



Energy Trust of Oregon

2020 Annual Budget and 2020-2021 Action Plan

APPROVED

Presented to the Board of Directors
December 13, 2019

Energy Trust of Oregon
421 SW Oak St., Suite 300
Portland, Oregon 97204
energytrust.org
1.866.368.7878

APPROVED 2020 Annual Budget and 2020-2021 Action Plan

Table of Contents

- Overview**
 - Executive Director Message
 - 2020 Budget Overview
 - Frequently Asked Questions
 - 2020 Budget and Action Plan Slide Presentation

- Supporting Memos**
 - Planning Assumptions Memo
 - Measure Cost-effectiveness Exceptions Memo
 - Levelized Cost and Cost Management Memo
 - Long-Range Forecast for Other Renewables Projects Memo
 - Community Solar Program Subcontract Memo
 - Staffing Memo
 - Administrative and Program Support Cost Memo

- Outreach**
 - Summary of Comments
 - Submitted Comments

- Budget Detail**
 - Income Statement—Budget, Forecast and Projection
 - 2020 Summary of Budget Changes from Draft to Approved
 - 2020 Budget Recap Spending and Savings
 - 2020 Budget Income Statement by Service Territory
 - 2020 Budget Statement of Administrative Expenses
 - 2020 Budget Summary by Service Territory and Program
 - 2020 Budget Detail by Service Territory and Program
 - Capital Budget

- Action Plans**
 - Action Plan Executive Summary and Table of Contents
 - General Management and Administration Action Plans
 - Program Action Plans
 - Program Support Action Plans

- Forecasts**
 - 2019 Forecast Recap Spending and Savings
 - 2019 Forecast Income Statement by Service Territory
 - 2019 Forecast Statement of Administrative and Program Support Cost
 - 2019 Forecast Summary by Service Territory and Program
 - 2019 Forecast Detail by Service Territory and Program
 - 2021 Projection Recap Spending and Savings
 - 2021 Projection Income Statement by Service Territory
 - 2021 Projection Statement of Administrative and Program Support Cost
 - 2021 Projection Summary by Service Territory and Program
 - 2021 Projection Detail by Service Territory and Program

- Glossary**
 - Financial Glossary

MEMO

Date: December 31, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Approved 2020 Budget and 2020-2021 Action Plan

I am pleased to present to you Energy Trust of Oregon's Approved 2020 Budget and 2020-2021 Action Plan, which will be the focus of our December 13 board meeting.

In the materials that follow, a handout and presentation summarize the budget and action plan. Individual action plans are provided for general management, including diversity, equity and inclusion; energy efficiency and renewable energy programs; and program support groups. The budget also includes memos with additional details on staffing, administrative costs and levelized costs, as well as four memos requested by the Oregon Public Utility Commission. These materials show links between the 2020-2024 Strategic Plan and this year's organizational goals and activities.

Unless otherwise noted, the budget reflects all revenues and expenditures, including Oregon public purpose charge funds; NW Natural industrial demand-side management funds; NW Natural Washington funds; Community Solar Program funds and business development funds. Some budget materials, such as calculations regarding OPUC performance measures, reference a subset of the budget and will be clearly marked.

Beginning in 2020, all Energy Trust budgets and reports use gross savings, which are savings without certain adjustment factors applied. In the following materials, all savings and levelized costs are shown in gross, unless otherwise noted.

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

After board consideration on December 13, 2019, a Final 2020 Annual Budget and 2020-2021 Action Plan will be submitted to the OPUC by year-end and posted online at www.energytrust.org/budget.

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

Thank you,



Michael T. Colgrove, Executive Director

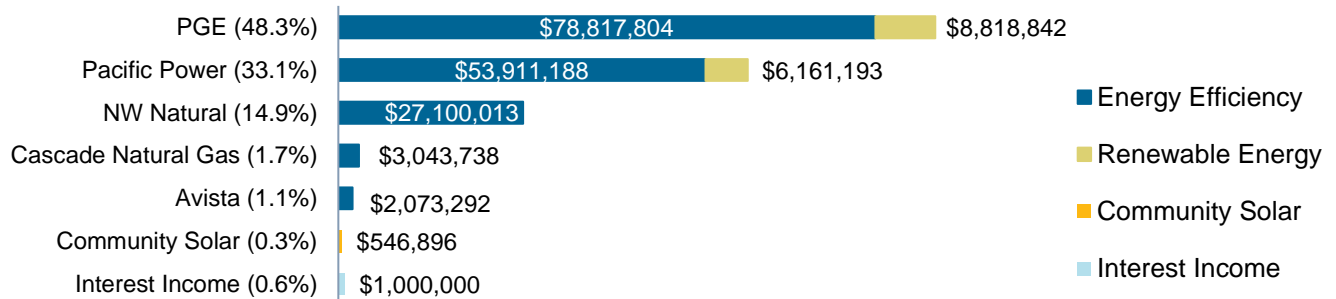
2020 Budget Overview

Investing \$204.6 Million to Deliver Significant Benefits

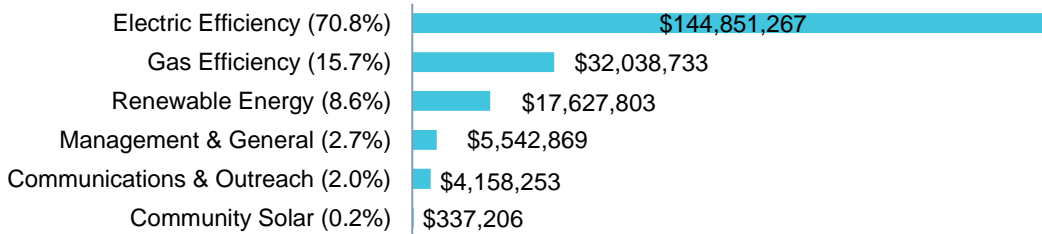
- Participants save \$591 million on their utility bills over time from projects completed in 2020
- Energy saved at a cost of 3.6 cents/kWh and 39 cents/therm, a fraction of the cost of supply side resources
- Jobs, wages and business income added to the local economy
- Air quality improvements from avoiding 4.2 million tons of carbon dioxide
- Training and support for 2,300 local businesses, particularly women- and minority-owned

Revenue and Expenses (Oregon and Southwest Washington)^{1,2}

Annual Revenue: \$181.5 Million

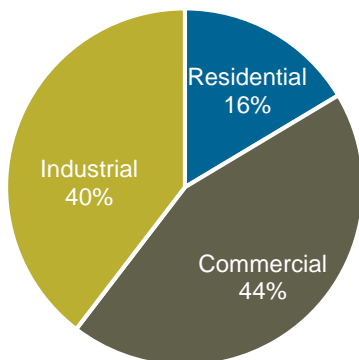


Annual Expenses: \$204.6 Million



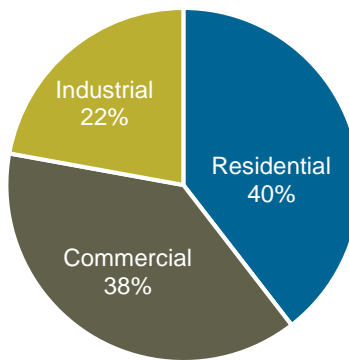
Energy Efficiency and Generation Targets (Oregon and Southwest Washington)³

Electric savings 45.4 aMW



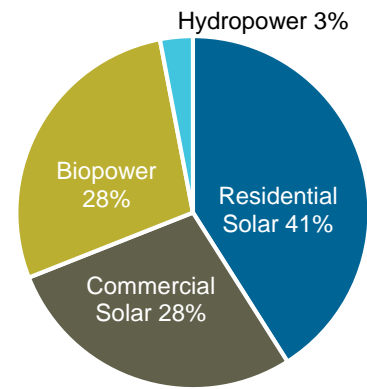
Residential: 7.4 aMW; 5.6 cents/kWh
Commercial: 20.0 aMW; 3.9 cents/kWh
Industrial: 17.9 aMW; 2.5 cents/kWh

Natural gas savings 6.9 MMTh



Residential: 2.73 MMTh; 41.5 cents/therm
Commercial: 2.62 MMTh; 44.9 cents/therm
Industrial: 1.51 MMTh; 23.3 cents/therm

Renewable generation 3.27 aMW



Solar: 2.2 aMW
Biopower: 0.9 aMW
Hydropower: 0.1 aMW

¹ Reserve funds will be used where planned expenses exceed anticipated revenue.

² Community Solar Program expenses include a share of Management & General and Communications & Outreach costs.

³ Notes: MMTh (million annual therms), aMW (average megawatt); all savings are in gross. Costs/kWh or therm are leveled.

2020 Organizational Goals

Energy Trust determined five organizational goals to guide the organization in prioritizing new and existing work during its annual business planning process. These goals ensure alignment across the organization.

1. Meet savings and generation targets and create future opportunities

Focus areas include:

- Serving more diverse customers
- Supporting higher value energy efficiency and renewable energy
- Sustaining services for efficiency programs where cost-effectiveness is becoming a challenge
- Pushing new construction beyond code

2. Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input

Focus areas include:

- Coordinating with utility efforts in communities
- Building communities and community-based organization capacity
- Strengthening internal capabilities to support community efforts
- Developing toolkits and templates

3. Provide information to policymakers, agencies and implementers

Focus areas include:

- Oregon Public Utility Commission requests
- Portland's Clean Energy Fund
- State carbon policy development
- Communities forming clean energy objectives

4. Strengthen internal innovation capabilities and develop new proposals

Focus areas include:

- Establishing an innovation team and resourcing initiatives
- Developing an innovation approach
- Adopting a framework, processes and tools

5. Make operational improvements

Focus areas include:

- Budgeting tools
- Forecasting
- Staff development
- Alignment of systems, data and reporting
- Collaborations

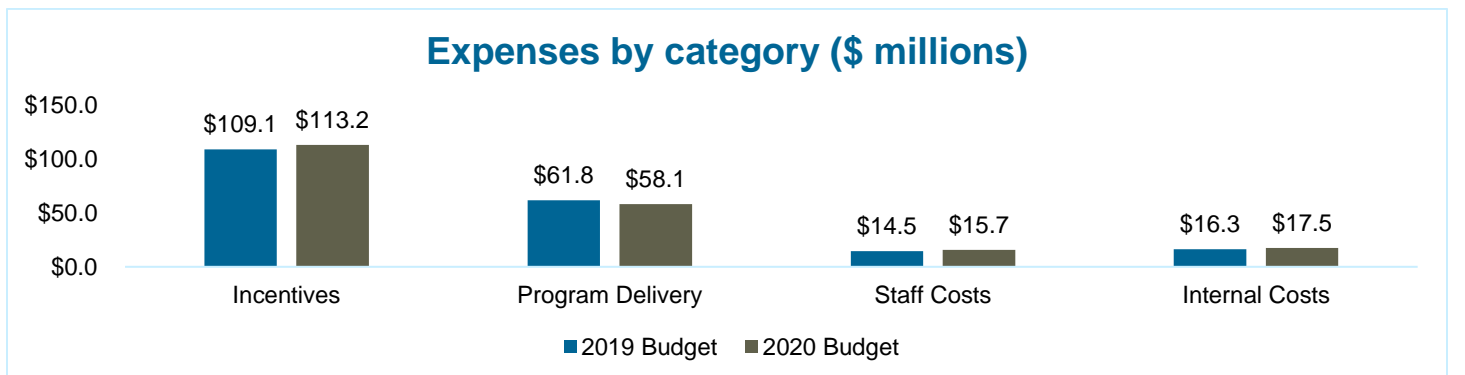
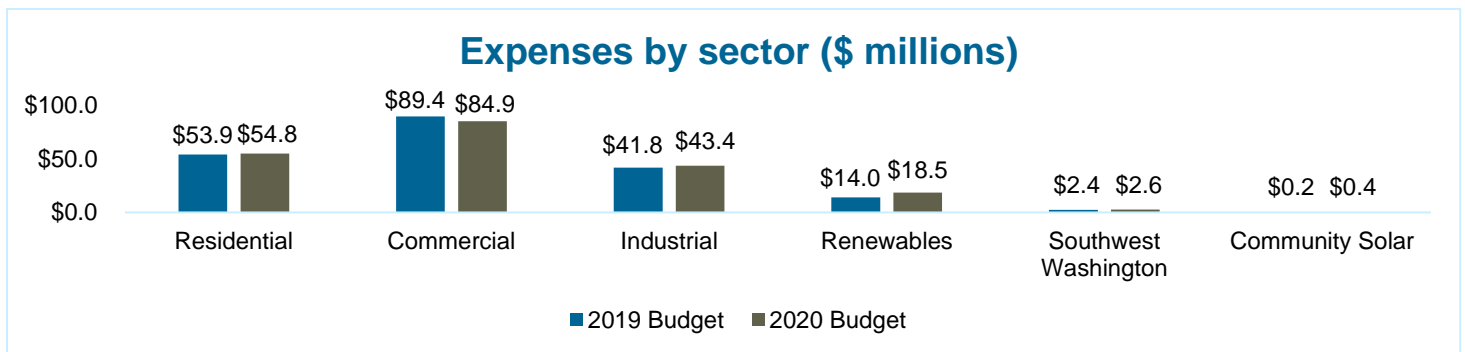
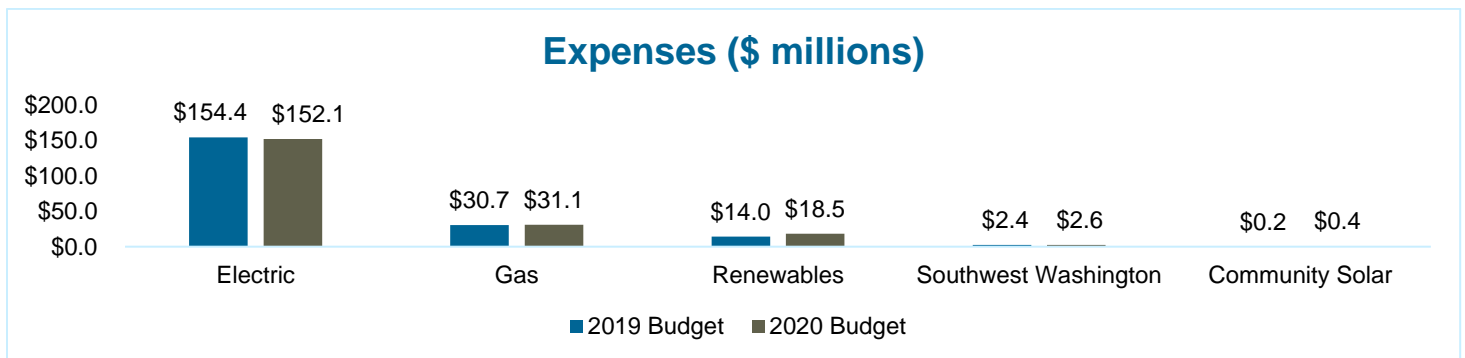
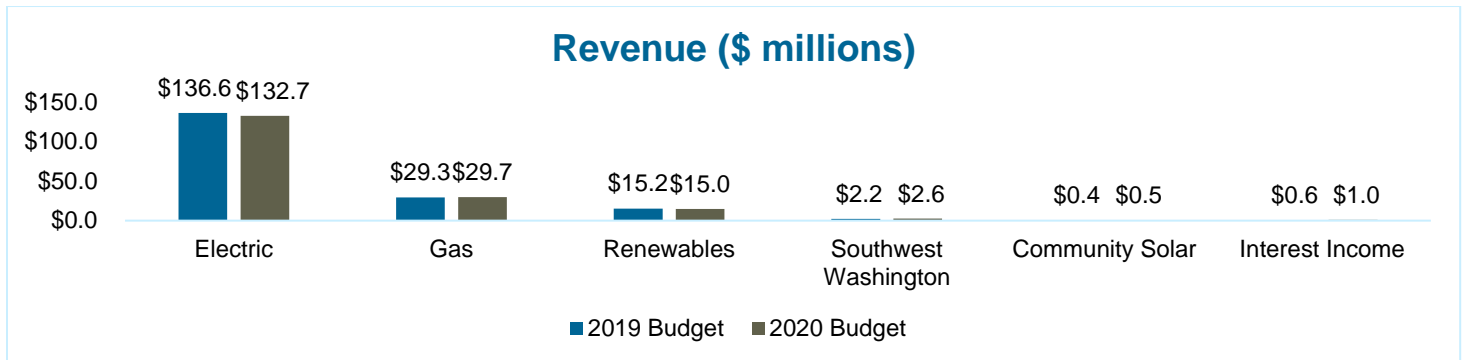
Budget Process and Public Engagement

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/budget.

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

- Revenues down slightly, decreasing 1.5% compared to the 2019 budget
- Expenses up slightly, increasing 1.4% over the 2019 budget
- Compared to 2019, staffing and internal costs are up slightly. Both remain low compared to the overall budget.



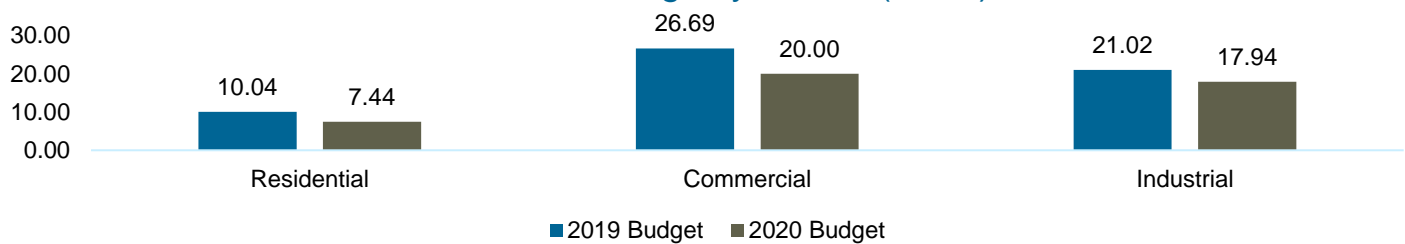
Staffing costs and internal costs include a portion of Community Solar Program expenses.

Year-to-year Comparison of Budgeted Savings, Generation, Levelized Costs (Oregon and Washington)⁴

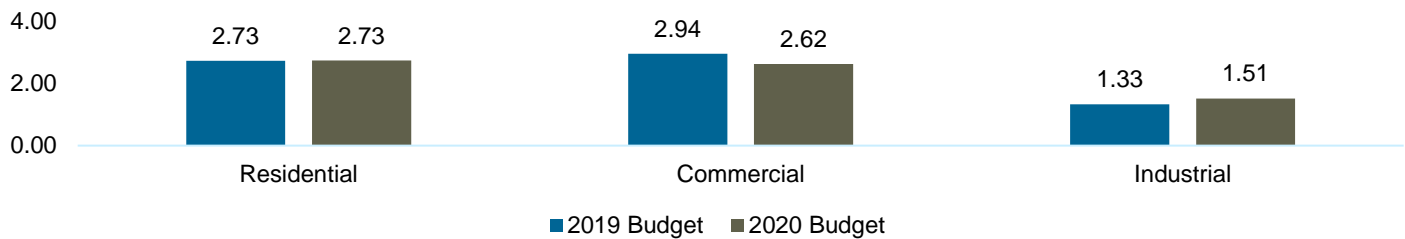
| | Electric Savings (aMW) | Gas Savings (MMTh) | Electric Generation (aMW) |
|-------------|------------------------|--------------------|---------------------------|
| 2019 Budget | 57.7 | 7.0 | 2.25 |
| 2020 Budget | 45.4 | 6.9 | 3.27 |
| % change | -21% | -2% | 45% |

| | Electric Levelized Cost (cents/kWh) | Gas Levelized Cost (cents/therm) |
|-------------|-------------------------------------|----------------------------------|
| 2019 Budget | 2.9 | 35.3 |
| 2020 Budget | 3.6 | 39.0 |

Electric Savings by Sector (aMW)



Gas Savings by Sector (MMTh)



Administrative and Program Support Costs, and Staffing Costs, Subject to OPUC Performance Measures

- In 2020, Energy Trust projects to meet OPUC performance measure for administration and program support costs and staffing costs.
- Staffing costs are increasing due to healthcare costs, compensation adjustments and resource demands for diversity, equity and inclusion initiatives and project management.

| 2020 Administrative and Program Support Costs (\$13.8 million) | Current OPUC Performance Measure Compliance |
|--|---|
| ✓7.8% of annual revenues | <8% of annual revenues |
| ✓4.6% year-over-year increase | <10% year-over-year increase |

| 2020 Staffing Costs (\$15.0 million) | Current OPUC Performance Measure Compliance |
|--------------------------------------|---|
| ✓7.3% year-over-year increase | <9% year-over-year increase |

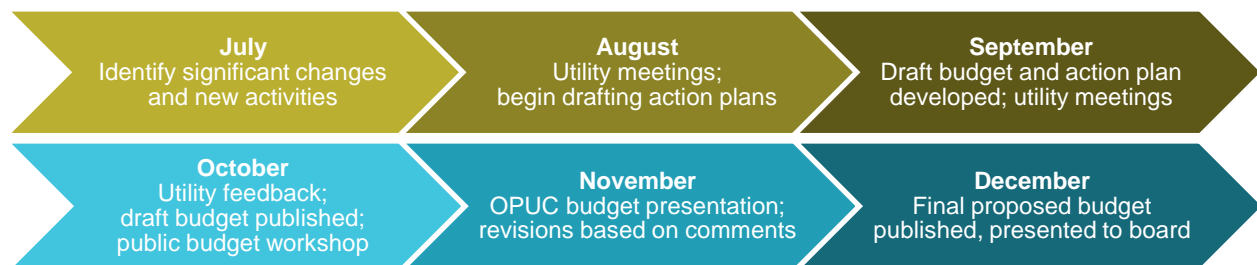
⁴ All savings are in gross.

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

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 and project development within PGE and Pacific Power territories and obtain input from our Renewable Energy Advisory Council. In October and November, we post our draft budget online and present it publicly to our board of directors, stakeholders and OPUC. In December, after revisions are made, we post a final proposed budget online and present it for board approval.



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 were due to Energy Trust on Wednesday, October 30. Comments were invited by by email at info@energytrust.org, and by mail or in person at 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, Diversity 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 was actively sought through our website and public meetings.

Comments received during the outreach period were summarized, with many incorporated into the 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 2020 budget and action plan?

Visit our website at www.energytrust.org/budget to find the approved budget and action plans. 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 partner 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 serve a range of customers—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 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. Some carryover funds are dedicated for those project commitments.

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

All expenditures must comply with legal requirements 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 submitted to the Oregon Legislature every two years by the OPUC.



Approved 2020 Annual Budget and 2020-2021 Action Plan

December 13, 2019



Presentation Outline

- Forecasted 2019 results
- Approved 2020 budget
- Public comments summary
- Approved 2020 budget and metrics detail
- Summary
- Budget resolution



Projected 2019 Results

- Forecasting to fall short of electric and gas savings goals
 - Will exceed OPUC minimum performance metrics for savings
- Renewable generation will exceed goals
- Expenditures below budget, matching savings trend
- On track for exceeding all 5-year strategic plan goals
- Reserves above targets; planned 2020 revenue reductions will correct

Unless Otherwise Noted

**The budget reflects
all revenues and
expenditures**

- ✓ Oregon public purpose charge funds for PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista
- ✓ NW Natural industrial demand-side management funds
- ✓ NW Natural Washington funds
- ✓ Oregon Community Solar Program funds
- ✓ Business development funds

**All savings and
levelized costs are in
gross**

- ✓ As opposed to net, gross savings do not have certain adjustments factors applied (free ridership, spillover)
- ✓ Aligns with regional and national reporting



Approved 2020 Budget Summary

- Investing \$204.6 million of utility customer funds
- Saving 45.4 aMW and 6.9 MMTh
- Delivering highly cost-effective energy
 - 3.6 cents/kWh levelized
 - 39 cents/therm levelized
- Generating 3.27 aMW
- Distributing \$113.2 million in incentives; 55% of total expenditures
- Administrative costs at 4.7%*

aMW: average megawatts (of electricity)

MMTh: million annual therms (of natural gas)

**Costs for Management and General, Communications and Outreach*

Adjustments from Draft to Approved Budget

- Revisions to Goal 2 to reflect stakeholder engagement
- Revenue updated to reflect funding agreements
- Action plans largely the same; we will keep comments in mind as we proceed
- Programs made minor budget adjustments, corrections
- NEEA gas savings incorporated
- Savings decreased 0.5% for electric; increased 0.4% for gas
- Generation decreased 2.6%
- Expenditures increased 1%, overall
- Revenue adjusted and finalized with each utility based on updated forecast and reserves

Highlights of Changes to Draft Budget

| | Draft Budget | Approved Budget | Change | % Change |
|--------------------------|-----------------|-----------------|----------------|----------|
| Revenues | \$182.3 million | \$181.5 million | -\$0.8 million | -0.5 |
| Expenditures | \$202.5 million | \$204.6 million | \$2.1 million | 1.0 |
| Gas Savings | 6.84 MMTh | 6.87 MMTh | 0.02 MMTh | 0.4 |
| Electric Savings | 45.6 aMW | 45.4 aMW | -0.2 aMW | -0.5 |
| Gas Levelized Costs | 37.91 cents/Th | 39 cents/Th | 1 cents/Th | 2.9 |
| Electric Levelized Costs | 3.61 cents/kWh | 3.64 cents/kWh | 0.03 cents/kWh | 0.9 |
| Generation | 3.4 aMW | 3.3 aMW | -0.1 aMW | -2.6 |
| Staffing Costs | \$15.7 million | \$15.7 million | \$3,031 | - |
| Administrative Costs* | \$9.6 million | \$9.7 million | \$90,086 | 0.9 |

aMW: average megawatts
 MMTh: million annual therms
 Th: annual therms

* Costs for Management and General, Communications and Outreach

Organization-wide Focus

30+

New Measures Launching or Under Consideration

Examples:

- Automatic conveyer broilers
- Residential air conditioners
- Municipal water leak repair
- Evaporative coolers for home
- Industrial pipe insulation direct install
- Valuing peak savings

30+

New Program Pilots and Delivery Approaches

Examples:

- Targeted load management
- Low-income co-funding
- Multifamily on-bill repayment
- High-value solar
- Manufactured home replacement
- Network lighting controls pilot

25

System and Process Improvement Initiatives

Examples:

- New budget tools
- Measure development streamlining
- Expand use of DocuSign e-signature forms
- Business Planning
- Innovation
- Decision-making
- Automated finance workflows

Acquire more energy • Manage costs through improved, efficient operations



Customer Benefits from 2020 Investments

- \$591 million in future bill savings
- Expanded access and participation in diverse and rural communities
- Opportunities for 2,300 local businesses, particularly minority- and women-owned
- Improved air quality by avoiding 4.2 million tons of carbon dioxide
- Continued high customer satisfaction
- Enough energy to power 41,560 homes and heat 13,540 homes

Summary of Public Comments

Public Budget Workshop Feedback

- High level of support for the budget
- Appreciative of shorter action plans and time with staff
- Discussion topics included
 - Purpose and intent of 2020 Annual Goal 2
 - Whether increasing efficiency baselines for measures excludes any segments of populations
 - How do we integrate energy efficiency and solar activities when designing programs and serving customers



OPUC Comments Highlights

- Decrease transaction costs for high-volume activities through employing new technologies and automation
- Continue to work with OPUC on future staffing costs as savings continue to decline
- Prioritize residential and multifamily programs, focusing on pilot studies and program re-design
- Report on DEI initiative progress and co-funding opportunities
- Incorporate a longer-range forecast into reporting on activities for the Community Solar program
- Complete implementation of new budget tool and measure development automation

