program Quality Assurance:							17,308		17,308
Outsourced Services:	3,051	2,549	10,836		4,524		225,821		246,781
Trade Allies & Cust. Svc. Mgmt.:	4,902	5,165	3,297		633		84,763		98,760
IT Services:	15,373	20,750	19,599		4,143		152,851		212,716
Other Program Expenses	5,126	3,799	2,877		2,486		35,989		50,277
TOTAL PROGRAM EXPENSES	2,021,817	1,021,405	1,552,372	262,164	544,354	-	9,869,211	659,505	15,930,828
ADMINISTRATIVE COSTS									
Management & General	39,892	20,153	30,629	5,173	10,740		194,727	13,013	314,327
Communications & Customer Svc	40,654	20,538	31,215	5,272	10,946		198,449	13,261	320,335
Total Administrative Costs	80,546	40,691	61,844	10,445	21,686	-	393,176	26,274	634,662
Total Program & Admin Expenses	2,102,363	1,062,096	1,614,216	272,609	566,040	-	10,262,387	685,779	16,565,492
Energy Savings (therms)	547,934	146,436	607,170	-	384,087	-	2,518,365	-	4,203,991

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Draft Annual Forecast**

ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Program Management	14,384	3,614	7,852		7,590		25,176		58,616
Program Delivery:	175,597	21,701	70,509	29,129	47,044		132,451	73,278	549,709
Incentives:	352,146	22,306	143,363		101,114		360,422		979,351
Program Eval & Planning Svcs.:	12,245	1,154	4,496		3,090		14,837		35,822
Program Marketing/Outreach:	14,618	2,145	6,880		1,296		30,492		55,431
Program Legal									
Program Quality Assurance:							1,043		1,043
Outsourced Services:	871	131	1,666		1,360		13,603		17,631
Trade Allies & Cust. Svc. Mgmt.:	1,399	266	507		190		5,106		7,468
IT Services:	4,388	1,068	3,014		1,246		9,207		18,923
Other Program Expenses	1,463	196	442		747		2,168		5,016
TOTAL PROGRAM EXPENSES	577,111	52,581	238,729	29,129	163,677	-	594,505	73,278	1,729,010
ADMINISTRATIVE COSTS									
Management & General	11,387	1,037	4,710	575	3,229		11,730	1,446	34,114
Communications & Customer Svc	11,604	1,057	4,800	586	3,291		11,954	1,473	34,765
Total Administrative Costs	22,991	2,094	9,510	1,161	6,520	-	23,684	2,919	68,879
Total Program & Admin Expenses	600,102	54,675	248,239	30,290	170,197	-	618,189	76,197	1,797,889
Energy Savings (therms)	171,383	7,721	87,468	-	36,344	-	203,807	-	506,724

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Draft Annual Forecast**

ENERGY EFFICIENCY

Avista

EXPENSES	Multifamil		New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
	Existing Buildings	y Buildings							
Program Management	3,171	6,632	3,060		1,214		26,136		40,213
Program Delivery:	38,712	39,820	27,475		9,409		150,608		266,024
Incentives:	77,633	40,930	55,865		11,965		356,638		543,031
Program Eval & Planning Svcs.:	2,699	2,117	1,752		448		15,536		22,552
Program Marketing/Outreach:	3,223	3,935	2,681		188		40,991		51,018
Program Legal									
Program Quality Assurance:							1,092		1,092
Outsourced Services:	192	241	649		197		14,244		15,523
Trade Allies & Cust. Svc. Mgmt.:	308	488	198		28		5,346		6,368
IT Services:	967	1,960	1,174		181		9,641		13,923
Other Program Expenses	323	359	172		108		2,270		3,232
TOTAL PROGRAM EXPENSES	127,228	96,482	93,026	-	23,738	-	622,502	-	962,976
ADMINISTRATIVE COSTS									
Management & General	2,510	1,904	1,835		468		12,282		18,999
Communications & Customer Svc	2,558	1,940	1,871		477		12,517		19,363
Total Administrative Costs	5,068	3,844	3,706	-	945	-	24,799	-	38,362
Total Program & Admin Expenses	132,296	100,326	96,732	-	24,683	-	647,301	-	1,001,340
Energy Savings (therms)	37,062	17,428	39,015	-	5,476	-	243,402	-	342,383

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Draft Annual Forecast**

ENERGY EFFICIENCY

NW Natural Washington

EXPENSES	Existing Buildings	NEEA Commercial	Residential	NEEA Residential	Efficiency Total
Program Management	74,994		48,472		123,466
Program Delivery:	234,384	29,627	160,000	74,531	498,542
Incentives:	641,256		430,680		1,071,936
Program Eval & Planning Svcs.:	105,357		58,626		163,983
Program Marketing/Outreach:	40,332		63,500		103,832
Program Legal					
Program Quality Assurance					
Outsourced Services:	35,550		1,000		36,550
Trade Allies & Cust. Svc. Mgmt.:	17,500		17,510		35,010
IT Services:	23,183		16,272		39,455
Other Program Expenses	27,751		20,262		48,013
TOTAL PROGRAM EXPENSES	1,200,307	29,627	816,322	74,531	2,120,787
ADMINISTRATIVE COSTS					
Management & General	23,683	585	16,107	1,471	41,846
Communications & Customer Svc	24,136	596	16,415	1,499	42,646
Total Administrative Costs	47,819	1,181	32,522	2,970	84,492
Total Program & Admin Expenses	1,248,126	30,808	848,844	77,501	2,205,277
Energy Savings (therms)	146,876	-	206,796		353,672

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Draft Annual Forecast**

RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Program Management	358,713	242,738	601,451
Program Delivery:	274,120		274,120
Incentives:	5,346,000	1,954,740	7,300,740
Program Eval & Planning Svcs.:	76,430	20,237	96,667
Program Marketing/Outreach:	100,620	3,230	103,850
Program Legal	1,092	881	1,973
Program Quality Assurance:			-
Outsourced Services:	98,504	169,500	268,004
Trade Allies & Cust. Svc. Mgmt.:	42,713	398	43,111
IT Services:	80,209	50,676	130,885
Other Program Expenses	119,104	34,287	153,391
TOTAL PROGRAM EXPENSES	6,497,505	2,476,687	8,974,192
ADMINISTRATIVE COSTS			
Management & General	128,200	48,867	177,067
Communications & Customer Svc	130,651	49,801	180,452
Total Administrative Costs	258,851	98,668	357,519
Total Program & Admin Expenses	6,756,356	2,575,355	9,331,712
Energy Generation (kwh)	10,516,000	-	10,516,000

