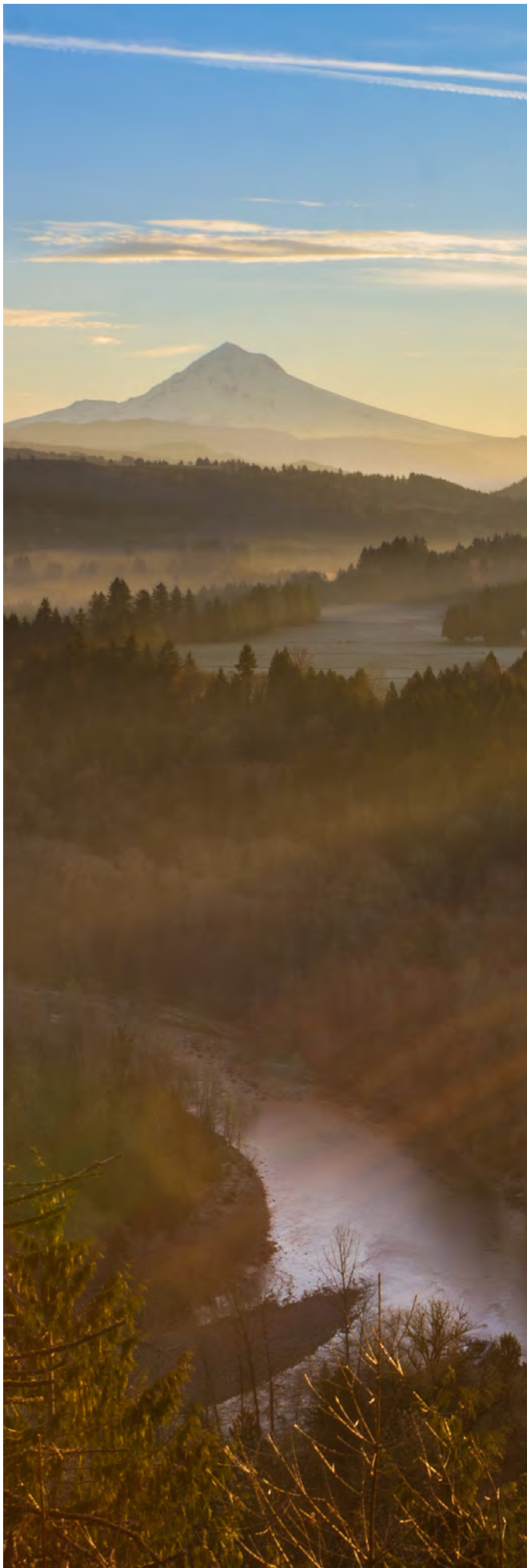




Strategic Plan

2020-2024



About Us

Vision

Clean, affordable energy for everyone.

Purpose

We help customers and communities reduce costs and realize additional benefits by saving energy and using renewable resources.

WHO WE ARE

We are an independent nonprofit organization dedicated to benefiting the customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista. We are primarily funded from public purpose charges paid by utility customers. We are accountable to an independent board of directors and the Oregon Public Utility Commission.

WHAT WE DELIVER

Our information, financial incentives and connections to contractors help people, businesses and communities save energy and generate renewable power. We are committed to helping customers manage their energy use, especially people with lower incomes, communities of color, smaller businesses and rural customers.

OUR WORK

- Helps lower utility bills for participants.
- Reduces overall energy costs for all utility customers.
- Contributes to a stronger economy.
- Builds resilient and sustainable communities.
- Avoids carbon emissions in our region.

Our impact

Working with us, customers have so far saved and generated enough energy to fuel a clean energy power plant

Context

Energy Trust is nationally recognized for its expertise in energy efficiency and renewable energy program development and administration.

We have served thousands of businesses, many of them large commercial, industrial and multifamily properties. More than 600,000 households have installed efficient light bulbs, water-saving solutions and other very cost-effective energy-saving projects. We have achieved success in transforming markets that have historically been low-cost and high-volume sources of savings, such as the residential lighting market. We have also helped customers install thousands of small-scale solar, hydropower, biopower, wind and geothermal systems.

DYNAMICS SHAPING OUR PLAN

In the next five years, known challenges and emerging dynamics will require us to innovatively build upon this foundational customer and market success so we can accomplish our energy goals and benefit customers.