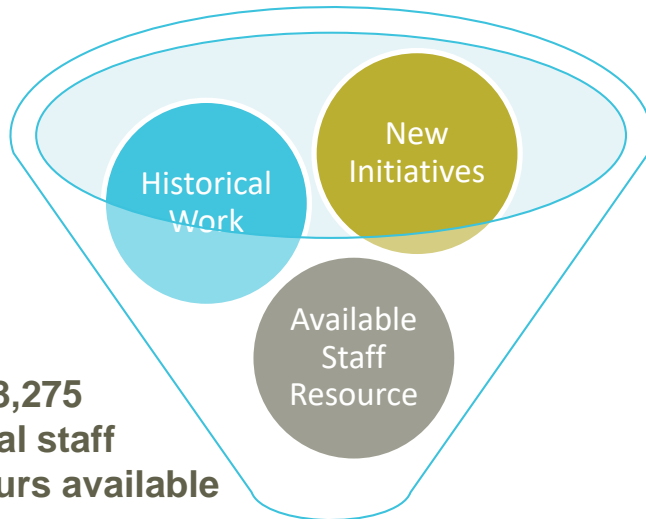
Utility Comments Summary

- General support
- Support diversity, equity and inclusion initiative and collaboration to deliver benefits to more customers
- Encouraged coordination, alignment with IRPs, and monitoring levelized costs
- Support for prioritizing innovation in areas of specific interest to each utility
- Funding to community energy initiatives should be tied to acquiring savings and renewable energy



Board Comments – Business Planning

106 continuing and 69 new initiatives considered



2020 Business Plan

187,994 staff hours allocated (99%)

152 initiatives approved:

49 new (17%)

103 continuing (82%)

2020 Reductions:

Scaled back from prior year:

- CAC and RAC meeting support
- Web tool development
- Business Planning
- Project Tracker, CRM, and data warehouse enhancements
- Strategic Plan dashboard
- Evaluations
- Trade Ally online enrollment enhancements
- Solar Trade Ally star rating updates
- Avoided cost analysis
- Board recruitment support

Delayed:

- Other RE project optimization initiative

Cancelled:

- Staff career development planning tool
- Trade Ally Portal

Approved 2020 Budget and Metrics Detail

2020 Approved Annual Goals

1 Meet savings targets of 45.4 aMW and 6.9 million annual therms, meet the generation target of 3.3 aMW, and create future opportunities

2 Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input

3 Provide information to policymakers, agencies and implementers

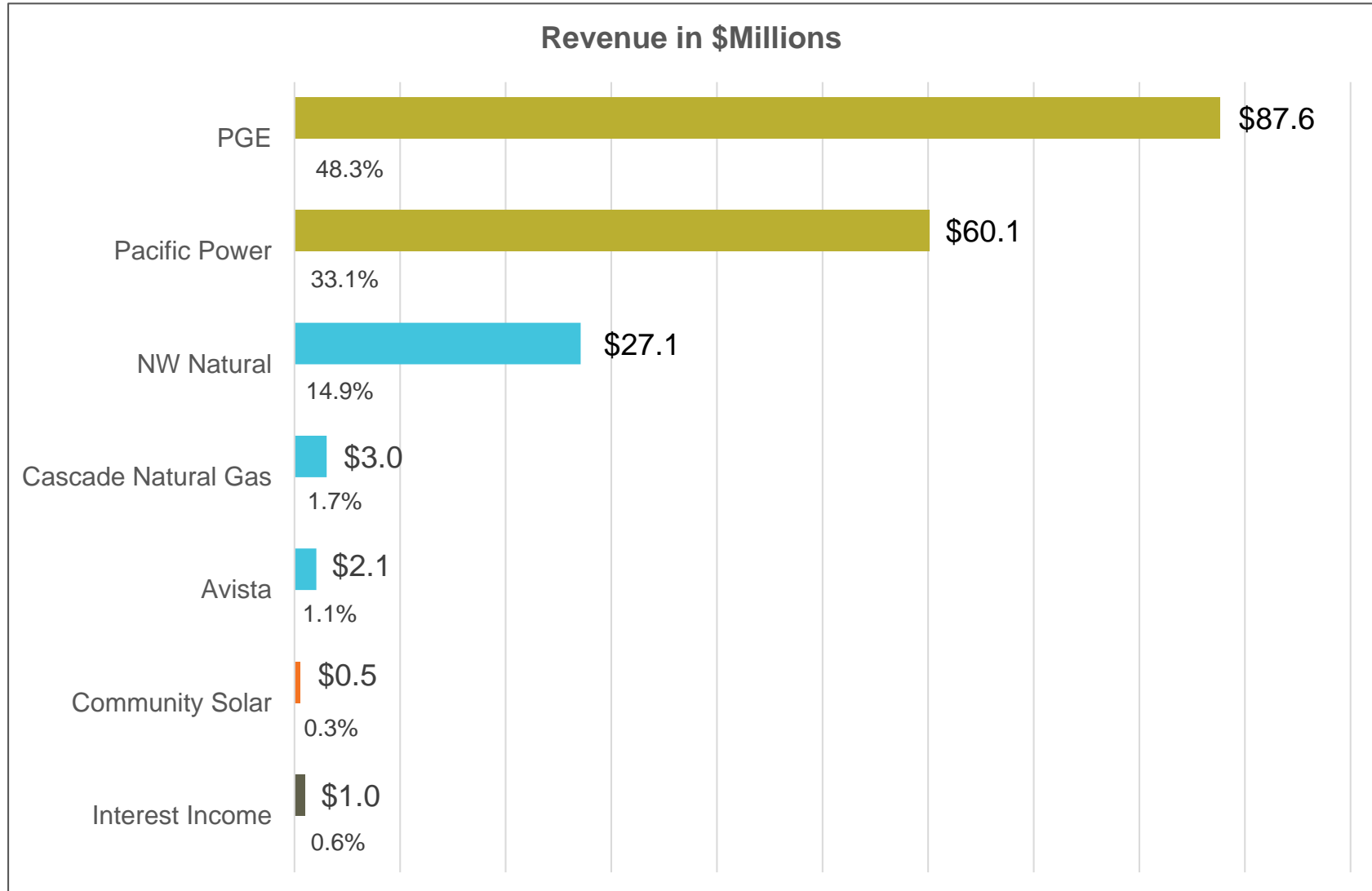
4 Strengthen internal innovation capabilities and develop new proposals

5 Make operational improvements

Additional detail for each 2020 goal is provided in the supplemental section starting on slide 53

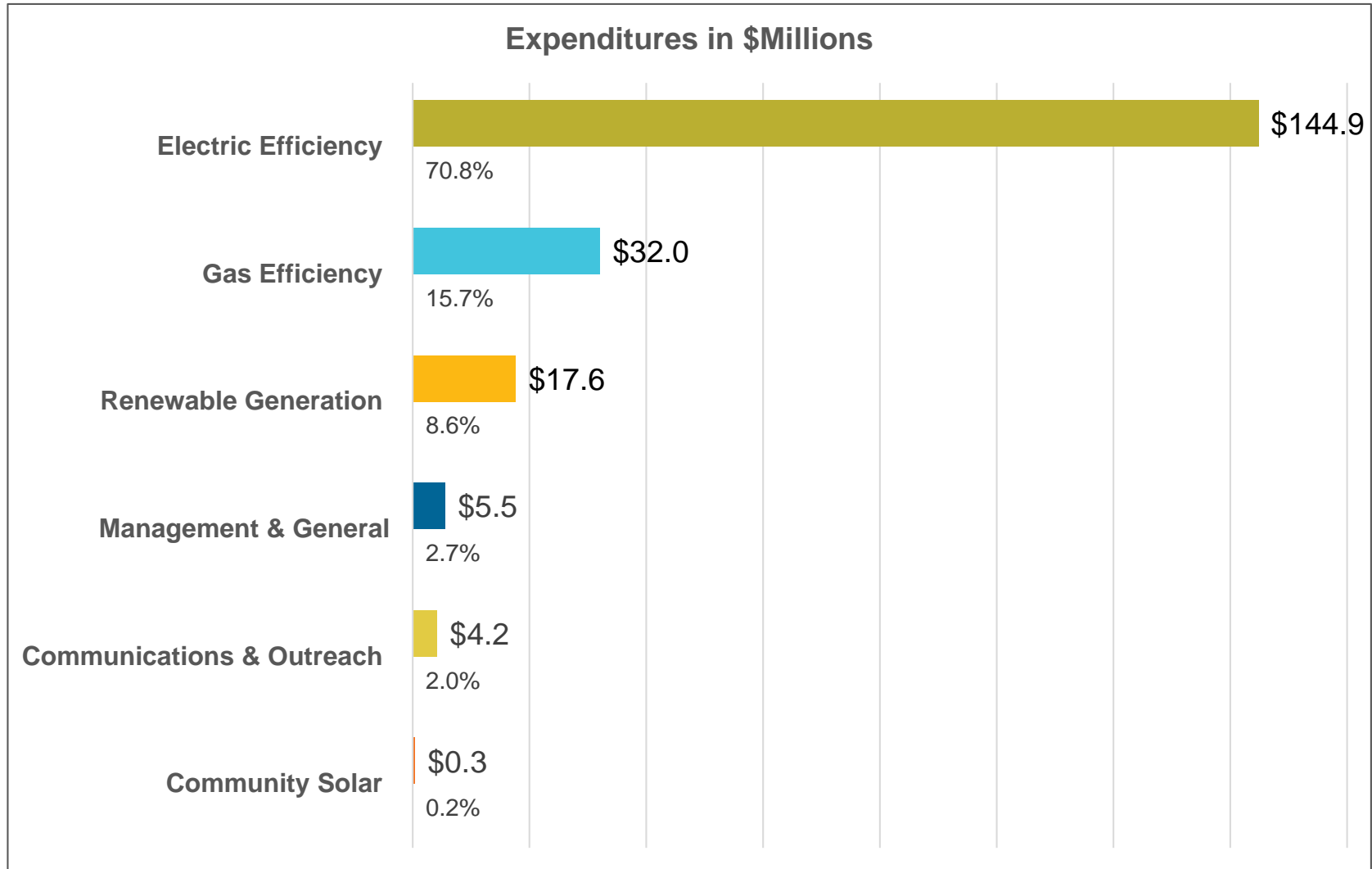
2020 Approved Budget Revenue

\$181.5 million, down 1.5% from 2019 budget



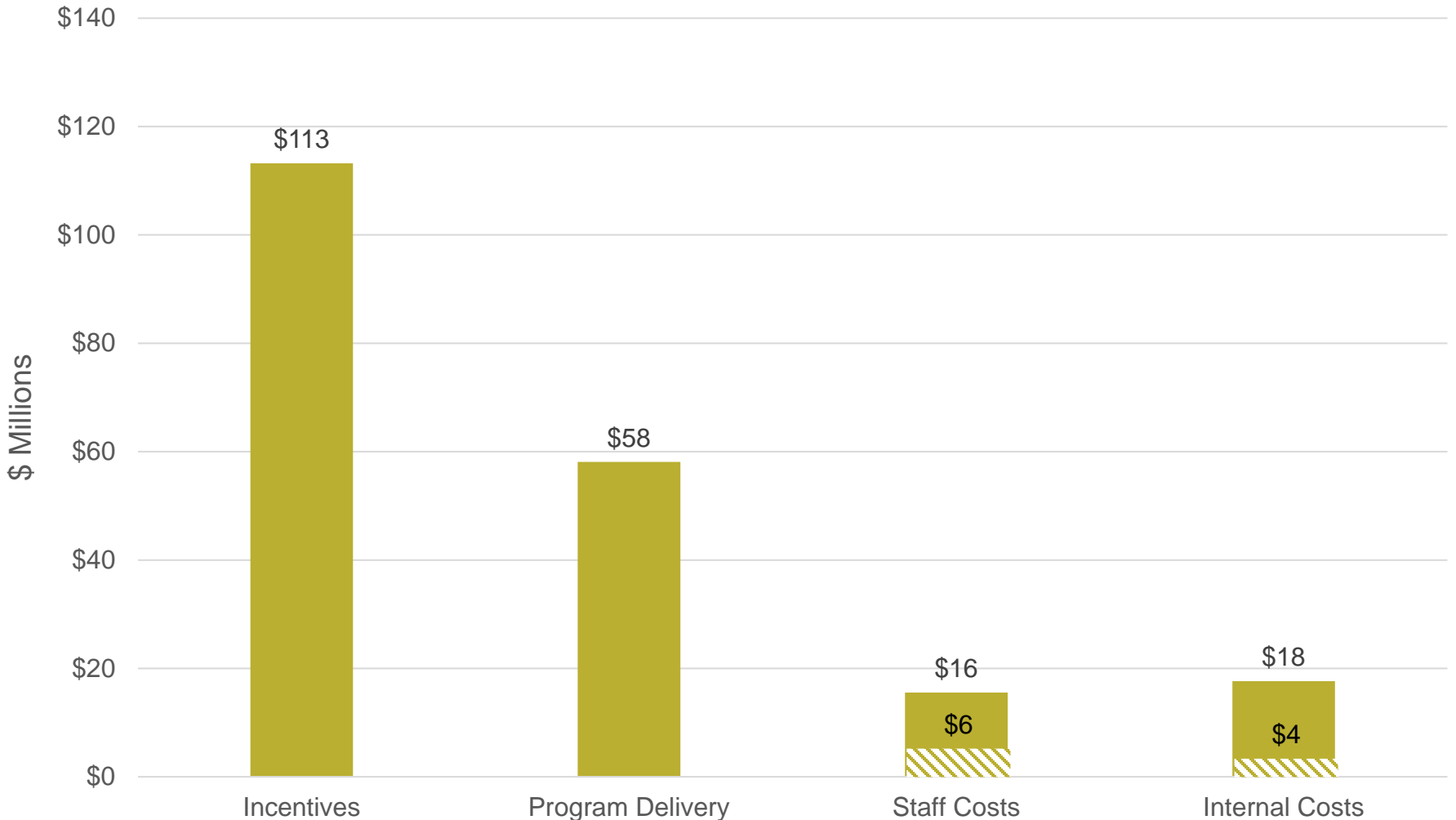
2020 Approved Budget Expenditures

\$204.6 million, up 1.4% from 2019 budget



The 2020 budget utilizes reserves to cover planned expenses in excess of anticipated revenue

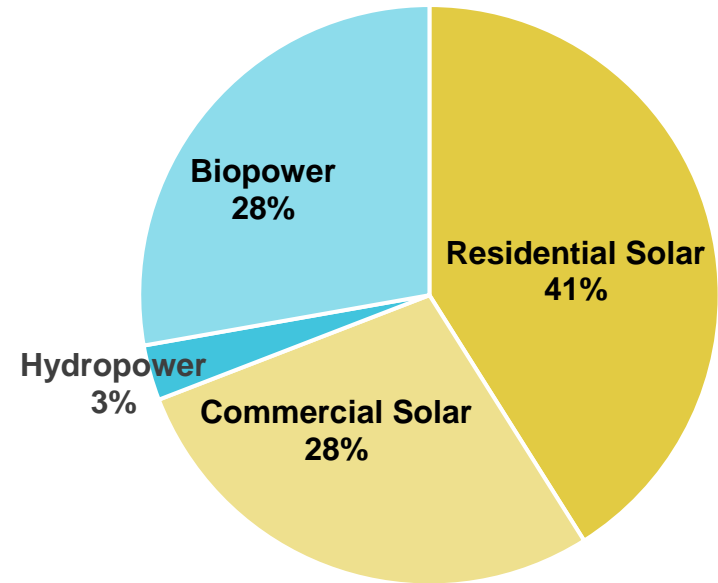
2020 Approved Budget Expenses by Category



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

2020 Approved Renewable Generation

- Generation up 45%
- \$18.45 million in total costs, including customer incentives, services and delivery
- Investing in project pipeline and underserved markets
- Solar policies shifting
- 2 Other Renewables projects completing
- Launching incentives for Community Solar projects

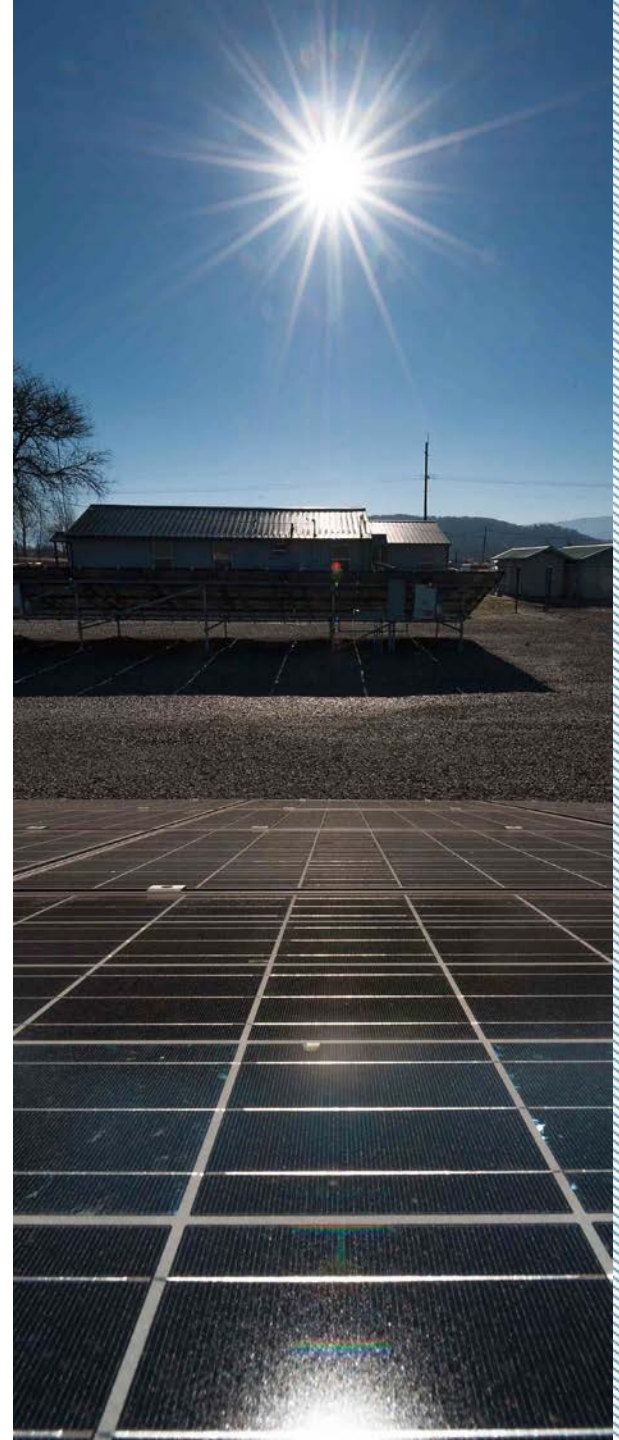


3.27 aMW generation

Community Solar Program

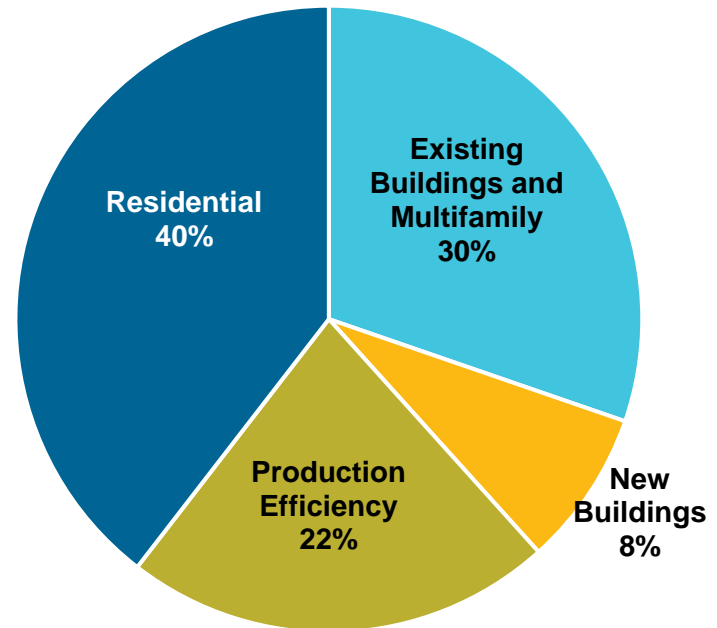
- First full year after launching in Q4 2019
- Subcontract to Energy Solutions for program development and delivery
 - Work is funded by new revenue separate from the public purpose charge
 - Results in small increase in net assets

No generation yet
\$352,716 in total costs



2020 Approved Natural Gas Savings by Program

- Savings down 2%
- \$33.64 million in total costs, including customer incentives, services and delivery
- Savings impacted by baseline changes, code changes
- Increasing some incentives to drive savings
- Reach new customers through new partnerships and utility collaborations



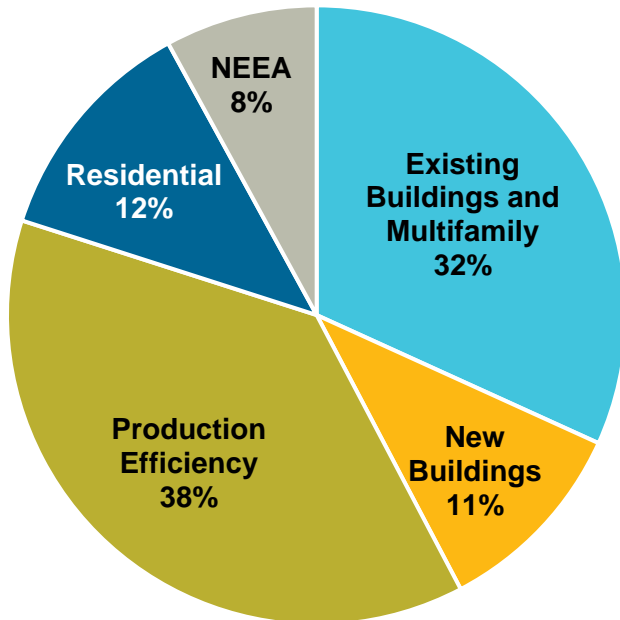
**6.9 MMTh savings
39 cents/therm**

MMTh: million annual therms

Cost per therm is levelized

Comparisons are approved 2020 budget to 2019 budget

2020 Approved Electric Savings by Program



45.4 aMW savings
3.6 cents/kWh

- Savings down 21%
- \$152.1 million in total costs, including customer incentives, services and delivery
- Savings impacted by baseline changes, code changes and sources of very low-cost savings shrinking
- Increasing incentives to drive savings
- Reach customers through new partnerships and utility collaborations

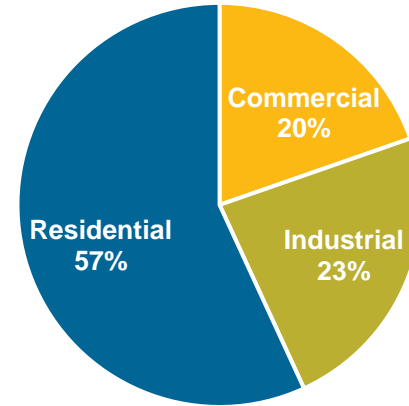
aMW: average megawatts

Cost per kWh is levelized

Comparisons are approved 2020 budget to 2019 budget

2020 Approved NEEA Savings

- Electric savings down 40%
 - Codes and standards cycle completion (66%)
 - Battery charger savings fully phased out (16%)
 - Drop in new construction activity (10%)
 - Updated ductless heat pump savings factors (5%)
 - Minor savings reductions in other areas (3%)
- Gas is new to portfolio; not yet producing volume savings
- \$8.2 million in total costs for market transformation
- NEEA entering first phase of new business plan cycle
- Continuing to identify and assess new emerging technologies



Electric:
3.4 aMW savings
2.7 cents/kWh

Gas:
22,688 therms

98% Residential
2% Commercial

2020 Utility Savings & Generation Summary

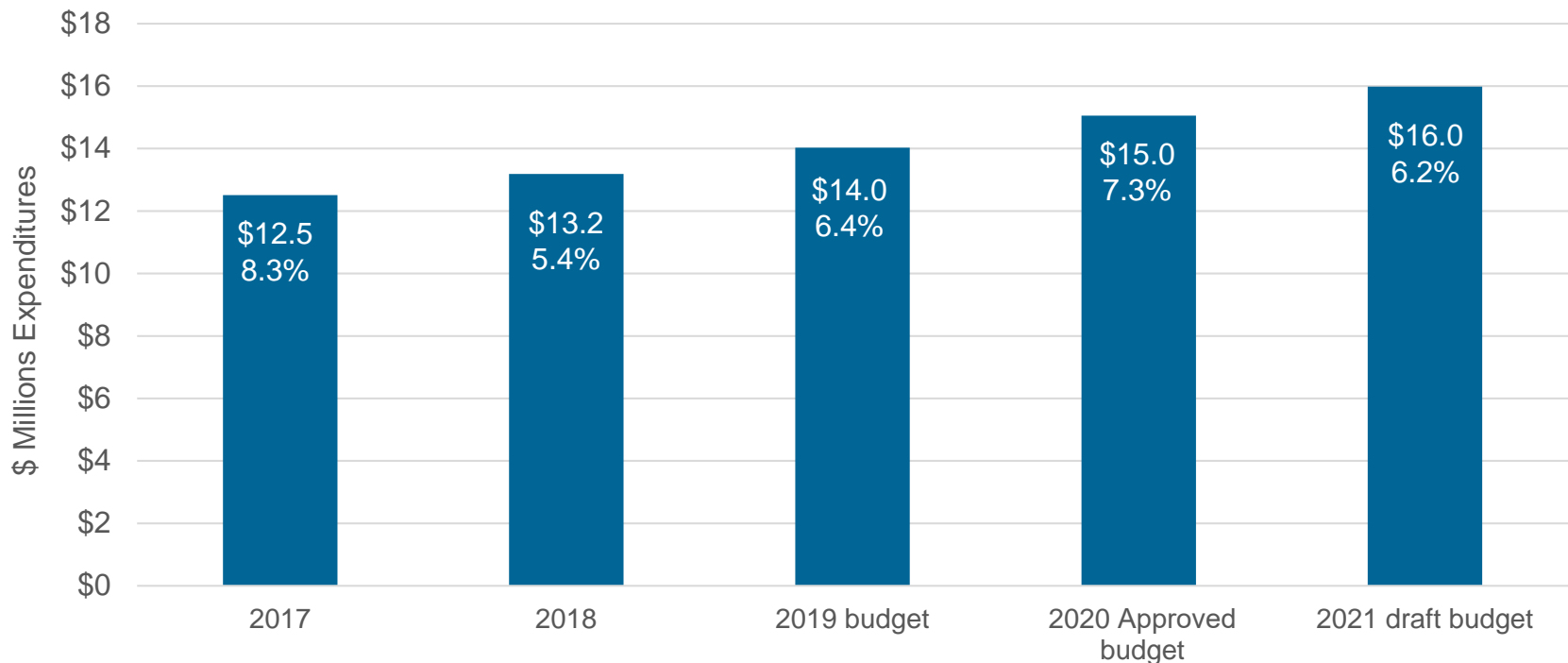
| | 2019 Budget Savings & Generation (aMW or MMTh) | 2019 Budget (\$ Million) | 2020 Budget Savings & Generation (aMW or MMTh) | 2020 IRP Target (aMW or MMTh) | 2020 Budget (\$ Million) | 2020 Budget Levelized Cost (per kWh or therm) |
|-----------------------------------|--|--------------------------|--|-------------------------------|--------------------------|---|
| PGE (Efficiency) | 36.35 | \$96.09 | 27.40 | 30.45* | \$90.30 | 3.6¢ |
| Pacific Power (Efficiency) | 21.40 | \$58.29 | 17.98 | 19.22* | \$61.81 | 3.8¢ |
| NW Natural (OR) | 5.68 | \$26.05 | 5.59 | 6.02 | \$25.83 | 37.4¢ |
| NW Natural (WA) | 0.37 | \$2.43 | 0.34 | 0.38 | \$2.58 | 54.5¢ |
| Cascade Natural Gas | 0.55 | \$2.74 | 0.55 | 0.62 | \$3.36 | 48.0¢ |
| Avista | 0.39 | \$1.87 | 0.39 | 0.31 | \$1.87 | 35.3¢ |
| PGE (Renewable) | 1.22 | \$6.61 | 2.25 | n/a | \$10.42 | 4.1¢ |
| Pacific Power (Renewable) | 1.03 | \$7.44 | 1.02 | n/a | \$8.03 | 6.9¢ |