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Draft Annual Forecast

RENEWABLE PROGRAMS

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Program Management	297,888	298,026	595,914
Program Delivery:	205,380		205,380
Incentives:	4,462,500	2,538,752	7,001,252
Program Eval & Planning Svcs.:	67,024	25,688	92,712
Program Marketing/Outreach:	83,630	5,270	88,900
Program Legal	908	1,119	2,027
Program Quality Assurance:			-
Outsourced Services:	81,871	169,500	251,371
Trade Allies & Cust. Svc. Mgmt.:	35,500	505	36,005
IT Services:	66,665	64,327	130,992
Other Program Expenses	98,992	40,681	139,673
TOTAL PROGRAM EXPENSES	5,400,358	3,143,868	8,544,226
ADMINISTRATIVE COSTS			
Management & General	106,553	62,031	168,584
Communications & Customer Svc	108,590	63,217	171,807
Total Administrative Costs	215,143	125,248	340,391
Total Program & Admin Expenses	5,615,501	3,269,116	8,884,618
Energy Generation (kwh)	28,140,268	14,551	28,154,819

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	49.4	6.3	55.7	15.21	3.4	1,526,142	37.92
Business Energy Solutions – Multifamily	8.8	1.2	9.9	1.64	5.5	168,020	52.26
Business Energy Solutions – New Buildings	18.3	2.6	20.9	6.62	2.9	987,271	22.56
Mkt Transformation (Alliance)	2.3	0.5	2.8	1.78	2.4		
Total Commercial	78.6	10.6	89.3	25.26	3.4	2,681,433	35.22
Industrial							
Production Efficiency	35.5	2.9	38.3	17.29	2.4	1,064,753	24.71
Mkt Transformation (Alliance)	0.4	0.0	0.4	0.11	6.0		
Total Industrial	35.8	2.9	38.7	17.40	2.4	1,064,753	25.06
Residential							
Home Energy Solutions – Residential	28.4	16.1	44.5	5.22	5.3	2,034,987	50.67
Mkt Transformation (Alliance)	4.3	1.4	5.7	3.43	1.5		
Total Residential	32.7	17.5	50.2	8.66	4.0	2,034,987	56.14
Washington							
Business Energy Solutions – Existing Buildings		0.9	0.9			160,000	53.17
Home Energy Solutions – Residential		1.4	1.4			206,815	47.22
Mkt Transformation (Alliance)		0.2	0.2				
Total Washington		2.5	2.5			366,815	52.49
Total Energy Efficiency	\$147.2	\$33.4	\$180.6	51.32	3.1	6,147,988	41.77

RENEWABLE RESOURCES

	ACTIVITY BASIS		ACCOUNTING BASIS	ACTIVITY BASIS		ACCOUNTING BASIS	
	BUDGET (\$M)		BUDGET (\$M)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)
Other Renewables	5.5		10.4	0.40	13.87	1.64	6.30
Solar Electric	9.1		9.4	1.25	7.30	1.22	7.70
Total Renewable Resources	\$14.7		\$19.7	1.65	8.90	2.86	6.90

TOTAL BUDGET - ALL

\$200.4

¹ some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2019 Draft Annual Projection

	ENERGY EFFICIENCY									
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista	Oregon Total	NWN WA	ETO Total
REVENUES										
Public Purpose Funding	29,100,000	22,175,370	51,275,370	0	22,979,834	2,917,052	1,142,799	78,315,055	0	78,315,055
Incremental Funding Contributions	64,156,625	30,715,755	94,872,380	3,743,643				98,616,023	2,461,974	101,077,997
Revenue from Investments										
TOTAL PROGRAM REVENUE	93,256,625	52,891,125	146,147,750	3,743,643	22,979,834	2,917,052	1,142,799	176,931,078	2,461,974	179,393,052
EXPENSES										
Program Management (Note 3)	4,002,925	2,265,791	6,268,716	198,860	1,355,851	139,764	63,109	8,026,299	167,027	8,193,326
Program Delivery	27,188,797	15,791,865	42,980,660	842,044	6,289,711	834,768	287,137	51,234,321	582,528	51,816,849
Incentives	50,858,859	28,588,757	79,447,617	2,364,359	11,964,191	1,568,992	665,386	96,010,544	1,138,971	97,149,515
Program Eval & Planning Svcs.	3,084,052	1,764,378	4,848,432	78,062	735,477	77,428	35,378	5,774,774	196,474	5,971,248
Program Marketing/Outreach	2,242,284	1,234,716	3,476,999	25,130	864,514	89,208	41,012	4,496,863	109,189	4,606,052
Program Legal Services	0	0	0	0	0	0	0	0	0	0
Program Quality Assurance	34,048	19,908	53,956	0	27,762	2,271	1,011	85,000	0	85,000
Outsourced Services	792,150	440,637	1,232,788	27,748	250,674	26,475	11,915	1,549,600	36,550	1,586,150
Trade Allies & Cust. Svc. Mgmt.	322,240	181,387	503,628	5,477	168,288	15,426	7,032	699,851	42,018	741,869
IT Services	928,514	502,658	1,431,171	25,484	322,820	32,284	15,207	1,826,967	40,692	1,867,659
Other Program Expenses - all	362,500	212,480	574,980	16,928	86,366	11,659	4,867	694,798	43,596	738,394
TOTAL PROGRAM EXPENSES	89,816,369	51,002,577	140,818,947	3,584,092	22,065,654	2,798,275	1,132,054	170,399,017	2,357,045	172,756,062
ADMINISTRATIVE COSTS										
Management & General (Notes 1 & 2)	2,119,381	1,204,175	3,323,555	82,971	543,064	67,418	27,382	4,044,390	54,564	4,098,954
Communications & Customer Svc (Notes 1 & 2)	1,956,190	1,111,454	3,067,644	76,582	501,249	62,227	25,273	3,732,974	50,364	3,783,338
Total Administrative Costs	4,075,571	2,315,629	6,391,199	159,553	1,044,313	129,645	52,655	7,777,364	104,928	7,882,292
TOTAL PROG & ADMIN EXPENSES	93,891,940	53,318,206	147,210,146	3,743,645	23,109,967	2,927,920	1,184,709	178,176,381	2,461,973	180,638,354
TOTAL REVENUE LESS EXPENSES	(635,315)	(427,081)	(1,062,396)	(2)	(130,133)	(10,868)	(41,910)	(1,245,303)	1	(1,245,302)
NET ASSETS - RESERVES										
Cumulative Carryover 12/31/18 Budget	2,626,152	2,627,300	5,253,452	200,000	1,051,429	306,958	152,015	6,963,854	199,999	7,163,853
Change in net assets this year	(635,315)	(427,081)	(1,062,396)	(2)	(130,133)	(10,868)	(41,910)	(1,245,303)	1	(1,245,302)
Interest Attributed										
Ending Net Assets - Reserves	1,990,837	2,200,219	4,191,056	199,998	921,296	296,090	110,105	5,718,551	200,000	5,918,551
Ending Reserve by Category										
Program Reserves (Efficiency and Renewables)	1,990,837	2,200,219	4,191,056	199,998	921,296	296,090	110,105	5,718,551	200,000	5,918,551
Assets Released for General Purpose										
Emergency Contingency Pool										
TOTAL NET ASSETS CUMULATIVE	1,990,837	2,200,219	4,191,056	199,998	921,296	296,090	110,105	5,718,551	200,000	5,918,551