First, traditional energy efficiency and renewable energy program approaches need to evolve. Until advances in technology open up large areas of opportunity, we anticipate individual projects will save less energy on average than in the past. Consequently, we will need to help customers complete more projects to achieve our annual savings goals. This will likely increase levelized costs for energy efficiency during this timeframe. Additionally, we expect market conditions and the policy environment will make it harder to develop small-scale, customer-owned renewable energy projects. New partnerships and project funding models will be needed to continue diversifying Oregon's power mix with small-scale renewable energy.

Levelized cost
Our total cost to save or generate each unit of energy over the lifetime of the measure

Second, customer demographics are shifting. Our state population is expected to grow during the next five years, and with this growth, the demographics of Oregonians are changing. Nearly a quarter of Oregonians belong to communities of color and that percentage is expected to increase. To deliver on our energy savings and generation goals, we will need to engage an even more diverse population in the future. Adapting our programs and services to be relevant for diverse customers is critical to achieving our core purpose.

Third, governments and communities are seeking ways to mitigate and adapt to the harmful effects of climate change. As Oregon focuses on addressing climate change and reducing greenhouse gas emissions in both the state's energy supply and how energy is used, our programs will be key to the state's success. In addition, some cities and communities will forge ahead with their own policies to lower carbon emissions or improve resiliency. Low-cost energy efficiency and clean, renewable energy are important ways to support those policies and plans. While state carbon emissions reduction policies will likely have modest impact on our programs in the 2020-2024 timeframe, we anticipate more significant impact in the longer term.

Fourth, utility system changes and emerging technologies are presenting new opportunities. Utilities in the Northwest are adapting to emerging constraints on their systems and the need to reduce greenhouse gas emissions. In addition, technology advancement is enabling new ways for utilities to begin interacting with customers to address these constraints. Our experience working with customers and contractors to install energy-efficient and solar technology can inform utility-led demand response programs and defer utility infrastructure upgrades in targeted areas. And our commitment to equitable program delivery will ensure customers benefit from these new opportunities.





Where We Will Focus

To maximize our energy efficiency and renewable energy investments for the benefit of customers in this dynamic time, we will focus on:

1. Engaging customers with relevant programs, information and services, with particular attention to underserved customers.
2. Linking energy efficiency and renewable energy to the approaches utilities are using to meet changing customer energy needs.
3. Supporting development and implementation of energy policies by providing objective information and analyses.
4. Maximizing public purpose charge funding by leveraging additional funding to advance clean energy investments that deliver multiple benefits.
5. Enhancing our ability to quickly and effectively respond to changes, needs and new opportunities.

All five areas of focus are mutually supportive and necessary.

Our priority is the first focus area, and that is where the vast majority of our investments will be made. To succeed there, we must invest in the other four and improve our ability to serve communities of color, people with lower incomes and rural customers.

Focus areas 2, 3 and 4 will expand opportunities for our core energy efficiency and renewable energy programs and provide additional benefits to customers as the energy landscape changes. Focus area 5 is critical to our success in every other area, because the pace of change is accelerating and new opportunities are emerging more quickly than ever before.



Our Role in 2020-2024

We will continue our role as a third-party program administrator. We will **provide impactful energy efficiency and renewable energy programs** to benefit utility customers. This is core to our purpose. We are entrusted to deliver cost-effective energy efficiency, transform markets to higher-efficiency products and lower the costs of small-scale renewable energy systems. We will maintain a multiple-utility, dual-fuel perspective and use independent analyses to inform this work.

We will **connect the benefits of clean energy to additional public purposes**. Utilities, communities, policymakers and implementers can make progress toward their goals by integrating energy efficiency and renewable energy into decarbonization, environmental projects, local economic development, community planning, social justice, healthcare, affordable housing and other efforts. Through coordination and alignment, we will meet our goals and make our investments go further.

Clean energy
For the purposes of this strategic plan, we define clean energy as conservation, energy efficiency and small-scale renewables

We will **accelerate customer adoption of technologies and approaches** that save energy, generate renewable power and provide additional value to the utility system. We will look ahead to identify and support new approaches, technologies and markets. We will cultivate

a network of trade ally contractors, installers, architects, retailers and other third-party businesses to serve customers. We will evolve our clean energy programs by incorporating the expertise of contractors, community-based organizations, utilities, tribal governments and public agencies.