MMTh: million annual therms
aMW: average megawatts
Gross savings

*Pending OPUC acknowledgement

Staffing Costs Subject to OPUC Performance Measure

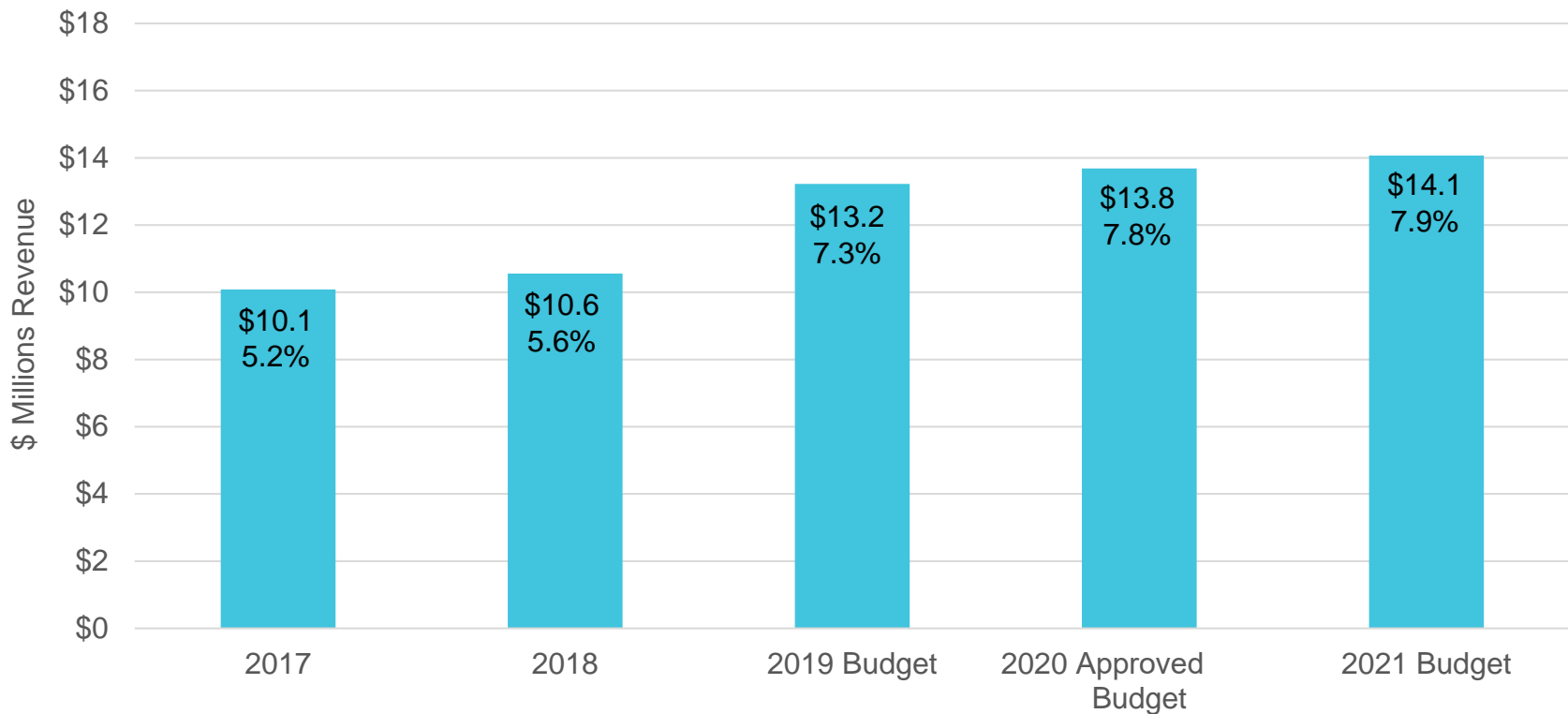
- Staffing costs below current OPUC performance measure (annual increase limited to 9%; costs as percentage of expenditures)
- Increases due to healthcare costs, compensation adjustments, a new DEI Lead and a part-time project manager
- Chart shows staffing costs and percent increase over prior year



Staffing costs are embedded in internal program delivery, general communications & outreach, and management & general. Figures exclude NW Natural Washington, Community Solar Program and Development funds

Administrative and Program Support Costs Subject to OPUC Performance Measure

- Administrative and program support costs below current OPUC performance measure (cap of 8% of revenue; annual increase limited to 10%)
- Costs increasing 4.6% from 2019 budget
- Chart shows costs and costs as percentage of revenue



Figures exclude NW Natural Washington, Community Solar Program and Development funds

OPUC Performance Measure: Diversity, Equity and Inclusion

First year with performance measures regarding diversity, equity and inclusion:

1. Implement the 2020 data enhancement project and report at least four times to the Diversity Advisory Council
2. Publish and implement the DEI lens, after Diversity Advisory Council approval
3. Complete 1,000 projects with minority-owned trade ally contractors
4. Implement a rural-focused workshop



Utility Rate Information

| | PGE | Pacific Power | NW Natural | Cascade Natural Gas | Avista |
|---|---------|---------------|------------|---------------------|--------|
| Estimated incremental collection adjustment | -\$3.2M | \$0 | -\$3.2M | -\$0.50M | \$0 |
| Estimated PPC* for Energy Trust efficiency only | 4.3% | 4.3% | 3.7% | 4.9% | 2.7% |
| Estimated PPC* for Energy Trust efficiency and renewable generation | 4.8% | 4.8% | N/A | N/A | N/A |
| Estimated total PPC* (<i>electric utilities only: includes schools, low-income and Energy Trust</i>) | 5.6% | 5.6% | 3.7% | 4.9% | 2.7% |
| Anticipated effective date, pending OPUC action | Jan. 1 | Jan. 1 | Jan. 1 | Dec. 1 | Jan. 1 |

*Public Purpose Charge (PPC) is a percentage charge on utility customer bills.

Note: PPC rates shown above are based on best available estimates at time of Approved Budget publication. Actual rates may vary. These estimated rates do not include utility administered low-income program funds.

Approved 2021 Budget Projection

- Expenditures to decrease 7.4%
- Electric savings to decrease 8.3%
 - Levelized costs to decrease by 0.6%; from 3.64¢/kWh to 3.62¢/kWh
- Gas savings to increase 5%
 - Levelized costs to decrease by 5%; from 39¢/therm to 37¢/therm
- Renewable generation to decrease 16%

Summary



Key Takeaways

1. 2020 organizational goals position us to accomplish new strategic plan
2. Portfolio of cost-effective programs remains a strength
3. As forecasted, electric savings declining and costs increasing; remains least-cost resource for customers
4. Developing insights, program enhancements and data to better reach underserved customers
5. Piloting approaches to deliver more value to utility systems

Questions and Discussion

Staff recommends the Board of Directors adopt Resolution 0855:

**The Approved 2020 Budget, 2021
Projection and
2020-2021 Action Plan**





Thank You

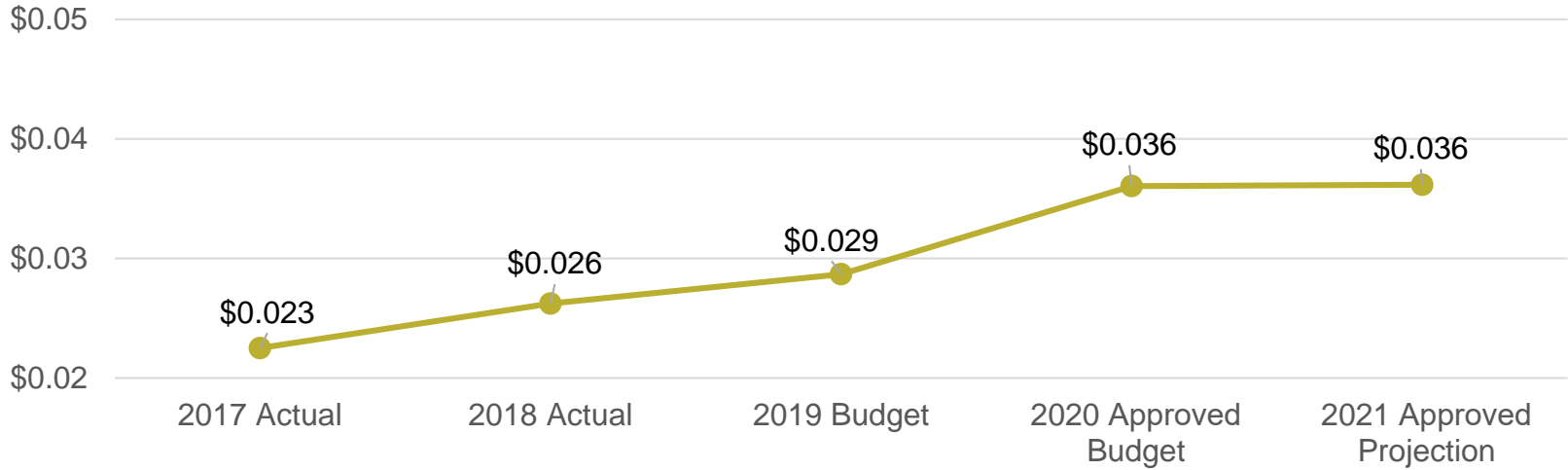
www.energytrust.org/budget

1.866.368.7878

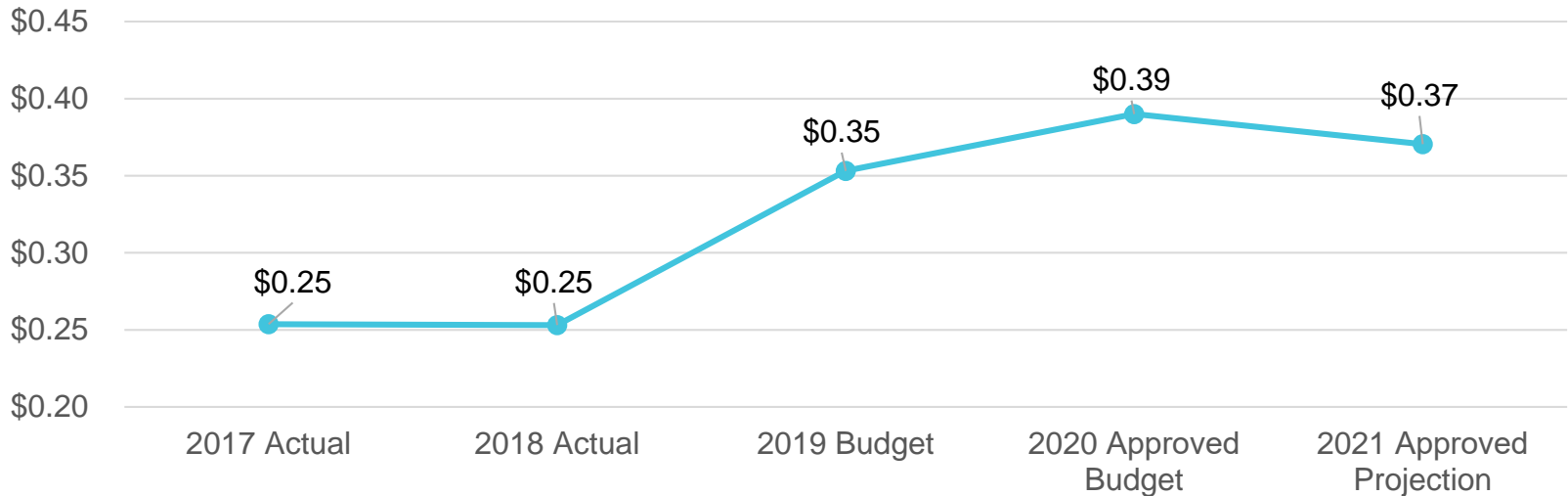
Supplemental Information

Levelized Cost Trends

Total Electric Levelized Cost (\$/kWh)



Total Gas Levelized Cost (\$/therm)



Gas Savings and Cost Trends by Sector

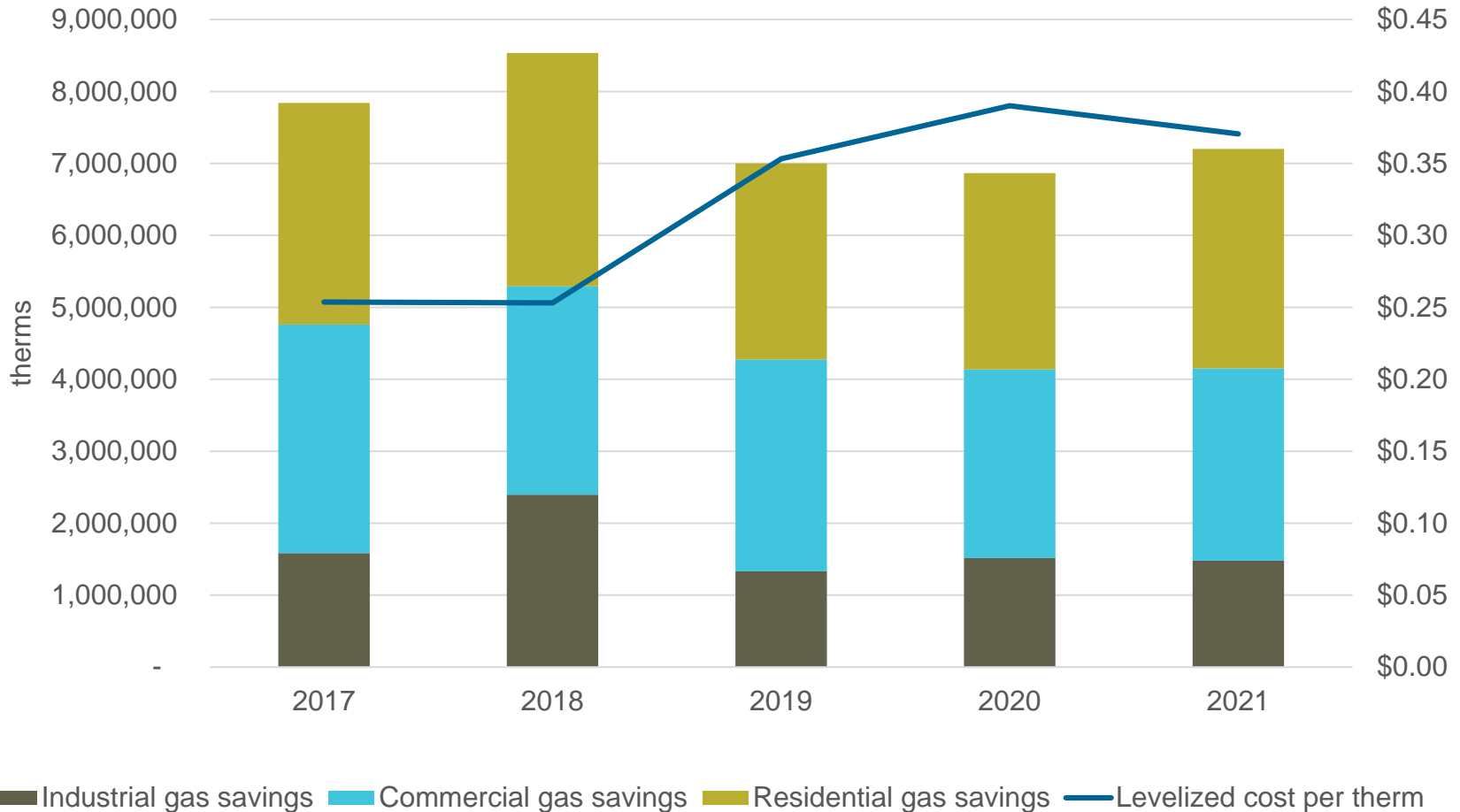


Chart shows 2017-2018 actuals, 2019 budget, 2020 approved budget and 2021 budget

Electric Savings and Cost Trends by Sector

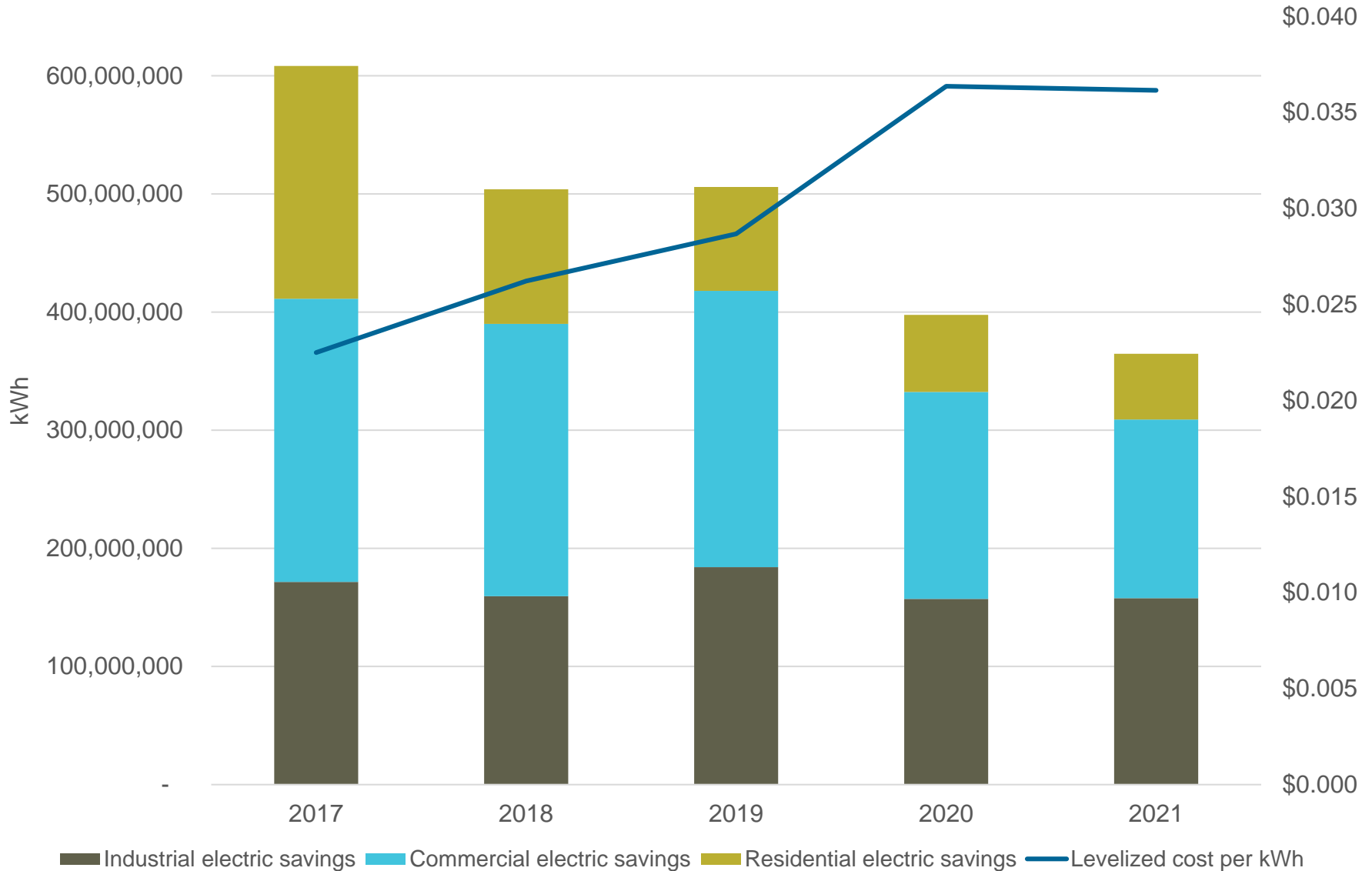


Chart shows 2017-2018 actuals, 2019 budget and approved 2020 and 2021 budget

Action Plan Overview

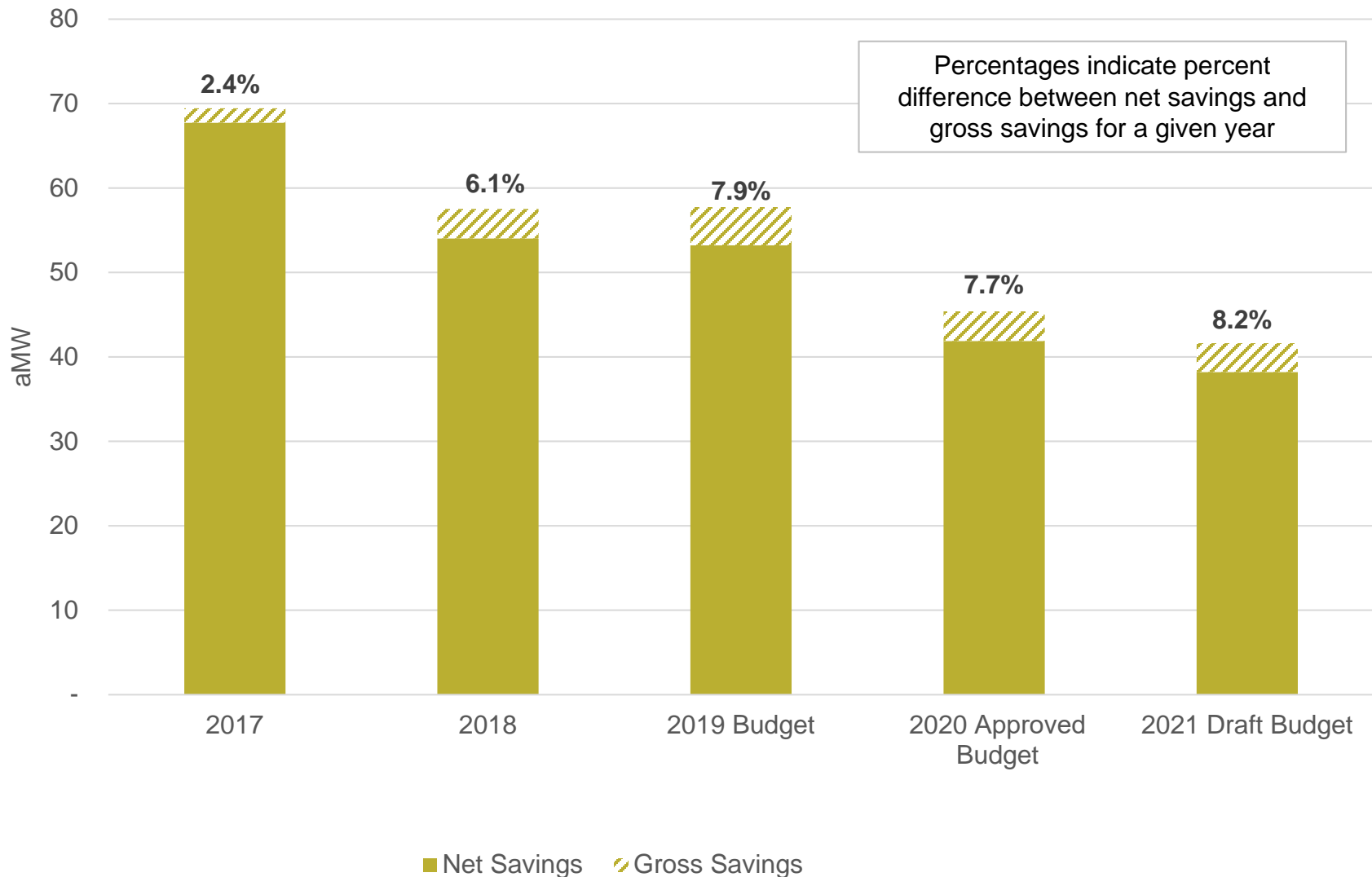
- All program and support strategies link to 2020 goals; highlighted in action plan document
- Some continued common themes:
 - Engaging new and underserved customers with focus on small businesses, affordable housing, low- and moderate-income, renters, rural areas and communities of color
 - Evolving lighting strategies to respond to quickly changing market
 - Developing new sources of savings, adapting to code changes and measure exits, and valuing peak savings
 - Focusing on diversity, equity and inclusion operations goals
 - Implementing operational improvements to streamline processes, automate data collection, improve forecasting
 - Continuing organizational development activities to support efficient, flexible and adaptable organization

Action Plan Highlights

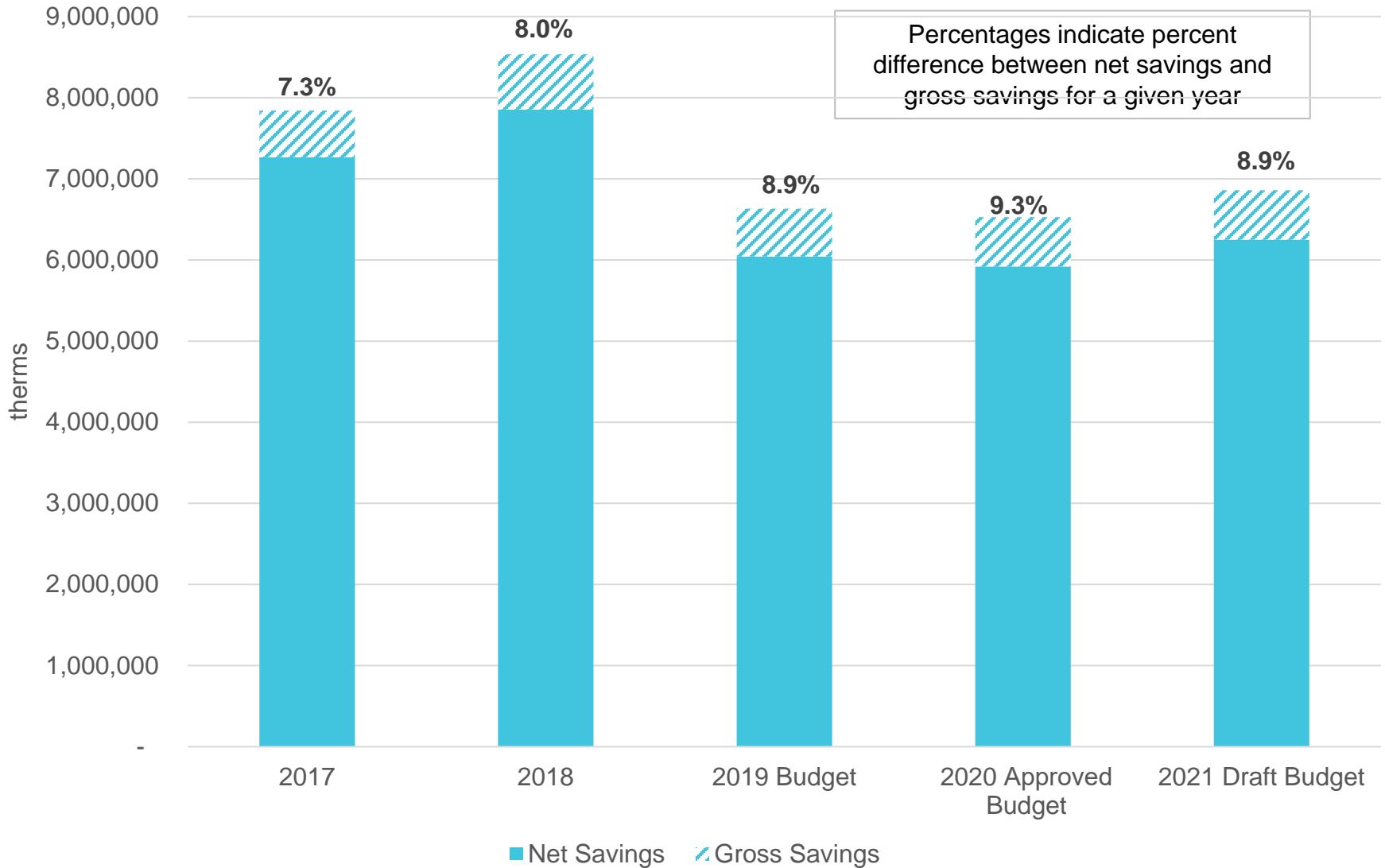
- Budget tools implementation
- Multiple utility collaborations to deliver additional system benefits
- Market research to enhance customer insights, adjust brand, and improve marketing strategies and tactics
- Rural workshop to understand rural needs, improve strategies
- Relationship development and contracts with community-based organizations to support outreach and program delivery
- Expanded minority- and women-owned contractor recruitment
- Data, analysis and information for city, county and state efforts leading to energy savings and generation