Note 1) Management & General and Communications & Customer Service Expenses (Admin) have been allocated based on total expenses.

Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not allow allocation of admin costs to program expenses.

Note 3) Program Management costs include both outsourced and internal staff.

	RENEWABLE ENERGY			Other	TOTAL
	PGE	PacifiCorp	Total		All Programs
REVENUES					
Public Purpose Funding	8,384,629	6,350,611	14,735,239	0	93,050,294
Incremental Funding Contributions					101,077,997
Revenue from Investments				230,000	230,000
TOTAL PROGRAM REVENUE	8,384,629	6,350,611	14,735,239	230,000	194,358,292
EXPENSES					
Program Management (Note 3)	858,174	554,714	1,412,887		9,606,213
Program Delivery	215,240	161,260	376,500		52,193,349
Incentives	9,583,775	5,861,275	15,445,050		112,594,565
Program Eval & Planning Svcs.	132,948	95,029	227,977		6,199,225
Program Marketing/Outreach	145,102	101,398	246,500		4,852,552
Program Legal Services	3,054	1,946	5,000		5,000
Program Quality Assurance	0	0	0		85,000
Outsourced Services	289,446	239,053	528,499		2,114,649
Trade Allies & Cust. Svc. Mgmt.	38,057	25,633	63,692		805,561
IT Services	165,340	104,750	270,089		2,137,748
Other Program Expenses - all	196,775	133,162	329,938		1,068,332
TOTAL PROGRAM EXPENSES	11,627,911	7,278,220	18,906,132	0	191,662,194
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	269,183	168,488	437,671		4,536,625
Communications & Customer Svc (Notes 1 & 2)	248,455	155,515	403,971		4,187,309
Total Administrative Costs	517,638	324,003	841,642		8,723,934
TOTAL PROG & ADMIN EXPENSES	12,145,549	7,602,223	19,747,774		200,386,128
TOTAL REVENUE LESS EXPENSES	(3,760,920)	(1,251,612)	(5,012,535)	230,000	(6,027,836)
NET ASSETS - RESERVES					
Cumulative Carryover 12/31/18 Budget	8,046,774	4,533,015	12,579,789	9,901,809	29,645,451
Change in net assets this year	(3,760,920)	(1,251,612)	(5,012,535)	230,000	(6,027,836)
Interest Attributed					
Ending Net Assets - Reserves	4,285,854	3,281,403	7,567,254	10,131,809	23,617,615
Ending Reserve by Category					
Program Reserves (Efficiency and Renewables)	4,285,854	3,281,403	7,567,254		13,485,805
Assets Released for General Purpose				5,131,809	5,131,809
Emergency Contingency Pool				5,000,000	5,000,000
TOTAL NET ASSETS CUMULATIVE	4,285,854	3,281,403	7,567,254	10,131,809	23,617,615

Energy Trust of Oregon
Statement of Functional Expenses
2019 Draft Annual Projection

	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total
Program Expenses							
Incentives	97,149,515	15,445,050	112,594,564				112,594,564
Program Management & Delivery	58,452,417	386,500	58,838,917				58,838,917
Payroll and Related Expenses	4,601,161	1,402,888	6,004,049	2,935,701	2,100,262	5,035,963	11,040,012
Outsourced Services	6,082,872	842,999	6,925,871	770,500	1,246,000	2,016,500	8,942,371
Planning and Evaluation	3,122,177	164,976	3,287,154	12,373	206,220	218,594	3,505,747
Customer Service Management	370,888	53,195	424,084				424,084
Trade Allies Network	370,980	20,496	391,476				391,476
Total Program Expenses	170,150,010	18,316,105	188,466,114	3,718,574	3,552,483	7,271,056	195,737,171
Program Support Costs							
Supplies	13,662	4,161	17,823	10,019	6,737	16,756	34,579
Postage and Shipping Expenses	10,469	1,469	11,938	5,012	2,025	7,037	18,975
Telephone	3,575	1,575	5,150	2,010	1,620	3,630	8,780
Printing and Publications	2,085	985	3,071	5,672	3,445	9,117	12,188
Occupancy Expenses	282,467	92,838	375,305	158,812	127,998	286,809	662,114
Insurance	32,771	10,771	43,542	18,425	14,850	33,275	76,817
Equipment	4,618	150,618	155,235	2,596	2,092	4,689	159,924
Travel	70,250	18,000	88,250	55,400	50,000	105,400	193,650
Meetings, Trainings & Conferences	64,000	23,400	87,400	53,000	22,000	75,000	162,400
Interest Expense and Bank Fees				1,500		1,500	1,500
Depreciation & Amortization	29,291	9,627	38,917	16,468	13,273	29,741	68,658
Dues, Licenses and Fees	224,313	6,200	230,513	26,610	18,000	44,610	275,123
Miscellaneous Expenses	894	294	1,188	502	405	907	2,095
IT Services	1,867,659	270,090	2,137,748	462,024	372,379	834,404	2,972,152
Total Program Support Costs	2,606,052	590,027	3,196,080	818,051	634,825	1,452,876	4,648,956
TOTAL EXPENSES	172,756,062	18,906,132	191,662,194	4,536,625	4,187,308	8,723,933	200,386,127

OPUC Measure vs. 8%

6.1%

Energy Trust of Oregon
Summary by Service Territory and Program
2019 Draft Annual Projection