We will **serve and benefit all eligible utility customers and be inclusive in our program offerings**. We will help current participants complete their next energy projects. There is more we can do to ensure people with low and moderate incomes, communities of color and rural communities can participate with us, including through modified program designs, coordination with trade ally contractors and closer collaboration with community organizations. We will carry out our diversity, equity and inclusion commitment—expanding participation in our programs and enhancing diversity, equity and inclusion in our own operations.

We will **collaborate with communities working to extend the benefits of clean energy** to those they serve. We will be a resource to community-based organizations, cities, counties, customer associations and other networks that can help engage new customers. We will seek to understand community interests and identify the mutual benefits of working together. We will partner to develop economical approaches for serving customers with efficient and renewable energy options.



FOCUS AREA 1

Engage customers with relevant energy efficiency and renewable energy programs, information and services, including information and services specifically for underserved customers.



STRATEGIES

Continue to provide services and incentives to spur customer investment in their next energy project.

- Significant opportunities remain for residential, commercial, industrial and agricultural customers to save and generate energy, even those we have already served. We will continue to provide trusted, independent information to educate customers about remaining opportunities. Our services, incentives and network of trade ally contractors will be available to spur investment in their next project.

Deliver cost-effective programs designed specifically to engage underserved customers.

- We will design programs and outreach plans to serve customers in communities where participation has been lower. Engagement with trade ally contractors, including more minority- and women-owned businesses, will help us reach customers. In alignment with our diversity, equity and inclusion operations goals, we will work to reach people with low and moderate incomes, communities of color and rural customers. We will evolve our programs and collaboration with other organizations to address the energy needs of these customers and ensure they can participate in, and benefit from, cost-effective energy efficiency and clean, renewable generation.

Serve customers through distributors, suppliers, retailers and other mid- and up-stream market actors.

- We will focus on lowering program costs by expanding mid- and up-stream approaches, which seek to influence distributor and retailer stocking and sales of efficient products. We will apply lessons from our residential mid- and up-stream delivery to the multifamily, commercial, industrial and renewable energy programs, and continue to coordinate closely with the Northwest Energy Efficiency Alliance to identify additional mid- and up-stream opportunities.

Evaluate new energy technologies in development and incorporate into program offers when they are cost-effective and ready for the market.

- We will work with the Northwest Energy Efficiency Alliance and others to research, test and develop new emerging technologies. When new technologies and approaches are ready, we will adapt programs to support customer awareness, education and adoption.

PROGRESS INDICATORS

We will know we are making progress in this focus area when:

- We achieve our annual savings and generation goals, and continue to use multi-year planning processes to identify ambitious longer-term energy targets that incorporate emerging sources of savings (see callout box).
- We meet or exceed the goals we establish to increase the diversity of program participants.



WHY WE FOCUS HERE

Our priority is to deliver cost-effective energy efficiency and renewable energy programs and services to our affiliated utility customers. It is the reason we were created.

Our focus on all types of customers highlights our commitment to ensure everyone who pays the public purpose charge can be engaged by our programs and benefit from our services. Through our diversity, equity and inclusion operations goals (see p. 14), we are committed to intentionally designing services to reach underserved customers with relevant offers. This is essential to accomplishing our annual energy goals, achieving all available cost-effective energy efficiency and delivering renewable energy generation.

In coordination with utility integrated resource planning, we work to achieve all available cost-effective energy efficiency over a 20-year planning horizon. We use multi-year planning and annual budgeting to determine how much of the 20-year resource we can capture in the near term.

We must find new ways to support higher-cost technologies, in recognition that they are still cost-effective relative to other options, and develop markets for solar, hydropower and biopower technologies. Substantial efficiency and renewable energy opportunities remain and we need innovative approaches to our program design and delivery to support customers.

Multi-year planning

We produce long-term integrated resource plan updates with each utility by referencing regional planning tools, considering emerging sources of savings and generation and identifying energy efficiency opportunities based on market intelligence. Short-term energy goals based on those resource plans are then set through our budget and action plan process.

FOCUS AREA 2

Strengthen the value we deliver to customers by linking energy efficiency and renewable energy to the approaches utilities are using to meet changing customer energy needs.

STRATEGIES

Improve our ability to quantify and value the benefits of energy efficiency and renewable energy to electric and natural gas utility systems.