Gross and Net Comparison—Electric



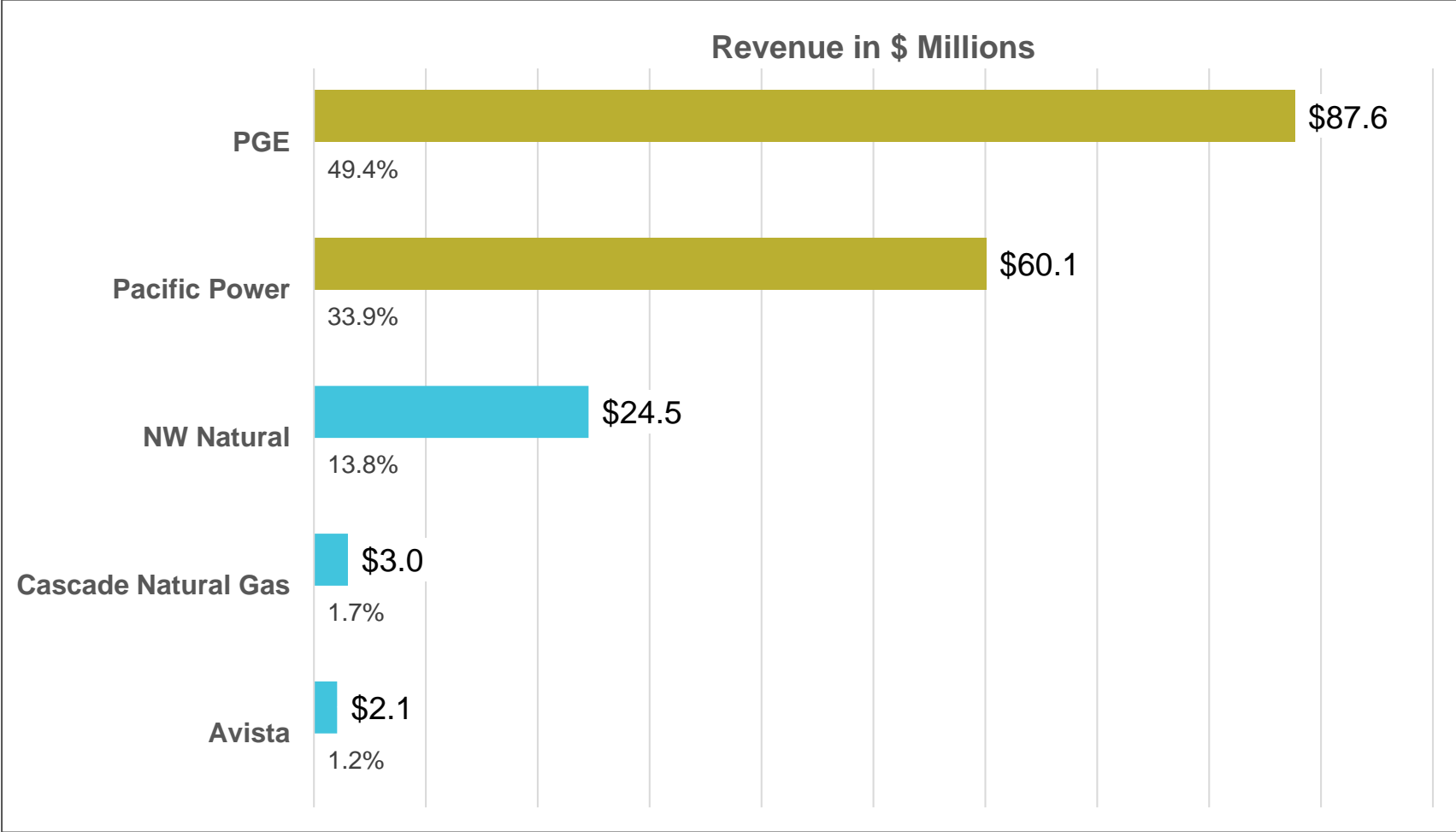
Gross and Net Comparison—Gas



Oregon Utility Ratepayer Programs Only:
Revenues, Expenditures and OPUC
Performance Measures

2020 Approved Budget Revenue (Oregon only)

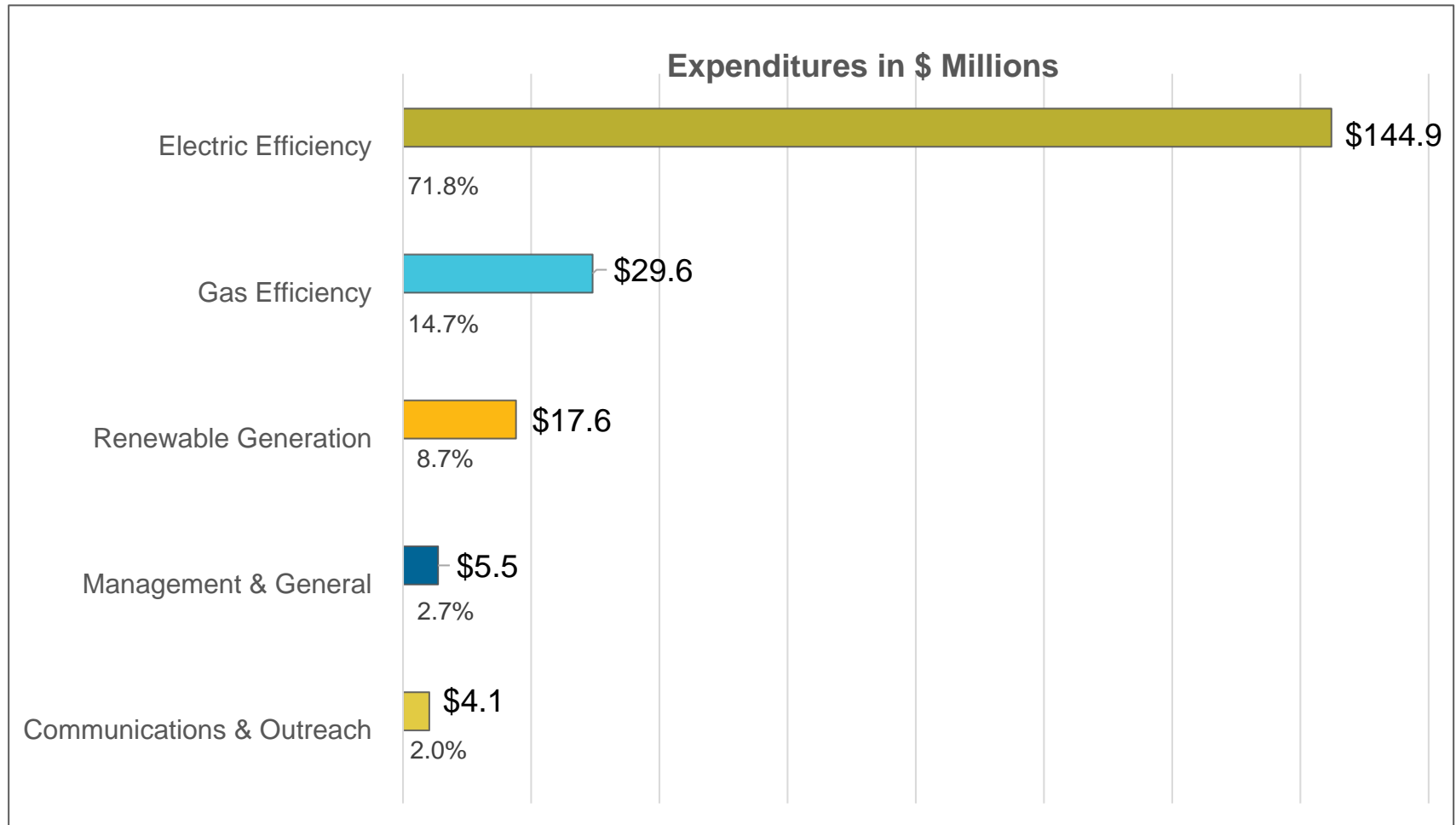
\$177.4 million, down 2.1% from 2019 Oregon budget



Figures exclude NW Natural Washington, Community Solar Program and Development funds

2020 Approved Budget Expenditures (Oregon only)

\$201.6 million, up 1.3% from 2019 Oregon budget



Figures exclude NW Natural Washington, Community Solar Program and Development funds

Developing the Budget and Action Plan

Building Our Budget and Action Plan

1

2020-2024
Strategic Plan
focus areas
and
strategies

2

Energy
efficiency and
renewable
energy
resource
planning

3

Business
planning,
prioritization
and goal
setting

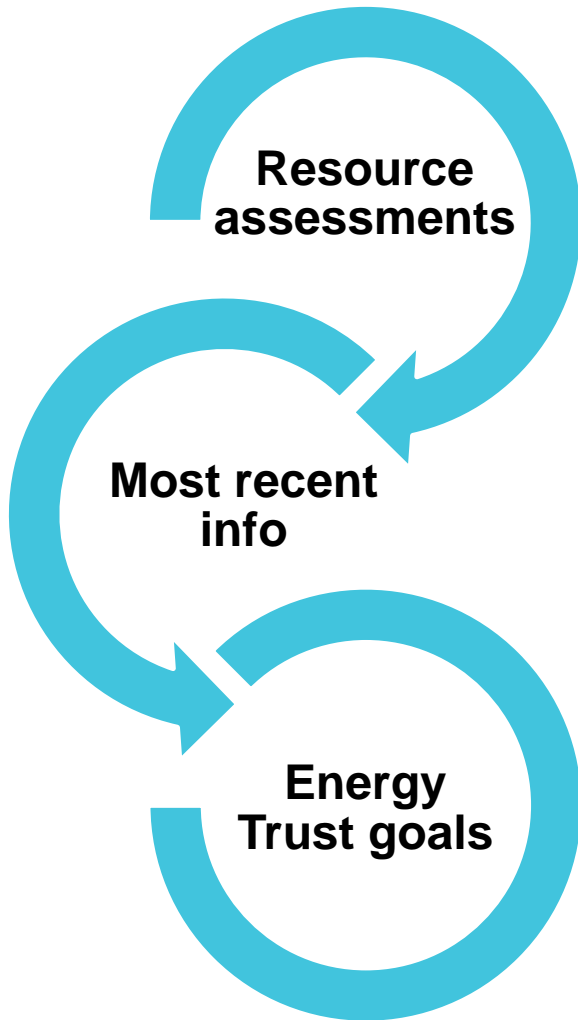
4

Market knowledge and context

2020-2024 Strategic Plan Focus Areas

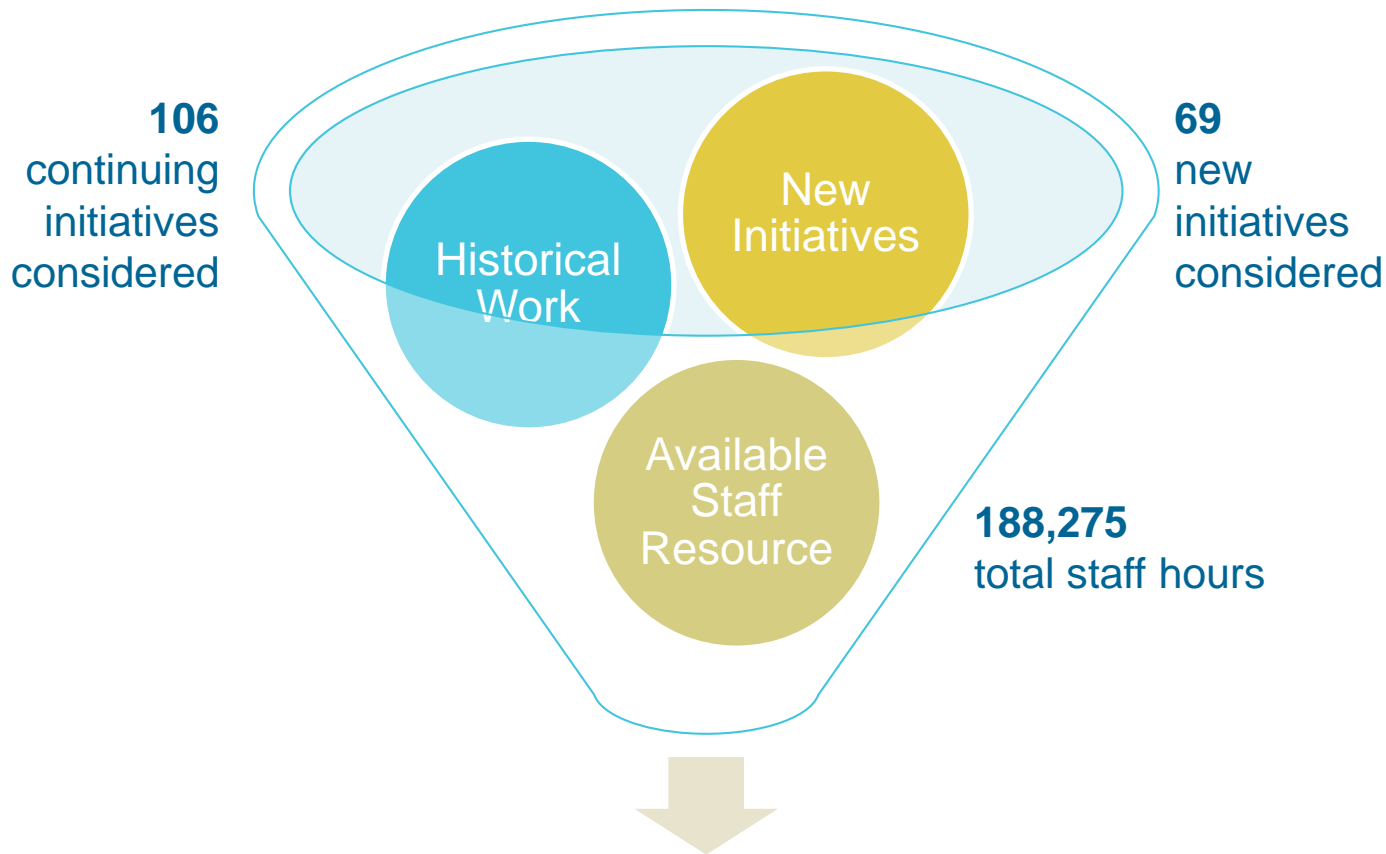
- 1 Engage customers with relevant programs, information and services, especially underserved customers**
- 2 Strengthen the value we deliver by linking clean energy to approaches utilities are using to respond to customer energy needs**
- 3 Provide objective information and analyses to support energy policies**
- 4 Maximize public benefits by leveraging additional funding**
- 5 Enhance our ability to quickly and effectively respond to changes, needs and opportunities**

Annual Target Setting



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

Business Planning Process



2020 Business Plan Activities

187,994 staff hours allocated (99%)

152 initiatives approved: **49** new (17%) and **103** continuing (82%)

Average Savings Per Custom Business Project

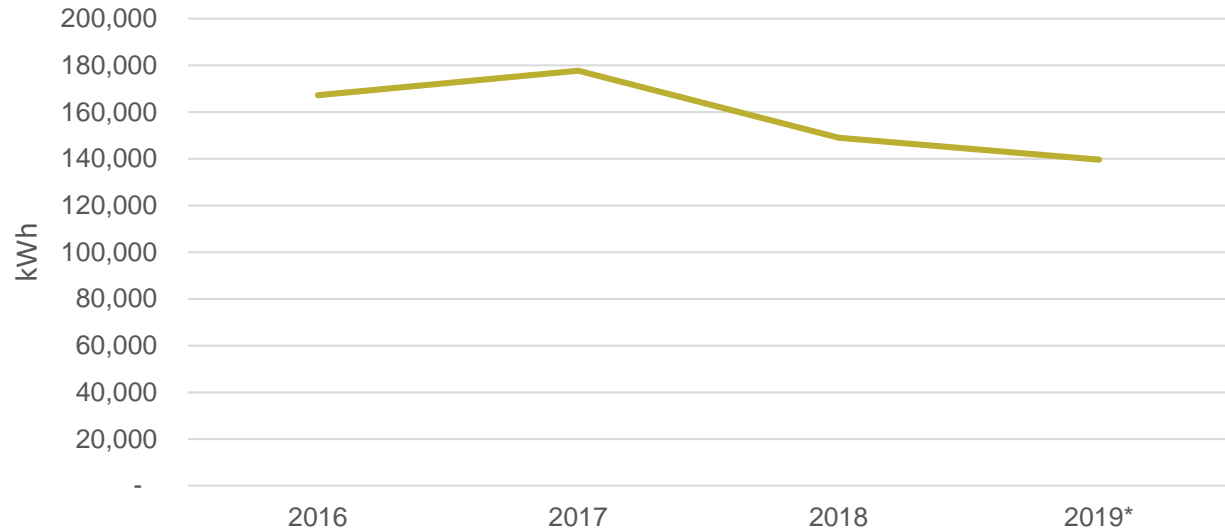


21% decrease
from peak
savings/project

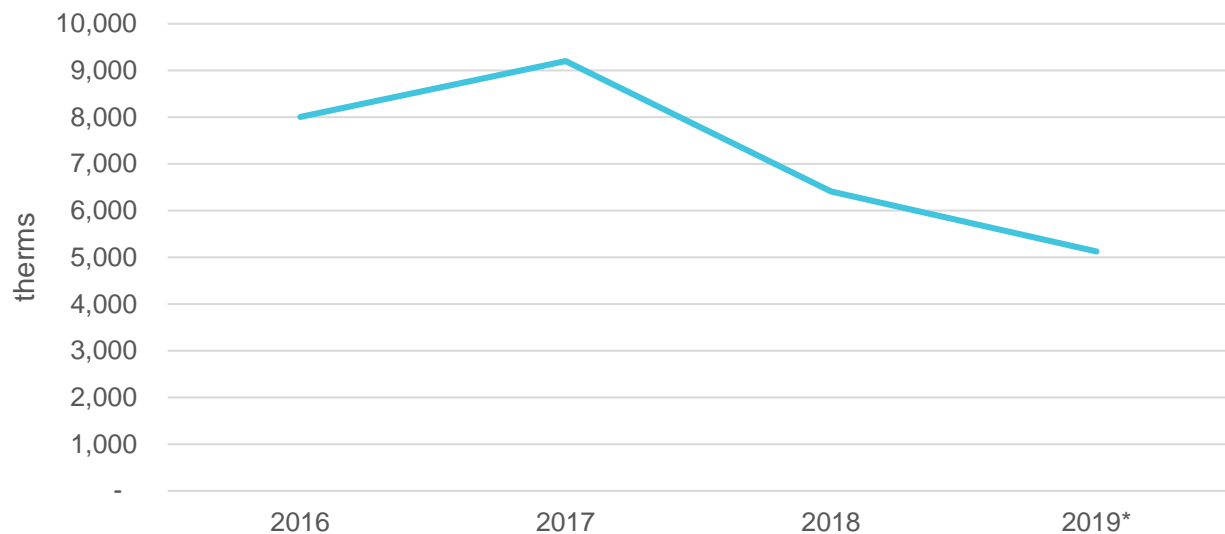


44% decrease
from peak
savings/project

Average Electric Savings Per Business Project



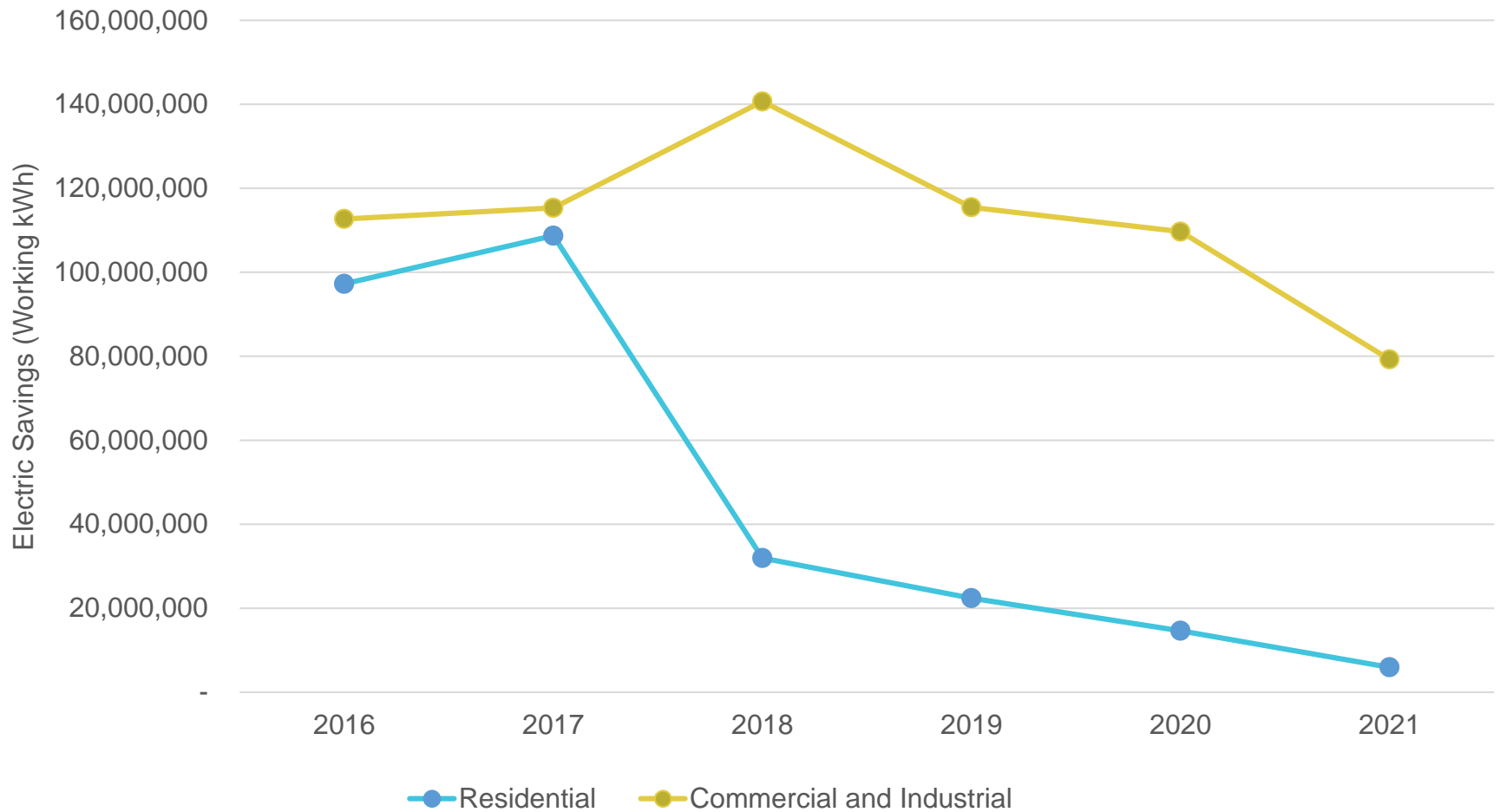
Average Gas Savings Per Business Project



* Forecasted activity for 2019

Transforming Lighting Market

Commercial, Industrial and Residential Lighting Savings 2016-2021



Forecasted activity for 2019-2021

2020 Annual Goals

2020 Goal 1: Meet savings and generation targets and create future opportunities

We will meet 2020 savings of 45.4 aMW and 6.9 million annual therms, the 2020 generation target of 3.3 aMW and create future savings and generation opportunities with a particular focus on:

- Serving more diverse customers
- Supporting higher value renewables and efficiency
- Sustaining services for efficiency programs where cost-effectiveness is becoming a challenge
- Pushing new construction beyond code

2020 Goal 2: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input

We will seek input from community partners and advisory councils as we develop a set of guidelines to more clearly identify Energy Trust's role in supporting community energy efforts. These guidelines will have a particular emphasis on:

- Coordinating with utility efforts in communities
- Building capacity in communities and community-based organizations
- Strengthening internal capabilities to support community efforts
- Developing toolkits and templates

2020 Goal 3: Provide information to policymakers, agencies and implementers

We will provide objective information and analysis to policymakers, agencies and implementers with a particular focus on:

- OPUC requests
- Portland's Clean Energy Fund
- State carbon policy development
- Communities forming clean energy objectives

2020 Goal 4: Strengthen internal innovation capabilities and develop new proposals

We will strengthen internal capability for innovation and support development of several new proposals with a particular focus on:

- Establishing an Innovation Team and resourcing initiatives
- Developing an Innovation Approach
- Adopting a framework, processes and tools

2020 Goal 5: Make operational improvements

We will accomplish operational improvements and remove barriers to meeting organizational goals with a particular focus on:

- Budgeting tools
- Forecasting
- Staff development
- Alignment of systems, data and reporting
- Collaborations

Savings and Generation Detail

2020 Electric Savings, Budget by Program

| | 2019 Budget Savings Goal (aMW) | 2019 Cost (\$ Million) | 2020 Budget Savings Goal (aMW) | 2020 Cost (\$ Million) | 2020 Levelized Cost/kWh | % 2020 Savings |
|------------------------------|--------------------------------|------------------------|--------------------------------|------------------------|-------------------------|----------------|
| Existing Buildings | 16.38 | \$47.73 | 13.09 | \$44.16 | 3.6¢ | 28.9% |
| Existing Multifamily | 1.80 | \$8.71 | 1.46 | \$8.31 | 5.6¢ | 3.2% |
| New Buildings | 6.10 | \$18.71 | 4.77 | \$16.95 | 3.7¢ | 10.5% |
| Production Efficiency | 20.95 | \$38.69 | 17.14 | \$39.41 | 2.5¢ | 37.8% |
| Residential | 6.83 | \$33.37 | 5.50 | \$36.53 | 6.6¢ | 12.1% |
| NEEA combined | 5.69 | \$7.18 | 3.41 | \$6.74 | 2.7¢ | 7.5% |
| TOTAL | 57.75 | \$154.38 | 45.38 | \$152.11 | 3.6¢ | |

aMW: average megawatts

Columns may not total due to rounding

Gross savings

2020 Natural Gas Savings, Budget by Program

| | 2019 Budget Savings (MMTh) | 2019 Cost (\$ Million) | 2020 Budget Savings (MMTh) | 2020 Cost (\$ Million) | 2020 Levelized Cost/ therm | % 2020 Savings |
|------------------------------|-------------------------------------|------------------------------|-------------------------------------|---------------------------|-------------------------------------|-------------------|
| Existing Buildings | 1.92 | \$7.73 | 1.87 | \$9.39 | 42.8¢ | 27.2% |
| Existing Multifamily | 0.18 | \$1.42 | 0.20 | \$1.61 | 59.4¢ | 3.0% |
| New Buildings | 0.84 | \$2.46 | 0.55 | \$1.86 | 29.5¢ | 8.0% |
| Production Efficiency | 1.33 | \$2.96 | 1.51 | \$3.56 | 23.3¢ | 22.1% |
| Residential | 2.73 | \$17.07 | 2.71 | \$15.80 | 41.0¢ | 39.4% |
| NEEA combined | 0.0 | \$1.44 | 0.02 | \$1.42 | n/a* | 0.3% |
| TOTAL | 7.00 | \$33.09 | 6.87 | \$33.64 | 39.0¢ | |

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

*NEEA costs represent both present activities and future focused R&D.
Because gas is new to the portfolio and not yet producing volume savings,
levelized costs are not shown for NEEA.