	PGE	Pacific Power	Subtotal Elec. NWN	Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency											
Commercial											
Existing Buildings	\$30,115,928	\$19,251,677	\$49,367,605	\$1,717,615	\$3,134,622	\$1,097,958	\$397,441	\$6,347,636	\$55,715,241		\$55,715,241
Multifamily Bldgs	6,365,492	2,401,319	8,766,811		1,044,108	36,556	83,906	1,164,570	9,931,381		9,931,381
New Buildings	13,064,530	5,190,196	18,254,726	53,866	2,177,642	234,832	143,113	2,609,453	20,864,179		20,864,179
NEEA	1,423,089	835,782	2,258,872		442,874	49,208		492,082	2,750,954	50,049	2,801,003
Total Commercial	50,969,039	27,678,974	78,648,013	1,771,482	6,799,247	1,418,554	624,459	10,613,742	89,261,755	955,658	90,217,413
Industrial											
Production Efficiency	22,033,736	13,417,907	35,451,643	1,972,161	686,778	195,295	35,825	2,890,059	38,341,702		38,341,702
NEEA	238,173	139,879	378,052						378,052		378,052
Total Industrial	22,271,908	13,557,786	35,829,695	1,972,161	686,778	195,295	35,825	2,890,059	38,719,754		38,719,754
Residential											
Residential Combined	17,934,397	10,485,983	28,420,380		14,402,582	1,178,361	524,423	16,105,365	44,525,745	1,368,288	45,894,033
NEEA	2,716,597	1,595,461	4,312,058		1,221,361	135,707		1,357,068	5,669,125	138,026	5,807,151
Total Residential	20,650,993	12,081,444	32,732,437		15,623,943	1,314,068	524,423	17,462,433	50,194,870	1,506,314	51,701,184
Energy Efficiency Program Costs	93,891,940	53,318,204	147,210,145	3,743,643	23,109,968	2,927,917	1,184,707	30,966,234	178,176,379	2,461,972	180,638,351
Renewables											
Solar Electric (Photovoltaic)	5,606,292	3,777,065	9,383,357						9,383,357		9,383,357
Other Renewable	6,539,258	3,825,159	10,364,417						10,364,417		10,364,417
Renewables Program Costs	12,145,550	7,602,224	19,747,774						19,747,774		19,747,774
Cost Grand Total	106,037,491	60,920,428	166,957,919	3,743,643	23,109,968	2,927,917	1,184,707	30,966,234	197,924,153	2,461,972	200,386,127

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Draft Annual Projection

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Washington (with NEEA)	Solar Renewables	Custom Renewables	ETO Total
Program Management	1,395,644	789,289	616,704	-	1,939,457	-	3,285,206	-	167,027	787,247	625,641	9,606,215
Program Delivery:	14,531,888	3,879,765	5,432,950	2,586,278	10,737,489	337,194	8,350,741	5,378,017	582,528	376,500	-	52,193,350
Incentives:	33,748,505	3,686,311	12,003,809	-	21,970,986	-	24,600,933	-	1,138,971	6,670,000	8,775,050	112,594,565
Program Eval & Planning Svcs.:	1,490,750	370,713	891,731	47,430	933,895	24,746	1,966,017	49,493	196,474	182,608	45,369	6,199,226
Program Marketing/Outreach:	1,143,217	389,999	526,860	-	304,001	-	2,132,787	-	109,189	236,500	10,000	4,852,553
Program Legal	-	-	-	-	-	-	-	-	-	3,000	2,000	5,000
Program Quality Assurance:	-	-	-	-	-	-	85,000	-	-	-	-	85,000
Outsourced Services:	313,999	111,001	185,599	-	340,000	-	599,000	-	36,550	258,499	270,000	2,114,648
Trade Allies & Cust. Svc. Mgmt.:	108,729	48,203	37,205	-	38,946	-	466,767	-	42,018	63,581	109	805,558
IT Services:	339,053	193,086	242,505	-	278,137	-	774,186	-	40,692	151,480	118,610	2,137,749
Other Program Expenses	268,895	39,745	37,592	-	164,688	-	183,880	-	43,596	254,025	75,912	1,068,333
TOTAL PROGRAM EXPENSES	53,340,680	9,508,112	19,974,955	2,633,708	36,707,599	361,940	42,444,517	5,427,510	2,357,045	8,983,440	9,922,691	191,662,197
ADMINISTRATIVE COSTS												
Management & General	1,234,821	220,111	462,415	60,969	849,769	8,379	1,082,282	125,645	54,564	207,964	229,707	4,536,626
Communications & Customer Svc	1,139,738	203,162	426,809	56,275	784,339	7,733	998,948	115,971	50,364	191,951	212,019	4,187,309
Total Administrative Costs	2,374,559	423,273	889,224	117,244	1,634,108	16,112	2,081,230	241,616	104,928	399,915	441,726	8,723,935
Total Program & Admin Expenses	55,715,239	9,931,385	20,864,179	2,750,952	38,341,707	378,052	44,525,747	5,669,126	2,461,973	9,383,355	10,364,417	200,386,132
Energy Savings (kwh)	133,211,360	14,404,691	58,008,673	15,635,327	151,473,943	947,602	45,766,872	30,083,175				449,531,643
Energy Savings (therms)	1,526,145	168,020	987,272	-	1,064,753	-	2,034,987	-	366,815			6,147,992
Energy Generation (kwh)										10,681,000	14,406,600	25,087,600

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Draft Annual Projection

ENERGY EFFICIENCY

PGE

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Program Management	754,628	505,680	386,406		1,039,447		1,316,764		4,002,925
Program Delivery:	8,023,304	2,485,680	3,404,521	1,332,556	5,812,177	212,432	3,348,491	2,569,636	27,188,797
Incentives:	18,057,350	2,361,737	7,506,447		13,068,811		9,864,514		50,858,859
Program Eval & Planning Svcs.:	807,950	240,070	565,263	29,881	527,403	15,590	866,714	31,181	3,084,052
Program Marketing/Outreach:	632,496	249,864	330,367		174,668		854,889		2,242,284
Program Legal									-
Program Quality Assurance:							34,048		34,048
Outsourced Services:	169,592	71,115	116,150		195,352		239,941		792,150
Trade Allies & Cust. Svc. Mgmt.:	58,725	30,882	23,284		22,377		186,972		322,240
IT Services:	183,123	123,706	151,762		159,808		310,115		928,514
Other Program Expenses	145,231	25,463	23,526		94,624		73,656		362,500
TOTAL PROGRAM EXPENSES	28,832,399		12,507,726	1,362,437	21,094,667	228,022	17,096,104	2,600,817	89,816,369
ADMINISTRATIVE COSTS									
Management & General	667,461	141,079	289,550	31,540	488,335	5,279	435,929	60,208	2,119,381
Communications & Customer Svc	616,067	130,216	267,255	29,111	450,734	4,872	402,363	55,572	1,956,190
Total Administrative Costs	1,283,528		556,805	60,651	939,069	10,151	838,292	115,780	4,075,571
Total Program & Admin Expenses	30,115,927		13,064,531	1,423,088	22,033,736	238,173	17,934,396	2,716,597	93,891,946
Energy Savings (kwh)	82,210,414	10,778,664	40,287,867	9,850,256	100,179,986	596,989	27,191,246	18,952,401	290,047,823