- We will conduct further research to understand and account for all the benefits energy efficiency and renewable energy can provide to utility systems, including to what extent these benefits can lower customer costs, reduce utility peak consumption and defer utility investment in transmission, supply or distribution upgrades.

Educate, encourage and enable customers to install and realize benefits from clean energy projects that also help utilities efficiently operate their systems.

- By working with the Oregon Public Utility Commission, our partner utilities and other stakeholders, we will implement energy efficiency and renewable energy initiatives in ways that both benefit customers and help utilities manage their local distribution systems. We will explore incentives and outreach strategies to help customers in specific locations adopt beneficial energy efficiency and renewable energy technologies and practices.

PROGRESS INDICATORS

We will know we are making progress in this focus area when:

- We develop a framework to value, deliver, report and evaluate energy efficiency and renewable energy resource opportunities in targeted locations in collaboration with utilities.
- We implement and evaluate initiatives designed to drive customer adoption of energy efficiency and renewable energy projects in targeted areas.



WHY WE FOCUS HERE

We help keep utility costs lower for all customers by using our program and delivery expertise to support customer adoption of energy efficiency and renewable energy technologies and practices. These efforts deliver customer benefits and they can also help utilities address specific challenges in meeting customer demand.

For instance, efficient heating and cooling systems that are grid-enabled with built-in wireless communications will deliver cost savings and can also be used in utility demand-response programs that encourage customers to use less energy at specific times. Trade ally contractors can be encouraged to construct efficient homes and buildings that are also electric vehicle-ready. Customers installing solar projects with battery storage can help utilities smooth the impacts of intermittent renewable energy on the grid, while also providing resilience benefits.

Distributed energy resources like energy efficiency and small-scale renewable energy have the potential to help electric and natural gas utilities moderate the effects of sudden swings in energy demand or defer investments in new transmission and distribution infrastructure. There is increasing interest at the Oregon Public Utility Commission and in the utility industry in using distributed energy resources in a more integrated way, and there is recognition that we have the skills and expertise to assist with this integration.

Distributed energy resources
Energy efficiency and renewable energy, together with battery storage, demand response and electric vehicles that are connected to the grid, are known as distributed energy resources

FOCUS AREA 3

Provide objective information and analyses to support development and implementation of energy policies.

STRATEGIES

Work with the Oregon Public Utility Commission to provide technical support and advice on energy policies and dockets.

- The Oregon Public Utility Commission is engaged in many policy processes that will impact the regulatory environment and set the direction for the utility industry in Oregon. These processes will include considering how energy efficiency and small-scale renewables can interact with a changing utility environment. We will maintain effective working relationships with commission staff and support their processes using a public benefits perspective.

Support energy-related policy initiatives, objectives and complementary programs led by local, state, regional and federal governments.

- We will work with the Oregon Public Utility Commission to identify areas where our experience in energy efficiency and renewable energy program delivery and customer outreach may support government policy objectives or initiatives. This includes being an expert resource and providing data or analyses on customer participation and our results. We will provide this to the Oregon Legislature, Office of the Governor, Oregon Department of Energy, Oregon Housing and Community Services, city and county governments and others.
- We will identify areas where we can further support policy activities, and we will respond to policymakers' needs for information and advice in areas where our experience could help.
- We will continue our approach to coordinating with complementary programs at state and local agencies, including Oregon Department of Energy's schools program and low-income programs and pilots led by Oregon Housing and Community Services.

PROGRESS INDICATOR

We will know we are making progress in this focus area when:

- We establish a system for monitoring regulatory and policy initiatives. We contribute data analyses and technical expertise during policy development and participate in policy implementation when there is potential customer benefit related to energy efficiency and renewable energy.



WHY WE FOCUS HERE

City, county and state policymakers in Oregon are increasingly interested in how energy efficiency, renewable energy and other distributed energy resources can help achieve public policy goals. We are an independent resource available to support those discussions with objective information as needed.

We can provide impartial information to policymakers and implementers without advocating or lobbying. We have historically participated in policy development and implementation by providing public agencies with information, data and analyses on energy efficiency and renewable energy opportunities, and program participation results and trends. Our technical knowledge and experience working directly with customers, contractors, the state's largest investor-owned utilities and other market actors can continue to be valuable inputs into policymaking discussions.

Through this work, we can enhance the effectiveness of policies and support our core purpose of delivering cost-effective energy efficiency and developing renewable energy markets. Doing so can ultimately help achieve greater program participation, energy savings and renewable generation.