2020 Renewable Energy, Budget by Utility

| | 2019 Generation (aMW) | 2019 Budget (\$ Million) | 2020 Generation (aMW) | 2020 Budget (\$ Million) |
|-------------------------|-----------------------------|--------------------------------|-----------------------------|--------------------------------|
| PGE | | | | |
| Solar | 1.22 | \$5.83 | 1.33 | \$6.6 |
| Other Renewables | 0.00 | \$0.78 | 0.92 | \$3.9 |
| TOTAL | 1.22 | \$6.61 | 2.25 | \$10.4 |
| Pacific Power | | | | |
| Solar | 0.79 | \$3.74 | 0.92 | \$4.1 |
| Other Renewables | 0.24 | \$3.70 | 0.11 | \$4.0 |
| TOTAL | 1.03 | \$7.44 | 1.02 | \$8.0 |

Energy Efficiency Detail by Utility

Energy Efficiency Summary by Utility

| | 2020 Budget Savings Goal (aMW or MMTh) | 2020 Levelized Cost (per kWh or therm) | 2020 Budget (\$ Million) |
|-----------------------------------|---|---|---------------------------------|
| PGE (Efficiency) | 27.40 | 3.6¢ | \$90.30 |
| Pacific Power (Efficiency) | 17.98 | 3.8¢ | \$61.81 |
| NW Natural (OR) | 5.59 | 37.4¢ | \$25.83 |
| NW Natural (WA) | 0.34 | 54.5¢ | \$2.58 |
| Cascade Natural Gas | 0.55 | 48.0¢ | \$3.36 |
| Avista | 0.39 | 35.3¢ | \$1.87 |

PGE: 2020 Savings, Budget by Program

| | 2019 Savings Goal (aMW) | 2019 Savings Forecast (aMW) | 2020 Savings Goal (aMW) | 2020 Budget (\$ Million) | 2020 Levelized Cost/kWh | % of 2020 Savings |
|------------------------------|-------------------------|-----------------------------|-------------------------|--------------------------|-------------------------|-------------------|
| Existing Buildings | 10.34 | 8.85 | 7.88 | \$25.3 | 3.4¢ | 29% |
| Existing Multifamily | 1.36 | 1.32 | 1.07 | \$5.8 | 5.4¢ | 4% |
| New Buildings | 4.31 | 3.81 | 3.28 | \$12.3 | 3.9¢ | 12% |
| Production Efficiency | 13.28 | 10.16 | 10.13 | \$21.7 | 2.4¢ | 37% |
| Residential | 3.81 | 4.17 | 3.11 | \$21.3 | 6.9¢ | 11% |
| NEEA Combined | 3.25 | 3.00 | 1.94 | \$3.9 | 2.7¢ | 7% |
| Total | 36.35 | 31.30 | 27.40 | \$90.3 | 3.6¢ | |

Pacific Power: 2020 Savings, Budget by Program

| | 2019 Savings Goal (aMW) | 2019 Savings Forecast (aMW) | 2020 Savings Goal (aMW) | 2020 Budget (\$ Million) | 2020 Levelized Cost/kWh | % of 2020 Savings |
|------------------------------|-------------------------|-----------------------------|-------------------------|--------------------------|-------------------------|-------------------|
| Existing Buildings | 6.04 | 5.18 | 5.22 | \$18.8 | 3.9¢ | 29% |
| Existing Multifamily | 0.44 | 0.44 | 0.40 | \$2.5 | 6.0¢ | 2% |
| New Buildings | 1.79 | 1.89 | 1.49 | \$4.7 | 3.3¢ | 8% |
| Production Efficiency | 7.67 | 8.02 | 7.02 | \$17.7 | 2.8¢ | 39% |
| Residential | 3.02 | 3.01 | 2.39 | \$15.2 | 6.2¢ | 13% |
| NEEA Combined | 2.44 | 2.26 | 1.47 | \$2.9 | 2.7¢ | 8% |
| Total | 21.40 | 20.79 | 17.98 | \$61.8 | 3.8¢ | |

Gross savings

NW Natural: 2020 Savings, Budget for Oregon (excludes Industrial DSM)

| | 2019 Savings Goal (MMTh) | 2019 Savings Forecast (MMTh) | 2020 Savings Goal (MMTh) | 2020 Budget (\$ Million) | 2020 Levelized Cost/therm | % of 2020 Savings |
|------------------------------|--------------------------|------------------------------|--------------------------|--------------------------|---------------------------|-------------------|
| Existing Buildings | 0.81 | 0.71 | 0.77 | \$3.9 | 43.7¢ | 20% |
| Existing Multifamily | 0.15 | 0.20 | 0.18 | \$1.4 | 59.6¢ | 5% |
| New Buildings | 0.70 | 0.53 | 0.44 | \$1.5 | 28.8¢ | 11% |
| Production Efficiency | 0.30 | 0.25 | 0.40 | \$0.8 | 22.0¢ | 10% |
| Residential | 2.18 | 2.12 | 2.14 | \$12.3 | 40.9¢ | 54% |
| NEEA Combined | - | - | 0.02 | \$1.1 | n/a* | 0.4% |
| Total | 4.14 | 3.82 | 3.95 | \$21.1 | 39.8¢ | |

*NEEA costs represent both present activities and future focused R&D. Because gas is new to the portfolio and not yet producing volume savings, levelized costs are not shown for NEEA.

Gross savings

NW Natural: 2020 Savings, Budget for Oregon (only Industrial DSM)

| | 2019 Savings Goal (MMTh) | 2019 Savings Forecast (MMTh) | 2020 Savings Goal (MMTh) | 2020 Budget (\$ Million) | 2020 Levelized Cost/therm | % of 2020 Savings |
|------------------------------|--------------------------|------------------------------|--------------------------|--------------------------|---------------------------|-------------------|
| Existing Buildings | 0.58 | 0.63 | 0.57 | \$2.21 | 33.9¢ | 35% |
| New Buildings | 0.02 | 0.11 | 0.02 | \$0.06 | 20.7¢ | 1% |
| Production Efficiency | 0.95 | 0.72 | 1.05 | \$2.48 | 23.0¢ | 64% |
| Total | 1.55 | 1.46 | 1.64 | \$4.74 | 27.0¢ | |

NW Natural: 2020 Savings, Budget by Program (Washington)

| | 2019 Savings Goal (MMTh) | 2019 Savings Forecast (MMTh) | 2020 Savings Goal (MMTh) | 2020 Budget (\$ Million) | 2020 Levelized Cost/therm | % of 2020 Savings |
|---------------------------|--------------------------|------------------------------|--------------------------|--------------------------|---------------------------|-------------------|
| Existing Buildings | 0.15 | 0.17 | 0.11 | \$0.90 | 63.1¢ | 33% |
| Residential | 0.22 | 0.24 | 0.23 | \$1.68 | 51.0¢ | 67% |
| Total | 0.37 | 0.41 | 0.34 | \$2.58 | 54.5¢ | |

NW Natural: 2020 Savings, Budget by Program (All Programs, Both States)

| | 2019 Savings Goal (MMTh) | 2019 Savings Forecast (MMTh) | 2020 Savings Goal (MMTh) | 2020 Budget (\$ Million) | 2020 Levelized Cost/therm | % of 2020 Savings |
|------------------------------|--------------------------|------------------------------|--------------------------|--------------------------|---------------------------|-------------------|
| Existing Buildings | 1.54 | 1.51 | 1.45 | \$7.0 | 41.4¢ | 24% |
| Multifamily | 0.15 | 0.20 | 0.18 | \$1.4 | 59.6¢ | 3% |
| New Buildings | 0.71 | 0.64 | 0.46 | \$1.5 | 28.4¢ | 8% |
| Production Efficiency | 1.24 | 0.96 | 1.45 | \$3.3 | 22.7¢ | 24% |
| Residential | 2.40 | 2.36 | 2.37 | \$14.0 | 41.9¢ | 40% |
| NEEA Combined | - | - | 0.02 | \$1.1 | n/a* | 0.3% |
| Total | 6.05 | 5.68 | 5.93 | \$28.4 | 38.4¢ | |

*NEEA costs represent both present activities and future focused R&D. Because gas is new to the portfolio and not yet producing volume savings, levelized costs are not shown for NEEA.

Gross savings

Cascade Natural Gas: 2020 Savings, Budget by Program

| | 2019 Savings Goal MMTh | 2019 Savings Forecast MMTh | 2020 Savings Goal MMTh | 2020 Budget (\$ Million) | 2020 Levelized Cost/therm | % of 2020 Savings |
|------------------------------|------------------------|----------------------------|------------------------|--------------------------|---------------------------|-------------------|
| Existing Buildings | 0.24 | 0.21 | 0.27 | \$1.6 | 52.0¢ | 50% |
| Existing Multifamily | 0.01 | 0.01 | 0.01 | \$0.0 | 56.7¢ | 1% |
| New Buildings | 0.08 | 0.08 | 0.04 | \$0.2 | 43.9¢ | 8% |
| Production Efficiency | 0.06 | 0.06 | 0.06 | \$0.2 | 36.5¢ | 10% |
| Residential | 0.17 | 0.18 | 0.17 | \$1.1 | 44.6¢ | 30% |
| NEEA Combined | - | - | - | \$0.1 | n/a* | 0.8% |
| Total | 0.55 | 0.53 | 0.55 | \$3.4 | 48.0¢ | |

*NEEA costs represent both present activities and future focused R&D. Because gas is new to the portfolio and not yet producing volume savings, levelized costs are not shown for NEEA.

Avista: 2020 Savings, Budget by Program

| | 2019 Savings Goal (MMTh) | 2019 Savings Forecast (MMTh) | 2020 Savings Goal (MMTh) | 2020 Budget (\$ Million) | 2020 Levelized Cost/therm | % of 2020 Savings |
|------------------------------|--------------------------|------------------------------|--------------------------|--------------------------|---------------------------|-------------------|
| Existing Buildings | 0.14 | 0.13 | 0.14 | \$0.8 | 40.1¢ | 37% |
| Existing Multifamily | 0.02 | 0.03 | 0.02 | \$0.1 | 58.4¢ | 5% |
| New Buildings | 0.05 | 0.04 | 0.04 | \$0.1 | 29.2¢ | 11% |
| Production Efficiency | 0.02 | 0.02 | 0.01 | \$0.0 | 34.0¢ | 3% |
| Residential | 0.16 | 0.18 | 0.17 | \$0.7 | 26.1¢ | 44% |
| NEEA Combined | - | - | 0* | \$0.1 | n/a* | 0.5% |
| Total | 0.39 | 0.40 | 0.39 | \$1.9 | 35.3¢ | |

*NEEA costs represent both present activities and future focused R&D. Because gas is new to the portfolio and not yet producing volume savings, levelized costs are not shown for NEEA.

Gross savings

MEMO

Date: December 31, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Planning Assumptions for the Approved 2020 Budget and 2020-2021 Action Plan

In response to the OPUC's request, this memo includes a list of major planning assumptions that shape the direction and content of Energy Trust's 2020 Budget and 2020-2021 Action Plan. Program-specific key assumptions, risks and challenges are also included in program action plans.

- **Oregon has experienced robust economic growth** for the last few years. However, the continuation of growth seems more tenuous as the probability of a recession increases. According to the State of Oregon Economic and Revenue Forecast prepared by the Office of Economic Analysis for the Oregon Department of Administrative Services (DAS):

"The current expansion [of economic growth in Oregon and the United States] is now the longest on record, celebrating its tenth birthday over the summer. The economic data flow remains solid overall and classic recession catalysts like an overheating economy are not rearing their heads. The good news is that expansions do not die of old age and the outlook calls for ongoing growth. However, expansions do tend to die due to bad behavior and policy mistakes. As such, the risk of recession is clearly rising in recent months. Revisions to both GDP and employment reveal a weaker and slower-growing economy than previously believed. The trade war escalation is spilling over and weighing on the economy to a larger degree as well. Businesses are wary as they delay investments and slow their pace of hiring. All of this has financial markets on edge and the Federal Reserve taking out insurance rate cuts in hopes of heading off a recession. Time will tell whether this is the top of the cycle or just a rough patch.

Oregon continues to see healthy rates of economic growth; however, the state is no longer outpacing the rest of the country to the same degree as earlier in the expansion. The state is not immune to national and international developments. While topline manufacturing indicators in the state look good, cracks may be forming due to the trade war. All told, Oregon continues to hit the sweet spot for now. Growth is strong enough to keep up with an increasing population and deliver economic and income gains to Oregonians. The share of working-age residents with a job is higher than the [national average] and both wages and overall household incomes continue to rise at a faster rate."¹

According to DAS, the total percent change in nonfarm employment in Oregon was higher than the national average in the last five years, at one point approaching 4% for Oregon

¹ Oregon Economic and Revenue Forecast, September 2019, Page 5/68
<https://www.oregon.gov/das/OEA/Documents/forecast0919.pdf>

compared to the national average of 2%. However, more recently the Oregon percent change in nonfarm employment has converged with the national average at just under 2%.²

According to the most recent statistics from DAS, the percent share of 25- to 54-year-old residents with a job in Oregon is just over 80%, compared with the national average of just under 80%.

Program representatives and trade ally contractors working in the market report that the trade war is already impacting energy-efficiency project sales due to increased prices on equipment components and price volatility from unknown tariff adjustments resulting in short-lived price bids and constraining customer decision-making timelines. Moreover, the booming economy has created additional demand for products and services resulting in a labor shortage to install projects, which has also driven up the price on projects.

- **Oregon's population will continue to expand and diversify.** According to DAS, Oregon's population will grow from 4.3 million in 2020 to 4.5 million in 2025³. Also according to DAS, 87% of population growth in Oregon is attributed to net in-migration,⁴ and "with increasing population mainly due to in-migration, Oregon's population is getting increasing[ly] diverse in terms of race and ethnicity."⁵ Energy Trust will strive through its diversity, equity and inclusion initiative to engage a broader and more diverse set of customers to ensure that all customers are able to directly benefit from Energy Trust's programs.
- **Avoided costs for Oregon energy efficiency measures** were updated in 2019 for 2020 measure and program planning. On average, avoided cost forecasts increased for both electric and gas measures. This means that, on average, electric and gas savings will have more value per kilowatt hour and therm, which will help to offset increasing savings baselines for some measures and will keep measures cost-effective.

Energy Trust is participating in an ongoing OPUC docket to update Oregon avoided cost forecasts each year. Outcomes for use in 2021 measure and program planning are expected to be available in January 2020, after the completion of Energy Trust's 2020 Budget and 2020-2021 Action Plan. Energy Trust's 2020 budget assumes that avoided costs will remain constant with those used for 2020 budgeting.

- **Avoided costs for Washington energy efficiency measures** were updated in 2018 for 2019 measure and program planning, and these avoided costs have remained static for 2020 measure and program planning. Energy Trust expects to update Washington avoided costs for use in 2020 for 2021 program planning. Washington avoided costs may increase significantly in relation to Washington state policies, which include the value of the social cost of carbon and an increased emphasis on utilities acquiring all efficiency measures that are available and cost-effective.
- **Prescriptive measure baselines for many residential and commercial measures have been updated** to reflect changes in federal minimum equipment efficiency standards, state

² Oregon Economic and Revenue Forecast, September 2019, "Total Nonfarm Employment" chart Page 8/68 <https://www.oregon.gov/das/OEA/Documents/forecast0919.pdf>

³ Oregon Department of Administrative Services Short-term state forecast , Page 61 <https://www.oregon.gov/das/OEA/Documents/appendixc.pdf>

⁴ "Oregon's Demographic Trends", Office of Economic Analysis, Department of Administrative Services, State of Oregon, July 2019, Page 6/13 https://www.oregon.gov/das/OEA/Documents/OR_pop_trend2019.pdf

⁵ "Oregon's Demographic Trends", Office of Economic Analysis, Department of Administrative Services, State of Oregon, July 2019, Page 7/13 https://www.oregon.gov/das/OEA/Documents/OR_pop_trend2019.pdf

energy building codes and market preferences, and new information from evaluations and field tests.

- Gas savings from boilers have decreased due to an updated modeling methodology that resulted in reduced savings estimates.
- Staff anticipate that the Oregon commercial building code will have a significant impact on savings from commercial new construction projects. Savings are expected to decline due to higher baseline standards.
- Increasing adoption of LED products in the commercial and industrial lighting markets has resulted in increasing market baselines for these products and reduced per unit savings. This trend is resulting in a re-examination of how Energy Trust takes these products to market.
- Energy Trust will continue to track equipment standards and market trends, and these may result in additional adjustments for Energy Trust's 2021 programs in the next budget cycle in 2020.
- **Energy efficiency program savings realization rates will:**
 - Remain the same for Existing Buildings program electric and gas savings, including Strategic Energy Management and Existing Multifamily
 - Increase for New Buildings program electric and gas savings
 - Decrease for Production Efficiency program electric savings and increase for Production Efficiency program gas savings
 - Vary by measure for Residential program electric and gas savings
- **Participation in the Solar program will be influenced by:**
 - Dynamic policy changes, including the new state Rooftop Solar Incentive Fund, the Oregon Community Solar Program and the Portland Clean Energy Fund. The net effect of these new programs is unclear. They will likely drive interest in solar but could also reduce market share for the program.
 - Moderate declines in solar costs. Module costs are expected to decline and import tariffs for modules will step down from 25 percent in 2019 to 20 percent in 2020.
 - An assumption of no significant changes to the net metering policy in 2020.
 - The reductions of the 30 percent Investment Tax Credit that is lowering to 26 percent on January 1, 2020, and to 22 percent on January 1, 2021.
- **Participation in the 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.
 - Higher average project costs given increased labor and materials costs and the reduction of available grants, including the recent expiration of Oregon's Renewable Energy Development Grants.
 - 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. The market value of converting biogas to renewable natural gas for vehicle fuel far exceeds using biogas for renewable electricity generation.

- **Energy Trust anticipates continued engagement in all major efficiency market sectors.** Programs will continue as in 2019 with the possible exception of New Buildings, which will adapt to evolving baselines from the new Oregon commercial building code.
- **Based on a regulatory agreement in 2017 that increased the PGE large customer incentive spending cap, Energy Trust will not exceed the incentive spending caps for large energy-using customers in PGE or Pacific Power territory.** Energy Trust will continue to track SB 838 spending for large energy-using customers. If a 2020 analysis indicates that 2019 spending on large energy using customers exceeded the cap, commercial and industrial programs will act to reduce spending on these customers.
- **Lighting activity is expected to remain relatively strong for commercial and industrial sectors through 2019** with customer investment in LED projects. However, per unit savings are decreasing as baselines for LED products evolve with increased market uptake of LED lamps.
- **Increased LED market share and reduced incremental costs for the residential sector will result in a reduction of the savings that Energy Trust claims for lighting,** continuing a decline that began in 2018. Energy Trust continues to monitor baselines for LED lamps. Recently, the federal government eliminated light bulb standards on specialty consumer lamps that were slated to take effect in 2020 per the Energy Independence and Securities Act and forestalled enforcement of efficiency minimums for standard lamps. These changes, combined with decelerated rates of market adoption of LEDs, has resulted in a continued need for Energy Trust incentives to influence the retail lighting market in 2020.
- **Existing Multifamily program will save less energy from measures directly installed in dwelling units,** including LEDs, showerheads and faucet aerators. This is a result of the program's success saturating the market and the increasing efficiency of market baselines.⁶
- **Successful market penetration and evolving market conditions lead to a continued focus on midstream approaches** in residential and commercial sectors in 2020-2021.
- **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, PGE and other stakeholders to design and deliver demand reduction activities that are linked to energy efficiency and renewable generation objectives.
- **Energy Trust will continue to fund Northwest Energy Efficiency Alliance in Oregon,** and NEEA will continue to collaborate with other funding partners in pursuit of electric and gas market transformation.
- **The budget accounts for coordination with a variety of community-based organizations** to reach underserved markets in alignment with Energy Trust's diversity, equity and inclusion goals.
- **Energy Trust has included funds to facilitate coordination and project development with the City of Portland as the city implements the Portland Clean Energy Community Benefits Fund.**
- **The current budget accounts for Energy Trust serving as a subcontractor to support delivery of the Oregon Community Solar Program.**

⁶ This assumes that the Oregon Public Utility Commission approves a proposed cost-effectiveness exception that allows direct installation of LED lamps to continue.

MEMO

Date: December 31, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Measure Cost-Effectiveness Exceptions Status as of September 15, 2019

In response to the OPUC's request to provide the status of Energy Trust requests for cost-effectiveness exceptions, this memo summarizes energy efficiency measures that have received or are pending exception approval from the OPUC so that it is readily available to OPUC staff, stakeholders and the public.

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 at least one of the following conditions is met:

- 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 to 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 2020

Several measures are pending cost-effectiveness exceptions by the OPUC. 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 27 measures that were offered in 2019 in five programs, including:

- Existing Buildings
- Existing Multifamily
- New Buildings
- Residential (single-family and manufactured homes, products, new construction)
- Production Efficiency

The following tables represent the portion of total Energy Trust savings from measures with exceptions for 2018 and 2019 (year-to-date through September 15, 2019). Some of the excepted measures are part of whole-building or whole-home packages, which are groups of measures

commonly applied to a single project. These are not tracked independently in Energy Trust’s databases, and as a result, their savings cannot be reported accurately. The rows in the tables below list packages that include both cost-effective and non-cost-effective savings.

Portion of Energy Trust Savings from Measures with Exceptions in 2018 and 2019

| 2018 Measures | kWh | kWh % of total | Therms | Therms % of total |
|--|--------------------|-----------------------|------------------|--------------------------|
| Savings from measures with cost-effectiveness exceptions | 4,732,020 | 0.99% | 61,283 | 0.77% |
| Savings from packages that contain measures with cost-effectiveness exceptions | 3,086,296 | 0.65% | 36,092 | 0.45% |
| Other savings | 468,476,050 | 98.36% | 7,868,006 | 98.78% |
| Total | 476,294,366 | 100.00% | 7,965,382 | 100.00% |

| 2019 Measures (year-to-date through 9/15/2019) | kWh | kWh % of total | Therms | Therms % of total |
|--|--------------------|-----------------------|------------------|--------------------------|
| Savings from measures with cost-effectiveness exceptions | 2,697,589 | 1.53% | 37,559 | 1.52% |
| Savings from packages that contain measures with cost-effectiveness exceptions | 2,812,560 | 1.60% | 41,058 | 1.66% |
| Other savings | 170,353,297 | 96.87% | 2,391,137 | 96.82% |
| Total | 175,863,446 | 100.00% | 2,469,754 | 100.00% |

There are 95 exceptions on record granted or pending from the OPUC:

- 9 are pending approval by the OPUC.
- 12 will be offered by programs in 2020 under exceptions.
- 39 are considered “minor exceptions.” A “minor exception” is one where the total dollars and savings associated with the measure are less than 5 percent of total annual program activity or the total resource cost (TRC) for the measure is greater than 0.8. As such, these measures do not require commission approval and are typically approved via email from OPUC staff.

Measure exceptions were approved by the OPUC according to the criteria outlined in the “Background” section above. The following table identifies how many exceptions were granted based on each criterion listed above. *Note some measures meet multiple criteria.*

Number of Exceptions Granted Based on Measure Exception Criteria

| Exception Criteria | Number of Instances |
|---------------------------|----------------------------|
| A | 34 |
| B | 21 |
| C | 40 |
| D | 40 |
| E | 8 |
| F | 6 |
| G | 2 |

Complete List of 2020 Energy Trust Measures with Cost-effectiveness Exceptions

| Program(s) | Measure | Exception Criteria | Date Granted | Expiration Date | Cost-Effective with 2020 avoided costs | Comments |
|---|---|--------------------|--------------|-----------------|--|--|
| Existing Multifamily | Direct installation lighting | D | Pending | Pending | No | |
| Existing Multifamily | Flat roof insulation (gas or heat pump) | A | Pending | Pending | No | |
| Residential | Floor insulation (electric) | A | Pending | Pending | No | |
| Existing Multifamily | Floor insulation (electric) | A | Pending | Pending | No | |
| Residential | Floor insulation incentive cap (gas) | A | Pending | Pending | No | |
| Existing Multifamily | Floor insulation incentive cap (gas) | A | Pending | Pending | No | |
| Existing Multifamily | Hydronic pumps less than 1/2 heat pump | C, F | Pending | Pending | No | |
| Residential | Wall insulation (including knee wall) incentive cap (gas) | A | Pending | Pending | No | |
| Existing Multifamily | Wall insulation (including knee wall) incentive cap (gas) | A | Pending | Pending | No | |
| Residential | Ductless heat pumps—various scenarios | C, B, G | 9/10/2019 | 3/31/2022 | N/A | Measure redesigned for 2020, new exception granted 9/10/19 |
| Existing Multifamily | Ductless heat pumps | C, B, G | 9/10/2019 | 3/31/2022 | N/A | Measure redesigned for 2020, new exception granted 9/10/19 |
| Production Efficiency | Irrigation—new or rebuilt brass impact sprinkler | A, C, D | 11/21/18 | 12/30/2021 | No | |
| Residential | NEEM 2.0 gas homes | C,E | 11/21/18 | 12/31/2020 | No | |
| Existing Buildings, Existing Multifamily, Production Efficiency | Various T8 lamps | D | 11/21/18 | 12/31/2021 | No | Savings revised for 2020, still under exception |

| Program(s) | Measure | Exception Criteria | Date Granted | Expiration Date | Cost-Effective with 2020 avoided costs | Comments |
|---|---|--------------------|--------------|-----------------|--|---|
| Residential | Smart thermostats direct installation gas with PGE co-funding | F | 8/31/2018 | 12/31/2021 | partial | Now cost-effective in single family. Only multifamily needs the exception |
| Production Efficiency | Irrigation—drop tubes | A, C, D | 8/3/2018 | 12/31/2021 | No | |
| Residential | EPS Path 1 | B, C, D | 5/22/2018 | 12/31/2019 | N/A | Savings revised for 2020, now cost-effective |
| Residential | Heat pump water heaters direct installation pilot | F | 4/27/2018 | N/A | No | |
| Existing Buildings, Existing Multifamily, Residential | Gas storage water heaters: ENERGY STAR® | B | 11/8/2017 | 12/31/2020 | No | |
| Residential | Manufactured homes (gas) | C, D | 11/8/2017 | 12/31/2020 | No | |
| Residential | Ductless heat pumps in manufactured homes replacing electric zonal heat | A, B, C | 11/7/2017 | 12/31/2019 | N/A | Revised for 2020, now cost-effective |
| Existing Buildings, Existing Multifamily | Ductless heat pumps in multifamily | A, B, C | 11/7/2017 | 12/31/2019 | N/A | Replaced with new exception 9/10/21 |
| Residential | Ductless heat pumps in single family replacing electric zonal heat | A, B, C | 11/7/2017 | 12/31/2019 | N/A | Replaced with new exception 9/10/20 |
| Residential | EPS Path 1 (electric) | B, C, D | 11/7/2017 | 12/31/2018 | N/A | Exception extended on 5/22/18 |
| Residential | EPS Path 2 (electric) | B, C, D | 11/7/2017 | 12/31/2019 | N/A | Measure revised for 2020, now cost-effective |
| Residential | EPS Path 4 (gas) | B, D | 11/7/2017 | 12/31/2019 | N/A | Measure revised for 2020, now cost-effective |
| Production Efficiency | Irrigation—drain replacement | A, C, D | 11/7/2017 | 12/31/2019 | N/A | Savings revised for 2019 |
| Production Efficiency | Irrigation—drop tube or hose extension | A, C, D | 11/7/2017 | 12/31/2018 | N/A | Savings revised for 2019 |

| Program(s) | Measure | Exception Criteria | Date Granted | Expiration Date | Cost-Effective with 2020 avoided costs | Comments |
|--|--|--------------------|--------------|-----------------|--|---|
| Production Efficiency | Irrigation—flow control nozzle for impact sprinkler | A, C, D | 11/7/2017 | 12/31/2019 | N/A | Savings revised for 2019 |
| Production Efficiency | Irrigation—goose necks | A, C, D | 11/7/2017 | 12/31/2019 | N/A | Savings revised for 2019 |
| Production Efficiency | Irrigation—multi-trajectory low pressure sprinkler replacement | A, C, D | 11/7/2017 | 12/31/2019 | N/A | Savings revised for 2019 |
| Production Efficiency | Irrigation—new or rebuilt brass impact sprinkler | A, C, D | 11/7/2017 | 12/31/2018 | N/A | Savings revised for 2019 |
| Production Efficiency | Irrigation—rotating impact sprinkler | A, C, D | 11/7/2017 | 12/31/2019 | N/A | Savings revised for 2019 |
| Production Efficiency | Irrigation—rotating sprinkler for low-pressure | A, C, D | 11/7/2017 | 12/31/2018 | N/A | Savings revised for 2019 |
| Existing Buildings, Existing Multifamily | Single pane windows electric | A | 11/7/2017 | 12/31/2019 | N/A | Measure revised for 2020, now cost-effective |
| Existing Buildings, Existing Multifamily | Ceiling insulation (gas) UCT | C | 05/25/17 | N/A | N/A | Measure revised for 2020, now cost-effective |
| Existing Buildings, Existing Multifamily, Residential | Gas storage water heaters: ENERGY STAR | B | 12/29/16 | 12/31/17 | N/A | Measure redesigned for 2018 new exception granted 11/8/17 |
| Existing Buildings, Existing Multifamily | Ductless heat pump in Existing Multifamily (Portland) 3/4 ton | D | 10/19/2016 | 12/30/2017 | N/A | Measure redesigned for 2018 new exception granted 11/7/17 |
| Existing Buildings, Existing Multifamily (≤ 4 units or side-by-side) | Ceiling insulation incentive cap (gas) | A | 9/8/2016 | N/A | N/A | Measure revised for 2020, now cost-effective |
| Existing Buildings, Existing Multifamily (≤ 4 units or side-by-side) | Floor insulation incentive cap (Gas) | A | 9/8/2016 | N/A | N/A | Measure revised for 2020, now cost-effective |
| Existing Buildings, Existing Multifamily (≤ 4 units or side-by-side) | Wall insulation (including knee wall) incentive cap (gas) | A | 9/8/2016 | N/A | N/A | Measure revised for 2020 included pending exception request |