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Draft Annual Projection

ENERGY EFFICIENCY

Pacific Power

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Program Management	482,144	190,763	153,509		670,785		768,590		2,265,791
Program Delivery:	5,121,741	937,698	1,352,527	782,612	4,011,084	124,762	1,952,290	1,509,151	15,791,865
Incentives:	11,527,055	890,942	2,982,115		7,437,280		5,751,365		28,588,757
Program Eval & Planning Svcs.:	540,484	90,564	224,564	17,549	332,994	9,156	530,755	18,312	1,764,378
Program Marketing/Outreach:	403,901	94,259	131,246		106,368		498,942		1,234,716
Program Legal									-
Program Quality Assurance:							19,908		19,908
Outsourced Services:	108,412	26,828	46,143		118,964		140,290		440,637
Trade Allies & Cust. Svc. Mgmt.:	37,540	11,650	9,250		13,627		109,320		181,387
IT Services:	117,062	46,667	60,291		97,318		181,320		502,658
Other Program Expenses	92,839	9,606	9,346		57,623		43,066		212,480
TOTAL PROGRAM EXPENSES	18,431,178	2,298,977	4,968,991	800,161	12,846,043	133,918	9,995,846	1,527,463	51,002,577
ADMINISTRATIVE COSTS									
Management & General	426,676	53,221	115,031	18,523	297,382	3,100	254,882	35,360	1,204,175
Communications & Customer Svc	393,822	49,123	106,173	17,097	274,484	2,861	235,256	32,638	1,111,454
Total Administrative Costs	820,498	102,344	221,204	35,620	571,866	5,961	490,138	67,998	2,315,629
Total Program & Admin Expenses	19,251,676	2,401,321	5,190,195	835,781	13,417,909	139,879	10,485,984	1,595,461	53,318,205
Energy Savings (kwh)	51,000,946	3,626,027	17,720,806	5,785,072	51,293,957	350,613	18,575,626	11,130,775	159,483,820

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Draft Annual Projection**

ENERGY EFFICIENCY

NW Natural Industrial

EXPENSES	Multifamil							Efficiency Total
	Existing Buildings	y Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	
Program Management	42,185		855		155,820			198,860
Program Delivery:	148,700		6,864		686,480			842,044
Incentives:	1,377,519		40,120		946,720			2,364,359
Program Eval & Planning Svcs.:	34,902		2,104		41,056			78,062
Program Marketing/Outreach:	9,135		324		15,671			25,130
Program Legal								
Program Quality Assurance:								-
Outsourced Services:	9,740		481		17,527			27,748
Trade Allies & Cust. Svc. Mgmt.:	3,373		96		2,008			5,477
IT Services:	10,517		629		14,338			25,484
Other Program Expenses	8,341		97		8,490			16,928
TOTAL PROGRAM EXPENSES	1,644,412	-	51,570	-	1,888,110	-	-	3,584,092
ADMINISTRATIVE COSTS								
Management & General	38,068		1,194		43,709			82,971
Communications & Customer Svc	35,136		1,102		40,344			76,582
Total Administrative Costs	73,204	-	2,296	-	84,053	-	-	159,553
Total Program & Admin Expenses	1,717,616	-	53,866	-	1,972,163	-	-	3,743,646
Energy Savings (therms)	512,064		24,798		751,105	-	-	1,287,967

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Draft Annual Projection

ENERGY EFFICIENCY

NW Natural Gas

EXPENSES	Existing Buildings	y Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Program Management	78,954	83,242	64,704		56,033		1,072,918		1,355,851
Program Delivery:	836,962	409,179	570,094	423,999	153,000		2,727,170	1,169,307	6,289,711
Incentives:	1,883,677	388,777	1,256,971		400,637		8,034,129		11,964,191
Program Eval & Planning Svcs.:	77,028	35,933	85,040		27,630		509,846		735,477
Program Marketing/Outreach:	66,059	41,131	55,321		5,457		696,546		864,514
Program Legal									
Program Quality Assurance:							27,762		27,762
Outsourced Services:	17,775	11,707	19,450		6,103		195,639		250,674
Trade Allies & Cust. Svc. Mgmt.:	6,155	5,084	3,899		699		152,451		168,288
IT Services:	19,194	20,364	25,413		4,993		252,856		322,820
Other Program Expenses	15,222	4,192	3,939		2,956		60,057		86,366
TOTAL PROGRAM EXPENSES	3,001,026	999,609	2,084,831	423,999	657,508	-	13,729,374	1,169,307	22,065,654
ADMINISTRATIVE COSTS									
Management & General	69,473	23,141	48,263	9,815	15,221		350,082	27,069	543,064
Communications & Customer Svc	64,123	21,359	44,547	9,060	14,049		323,126	24,985	501,249
Total Administrative Costs	133,596	44,500	92,810	18,875	29,270	-	673,208	52,054	1,044,313
Total Program & Admin Expenses	3,134,622	1,044,109	2,177,641	442,874	686,778	-	14,402,582	1,221,361	23,109,969
Energy Savings (therms)	742,465	147,918	839,544	-	255,710	-	1,778,513	-	3,764,150

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Draft Annual Projection**

ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Program Management	27,704	2,914	6,978		14,327		87,841		139,764
Program Delivery:	294,557	14,326	61,478	47,111	63,996		223,377	129,923	834,768
Incentives:	662,934	13,612	135,549		98,837		658,060		1,568,992
Program Eval & Planning Svcs.:	22,310	1,258	9,171		4,066		40,623		77,428
Program Marketing/Outreach:	23,221	1,440	5,966		1,552		57,029		89,208
Program Legal									
Program Quality Assurance:							2,271		2,271
Outsourced Services:	6,226	410	2,097		1,736		16,006		26,475
Trade Allies & Cust. Svc. Mgmt.:	2,156	178	420		199		12,473		15,426
IT Services:	6,723	713	2,740		1,420		20,688		32,284
Other Program Expenses	5,332	147	425		841		4,914		11,659
TOTAL PROGRAM EXPENSES	1,051,163	34,998	224,824	47,111	186,974	-	1,123,282	129,923	2,798,275
ADMINISTRATIVE COSTS									
Management & General	24,334	810	5,205	1,091	4,328		28,642	3,008	67,418
Communications & Customer Svc	22,460	748	4,804	1,007	3,995		26,437	2,776	62,227
Total Administrative Costs	46,794	1,558	10,009	2,098	8,323	-	55,079	5,784	129,645
Total Program & Admin Expenses	1,097,957	36,556	234,833	49,209	195,297	-	1,178,361	135,707	2,927,920
Energy Savings (therms)	217,679	5,084	80,049	-	48,176	-	141,326	-	492,313