FOCUS AREA 4

Maximize the effectiveness and reach of public purpose charge funding by leveraging additional funding to advance clean energy investments that deliver multiple benefits.

STRATEGIES

Leverage outside funding to help customers complete projects with both energy and non-energy benefits.

- Clean energy projects can deliver significant non-energy benefits. Other organizations and agencies may have funding available for those benefits. By collaborating with external organizations to coordinate funding, and helping customers identify and secure these additional funding sources, more clean energy projects can be completed and our public purpose charge investments can go further. These opportunities include co-funding with housing organizations focused on customers who are low income, people of color and rural. Coordination with utility demand response programs provides similar opportunities.

Coordinate with communities to help integrate energy efficiency and renewable energy into climate change and resiliency plans or to accomplish other community energy goals.

- As more communities actively engage in energy, climate change and resiliency planning, we can support those plans that complement our goals by pooling resources and providing technical and educational expertise.

Collaborate with utilities on carbon reduction strategies.

- As Oregon's greenhouse gas reduction strategy takes shape, we will help by providing our energy efficiency and renewable energy expertise and resources. For example, we can lend our experience in developing biogas projects that produce renewable electricity to help natural gas utilities develop renewable natural gas projects that can reduce greenhouse gas emissions.

PROGRESS INDICATORS

We will know we are making progress in this focus area when:

- We acquire more energy savings and renewable generation than would otherwise be achieved with only public purpose charge funding (see p. 16 on how we are funded).
- We coordinate with more organizations and communities where their additional resources help accomplish mutually supportive objectives.
- We establish a concept agreement with the Oregon Public Utility Commission and at least one natural gas utility to assess a joint carbon reduction effort.



WHY WE FOCUS HERE

We can achieve additional energy efficiency and renewable energy by identifying, coordinating and helping customers leverage non-energy benefits and the funding that comes with them. Clean energy projects frequently realize public benefits beyond energy savings and renewable generation. Organizations or customers who might value those additional non-energy benefits do not always recognize the contribution that efficiency and renewable projects can make, or they are not able to realize or maximize those benefits on their own.

Our incentives for irrigation modernization projects, for example, help irrigation districts convert open canals to pipes, which eliminates pumping, and install low-impact, in-conduit hydropower systems. These projects also deliver non-energy benefits, like water conservation, improved water quality and restored river flows. Our funding and collaboration in these projects attract other organizations that can support the non-energy benefits, like watershed enhancements in this example.

Building on experience with initiatives like irrigation modernization, we will explore partnerships with organizations focused on climate change adaptation and mitigation, greenhouse gas reduction, public health, affordable housing, workforce development, environmental justice and other objectives benefiting customers and communities. The objective is to achieve both energy and non-energy benefits for the public good and broaden the impact of our investments.

FOCUS AREA 5

Enhance our ability to quickly and effectively respond to changes, needs and new opportunities.

STRATEGIES

Intentionally cultivate diversity in our board of directors, advisory councils, executive leadership, staff, delivery contractors, trade ally contractors, program allies, partners and vendors.

- Building a diverse and inclusive organization in all dimensions will bring a vibrant wealth of backgrounds, experiences, perspectives and creative approaches to our work in service to our diverse utility customers. We will improve our service to customers when we better reflect all communities.

Foster and retain talented staff skilled in innovation techniques and adapting to change.

- To continue to lead in the design and administration of programs for the benefit of utility customers and the State of Oregon, we will retain highly skilled and engaged staff and recruit passionate, diverse employees. We will provide support for staff who identify a promising idea or new opportunity and are actively pursuing innovation. We will implement organizational development initiatives, improve our ability to quickly scale and direct staff resources where needed, promote alignment to shared goals, and improve processes and systems for efficiency and effectiveness.

PROGRESS INDICATORS

We will know we are making progress in this focus area when:

- We achieve diversity, equity and inclusion goals for employee hiring and recruitment, and for the board of directors.
- Annual surveys indicate that staff are significantly aware of how annual goal setting, business planning and prioritization enables flexible resourcing of existing and new initiatives.



WHY WE FOCUS HERE

To achieve focus areas 1 through 4, we will need to evolve how we approach our work and customers. We cannot continue to deliver significant benefits to utility customers in the 2020-2024 plan period by relying on our prior strategies and approaches. While significant savings and generation were achieved, not all customers had the opportunity to participate and directly benefit from our work.