| Program(s) | Measure | Exception Criteria | Date Granted | Expiration Date | Cost-Effective with 2020 avoided costs | Comments |
|---|---|--------------------|--------------|-----------------|--|---|
| Residential | Path 4 (EPS) advanced whole home subtype weighted | B, C, D | 8/18/2016 | N/A | N/A | Measure redesigned for 2020, now cost-effective |
| Existing Buildings, Existing Multifamily (> 4 units) | Windows (electric) | A | 4/29/2016 | 12/31/2017 | N/A | Measure redesigned for 2018 new exception granted 11/7/17 |
| New Buildings | Market Solutions—retail building type good-to-better (incremental) | D | 11/2/2015 | N/A | Yes | Measure development pending. Unclear if we will need to continue to use this exception in 2020. |
| New Buildings | Market Solutions—schools lighting reduction | D, E | 11/2/2015 | N/A | No | Measure development pending. Unclear if we will need to continue to use this exception in 2020. |
| Existing Buildings, \New Buildings | Oversized air-cooled condenser with VFD compared to VFD on standard (CZ2) per ton | D | 10/28/2015 | N/A | N/A | Measure removed for 2020 |
| Residential | Ductless heat pumps | B, C | 9/2/2015 | N/A | N/A | Measure redesigned for 2018 new exception granted 11/7/17 |
| Existing Buildings Existing Multifamily, Residential | Gas storage water heaters: 0.67, 0.70 | B | 9/2/2015 | 12/31/2016 | N/A | Measure redesigned for 2018 new exception granted 11/8/17 |
| Residential | Clothes washers (gas only) | C | 9/2/2015 | N/A | No | |
| Existing Buildings Existing Multifamily (≤ 4 units), Residential | Ceiling insulation incentive cap (gas) | A | 4/30/2015 | N/A | N/A | Measure revised for 2020, now cost-effective |
| Existing Buildings, Existing Multifamily (≤ 4 units), Residential | Floor insulation incentive cap (gas) | A | 4/30/2015 | N/A | N/A | Measure revised for 2020, now cost-effective |
| Existing Buildings, Existing Multifamily (≤ 4 units), Residential | Wall (including knee wall) insulation incentive cap (gas) | A | 4/30/2015 | N/A | N/A | Measure redesigned for 2020 included pending exception request |
| Existing Buildings, New Buildings | LED refrigeration case lighting (T12 to LED low power) | D | 3/12/2015 | N/A | N/A | Measure was redesigned in 2016; equivalent measures are cost-effective |

| Program(s) | Measure | Exception Criteria | Date Granted | Expiration Date | Cost-Effective with 2020 avoided costs | Comments |
|--|---|--------------------|--------------|-----------------|--|--|
| Existing Buildings, Existing Multifamily | Ceiling insulation (electric) | A, C | 1/29/2015 | N/A | N/A | Now cost-effective, exception no longer needed |
| Existing Buildings, Existing Multifamily | Floor Insulation (electric) | A | 1/29/2015 | N/A | N/A | Now cost-effective, exception no longer needed |
| New Buildings, Existing Multifamily | Pilot—gas condo pack | F | 1/29/2015 | N/A | N/A | Measure never offered publicly |
| Existing Buildings, New Buildings, Production Efficiency | Receiver capacity addition (retrofit) | C | 1/15/2015 | N/A | N/A | Measure canceled for 2020 |
| Existing Buildings, New Buildings, Production Efficiency | Zero loss drains | C | 1/15/2015 | N/A | N/A | Measure canceled for 2020 |
| Existing Buildings | 2 lamp 4 foot T8 to 25W LED | E | 11/10/2014 | N/A | N/A | Measure redesigned; now cost-effective |
| Existing Buildings, Existing Multifamily (stacked) | Ceiling insulation (gas) | A | 10/1/2014 | N/A | N/A | measure redesigned for 2020 included pending exception request |
| New Buildings, Existing Multifamily | Market Solutions—good-to-better and better-to-best (gas) | A, B, D, E | 10/1/2014 | N/A | N/A | 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 | Office Market Solutions revised in 2016 |
| New Buildings | New commercial buildings condensing tank water heater—schools | B | 10/1/2014 | N/A | N/A | Measure redesigned for 2019 |
| Residential | New homes builder option package with 0.67 water heater | B, C | 10/1/2014 | N/A | N/A | Measure redesigned to EPS |
| Residential | Pilot—air sealing as added requirement for ceiling insulation | F | 10/1/2014 | N/A | N/A | Measure canceled for 2016 |
| Existing Buildings, Residential | Spa covers (gas) | C | 10/1/2014 | N/A | N/A | Measure canceled for 2019 |
| Residential | Manufactured home duct and air sealing (gas) | C | 10/1/2014 | N/A | No | Measure canceled for 2016 |

| Program(s) | Measure | Exception Criteria | Date Granted | Expiration Date | Cost-Effective with 2020 avoided costs | Comments |
|---|--|--------------------|--------------|-----------------|--|--|
| Existing Buildings, Existing Multifamily (≤ 4 units), Residential | Pilot—condensing gas furnace (rental) | F | 8/20/2014 | N/A | N/A | Pilot revised into a cost-effective measure in 2017 |
| Existing Buildings, New Buildings | Commercial vent hoods with VFD < 2HP (electric) | D | 7/22/2014 | N/A | N/A | Now cost-effective, exception no longer needed |
| Existing Buildings Existing Multifamily, Residential | Duct insulation (electric) | A, D | 7/22/2014 | N/A | N/A | Measure canceled for 2019 |
| New Buildings, New Buildings, Existing Multifamily | HVAC—AAHP 5 ton | D | 7/22/2014 | N/A | N/A | Measure canceled for 2018 |
| New Buildings, New Buildings, Existing Multifamily | HVAC—AC Unit 12.5 ton | D | 7/22/2014 | N/A | N/A | Measure canceled for 2018 |
| New Buildings, New Buildings, Existing Multifamily | HVAC—GSHP 2 ton | D | 7/22/2014 | N/A | N/A | Measure canceled for 2018 |
| New Buildings, New Buildings, Existing Multifamily | HVAC—WSHP 2 ton | D | 7/22/2014 | N/A | N/A | Measure canceled for 2018 |
| Production Efficiency | Irrigation—drain replacement | C, D | 7/22/2014 | N/A | N/A | Measure canceled for 2020 |
| Production Efficiency | Irrigation—drop tube or hose extension | C, D | 7/22/2014 | N/A | N/A | Measure redesigned for 2018; new exception granted 11/7/17 |
| Production Efficiency | Irrigation—new or rebuilt brass impact sprinkler | C, D | 7/22/2014 | N/A | N/A | Measure redesigned for 2018; new exception granted 11/7/17 |
| Production Efficiency | Irrigation—rotating sprinkler for low-pressure | C, D | 7/22/2014 | N/A | N/A | Measure redesigned for 2018; new exception granted 11/7/17 |

MEMO

Date: December 31, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Levelized Cost Trends and Managing Future Costs

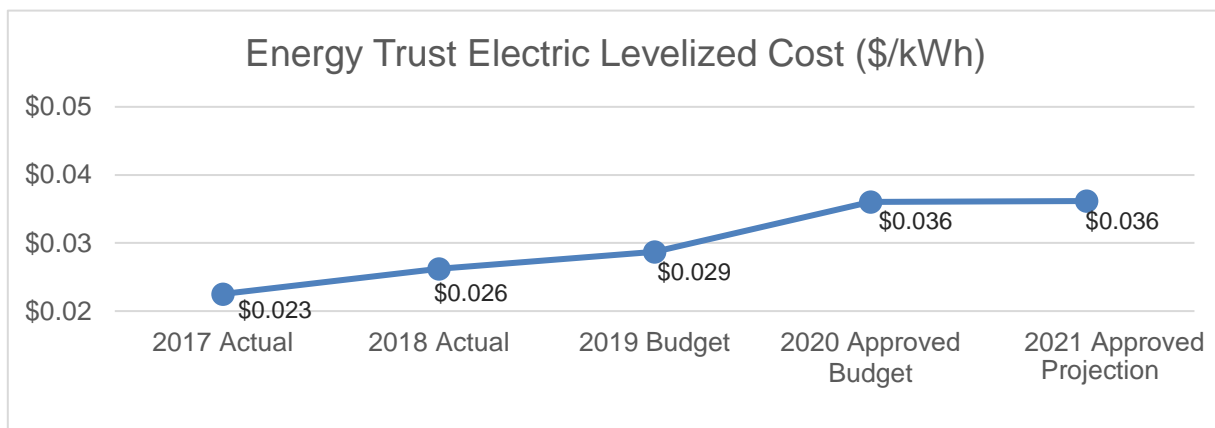
As discussed and forecasted last year, Energy Trust’s Approved 2020 Budget and 2020-2021 Action Plan shows that levelized costs are increasing over the next year as the lowest-cost sources of savings in the program portfolio continue to shrink. This is largely due to Energy Trust’s successful savings acquisition strategies and results in prior years.

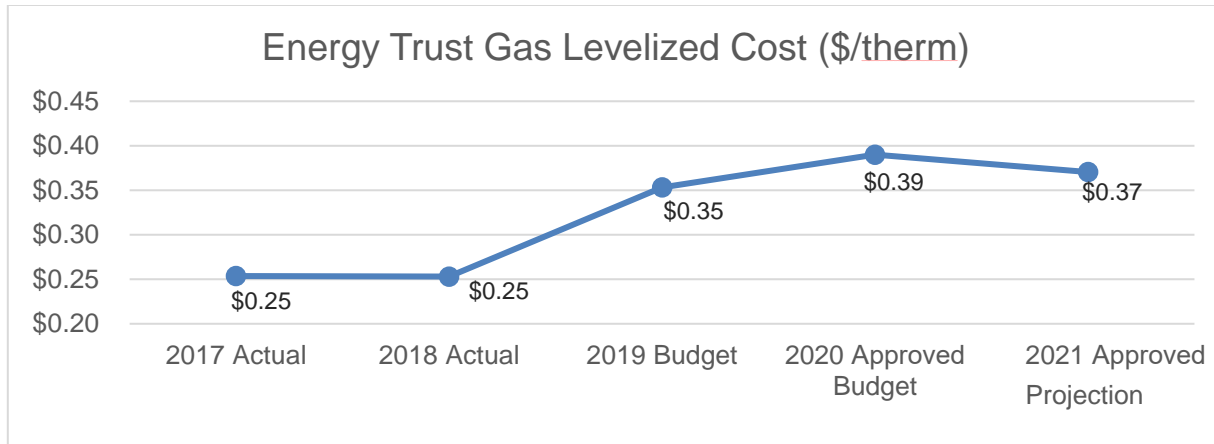
We understand the trend of increasing levelized costs is of interest to stakeholders. We highlighted it for discussion at the October 16 budget workshop with Energy Trust Conservation, Renewable and Diversity Advisory Council members, during the October 28 draft budget presentation to the board, and at the November 7 draft budget workshop at the Oregon Public Utility Commission. To further supplement the discussion, this memo supplies detail on the reasons levelized costs are increasing and identifies actions underway to manage levelized costs over time.

Levelized Costs in Approved 2020 Budget

The Approved 2020 Budget delivers electric savings at a cost of 3.6 cents per kilowatt hour (kWh) and 39 cents per therm (Oregon and NW Natural Washington combined) levelized. This is a 26% increase over 2019 electric levelized costs and a 11% increase over 2019 gas levelized costs. Despite these increases, the savings Energy Trust acquires for utility customers remains the lowest cost resource.

The 2021 budget projection shows electric levelized costs holding steady at 3.6 cents per kWh. Gas levelized costs are projected to drop to 37 cents per therm in 2021, a slight decrease over the 2019 budgeted levelized cost.





Levelized Cost Drivers

There are a number of drivers contributing to increased levelized costs in 2020. We identify and describe them below.

- In 2020, Energy Trust will report fewer savings for some measures than what we are reporting for the same measures in 2019. This is because we are using updated evaluation information about how some measures actually perform in homes and businesses, or our studies indicate market transformation is at work and fewer customers need our support to install the energy-efficient option.
 - In particular, high-efficiency, low-cost LEDs are becoming standard in the residential market and most segments of this market no longer need our support. Therefore, we will claim significantly less savings for these measures in 2020. These were some of the lowest cost savings in our portfolio.
- On average, we are claiming fewer savings per project in business programs. This trend arises from prior success at completing large savings projects and the intentional drive to increase participation from more small- to medium-sized customers, where project opportunities are smaller in scale and yield lower savings.
- The majority of savings from a very large multi-year industrial project were acquired from 2017-2019, with the remaining lesser amount expected in 2020.
- Northwest Energy Efficiency Alliance (NEEA) savings in 2020 are decreasing by 40% compared to 2019. One of our low-cost sources of savings, NEEA is in the first year of a new five-year business cycle. In the last business cycle NEEA's electric savings were very inexpensive due to large amounts of savings from previous iterations of codes and standards for new construction and battery chargers, and from NEEA's TV and lighting initiatives. The savings forecast for 2020 and 2021 is lower for NEEA than from previous years due to many of these mature savings streams reducing or phasing out while the portfolio is now more heavily weighted toward products in early product development. NEEA's electric savings for years 2022-2024 are expected to increase year-over-year as these products mature.
- New code changes with more stringent efficiency requirements will be in effect for new home and new commercial building construction. Therefore, we no longer need to provide incentives for some measures, and we will claim fewer savings for pushing customers above code than we did before the code change.

- We are increasing electric and gas incentives for custom measures in our Production Efficiency programs, electric incentives in our Existing Buildings program, and lighting incentives in the Existing Buildings, Production Efficiency and Existing Multifamily programs to lower customers' project payback times and move more projects forward. Energy Trust analysis has found that target customers require a two-year payback or less to prioritize energy efficiency projects in business decision-making. Our analysis showed that our incentive offerings have not kept pace with project costs for these types of projects and payback time had increased to well over three years. Projects have been stalling as a result.
- We are also raising incentives for specific measures in residential programs to reach underserved customer segments.

Managing Levelized Costs

Managing levelized costs over time requires that we continuously work to find new sources of savings, adjust program design and delivery methods, and ensure efficient and effective operations. These activities have been embedded in our budgets and action plans for years.

- 1) **Finding new sources of savings**—by conducting and evaluating pilots, participating in the Northwest Power and Conservation Council's Regional Technical Forum and investing in emerging technology efforts through NEEA—may add cost per unit of savings in the short-term but helps us manage levelized costs in the long-term. We make these investments to fill the pipeline for future program savings measures, and the expectation is that some of these future measures will contribute to a portfolio of reasonably priced, cost-effective savings over time.

In 2019, we completed measure development work resulting in the following new measures for 2020:

- Agriculture—cannabis dehumidifier
- Municipal water leak repair
- Residential central air conditioning
- Residential grow lights
- Commercial pool pumps
- Commercial condensing pool heaters
- Commercial direct install refrigeration
- Commercial automatic conveyor broilers
- Commercial on-demand (food) overwrappers
- Commercial heat pump retrofit calculator
- Multifamily hydronic heating circulators
- Multifamily direct hot water recirculation controls

At last count, Energy Trust program and planning staff have identified at least 18 additional new measures to explore in 2020 for potential implementation in 2021, including the following examples:

- Evaporative coolers for homes
- Residential window coverings with automated operation
- Large multifamily central heat pump water heaters
- Multifamily retrofit advanced rooftop controls
- Residential and multifamily room air conditioners
- Industrial pipe insulation direct install

- 2) **Exploring new program designs and delivery methods** helps us manage program and delivery costs. This also contributes to keeping down levelized costs. We take advantage of specific opportunities, such as market saturation, to reexamine and redesign our programs to work more effectively in new market realities. We may remove some services and reconfigure others to effectively target resource potential in various markets.

We are always looking for ways to better reach our customers. In 2019, we developed more than 30 new program approaches and pilots for implementation in 2020, including the following examples:

- Test streamlined industrial Strategic Energy Management
- Commercial and industrial network lighting controls pilot
- Commercial Direct Install Smart Thermostats pilot
- Residential heat pump replacement at time of failure
- Residential heat pump water heater for coordinated implementation with PGE
- Smart thermostats in new home construction
- Standalone heat pump water heater for new home construction
- Higher efficiency tier for windows in existing homes
- Targeted Load Management pilots
- Using home heating and cooling tune up to install thermostats or efficient motors
- Ductless heat pump controls
- Net zero new home construction
- Residential new construction grid harmonization
- Explore multiple funding sources for direct installation of heat pump water heaters
- Multifamily central heat pump water heaters
- Multifamily line voltage thermostat
- Windows in stacked multifamily properties
- New Buildings updated lighting calculator for 2019 Oregon energy code projects
- New Buildings updated offerings to meet the 2019 Oregon energy code

Additionally, Energy Trust is focusing on reaching underserved low-income, rural and racially and ethnically diverse customers. By designing measures and programs to reach and serve customers we have not previously served, perhaps because our programs have not been effectively designed to reach them, we will create new sources of savings in the future. Some examples of measures and approaches developed in 2019 that will be implemented in 2020 are:

- Co-funding low-income projects with community action agencies funded through Oregon Housing and Community Services Low-Income Weatherization Program
- Energy Saver Kits customized for low-income customers
- Coordinated energy audits with low-income agencies and community organizations
- Ductless heat pump initiative for limited income housing with Verde
- Multifamily Savings Within Reach for moderate-income customers
- Multifamily do-it-yourself cooling workshops
- Multifamily on-bill repayment
- Multifamily fixed price ductless heat pump
- Additional channels for home thermostat direct installation
- Umatilla new home construction development planning
- Tubular LEDs in targeted rural areas

- 3) **Ensuring efficient and effective operations** enables us to continue serving high volumes of transactions, maintain strong customer service standards, and meet high standards for accountability and public reporting. Every year we identify system and process enhancements that reduce manual data entry, avoid time consuming steps for customers and staff, and streamline administrative processing.

In 2019, we developed systems and processes to enable electronic signatures on customer and vendor forms using DocuSign. We also completed project processing improvements to automate and speed transaction reversals.

In 2020, we will continue to apply DocuSign to more customer and internal forms. We will also continue multi-year efforts to invest in a more efficient budget system, streamline and improve measure development, and further refine our forecasting capabilities. The Information Technology and Operations Analysis action plans in this budget identify additional activities to improve staff productivity and systems efficiency.

We will also continue to invest in the adoption of improved organizational processes for business planning, budgeting, decision-making and innovation, all driven by the organizational review project completed in 2018. These changes will help us make decisions, explore new ideas and develop new program approaches more efficiently. They will also ensure we apply limited staff resources to highest priority work.

MEMO

Date: December 6, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Long-Range Forecast for Contracted Renewable Energy Projects

Energy Trust’s Renewable Energy program provides incentives to generation projects primarily utilizing solar, hydropower and biopower technologies. Because projects take time to construct, the program has contractual incentive obligations that stretch over multiple years. This memo provides visibility into existing contractual obligations.

Other Renewables

The Other Renewables program provides incentives to projects utilizing non-solar renewable generation technologies, primarily focusing on hydropower and biopower. These projects often have long construction timelines requiring Energy Trust to commit and set aside funding several years before projects are completed and begin generating electricity. Incentive payments are usually partially paid upon the projects successfully reaching generation milestones, with the rest of a committed incentive paid over the first several years of commercial operation. This results in incentive funds being held in reserve over a period that may last as long as five years from incentive commitment to final incentive payment.

In Portland General Electric service territory, Energy Trust has existing commitments of incentives for two generation projects under construction.

Installation Incentive Funding Commitments for Other Renewables Projects in PGE Territory

| Project | Generation | Expected payments | Scheduled payment dates |
|--|------------|--|-------------------------|
| City of Salem—Willow Lake Wastewater Treatment Facility (biopower) | 0.9 aMW | \$500,000 upon completion | March 2020 |
| | | \$900,000 based on reaching milestones | December 2020 |
| | | \$1,600,000 based on reaching milestones | December 2021 |
| Water Environment Services—Tri-City Wastewater Treatment Facility (biopower) | 0.5 aMW | \$1,000,000 upon completion | January 2021 |
| | | \$800,000 based on reaching milestones | January 2022 |
| TOTAL | | \$4,800,000 | |

In Pacific Power service territory, Energy Trust has existing commitments of incentives to four generation projects. One has completed and three are under construction.

Installation Incentive Funding Commitments for Other Renewables Projects in Pacific Power Territory

| Project | Generation | Expected payments | Scheduled payment dates |
|---|---|---|--|
| Wallowa Lake County Service District (hydropower) | 0.02 aMW | \$80,000 upon completion | December 2019 |
| Deschutes Valley Water District—Opal Springs (hydropower) | 0.1 aMW | \$225,000 upon completion \$225,000 based on reaching milestones | December 2019 December 2020 |
| Three Sisters Irrigation District—Watson (hydropower) | 0.1 aMW (project completed earlier this year) | \$100,000 based on reaching milestones <i>(completion incentive of \$300,000 paid December 2018)</i> | December 2019 |
| Three Sisters Irrigation District—McKenzie (hydropower) | 0.1 aMW | \$465,000 upon completion \$100,000 based on reaching milestones \$100,000 based on reaching milestones \$100,000 based on reaching milestones \$100,000 based on reaching milestones | March 2020 December 2020 December 2021 December 2022 December 2023 |
| TOTAL | | \$1,495,000 | |

In addition to contractual commitments of installation incentives, Energy Trust has existing commitments of project development assistance incentives. Project development assistance incentives are used for technical studies, feasibility studies and other kinds of pre-development work that helps projects mature to the point where they are ready to apply for an installation incentive.

Project Development Assistance Incentive Commitments for Hydropower and Biopower Projects in PGE and Pacific Power territories

| | Q4 2019 | 2020 |
|----------------------------------|----------------------------------|----------------------------------|
| Portland General Electric | 3 projects \$40,860 | 3 projects \$225,114 |
| Pacific Power | 13 projects \$366,996 | 9 projects \$296,280 |
| TOTAL | 16 projects \$407,856 | 12 projects \$521,394 |

Solar

The Solar program has existing approved projects that are in various stages of design and construction. Following is a summary of these incentive obligations for both utilities including expected aggregated generation (aMW) and incentive dollars. The generation and the incentive dollars in the table have been reduced from the total existing applications to reflect expected project cancellations. Historically, about 10% of residential applications and about 20% of commercial applications cancel their incentive reservations.

Aggregated Incentive Commitments for Solar Projects

| | Q4 2019 | 2020 | 2021 | Total |
|--|---------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|
| Portland General Electric | 0.29 aMW \$735,906 | 0.73 aMW \$1,788,980 | 0.59 aMW \$645,404 | 1.61 aMW \$3,170,290 |
| Pacific Power | 0.31 aMW \$1,039,178 | 0.42 aMW \$469,425 | 0.38 aMW \$142,111 | 1.11 aMW \$1,650,714 |
| TOTAL | 0.60 aMW \$1,775,084 | 1.14 aMW \$2,258,405 | 0.97 aMW \$787,515 | 2.72 aMW \$4,821,005 |

MEMO

Date: December 6, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Energy Trust's Subcontract to Support Oregon Community Solar Program Delivery

Energy Trust's Role in the Oregon Community Solar Program

The Oregon Community Solar Program was developed in response to Senate Bill 1547 (Oregon's Clean Electricity and Coal Transition Plan) in 2016, which directed the Oregon Public Utility Commission to establish an Oregon Community Solar Program for customers of Portland General Electric, Pacific Power and Idaho Power.

The Community Solar Program is managed by the OPUC and administered through a contract with the primary program administrator, Energy Solutions. Energy Trust has a three-year subcontract (March 2019 through March 2022) with Energy Solutions to support certain aspects of program development and delivery, including project manager registration, project certification, customer service and consumer protection. This work is funded by new revenue that is separate from public purpose funding directed to Energy Trust for energy efficiency and renewable energy programs. Energy Trust's services under the subcontract result in a small increase in the organization's net assets.

As a subcontractor, Energy Trust will lead Community Solar Program project certification activities, including project review and registration and oversight of project managers. Energy Trust will also lead the customer service and consumer protection aspects of the program and advise on program design and continuous improvement. Energy Trust's role as a subcontractor leverages Energy Trust's expertise in program development, solar project review and verification, consumer protection and customer service while minimizing investment in and potential risk associated with developing a new delivery model.

Energy Trust revenues are not directly tied to the number of projects enrolled in the Community Solar Program. Energy Trust revenues from the Community Solar Program subcontract delivery are determined by a time and material professional services agreement and are based on negotiated rates for each staff position, plus reimbursement of direct costs.

Energy Trust revenues from the Community Solar Program subcontract are budgeted to be \$546,896 for 2020 and are expected to produce an increase in net assets of \$194,180.

Separation of Funds

All public purpose charge, Community Solar Program and other funds are tracked in Energy Trust's enterprise accounting system, Dynamics GP. Cost centers in the accounting system allow costs to be aggregated for each program or support function. A program may have a single funding source or multiple funding sources.

Cost centers are a central feature of Energy Trust's accounting system. A cost center is the representation of any program or support group that has unique activities and needs to be accounted for distinctly from other activities. The use of cost centers supports the creation of funder-specific

reports, helps to manage costs and allows for accurate reporting of leveled costs. One or more cost centers may be aggregated to a major program, programs may be aggregated to sectors, and sectors may be aggregated to a division.

The Community Solar Program cost center has a single funding source. Staff working on the Community Solar Program track their time to the Community Solar Program cost center in 15-minute increments on their electronic timesheets. Other costs that may be incurred, such as travel, meetings or professional services, are tracked and coded to the Community Solar Program cost center.

This method of tracking and reporting has been in place since the inception of Energy Trust and has supported consistent reporting of segregated costs for Oregon public purpose charge funding sources (efficiency and renewable energy) and for services to NW Natural customers in Washington.

Energy Trust captures all time spent on the program, even if that time exceeds the limits agreed upon in the contract. Time spent on the Community Solar Program will not be charged to other funding sources.

Cost Sharing

Costs include direct as well as indirect costs. Direct costs are readily identifiable to the program or functional area. When employees submit vendor invoices and payroll timesheets they code direct costs to cost centers based on their firsthand knowledge of the purpose of the invoiced expense or time spent.

Indirect costs reflect costs that are shared and managed centrally and where a direct charge is not practical. An example of a shared cost is everything needed to run an IT department.

Allocation is the method by which shared costs are distributed to cost centers. An allocation model includes an input of costs to be allocated, a basis for allocating and the allocation target. Each allocation basis is a reasonable estimate of effort or value. A good allocation makes intuitive sense and shows a natural relationship between the cost and targets of the allocation.