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Draft Annual Projection**

ENERGY EFFICIENCY

Avista

EXPENSES	Multifamil		New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
	Existing Buildings	y Buildings							
Program Management	10,029	6,690	4,252		3,045		39,093		63,109
Program Delivery:	106,624	32,882	37,466		10,752		99,413		287,137
Incentives:	239,970	31,243	82,607		18,701		292,865		665,386
Program Eval & Planning Svcs.:	8,076	2,888	5,589		746		18,079		35,378
Program Marketing/Outreach:	8,405	3,305	3,636		285		25,381		41,012
Program Legal									
Program Quality Assurance:							1,011		1,011
Outsourced Services:	2,254	941	1,278		318		7,124		11,915
Trade Allies & Cust. Svc. Mgmt.:	780	409	256		36		5,551		7,032
IT Services:	2,434	1,636	1,670		260		9,207		15,207
Other Program Expenses	1,930	337	259		154		2,187		4,867
TOTAL PROGRAM EXPENSES	380,502	80,331	137,013	-	34,297	-	499,911	-	1,132,054
ADMINISTRATIVE COSTS									
Management & General	8,809	1,860	3,172		794		12,747		27,382
Communications & Customer Svc	8,130	1,716	2,928		733		11,766		25,273
Total Administrative Costs	16,939	3,576	6,100	-	1,527	-	24,513	-	52,655
Total Program & Admin Expenses	397,441	83,907	143,113	-	35,824	-	524,424	-	1,184,711
Energy Savings (therms)	53,937	15,018	42,881	-	9,762	-	115,149	-	236,747

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Draft Annual Projection**

ENERGY EFFICIENCY

NW Natural Washington

EXPENSES	Existing Buildings	NEEA Commercial	Residential	NEEA Residential	Efficiency Total
Program Management	53,972		113,055		167,027
Program Delivery:	173,286	47,916	229,183	132,143	582,528
Incentives:	455,400		683,571		1,138,971
Program Eval & Planning Svcs.:	55,680		140,794		196,474
Program Marketing/Outreach:	74,000		35,189		109,189
Program Legal					
Program Quality Assurance					
Outsourced Services:	1,000		35,550		36,550
Trade Allies & Cust. Svc. Mgmt.:	20,155		21,863		42,018
IT Services:	16,782		23,910		40,692
Other Program Expenses	16,738		26,858		43,596
TOTAL PROGRAM EXPENSES	867,013	47,916	1,309,973	132,143	2,357,045
ADMINISTRATIVE COSTS					
Management & General	20,071	1,109	30,325	3,059	54,564
Communications & Customer Svc	18,526	1,024	27,990	2,824	50,364
Total Administrative Costs	38,597	2,133	58,315	5,883	104,928
Total Program & Admin Expenses	905,610	50,049	1,368,288	138,026	2,461,971
Energy Savings (therms)	160,000	-	206,815		366,815

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Draft Annual Projection**

RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Program Management	469,983	388,191	858,174
Program Delivery:	215,240		215,240
Incentives:	4,000,000	5,583,775	9,583,775
Program Eval & Planning Svcs.:	104,323	28,625	132,948
Program Marketing/Outreach:	141,302	3,800	145,102
Program Legal	1,792	1,262	3,054
Program Quality Assurance:			-
Outsourced Services:	154,446	135,000	289,446
Trade Allies & Cust. Svc. Mgmt.:	37,988	69	38,057
IT Services:	90,505	74,835	165,340
Other Program Expenses	151,773	45,002	196,775
TOTAL PROGRAM EXPENSES	5,367,352	6,260,559	11,627,911
ADMINISTRATIVE COSTS			
Management & General	124,253	144,930	269,183
Communications & Customer Svc	114,685	133,770	248,455
Total Administrative Costs	238,938	278,700	517,638
Total Program & Admin Expenses	5,606,290	6,539,259	12,145,550
Energy Generation (kwh)	6,732,000	10,827,000	17,559,000

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Draft Annual Projection**

RENEWABLE PROGRAMS

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Program Management	317,264	237,450	554,714
Program Delivery:	161,260		161,260
Incentives:	2,670,000	3,191,275	5,861,275
Program Eval & Planning Svcs.:	78,285	16,744	95,029
Program Marketing/Outreach:	95,198	6,200	101,398
Program Legal	1,208	738	1,946
Program Quality Assurance:			-
Outsourced Services:	104,053	135,000	239,053
Trade Allies & Cust. Svc. Mgmt.:	25,593	40	25,633
IT Services:	60,975	43,775	104,750
Other Program Expenses	102,252	30,910	133,162
TOTAL PROGRAM EXPENSES	3,616,088	3,662,132	7,278,220
ADMINISTRATIVE COSTS			
Management & General	83,711	84,777	168,488
Communications & Customer Svc	77,266	78,249	155,515
Total Administrative Costs	160,977	163,026	324,003
Total Program & Admin Expenses	3,777,065	3,825,158	7,602,224
Energy Generation (kwh)	3,949,000	3,579,600	7,528,600

Financial Glossary

(for internal use) - updated December 6, 2016



Administrative Costs

Costs that, by nonprofit accounting standards, have general objectives which enable an organization's programs to function. The organization's programs in turn provide direct services to the organization's constituents and fulfill the mission of the organization.

i.e. management and general and general communication and outreach expenses

- I. **Management and General**
 - Includes governance/board activities, interest/financing costs, accounting, payroll, human resources, general legal support, and other general organizational management costs.
 - Receives an allocated share of indirect costs.
- II. **General Communications and Outreach**
 - Expenditures of a general nature, conveying the nonprofit mission of the organization and general public awareness.
 - Receives an allocated share of indirect costs.