To reach more customers and rethink how our expertise in energy efficiency and renewable energy add value to an increasingly integrated and distributed energy system, our organization must be more innovative, quicker to pivot to new opportunities and more diverse.

We will need to develop new ways of working with diverse customers and adapt program designs to find cost-effective approaches to serve them. Changes underway in the utility system and Oregon's energy policies may drive additional opportunities to serve and benefit utility customers and the public.

In periods of change, successful organizations focus on employees, helping them grow, learn and work productively through the uncertainty and divergence that comes with change. We will focus on ensuring alignment to organizational goals, fostering an inclusive environment open to new ideas and perspectives, and cultivating employees' continued passion to deliver on the vision and purpose of the organization.

Diversity, equity and inclusion efforts

The strategic plan guides other planning and reporting processes specific to our diversity, equity and inclusion efforts. For example, the Diversity, Equity and Inclusion Operations Plan sets goals and metrics, and action plans list strategies and activities for each year. We also report on our activities and progress to goals in reports to the Oregon Public Utility Commission.

Strategic Plan Management

IMPLEMENTING THE PLAN

The opportunities within each focus area will evolve with changes in markets, energy policies and other developments. At times, the objectives of one focus area may compete with those of another. Focus area 1 will remain our priority even if unanticipated conflict arises with the objectives of the other focus areas. The board and staff will use annual and multi-year planning, diversity, equity and inclusion planning, and budgeting processes to set more specific goals and to identify, prioritize and allocate resources to specific initiatives.

MONITORING OUR PROGRESS

Past strategic plans included quantitative five-year energy savings and generation goals. These energy goals were the primary way we measured progress toward achieving the overall objectives of each plan.

For the 2020-2024 Strategic Plan, we established progress indicators for each focus area. In the first year of the plan, staff will define the goals and metrics for each progress indicator, such as annual energy savings and generation goals, long-term energy targets, the number of diverse customers served, projects completed by diverse contractors and more. These metrics may evolve during plan implementation. Over the plan period, staff will report annually to the board on these metrics and achievement to the progress indicators.

Combined, the progress indicators and their associated metrics will help the board monitor and evaluate each focus area and identify if staff are on track to meeting them by 2025.

PLAN MANAGEMENT AND SENATE BILL 1149 SUNSET

As we implement this strategic plan, market, policy and other conditions will differ from what we assumed when we developed the plan. As with past strategic plans, we will manage and respond to unanticipated changes through other planning processes, like our contributions to the utilities' two-year integrated resource plan updates and our business plans, annual budgets and action plans.

One policy condition that could require a change to the plan's focus areas or strategies is the sunset of the public purpose charge (established in SB 1149) at the end of 2025. This plan assumes public purpose charge funding will continue beyond 2025. Throughout this five-year plan, staff will monitor the status of that sunset, reconvening the board to reassess the plan if this funding is not extended.



HOW WE ARE FUNDED

We are largely funded by customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista. We receive a small, dedicated percentage of customer utility bills to invest in energy efficiency and renewable energy programs in Oregon and Southwest Washington. The Oregon Public Utility Commission oversees our investments of utility customer funds in Oregon.

1. **SB 1149:** We receive a portion of a 3% public purpose charge to fund electric efficiency, market transformation and small-scale renewable energy development.
2. **SB 838:** We coordinate with the two electric utilities to identify additional electric efficiency funding beyond the original amount determined in SB 1149.
3. **Natural gas tariffs:** We coordinate with the three natural gas utilities to identify natural gas efficiency funding.



STRATEGIC PLANNING AT ENERGY TRUST

We are guided by a series of five-year strategic plans required by our grant agreement with the Oregon Public Utility Commission. The strategic plan is developed in an open and transparent process that gives stakeholders, customers and interested citizens an opportunity to inform the organization's broad direction.

DEVELOPING THIS PLAN

The board's Strategic Planning Committee and staff developed the 2020-2024 Strategic Plan from May 2018 to October 2019. During that time, we presented a draft strategic plan at board and advisory council meetings, at public outreach events in communities across the state and through our website and communications.

We received many thoughtful, detailed comments, which guided us in revising the plan for board adoption. Those comments are available in their original form on our strategic plan web page, along with a summary of our responses to those comments.



Find more information at www.energytrust.org/strategicplan.