Energy Trust’s Shared Cost Categories and Shares Allocated to Community Solar Program

| Share Cost Category | Description | 2020 Share of Resources Allocated to Community Solar Program |
|---|--|--|
| Shared facility costs (Occupancy costs, including rent, copiers, furniture, movers, repairs, utilities, depreciation) | The sum of activity in this cost center is allocated to programs proportionally based on payroll hours per cost center from timesheets, or in the budget, based on the budgeted time distribution. | 2.09% |
| Information Technology (IT) costs (Staffing, professional services, hardware, software, telephone system, depreciation) | The sum of activity in this cost center is composed of three areas—infrastructure, development and reporting. These costs are allocated to organizational cost centers based on an estimate of | 1.03% |

| | | |
|---|--|-------|
| | users who are supported by each of the three IT areas. | |
| Administration, including executive office, legal, DEI, project management, organization development, finance, HR, office management (Staffing, professional services, conferences, board services) | Charged to programs proportionally based on year-to-date total costs. | 0.21% |
| Communications and Outreach, including communications, outreach, marketing and web support (Staffing, website maintenance, marketing, stakeholder relations, outreach) | Charged to programs proportionally based on year-to-date total costs. | 0.16% |
| Planning and Evaluation (Staffing, conferences, training, travel, statistical and other special software, memberships, professional services not targeted to specific programs) | The sum of activity in this cost center is allocated to programs proportionally based on predetermined usage, developed during the annual budget process. | 0 |
| Customer Service (Staffing, call center) | The sum of activity in this cost center is allocated to programs proportionally based on the number of customer service calls reported monthly by the call center. | 0 |
| Trade Ally Support (Staffing, conferences, meetings) | The sum of activity in this cost center is allocated to programs proportionally based on the number of trade ally relationships reported annually by the trade ally support group. | 0 |
| Targeted Load Management planning—Pacific Power (Staffing time spent on targeted load management programs) | The sum of activity in this cost center is allocated to programs participating in targeted load management. | 0 |
| Targeted Load Management planning—NW Natural (Staffing time spent on targeted load management programs) | The sum of activity in this cost center is allocated to programs participating in targeted load management. | 0 |
| Targeted Load Management planning—PGE Test Bed (Staffing time spent on targeted load management programs) | The sum of activity in this cost center is allocated to programs participating in targeted load management. | 0 |

MEMO

Date: December 6, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Staffing for the Approved 2020 Budget and 2020-2021 Action Plan

Energy Trust's proposed staffing budget balances the cost of the staffing resources needed to accomplish 2020 goals and compliance with Oregon Public Utility Commission performance measures.

This memo provides background and information about staffing planning and considerations in 2020, staffing cost drivers, and compliance with the OPUC minimum performance measure for applicable staffing costs.

1. 2020 Staffing Planning

Energy Trust employees are the basis of the organization's strategic and operations management and accountability. As Energy Trust looks ahead to 2020 and beyond, it is guided by its proposed 2020-2024 Strategic Plan. The new plan envisions a future for Energy Trust that furthers its core mission of energy efficiency and renewable energy resource acquisition through continued innovation and expanded program participation to reach all eligible customers, particularly underserved customers. The plan also describes how Energy Trust will support customers, utilities, OPUC and policymakers in new ways and enhance its capacity to quickly and effectively respond to opportunities.

As a result, in addition to planning and staffing for annual business goals as described more specifically below, Energy Trust's staffing planning is future-focused and considers the skills needed to support the strategic plan focus areas for the next five years. Even with this future focus, management and human resources staff are committed to compliance with the OPUC's minimum performance measure for year-over-year staffing cost increases, which caps increases for portions of the budget overseen by the OPUC¹ at 9% over the next two budget years.

In planning for the 2020 budget, Energy Trust management undertook an extensive business and staffing planning exercise that began by setting five 2020 organizational goals based on the draft 2020-2024 Strategic Plan. The 2020 organizational goals are to:

- Meet savings and generation targets and create future opportunities
- Use guidelines to determine resource investments in community efforts
- Provide information to policymakers, agencies and implementers
- Strengthen internal innovation capabilities and develop new proposals
- Make operational improvements

Energy Trust's proposed 2020 staffing budget is based on identifying priority work to support its 2020 goals, including acknowledgment of future opportunities, and matching staffing capacity to that prioritized work. This plan provides for all program, support and administrative functions for

¹ The OPUC oversees the largest portion of Energy Trust expenditures under a grant agreement. That includes all expenditures for programs funded by Oregon customers of PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista. NW Natural Washington and Oregon Community Solar Program expenditures are not overseen by the OPUC.

programs and services delivered in Oregon and Southwest Washington and for the Oregon Community Solar Program subcontract with Energy Solutions.

To minimize staffing cost growth, Energy Trust has taken every opportunity to examine needs across the organization using the business plan as the primary reference. When needed, Energy Trust has and will continue to change staffing positions to different roles and responsibilities consistent with organization needs and priorities. This process occurs during staffing planning and when any vacant position arises throughout the year. Energy Trust will continue to use this approach as openings arise in 2020.

2. Total Staffing Costs and Cost Drivers for the Approved 2020 Budget

In the approved 2020 budget, total staffing costs across all major funding sources represent 7.7% of total costs. The increase in total staffing costs from 2019 to 2020 is 7.8%. Factors contributing to this increase in staffing costs include rising health insurance costs, staff compensation and the addition of staffing resources described below.

The three major funding sources are: Oregon ratepayers under the OPUC grant agreement, Washington programs funded by NW Natural under oversight by the Washington Utilities and Transportation Commission, and the Oregon Community Solar Program sub-contract through Energy Solutions. The following table provides a breakout of staffing costs by major funding source. Staff costs in administrative and other shared services have been allocated across funding sources.

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------------------|------------|------------|------------|------------|------------|
| Staffing Costs By Major Source | Actual | Actual | Budget | Budget | Budget |
| Oregon PUC Grant | 12,508,690 | 13,185,215 | 14,026,974 | 15,054,553 | 15,981,875 |
| Washington | 310,393 | 289,586 | 331,337 | 357,957 | 384,411 |
| Community Solar | - | - | 188,293 | 273,277 | 292,402 |
| LMI Federal grant and other | 17,429 | 27,354 | - | | |
| Total | 12,836,512 | 13,502,155 | 14,546,604 | 15,685,787 | 16,658,688 |

Healthcare Costs

While employee healthcare premium increases for 2020 were not as high as the insurer predicted in 2018, healthcare benefits continue to be the largest cost driver in Energy Trust's benefit package. The 2019 rate increase is 24% and the 2020 rate increase is 5%. Energy Trust's projects a 15% increase in healthcare premiums for 2021 based on discussions with its insurer.

Staff Compensation

The approved budget includes 5% for staff compensation adjustments, which allows for annual increases in line with regional averages of 3.1% and provides remaining dollars to support promotions and other pay adjustments as needed to retain talented staff in a competitive job market.

Diversity Lead

The 2020 staffing budget includes a Diversity Lead position to support Energy Trust's focus on expanding program participation in underserved communities. By hiring and onboarding a senior-level Diversity Lead, Energy Trust will be better able to:

- Continue integration of diversity, equity and inclusion principles into programs, customer services and operations
- Support recruitment and retention of diverse staff, advisory council members, board members and contractors.

- Support and lead ongoing activities and training to improve organizational cultural responsiveness.

Additional Project Management Support

Energy Trust’s strategic plan asks the organization to quickly and effectively respond to changes, needs and opportunities. In 2020, Energy Trust will continue to develop business planning as a core competency while providing project management support for complex cross-organizational projects in budget tools implementation, annual budget development, utility and community initiatives leveraging multiple programs, operations improvements, innovation, decision-making and other change efforts. In 2021, Energy Trust will develop a three-year business planning cycle that will further leverage project management resources to launch planning in 2022 for future years.

The 2020 staffing budget increases a half-time project manager to full-time to support these efforts. The additional half-time resource will be dedicated to business planning support, budget project management and operations improvement projects.

Oregon Community Solar Program Positions

Energy Trust’s proposed 2020 staffing budget also includes additional staff hired for services under Energy Trust’s contract with Energy Solutions, the Oregon Community Solar Program administrator. Direct and indirect costs attributed to these positions are set forth in separate Community Solar Program budget. These staffing costs are not included in the calculation of staffing costs for the OPUC staffing performance measure.

Total Staffing Costs Detail by Year

The following table provides (i) employee cost drivers in the preceding three years for the total company and (ii) further detail of costs specific to the OPUC grant and the OPUC staffing cost performance measure.

| | 2017 Actual | 2018 Actual | 2019 Budget | 2020 Budget | 2021 Budget |
|---|----------------|----------------|----------------|----------------|----------------|
| Total Company Employee Cost | 12,853,105 | 13,502,155 | 14,546,604 | 15,685,787 | 16,658,688 |
| Drivers | | | | | |
| Employee Count (FTE) | 108.5 | 108.5 | 108.5 | 112.0 | 112.0 |
| Interns (FTE) | 4.0 | 7.5 | 6.0 | 4.4 | 4.4 |
| Compensation Adjustment Pool | 8% | 4% | 5% | 5% | 5% |
| Benefit rate increase | 0% | 11% | 24% | 5% | 15% |
| Oregon PUC Grant Funded Employee Cost and Performance Metric | | | | | |
| Employee Cost | 12,508,690 | 13,185,215 | 14,026,974 | 15,054,553 | 15,981,875 |
| Employee Count (FTE) | 107.5 | 107.5 | 107.5 | 109.0 | 109.0 |
| Year over year \$ change | 959,463 | 676,525 | 841,759 | 1,027,579 | 927,322 |
| Year over year % change | 8% | 5% | 6% | 7% | 6% |
| Maximum % Increase Allowed by Performance Measure | 10% | 10% | 10% | 9% | 9% |
| Maximum Increase Allowed by Performance Measure | 1,154,923 | 1,250,869 | 1,318,522 | 1,262,428 | 1,354,910 |

3. Compliance with OPUC Staffing Cost Performance Measure

Energy Trust and OPUC staff worked together closely beginning in early 2019 to examine the reasonableness of Energy Trust's staffing costs and to determine an appropriate indicator of reasonable management costs. As a result of those conversations and through public comments and a public workshop discussion in July 2019, the OPUC adopted a single revised measure for 2020 focusing on year-over-year cost increases. Under the newly adopted staffing performance measure for 2020, Energy Trust must limit staff cost growth to 9% annually. This measure is intended to remain in place for two years while Energy Trust and OPUC staff continue to work collaboratively to review staffing costs and trends to consider potential new staffing metrics for the future.

Staffing costs in Energy Trust's proposed 2020-2021 Budget and 2021 Action Plan comply with the new single staffing cost year-over-year percentage cap performance measure. The 2020 staffing costs under the OPUC grant increase 7.3% increase over 2019 costs under the OPUC grant.

MEMO

Date: December 6, 2019
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Administrative and Program Support Costs for the Approved 2020 Budget and 2020-2021 Action Plan

This memo provides information about the nature and purpose of administrative and program support costs to support stakeholder review of the budget. The first section describes administrative costs as they are measured in non-profits typically, and the benchmarks that are customarily applied to non-profits. The second section describes administrative and program support costs as they are measured by the OPUC, and the performance measure the OPUC established to set limits on administrative and program support.

SECTION 1: Administrative Costs Defined Generally and Comparable to Other Non-Profits

All organizations, no matter the size or purpose, have administrative costs. Administrative costs are necessary to lead the organization, support the board of directors, execute strategic direction, engage with stakeholders, manage risk, comply with laws and regulations, manage funds responsibly and manage employees, among other things.

Nonprofit entities are required to categorize costs by function, as Program, Management and General, or Fundraising. These functional costs are reported in a nonprofit's financial statements and Form 990 tax return. According to generally accepted accounting standards, shared costs such as building rent and technology can be allocated among programs and administration.

What is considered reasonable administrative costs varies by industry, organization size, complexity and development stage. While there is no one right answer, there are benchmarks published by nonprofit watchdog organizations. An example is Charity Navigator's 15 percent cap, which, if met, qualifies an organization for its highest rating. Charity Navigator uses the Management and General and Fundraising totals on an organization's 990 tax return to calculate the administrative cost.

Activities included in Administrative costs:

Management and General: Providing finance, legal, human resources, office administration and board of directors' administration to ensure general management and operations of the organization. This year, Energy Trust added a new cost center for diversity, equity and inclusion and plan to hire a Diversity Lead staff position.

General Communications and Outreach: Ensuring the organization's accountability, accessibility and responsiveness through general communications, quarterly and annual reporting to the board and OPUC, public and stakeholder relations, website management and content, and general outreach and marketing functions.

Energy Trust's Approved 2020 Budget and 2020-2021 Action Plan includes Administrative costs of \$9.7 million, or 4.7% of total expenditure, comparing favorably to the 15% benchmark established by Charity Navigator for similarly sized organizations.

SECTION 2: Administrative and Program Support Costs Subject to the OPUC Performance Measure

The Oregon Public Utility Commission oversees Energy Trust expenditures for serving Oregon customers of PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista with energy efficiency and renewable energy programs.

The OPUC performance measure includes administrative costs and program support costs which is more stringent than benchmarks for other non-profits. The performance measure limits this total to no more than 8% of utility revenue. The performance measure also caps administrative and program support cost increases of no more than 10% from year to year. Oregon Community Solar Program and NW Natural Washington are not included in the calculation under the OPUC performance measure.

Administrative Costs include Management & General and Communications & Outreach. Program support costs include the program share of office space and equipment, IT services, and general expenditures by programs such as travel, conferences, and materials.

Detail of Administrative and Program Support Costs Subject to the OPUC performance Measure in Approved 2020 Budget

| | Oregon PUC Grant Funded Expenditure | | |
|---|-------------------------------------|--------------------|------------------------------------|
| | OPUC Grant Funded Total | Program Costs | Administrative and Program Support |
| Incentives | \$111,909,140 | \$111,909,140 | |
| Program Delivery Subcontracts | 57,409,844 | \$57,409,844 | |
| Employee Salaries & Fringe Benefits | 15,054,554 | \$7,404,773 | 7,649,781 |
| Agency Contractor Services | 1,712,209 | \$858,794 | 853,415 |
| Planning and Evaluation Services | 3,496,898 | \$3,383,151 | 113,747 |
| Advertising and Marketing Services | 3,293,377 | \$2,202,344 | 1,091,033 |
| Other Professional Services | 5,819,585 | \$4,621,780 | 1,197,805 |
| Travel, Meetings, Trainings & Conferences | 554,151 | | 554,151 |
| Dues, Licenses and Fees | 237,115 | | 237,115 |
| Software and Hardware | 676,122 | | 676,122 |
| Depreciation & Amortization | 263,200 | | 263,200 |
| Office Rent and Equipment | 1,043,426 | | 1,043,426 |
| Materials Postage and Telephone | 148,934 | | 148,934 |
| Miscellaneous Expenses | 5,194 | | 5,194 |
| TOTAL FUNCTIONAL EXPENSE | 201,623,746 | 187,789,826 | 13,833,923 |

The administrative and program support costs in the approved 2020 budget are \$13,833,923, or 7.8% of total revenue. **Costs are compliant with the OPUC performance measure capping applicable administrative and program support costs at 8% of total revenue.**

Historical View of Administrative and Program Support Costs Subject to the OPUC Performance Measure¹

| | 2016 | 2017 | 2018 | 2019 Budget | 2020 Budget | 2021 Projection |
|--|-------------|-------------|-------------|-------------|-------------|-----------------|
| Annual Revenue | 148,853,640 | 194,236,916 | 188,075,428 | 181,132,028 | 177,369,785 | 178,005,146 |
| Performance measure | 8% | 8% | 8% | 8% | 8% | 8% |
| Maximum cost allowed per measure at 8% | 11,908,291 | 15,538,953 | 15,046,034 | 14,490,562 | 14,189,583 | 14,240,412 |
| Administrative and Program Support Costs | 9,184,424 | 10,081,863 | 10,558,826 | 13,225,417 | 13,833,923 | 14,067,320 |
| Actual % of revenue | 6.2% | 5.2% | 5.6% | 7.3% | 7.8% | 7.9% |
| Increase from prior year | | 897,439 | 476,963 | 2,666,591 | 608,506 | 233,397 |
| Increase percentage | | 9.8% | 4.7% | 25.3% | 4.6% | 1.7% |

Some administrative costs increased, most significantly those related to additional diversity, equity and inclusion initiative activities such as supporting a new Diversity Advisory Council, adding a Diversity Lead staff position, new diversity, equity and inclusion-specific evaluation and market research projects, and additional staff travel and training. Other costs decreased, such as professional services related to 2019 projects including the management review, implementation planning for future budget process development and new budget tools development, and implementation planning for organizational development initiatives recommended in the 2018 Organization Review. **For costs subject to OPUC oversight, administrative and program support costs in the approved 2020 budget increased 4.6% over 2019, which is below the 10% annual increase cap set by the OPUC.**

Administrative and Program Support Cost Management

Energy Trust has always taken seriously its responsibility to manage ratepayer funds in a cost-effective manner and has continuously invested in systems and process efficiencies to maintain low administrative and program support costs. Strong administrative cost management has helped the organization deliver energy savings at a low levelized cost since inception.

As Energy Trust realizes success in transforming the efficient lighting and efficient showerhead market, it is losing some of its lowest-cost savings measures. This means effective management of all costs—program, delivery and administrative costs—remains of critical importance.

To manage administrative costs in the future, Energy Trust is continuing to prioritize systems and process enhancements for 2020 that will enable us to process high volumes of transactions, serve customers more efficiently and continue maintaining high customer satisfaction in future years. Some specific projects identified in approved 2020 action plans include enabling more electronic signatures in customer and vendor forms using DocuSign and implementing new budget tools.

¹ The 2019 increase of 25.3% was due to a change in classifying certain costs in response to Oregon Secretary of State audit recommendations for transparency.

Summary of Outreach Activities and Comments Received on the Energy Trust Draft 2020 Budget and 2020-2021 Action Plan

Outreach Activities

Energy Trust initiates development of its annual budget and two-year action plan in July. Early program concepts are presented to each utility, and staff share proposed changes and directional information at the Conservation and Renewable Energy Advisory Councils through the fall. Feedback from these meetings is referenced by programs and support groups as the draft budget and action plan are developed. Public presentations of the draft budget and action plan and the public comment process occur in October, leading up to board consideration of the final proposed documents in December.

Summary of completed outreach activities:

| | |
|------------------|--|
| August | Energy-efficiency program concepts for 2020—including proposed pilots, incentive and measure changes, market trends and emerging challenges—were reviewed in meetings with PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista |
| September | Received comments, suggestions and requests from utilities on 2020 energy-efficiency program concepts. Feedback incorporated and program plans adjusted; clarified information in written responses. Informal discussion continued with utilities throughout preparation of the draft annual budget and action plan. 9/17: Budget process and schedule reviewed at Diversity Advisory Council meeting 9/18: Draft program action plans reviewed at Conservation and Renewable Energy Advisory Council meetings 9/20: Reviewed early draft budget expenditures, revenues, savings, generation and discussed 2020-2021 funding levels with Oregon Public Utility Commission staff at an informal work session |
| October | Met with all five utilities to provide detail on costs and revenues, and respond to earlier questions with data on measure and program track savings, incentives and levelized costs 10/4: Draft budget and action plan presented to Oregon Public Utility Commission staff at an informal work session 10/16: Draft budget presented to advisory councils and the public at a public budget workshop; meeting format included discussion of budget and action plans 10/16: Draft budget and action plan on-demand presentation posted online to inform public review of documents 10/28: Draft budget presented to board of directors at public meeting 10/30: Public comments on budget and action plan due |
| November | 11/7: Draft budget presented to OPUC commissioners at public workshop 11/19, 11/20: Update on budget revisions presented at advisory council meetings |

Public Comments

The draft budget and action plan are on the website at www.energytrust.org/budget. Budget presentations and action plan documents are also included in the public meeting packets posted online for the Conservation Advisory Council, Renewable Energy Advisory Council meetings and for board of directors meetings at www.energytrust.org/about/public-meetings. Public comments on the draft budget and action plan were accepted from October 8 through October 30, 2019. Written comments were invited from all parties engaged in outreach meetings, as well as the public. Comments received are summarized in the table below, followed by copies of actual comments received.

| Respondent: Oregon Public Utility Commission (OPUC) | Energy Trust staff responses |
|---|---|
| Comment topics | |
| <p>Commission adopted OPUC staff comments on Energy Trust's draft budget and action plan, with comments and recommendations summarized below.</p> | <p>We appreciate the time and effort of OPUC staff and commissioners to review and comment on our draft budget and action plan. We understand these comments to be supportive of our plans and intentions. We acknowledge OPUC staff member and liaison Anna Kim for her comprehensive review and thoughtful comments on our draft budget and action plan.</p> |
| <p>Summarized Energy Trust follow-up actions on OPUC recommendations provided on the 2019 (current year) budget. All 12 recommendations have either been incorporated into ongoing reporting or completed satisfactorily. Where noted, recommendations will continue in 2020.</p> <ul style="list-style-type: none"> • Reduce detail in 2020 Action Plans to the most important activities pertaining to the budget; include measurable outcomes, budget impacts and responsible staff. (Complete and ongoing) • Provide longer-range forecast for contracted projects in the renewables pipeline. (Complete and ongoing) • Identify and report on measures with high delivery costs, especially in natural gas. (Complete) • Prioritize the future of residential and multifamily programs through pilots and redesign activities. Provide quarterly updates. (Complete and ongoing) • Focus on decreasing transaction costs for high-volume activities through activities like automation and electronic signatures. Provide quarterly updates. (Complete and ongoing) • Continue to report on diversity, equity and inclusion initiative progress, estimate energy efficiency potential in underserved markets and report on staff diversity. Provide quarterly updates. (Complete and ongoing) • Develop scenarios to prepare for possibility of reduced revenues in 2020. Include reduced staffing levels. Report back in the Q1 2019 report. (Complete) • Review with OPUC staff the services provided to the commission and utilities to assess for value. (Complete) • Identify and prioritize the organizational review recommendations that quantifiably either save costs or add flexibility. Provide quarterly updates. (Complete and ongoing) | <p>We appreciate OPUC staff acknowledgement of our completed and ongoing activity to respond to budget comments received for the current (2019) budget and action plan cycle.</p> <p>As noted by OPUC staff, we will continue some practices going forward, including delivering a targeted budget action item list to OPUC staff; providing a longer-range projection of renewables projects; omitting presentation of quarter one results to commissioners; reporting on diversity, equity and inclusion activities; reporting on residential and multifamily program development; and reporting progress on implementation of the new budget tool.</p> |

| | |
|--|---|
| <ul style="list-style-type: none"> • Begin implementation of new budget software on time and on budget. Provide quarterly updates. (Complete and ongoing) • Present the impact of Energy Trust's role as a delivery [sub]contractor of the Community Solar Program on the overall budget, providing transparency and ensuring public purpose funds are not impacted. Report by July 2019. (Complete) • Eliminate public presentation of Q1 2019 Report at a public commission meeting. (Complete) | |
| <p>Focus on decreasing transaction costs for high-volume activities, such as expediting the rollout of electronic signatures and automated form processing. Update in quarterly reports on progress.</p> | <p>We acknowledge the OPUC's request and will prioritize continued efforts to decrease transaction costs for high-volume activities, such automating form processing, data entry and transfer, and work to automate some aspects of quarterly and annual reporting.</p> |
| <p>Complete the measure development automation project in 2020.</p> | <p>We will complete the measure development automation project in 2020. Streamlining of this process is expected to free up at least one-half FTE.</p> |
| <p>Continue to work with OPUC on future staffing costs given the forecasted decline in savings.</p> | <p>We acknowledge the OPUC's request and will continue to inform and seek feedback from staff regarding future staffing costs.</p> |
| <p>Continue to report on DEI initiative progress, particularly work to estimate energy efficiency potential in underserved markets. Update in quarterly reports on progress.</p> | <p>We appreciate the commission's continued support for our diversity, equity and inclusion initiative and will continue work to estimate the energy efficiency potential in underserved markets.</p> <p>We will report progress on our efforts to estimate energy efficiency potential in quarterly reports and provide in-depth diversity, equity and inclusion progress reports appended to the Q2 2020 and 2020 annual reports.</p> |
| <p>Given the transformation of the residential lighting market, prioritize the future of the residential and multifamily sectors through activities such as pilot studies and program redesign. Update in quarterly reports on progress.</p> | <p>We are prioritizing the redesign of the Existing Multifamily program through the rebid of commercial sector delivery for Existing Multifamily, Existing Buildings and commercial and industrial lighting to better align program strategies and encourage new, innovative approaches to delivery in 2021.</p> <p>We will continue to look for innovative ways to evolve the Residential program, which is entering its third year after a significant redesign. We will report on efforts to identify new savings sources or delivery approaches for these two programs in 2020 quarterly reports to the OPUC.</p> |
| <p>Begin reporting quarterly on complementary funds activities, tracking the status of co-funding opportunities and the outcomes of those arrangements. Update in quarterly reports on progress.</p> | <p>We acknowledge the OPUC's request and will track and report on activities with complementary funding sources in 2020 quarterly reports to the OPUC.</p> |

| | |
|--|--|
| <p>As part of the budget, provide a report on [Oregon] Community Solar [Program] activities that is equivalent to the longer-range forecast for the renewables pipeline.</p> | <p>We acknowledge the OPUC's request and will deliver a report as part of our 2021 budget on development assistance and incentive funds committed toward projects participating in the Oregon Community Solar Program. The report will follow the same format as the Long-Range Forecast for Contracted Other Renewables Projects memo in the 2020 budget.</p> |
| <p>Complete the implementation of the budget tracking tool. Update in quarterly reports on progress.</p> | <p>We are on track to complete implementation of the new budget software system in 2020 to be used for development of our 2021 Budget and 2021-2022 Action Plan.</p> |

| <p>Respondent: Portland General Electric Comment topics</p> | <p>Energy Trust staff responses</p> |
|---|--|
| <p>Acknowledged Energy Trust's work developing the 2020 budget and savings forecasts.</p> | <p>We appreciate the time and effort of PGE staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Brendan McCarthy, Josh Halley and Jason Klotz.</p> |
| <p>Found information regarding potential savings to be comprehensive and appreciated Energy Trust's transparency and open dialogue.</p> | <p>Thank you for this acknowledgement.</p> |
| <p>Appreciated keeping PGE apprised of the over-collection of customer monies and application of the over-collection to the following year's budget.</p> | <p>Thank you for this acknowledgement.</p> |
| <p>Supported application of a diversity, equity and inclusion lens in the development of the 2020-2024 strategic plan and expressed interest in engaging with Energy Trust regarding diversity, equity and inclusion efforts.</p> | <p>Thank you for supporting our diversity, equity and inclusion efforts, and we look forward to collaborating with PGE regarding this work.</p> |
| <p>Supported Energy Trust's continued commitment to advance heat pump adoption and heat pump technology.</p> | <p>Thank you for this acknowledgement.</p> |
| <p>Appreciated that requests for coordination are being met.</p> | <p>Thank you for this acknowledgement.</p> |

| <p>Respondent: Pacific Power Comment topics</p> | <p>Energy Trust staff responses</p> |
|--|---|
| <p>Acknowledged Energy Trust's presentation of the draft budget and action plan to Pacific Power staff, other utilities and stakeholders. Appreciated the value of resource acquisition and customer benefits delivered by Energy Trust.</p> | <p>We appreciate the time and effort of Pacific Power staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Kari Greer, Erik Anderson and Cory Scott.</p> |
| <p>Appreciated continued improved alignment between Energy Trust's 2020 Pacific Power budget target and Pacific Power's 2019 Integrated Resource Plan.</p> | <p>Thank you for this acknowledgement.</p> |
| <p>Encouraged coordination with regional business managers to deliver benefits to rural and low- and moderate-income households.</p> | <p>We appreciate the offer of collaboration, and we will continue to coordinate with Pacific Power's regional business managers through Energy Trust's regional outreach staff.</p> |
| <p>Concerned about funding to community-based</p> | <p>Pacific Power and Energy Trust share a common</p> |

| | |
|---|---|
| <p>organizations and internships being co-mingled with initiatives that go beyond directives to acquire energy efficiency and renewable energy.</p> | <p>goal of ensuring that communities served by Pacific Power are engaged, aware of Energy Trust offers and services, and learn about the benefits provided to them as Pacific Power customers. Energy Trust has provided training, staff support and resources to increase capacity in these communities through interns placed in businesses, development of local contractor networks, staff involved in local planning processes, and support for AmeriCorps RARE interns. A requirement for all these efforts is that the support we provide increases awareness of Energy Trust services and offers and ultimately results in energy efficiency and solar project activity benefitting eligible utility customers. Energy Trust is interested in aligning these efforts with Pacific Power and ensuring that the goals are clear and that we are meeting our shared objectives.</p> <p>Additionally, Energy Trust has a goal of deepening relationships with community-based organizations to learn and leverage their knowledge of the communities we hope to serve more deeply. Energy Trust expects to continue to develop new relationships across our service territory as we do this work, and we will keep Pacific Power aware of this emerging area of community development work.</p> |
|---|---|