Allocation

- A way of grouping costs together and applying them to a program as one pool based upon an allocation base that most closely represents the activity driver of the costs in the pool.
- Used as an alternative to charging programs on an invoice-by-invoice basis for accounting efficiency purposes.
- An example would be accumulating all of the costs associated with customer management (call center operations, Energy Trust customer service personnel, complaint tracking, etc). The accumulated costs are then spread to the programs that benefited by using the ratio of calls into the call center by program (i.e. the allocation base).

Allocation Cost Pools

- Employee benefits and taxes.
- Office operations. Includes rent, telephone, utilities, supplies, etc.
- Information Technology (IT) services.
- Planning and evaluation general costs.
- Customer service and trade ally support costs.
- General communications and outreach costs.
- Management and general costs.
- Shared costs for electric utilities.
- Shared costs for gas utilities.
- Shared costs for all utilities.

Auditor's Opinion

- An accountant's or auditor's opinion is a report by an independent CPA presented to the board of directors describing the scope of the examination of the organization's books, and certifying that the financial statements meet the AICPA (American Institute of Certified Public Accountants) requirements of GAAP (generally accepted accounting principles).

- Depending on the audit findings, the opinion can be unmodified or modified regarding specific items. Energy Trust strives for and has achieved in all its years an unmodified opinion.
- An unmodified opinion indicates agreement by the auditors that the financial statements present an accurate assessment of the organization's financial results.
- The OPUC Grant Agreement requires an unmodified opinion regarding Energy Trust's financial statements.
- Failure to follow generally accepted accounting principles (GAAP) can result in a qualified opinion.

Board-approved Annual Budget

- Funds approved by the board for *expenditures* during the budget year (subject to board approved program funding caps and associated policy) for the stated functions.
- Funds approved for *capital* asset expenditures.
- Approval of the general allocation of funds including commitments and cash outlays.
- Approval of expenditures is based on assumed revenues from utilities as forecasted in their annual projections of public purpose collections and/or contracted revenues.

Reserves

- In any one year, the amount by which revenues exceed expenses for that year in a designated category that will be added to the cumulative balance and brought forward for expenditure to the next budget year.
- In any one year, if expenditures exceed revenues, the negative difference is applied against the cumulative carryover balance.
- Does not equal the cash on hand due to noncash expense items such as depreciation.
- Tracked by major utility funder and at high level program area--by EE vs RE, not tracked by program.

Committed Funds

- Represents funds obligated to identified efficiency program participants in the form of signed applications or agreements and tracked in the project forecasting system.
- If the project is not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Funds are expensed when the project is completed.
- Funds may be held in the operating cash account, or in escrow accounts.

Contract obligations

- A signed contract for goods or services that creates a legal obligation.
- Reported in the monthly Contract Status Summary Report.

Cost-Effectiveness Calculation

- Programs and measures are evaluated for cost-effectiveness.
- The cost of program savings must be lower than the cost to produce the energy from both a utility and societal perspective.
- Expressed as a ratio of energy savings cost divided by the presumed avoided utility and societal cost of energy.
- Program cost-effectiveness evaluation is "fully allocated," i.e. includes all of the program costs plus a portion of Energy Trust administrative costs.

Dedicated Funds

- Represents funds obligated to identified renewable program participants in the form of signed applications or agreements and tracked in the project forecasting system.

- May include commitments, escrows, contracts, board designations, master agreements.
- Methodology utilized to develop renewable energy activity-based budgets amounts.

Direct Program Costs

- Can be directly linked to and reflect a causal relationship to one individual program/project; or can easily be allocated to two or more programs based upon usage, cause, or benefit.

Direct Program Evaluation & Planning Services

- Evaluation services for a specific program rather than for a group of programs.
- Costs incurred in evaluating programs and projects and included in determining total program funding caps.
- Planning services for a specific program rather than for a group of programs.
- Costs incurred in planning programs and projects and are included in determining program funding expenditures and caps.
- Evaluation and planning services attributable to a number of programs are recorded in a cost pool and are subsequently allocated to individual programs.

Escrowed Program (Incentive) Funds

- Cash deposited into a separate bank account that will be paid out pursuant to a contractual obligation requiring a certain event or result to occur. Funds can be returned to Energy Trust if such event or result does not occur. Therefore, the funds are still “owned” by Energy Trust and will remain on the balance sheet.
- The funds are within the control of the bank in accordance with the terms of the escrow agreement.
- When the event or result occurs, the funds are considered “earned” and are transferred out of the escrow account (“paid out”) and then are reflected as an expense on the income statement for the current period.

Expenditures/Expenses

- Amounts for which there is an obligation for payment of goods and/or services that have been received or earned within the month or year.

Project Tracking Projects Forecasting

Module developed in Project Tracking system (PT) to provide information about the timing of future incentive payments, with the following definitions:

- Estimated-Project data may be inaccurate or incomplete. Rough estimate of energy savings, incentives and completion date by project and by service territory.
- Proposed-Project that has received a written incentive offer but no agreement or application has been signed. Energy savings, incentives and completion date to be documented by programs using this phase. For Renewable projects-project that has received Board approval.
- Accepted-Used for renewable energy projects in 2nd round of application; projects that have reached a stage where approval process can begin.
- Committed-Project that has a signed agreement or application reserving incentive dollars until project completion. Energy savings/generations, incentives and completion date by project and by service territory must be documented in project records and in PT. If project not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Dedicated-Renewable project that has been committed, has a signed agreement, and if required, has been approved by the board of directors.

Incentives**I. Residential Incentives**

- Incentives paid to a residential program participant (party responsible for payment for utility service in particular dwelling unit) exclusively for energy efficiency and renewable energy measures in the homes or apartments of such residential customers.

II. Business Incentives

- Incentives paid to a participant other than a residential program participant as defined above following the installation of an energy efficiency or renewable energy measure.
- Above market cost for a particular renewable energy project.

III. Service Incentives

- Incentives paid to an installation contractor which serves as a reduction in the final cost to the participant for the installation of an energy efficiency or renewable energy measure.
- Payment for services delivered to participants by contractors such as home reviews and technical analysis studies.
- End-user training, enhancing participant technical knowledge or energy efficiency practices proficiency such as Strategic Energy Management programs, where some level of tracking of particular sites and participants is part of the program design.
- Lighting, hot water, and energy control devices through retailer buy down, on line fulfillment, and direct installation.

Indirect Costs

- Shared costs that are “allocated” for accounting purposes rather than assigning individual charges to programs.
- Allocated to all programs and administration functions based on a standard basis such as hours worked, square footage, customer phone calls, etc.
- Examples include rent/facilities, supplies, computer equipment and support, and depreciation.

IT Support Services

- Information technology costs incurred as a result of supporting all programs.
- Includes energy savings and incentive tracking software, data tracking support of PMCs and for the program evaluation functions.
- Includes technical architecture design and physical infrastructure.
- Receives an allocation of indirect shared costs.
- Total costs subsequently allocated to programs and administrative units.

Outsourced Services

- Miscellaneous professional services contracted to third parties rather than performed by internal staff.
- Can be incurred for program or administrative reasons and will be identified as such.

Program Costs

- Expenditures made to fulfill the purposes or mission for which the organization exists and are authorized through the program approval process.
- Includes program management, incentives, program staff salaries, planning, evaluation, quality assurance, program-specific marketing and other costs incurred solely for program purposes.
- Can be direct or indirect (i.e. allocated based on program usage.)

Program Delivery Expense

- This will include all PMC labor and direct costs associated with: incentive processing, program coordination, program support, trade ally communications, and program delivery contractors.
- Includes contract payments to NEEA for market transformation efforts.
- Includes performance compensation incentives paid to program management contractors under contract agreement if certain incentive goals are met.
- Includes professional services for items such as solar inspections, anemometer maintenance and general renewable energy consulting.

Program Legal Services

- External legal expenditures and internal legal services utilized in the development of a program-specific contract.

Program Management Expense

- PMC billings associated with program contract oversight, program support, staff management, etc.
- ETO program management staff salaries, taxes and benefits.

Program Marketing/Outreach

- PMC labor and direct costs associated with marketing/outreach/awareness efforts to communicate program opportunities and benefits to rate payers/program participants.
- Awareness campaigns and outreach efforts designed to reach participants of individual programs.
- Co-op advertising with trade allies and vendors to promote a particular program benefit to the public.

Program Quality Assurance

- Independent in-house or outsourced services for the quality assurance efforts of a particular program (distinguished from program quality control).

Program Reserves

- Negotiated with utilities annually, with a goal of providing a cushion of approximately 5% above funds needed to fulfill annual budgeted costs. Management may access up to 50% of annual program reserve without prior board approval (resolution 633, 2012).

Program Support Costs

- Source of information is contained in statement of functional expense report.
- Portion of costs in OPUC performance measure for program administration and support costs.
 - Includes expenses incurred directly by the program.
 - Includes allocation of shared and indirect costs incurred in the following categories: supplies; postage and shipping; telephone; printing and publications; occupancy expenses; insurance; equipment; travel; business meetings; conferences and training; depreciation and amortization; dues, licenses,

subscriptions and fees; miscellaneous expense; and an allocation of information technology department cost.

Project Specific Costs (for Renewable Energy)

- Expenses directly related to identified projects or identified customers to assist them in constructing or operating renewable projects. Includes services to prospective as well as current customers.
- Must involve direct contact with the project or customer, individually or in groups, and provide a service the customer would otherwise incur at their own expense.
- Does not include general program costs to reach a broad (unidentified) audience such as websites, advertising, program development, or program management.
- Project-Specific costs may be in the categories of; Incentives, Staff salaries, Program delivery, Legal services, Public relations, Creative services, Professional services, Travel, Business meetings, Telephone, or Escrow account bank fees.

Savings Types

- **Working Savings/Generation:** the estimate of savings/generation that is used for data entry by program personnel as they approve individual projects. They are based on deemed savings/generation for prescriptive measures, and engineering calculations for custom measures. They do not incorporate any evaluation or transmission and distribution factors.
- **Reportable Savings/Generation, also known as Net Savings:** the estimate of savings/generation that will be used for public reporting of Energy Trust results. This includes transmission and distribution factors, and evaluation factors of free riders, spillover and savings realization rates, plus any other corrections required to the original working values. These values are updated annually, and are subject to revision each year during the “true-up” as a result of new information or identified errors.
- **Gross Savings/Generation:** the estimate of savings from program participants, regardless of whether they are free-riders.
- **Contract Savings:** the estimate of savings that will be used to compare against annual contract goals. These savings figures are generally the same as the reportable savings at the time that the contract year started. For purposes of adjusting working savings to arrive at this number, a single adjustment percentage (a SRAF, as defined below) is agreed to at the beginning of the contract year and is applied to all program measures. This is based on the sum of the adjustments between working and reportable numbers in the forecast developed for the program year.
- **Savings Realization Adjustment Factors (SRAF):** are savings realization adjustment factors applied to electric and gas working savings measures in order to reflect more accurate savings information through the benefit of evaluation and other studies. These factors are determined by the Energy Trust and used for annual contract amendments. The factors are determined based on the best available information from:
 - Program evaluations and/or other research that account for free riders, spill-over effects and measure impacts to date; and
 - Published transmission and distribution line loss information resulting from electric measure savings.

Total Program and Admin Expenses (line item on income statement)

- Used only for cost effectiveness calculations, levelized cost calculations and in management reports used to track funds spent/remaining by service territory.
- Includes all costs of the organization--direct, indirect, and an allocation of administration costs to programs.
- Should not be used for external financial reporting (not GAAP).

Total Program Expenses (line item on income statement)

- All indirect costs have been allocated to program costs with the exception of administration (management and general costs and communications & outreach).
- Per the requirements of Generally Accepted Accounting Principles (GAAP) for nonprofits, administrative costs should not be allocated to programs.
- There is no causal relationship—costs would not go away if the program did not exist.

Trade Ally Programs & Customer Service Management

- Costs associated with Energy Trust sponsorship of training and development of a trade ally network for a variety of programs.
- Trade Ally costs are tracked and allocated to programs based on the number of allies associated with that program.
- Costs in support of assisting customers which benefit all Energy Trust programs such as call center operations, customer service manager, complaint handling, etc.
- Customer service costs are tracked and allocated based on # of calls into the call center per month.

True Up

- True-up is a once-a-year process where we take everything we've learned about how much energy programs actually save or generate, and update our reports of historic performance and our software tools for forecasting and analyzing future savings.
- Information incorporated includes improved engineering models of savings (new data factor), anticipated results of future evaluations based on what prior evaluations of similar programs have shown (anticipated evaluation factor), and results from actual evaluations of the program and the year of activity in question (evaluation factor).
- Results are incorporated in the Annual Report (for the year just past) and the True-up Report (for prior years).
- Sometimes the best data on program savings or generation is not available for 2-3 years, especially for market transformation programs. So for some programs, the savings are updated through the annual true-up 2 or 3 times