| Respondent: NW Natural Comment topics | Energy Trust staff responses |
|--|-------------------------------------|
|--|-------------------------------------|

| | |
|---|---|
| <p>Thanked Energy Trust for identifying cost-effective therm savings and ideating with us on ways to stretch our thinking and test our models to reach more customers through a variety of methods.</p> | <p>We appreciate the time and effort of NW Natural staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Holly Braun and Rick Hodges.</p> |
| <p>Expressed excitement about the new zero net energy home program and a possible 844 offering for boiler replacement.</p> | <p>We look forward to coordinating with NW Natural as we explore these emerging program offerings and sources of energy savings.</p> |

| Respondent: Cascade Natural Gas Comment topics | Energy Trust staff responses |
|---|-------------------------------------|
|---|-------------------------------------|

| | |
|---|---|
| <p>Appreciated the opportunity to review and comment on the Energy Trust’s budget. Acknowledge the value of cost-effective gas proposed. Budget appeared consistent with expectations and matched the utility's Integrated Resource Plan.</p> | <p>We appreciate the time and effort of Cascade Natural Gas staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Al Spector, Monica Cowlshaw and Mike Parvinen.</p> |
| <p>Encouraged Energy Trust to continue monitoring levelized costs.</p> | <p>Please see the supporting memo on levelized costs and cost management in the approved budget for additional information about drivers of levelized costs and strategies for managing costs. Strategies for managing costs include finding new sources of</p> |

| | |
|--|---|
| | savings, exploring new program designs and delivery methods and ensuring efficient operations. We will continue exploring new approaches to add more savings at the lowest possible costs, while maintaining outreach to rural customers. |
| Supported Energy Trust's prioritization of innovation, accessibility and diversity, equity, and inclusion efforts. | We appreciate the support of these focus areas, which are critical to achieving Energy Trust's goal of meeting savings and generation targets and creating future opportunities. |
| Appreciated continued exploration of potential support for renewable natural gas opportunities for our customers. Thanks again for your partnership. | We look forward to exploring the role Energy Trust could play in emerging renewable natural gas opportunities. |

| Respondent: Avista Comment topics | Energy Trust staff responses |
|--|-------------------------------------|
|--|-------------------------------------|

| | |
|---|--|
| Reviewed and supported the draft 2020 budget and 2020-2021 action plan. | We appreciate the time and effort of Avista staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Lisa McGarity and Kevin Holland. |
| Appreciated efforts to achieve all cost-effective natural gas savings, efforts to keep savings affordable and commitment to high customer satisfaction. | Thank you for this acknowledgement. |
| Supported diversity, equity and inclusion activities, expressed interest in exploring how savings from these customers could be accounted for in Avista's Integrated Resource Plan, and stated interest in discussing additional solutions to increasing the overall reach of the energy efficiency programs. | We appreciate Avista's support for our diversity, equity and inclusion activities and look forward to exploring additional ways to expand participation. |
| Expressed interest in understanding the effectiveness of strategies to increase natural gas savings during a potential economic downturn. | We appreciate Avista's interest in the outcome of Energy Trust's efforts to increase participation from business customers and will share outcomes with Avista staff in 2020. |
| Emphasized the importance of collaboration with utilities for successful transformation of markets with natural gas heat pump water heaters and renewable natural gas procurement. | We appreciate this feedback and look forward to collaborating with Avista on this work in 2020. |
| Appreciated innovations to meet the Oregon Public Utility Commission's mandated performance measures regarding staffing and administration costs, and stated interest in continued communication in this matter. | Thank you for this acknowledgement. We look forward to sharing information about Energy Trust's continued work to minimize staffing and administration costs in 2020. |

| Respondent: Kris Alman Comment topics | Energy Trust staff responses |
|--|-------------------------------------|
|--|-------------------------------------|

| | |
|---|--|
| The OPUC should direct Energy Trust to end financial incentivizes for natural gas appliances and heating systems. OPUC could either eliminate public purpose charges on gas utilities or, preferably, re-direct them toward clean renewables. | Our offers of incentives for gas equipment are guided by the Oregon Public Utility Commission (OPUC) and Washington Utilities and Transportation Commission (WUTC) policies and our grant agreement. Through these policies and agreements, we are directed to minimize the cost of the gas and power systems to ratepayers as a group. We refer you to the OPUC and |
|---|--|

| | |
|--|--|
| | WUTC for more information about the determination of policies guiding our investments. |
|--|--|

Comments from October 16, 2019 draft budget workshop

On October 16, Energy Trust hosted a public budget workshop for the board, advisory council members and the public. The 2020 draft budget and budget trends were presented at the workshop, and meeting attendees had an opportunity to ask questions of staff leading major areas of activity described in the 2020-2021 action plans and submit comment cards. The workshop concluded with a general discussion among all attendees with time for questions and answers. The following comments were collected on cards or captured during the workshop discussion.

| Respondent: Budget workshop attendees | Energy Trust staff responses |
|---|--|
| Comment topics | |
| Recommend creating new budget materials that highlight investment in integrated energy efficiency and renewable energy approaches, electric vehicles and storage. | We provided a detailed memo on the interactions of efficiency and renewable programs in summer 2019 and followed up at the November Renewable Energy Advisory Council meeting with a bulleted list of activities in 2020 to highlight specific areas of integrated efforts and offering. As we define our approach for developing the 2021 Budget and 2021-2022 Action Plan in 2020, we will check in on what information remains of interest to stakeholders. |
| Requested clarification regarding 2020 annual goal two. | We revised the 2020 annual goal two to clarify that we will seek input from community partners and advisory councils as we develop guidelines to guide resource investments in community efforts. |



Oregon

Kate Brown, Governor

Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

Mailing Address: PO Box 1088

Salem, OR 97308-1088

503-373-7394

November 21, 2019

Michael Colgrove, Executive Director
Energy Trust of Oregon
421 SW Oak, Suite 300
Portland, OR 97204



Dear Michael,

We appreciate the opportunity to comment on the Energy Trust of Oregon's 2020-2021 Budget and Action Plan. We adopt the recommendations of the OPUC Staff, summarized in more detail in the memo, and discussed at the Commission's November 7 Special Public Meeting.

We encourage and support Energy Trust and Staff to continue to communicate openly and regularly regarding operations, community outreach and challenges and opportunities associated with achieving targets.

We applaud the Energy Trust for its continued results in 2019 obtaining significant least cost resources for utility customers that contribute to controlling overall bills. We look forward to those results continuing into 2020, as the next five-year strategy begins to unfold. We look forward to working with Energy Trust and stakeholders to achieve targets in this upcoming year's budget and to face together the many exciting issues ahead.

OREGON PUBLIC UTILITY COMMISSION

Megan W. Decker
Chair

Stephen M. Bloom
Commissioner

Letha Tawney
Commissioner

The Energy Trust is a nonprofit, nongovernmental entity with which the Commission has contracted for investment of the public purpose charge.

In December 2005 Energy Trust and the Commission executed the current grant agreement that guides Energy Trust operations. The contract details parties' obligations and describes methods for accountability and oversight, such as submitting an annual budget report to the Commission for review. Specifically, section 3.a.ii of the grant agreement stipulates that Energy Trust will:

...develop an annual calendar budget on or before November 15 of each year and a final budget, approved by Energy Trust's board of directors, on or before December 31 of each year. The budget will include projected revenues to be received under this Agreement, other revenues to be received, and describe proposed expenditures in such a manner as may be requested by the PUC. The budget will also contain information that may permit the reader to evaluate the Energy Trust's total administrative costs and whether such costs may be considered reasonable, and provide a comparison of actual revenues and expenditures received through the first three full quarters and an estimation of projected expenditure for the remaining fourth quarter of the current year, as compared to the current year's budget.

Annually, the Commission reviews and comments on Energy Trust's budget and action plan to ensure that it presents a sound plan to acquire all technically achievable cost-effective savings, continues to accelerate the adoption of small scale renewable resources and keeps certain overhead costs below agreed upon thresholds.

Analysis

Energy Trust proposes a budget with \$202.5 million in expenditures for 2020. The vast majority of these expenditures (98.5%) are for the Oregon Public Utility Commission (OPUC) grant that supports energy efficiency and small-scale renewables.¹ The remaining 1.5% of planned expenditures support separate contracts for Northwest Natural in Washington, the OPUC's Community Solar Program, and development funds. With the recent addition of the Community Solar Program contract, Energy Trust has begun to report the OPUC grant portion of the budget separately from the overall budget.

¹ The OPUC Grant for energy efficiency and small-scale renewables refers to two sources of funding. The first is the Public Purpose Charge (PPC). This was created under SB 1149 in 1999 and constitutes less than 40% of Energy Trust's OPUC Grant funds. The remaining portion of this grant's funding comes through SB 838. Passed in 2008, this bill enables Energy Trust to secure all cost-effective energy efficiency annually, beyond what is funded by the PPC.

The numbers presented in this memo come from Energy Trust's draft 2020 budget for 2020 and 2021, and 2019 final approved budget for 2019 unless otherwise noted. These numbers refer to the OPUC grant portion of Energy Trust's budget unless otherwise noted.

2020 Budget Background

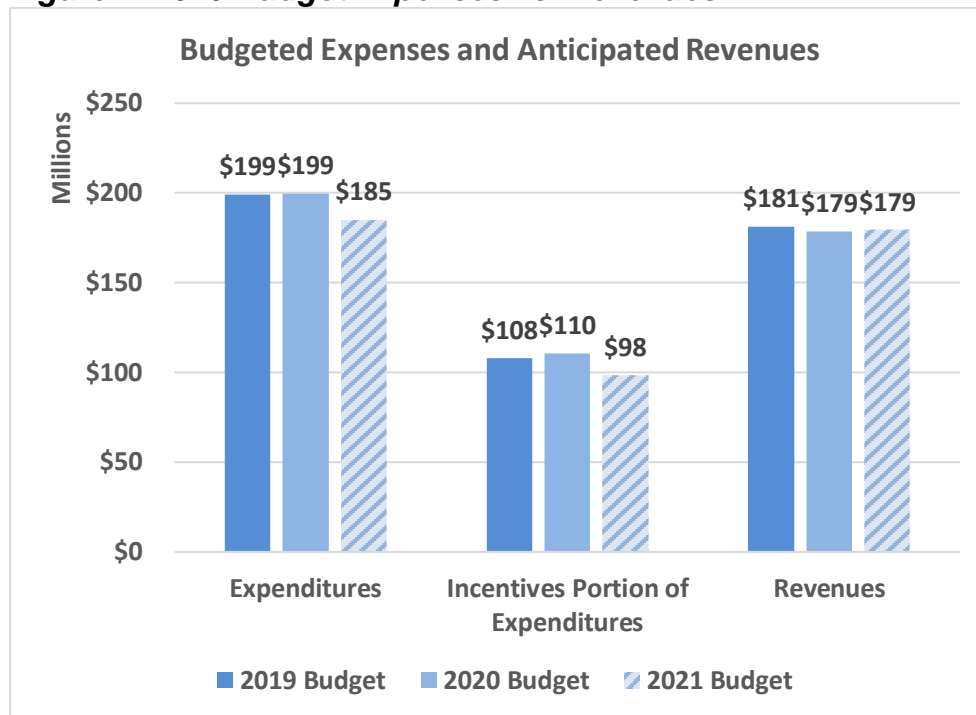
Energy Trust's Draft Budget and Action Plan is made available to stakeholders and the public in a series of meetings and through its website starting in September. The complete draft Budget and Action Plan was posted online at www.energytrust.org on October 8, 2019. Energy Trust presented an overview of the 2020 Budget and Draft 2020-2021 Action Plan at a public workshop on October 16, 2019.

Energy Trust discussed the Draft Budget and Action Plan with OPUC Staff at informal workshops on September 20 and October 4. The Commission's Special Public Meeting scheduled for November 7, 2019 is the opportunity for the public and the Commission to consider and comment on Staff's assessment of the Draft Budget and Action Plan. The Energy Trust Board will receive a Final Proposed 2020 Budget and 2020-2021 Action Plan in early December and will consider it for adoption at its meeting on December 13, 2019.

2020 Budget Overview

Energy Trust proposes \$199.5 million in expenditures in 2020 for OPUC grant activities, which is an increase of two-tenths of a percent over the final 2019 budget. Over half of these expenditures are expected to be paid out as incentives. Energy Trust plans to collect \$178.5 million in revenues. The difference between expenditures and revenues is covered through the carryover of funds from 2019.

Figure 1: 2020 Budget Expenses vs. Revenues²



| | 2019 Budget | 2020 Budget | 2021 Budget |
|---|---------------|---------------|---------------|
| Expenditures | \$199,076,956 | \$199,490,968 | \$185,093,945 |
| Incentives Portion of Expenditures | \$107,864,517 | \$110,379,797 | \$98,416,021 |
| Revenues | \$181,132,028 | \$178,513,981 | \$179,399,455 |

Incentives are projected to decrease by 2.3 percent in 2020, which continues the trend predicted last year of decreased incentives. Revenues are also predicted to decrease as a consequence of slightly reduced incentive payment opportunities.

When looking at changes on a utility basis, the table below shows that smaller utilities see larger changes in revenue for 2020. These changes are significantly smaller than those experienced between 2018 and 2019.

² Note: This chart does not show carryover reserves which are used to smooth out operations from year to year and reduce rate impacts.

Revenue from public purpose and incremental funds by utility

| | 2019 Budget | 2020 Budget | % Change |
|-------------------|--------------|--------------|----------|
| PGE | \$90,836,646 | \$88,336,646 | -2.75% |
| PacifiCorp | \$60,960,268 | \$61,172,381 | 0.35% |
| NW Natural | \$24,327,913 | \$23,946,285 | -1.57% |
| Cascade | \$2,915,331 | \$3,315,331 | 13.72% |
| Avista | \$2,091,870 | \$1,743,338 | -16.66% |

In 2017, Energy Trust began service in Avista's territory and has since been refining estimates of the potential for savings in that area. As this is a new territory to Energy Trust, there have been relatively large fluctuations in savings estimates from year to year, exacerbating the increase between 2018 and 2019, followed by reduced need for revenue in 2020.

Savings Acquisition

Over the course of 2019, Energy Trust has been working through the phase-out of the application of "net savings" throughout its savings estimates. The following section describes estimates in terms of gross savings, including backward-looking adjustments when comparing the 2020 budget to previous. This means that the data on savings described in the 2019 budget is not directly comparable to estimates in the 2020 budget.

As discussed in the 2019 budget process, the cost of energy efficiency acquisition continues to increase. Some of these trends are fuel-specific, but there are also a number of factors that cumulatively affect the achievable level of electric and natural gas savings. These trends can be categorized as baseline and economic.

Due in no small part to Energy Trust's promotion of energy efficiency, Oregonians benefit significantly in improvements in how we use energy today. One of the major improvements to the baseline level of efficiency is the state energy code. After a long process that began in 2017, the most recent round of commercial building code went into effect in October 2019. This regularly occurring event results in more efficient buildings diminishing the benefits of future efficiency projects as their savings are calculated against a higher level of baseline efficiency.

Further, Energy Trust is seeing smaller savings per site in commercial and industrial sectors because many of these projects are repeat customers who are coming back for smaller increments of savings. This trend illustrates the impact of Energy Trust's work in the region, as a reliable partner and trusted advisor towards ever-increasing levels of efficiency.

Energy Trust also funds Northwest Energy Efficiency Alliance (NEEA), which delivers some of the most cost-effective savings. NEEA's forecast of savings in 2020 is lower than last year's savings forecast based on NEEA's 2020 Operations Plan.

Major economic impacts identified by Energy Trust include higher equipment costs due to trade tensions, and labor shortages due to a growing economy. Energy Trust has noticed trends that suggest investment construction and renovation is slowing. Such economic changes will impact Energy Trust's ability to find new projects in 2020.

Energy Trust notes that the avoided cost for energy efficiency was updated recently to a higher value for gas and for peak electric savings. In the past, avoided costs were updated roughly every three years. Now there is a new process that ensures avoided costs are updated annually. More frequent updates means more frequent changes in price. Each change will be less dramatic, but may lead to more fluctuations as avoided costs will not always increase.

Electric Savings

The following chart illustrates projected electric savings by sector, including Energy Trust activities outside of the OPUC grant, and the estimated levelized cost. Energy Trust is facing a combination of decreased savings potential and increased cost of acquisition.

Figure 2: Electric savings by sector ³

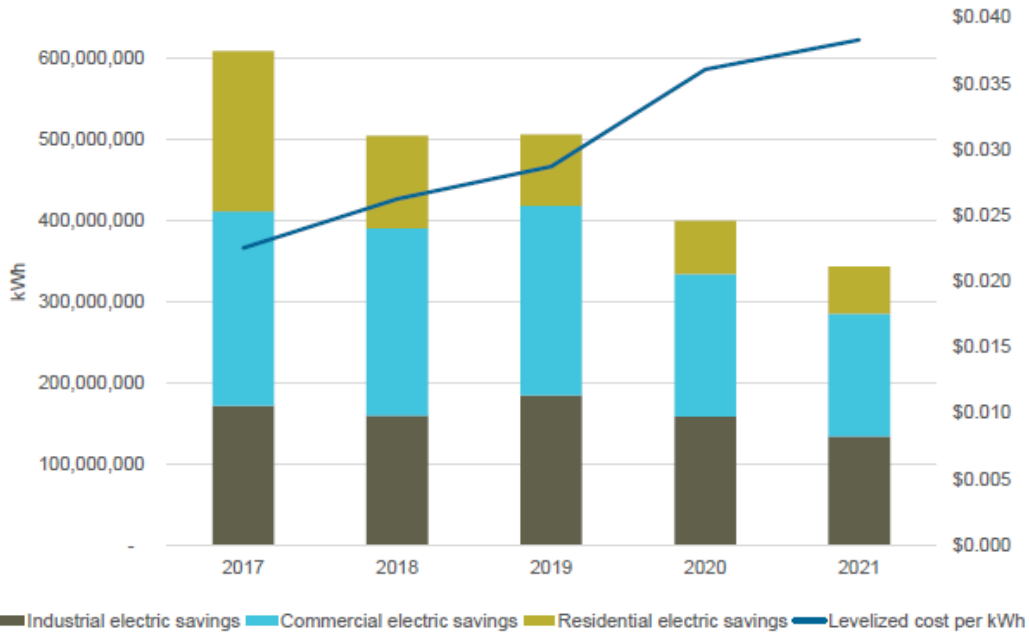
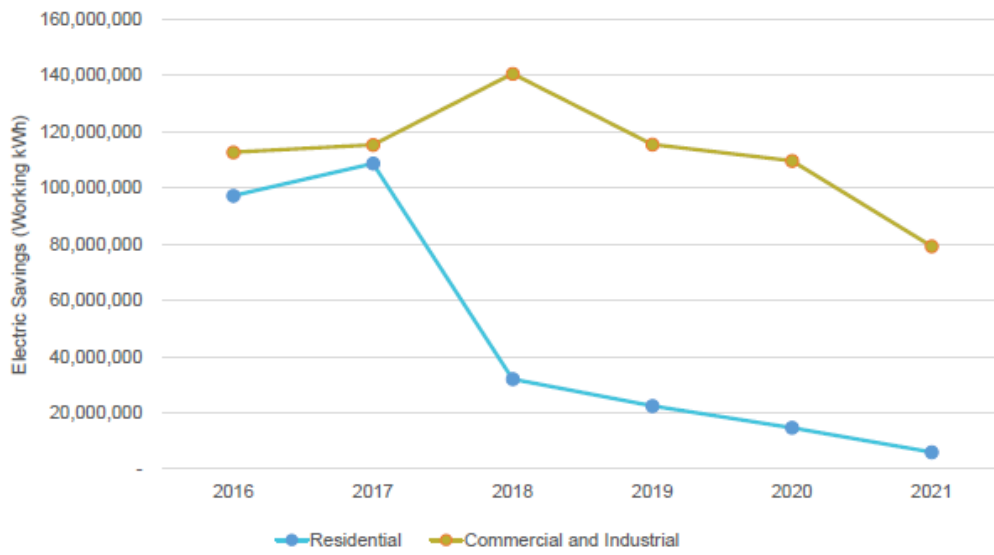


Chart shows 2017-2018 actuals, 2019 budget and draft 2020 and 2021 budget

Last year, Energy Trust anticipated the possibility that Energy Independence and Security Act standards for the efficiency of screw-in lamps (EISA) would not go into effect as planned and opted to stay in the lighting market. EISA in fact did not take effect in 2019 and Energy Trust continued to provide support in transitioning to more efficient lights. As the lighting market continues its transition into LEDs, Energy Trust continues to phase out incentives for these energy efficiency measures, focusing on uses and segments that are slower to adopt these lighting trends. The following figure shows Energy Trust’s projections for lighting savings, including Energy Trust activities outside of the OPUC grant.

³ Energy Trust’s Draft 2020 Annual Budget and 2020-2021 Action Plan.

Figure 3: Lighting savings by sector ⁴



Forecasted activity for 2019-2021

Recent estimates for water measure savings also saw improved baselines and reduced savings. The combination of reduced savings attributed to lighting and water-based measures has had particularly large impacts on residential and multifamily programs, and tie into the overall increases in cost described above.

Natural Gas Savings

Energy Trust predicts that the cost for acquiring natural gas energy efficiency will increase next year slightly, and then level off in 2020. This is illustrated in the following graph, which includes Energy Trust activities outside of the OPUC grant.

⁴ Energy Trust's Draft 2020 Annual Budget and 2020-2021 Action Plan.

Figure 4: Gas savings by sector ⁵

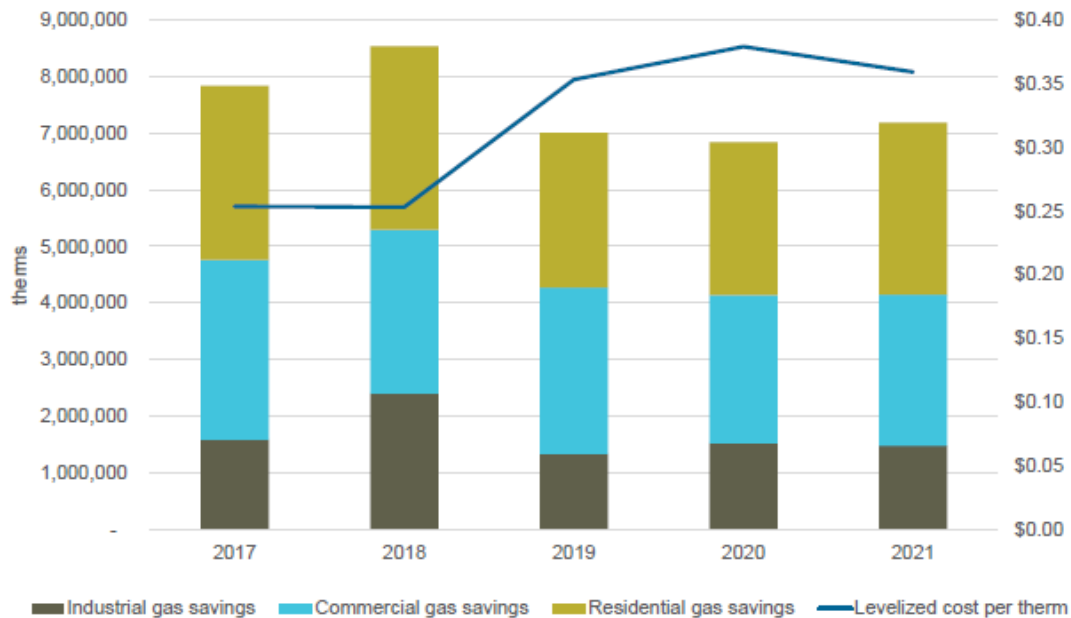


Chart shows 2017-2018 actuals, 2019 budget and draft 2020 and 2021 budget

The anticipated increase in gas levelized costs in 2020 is not as dramatic as the previous year. As mentioned previously in the revenue section, Energy Trust anticipated increased potential in Avista in 2019, followed by a lower estimate in 2020. Additionally estimates of savings associated with commercial boilers decreased significantly as a result of evaluations and updated technical analyses, increasing the overall levelized cost.

Operational Improvements to Lower Costs

In 2019, Energy Trust worked on a number of activities to identify and implement increased operational efficiency in program delivery. Energy Trust completed a project that streamlined the process of applying corrections to the incentive payment process when an error is found, which is expected to save hundreds of hours of work across the organization annually. Energy Trust automated a number of processes that increased the speed and efficiency of some types of high frequency transactions. Energy Trust also attempted to identify measures with especially high delivery costs and did not find any measures with outsized costs.

⁴ Energy Trust’s Draft 2020 Annual Budget and 2020-2021 Action Plan.

In the 2020 Budget, Energy Trust intends to continue implementing opportunities to improve efficiency, notably in automating additional transaction processes. Energy Trust also plans to automate a portion of the measure review process, which will speed up the approval of energy efficiency measures for implementation. Energy Trust also plans to re-bid three programs: multifamily, existing buildings, and commercial/industrial lighting. The rebid and redesign of these programs is an opportunity to increase efficiency and reduce cost.

Future Savings Potential

In 2019, Energy Trust also undertook several activities to invest in new methods and opportunities to increase savings in the future. Energy Trust prioritized the development of new opportunities in the residential and multifamily sectors through the development of new measures, testing of new delivery mechanisms including collaborations on co-funded offerings, and ongoing work to redesign the multifamily program. Energy Trust also tested a wide range of activities to reach customer segments with lower rates of participation as identified by Energy Trust's Diversity, Equity, & Inclusion initiative ("DEI") where additional savings may be found.

As described in the 2020 Budget, Energy Trust will continue to work towards increasing future savings potential by developing more measures, testing more delivery strategies, investing in additional collaborations with complementary funds, and DEI. Staff is supportive of this work and its future potential.

Staff recommends that Energy Trust continue to invest in activities to control costs and increase savings potential. Staff also recommends that Energy Trust begin reporting on how complementary funds are being used in co-funded activities, and the results of those activities.

Renewables Generation Acquisition

The renewables program is divided into two programs: Standard Solar and Other Renewables.

Generation Supported by Energy Trust

| | 2019 Budget | 2020 Budget | 2021 Budget |
|-------------------------------|--------------------|--------------------|--------------------|
| Other Renewables (aMW) | 0.2 | 1.0 | 0.5 |
| Solar (aMW) | 2.0 | 2.4 | 2.1 |

For 2020, Energy Trust identified many factors that may have an impact on the projects that Energy Trust will work with. While the Renewable Energy Tax Credit will continue to decline in 2020, other opportunities are entering the arena. Portland's Clean Energy Fund and Community Solar Program could increase or decrease opportunities for the

Renewables program to invest. Renewable Natural Gas may also impact the market for Other Renewables.

For this budget process, Energy Trust provided a long-range forecast for Other Renewables investments. This forecast provides some context to the short-term projects in this budget and to the uneven distribution of longer-term investments in Other Renewables projects. Staff appreciates this forecast and recommends forecasts continue to be provided going forward.

Energy Trust is a subcontractor involved in the delivery of the Community Solar Program. Energy Trust also intends to offer a limited budget of incentives from OPUC Grant funds to Community Solar Program projects. Energy Trust provided to Staff a thorough report on how Community Solar Program funds are separated from the main OPUC grant, and what steps were taken to ensure there is no cross-subsidization between separately funded programs. Staff appreciates the care taken in separating funding streams and the transparency in reporting. Staff recommends a continuation of this transparency into Energy Trust's work as a subcontractor for the Community Solar Program, along with continued reporting of any incentive offerings for Community Solar Program projects. Staff also recommends that Community Solar Program project support be reported in the same format as the long-term renewables report in the budget.

Administrative Costs

In June 2018 the Secretary of State released its audit of Energy Trust's administrative costs.⁶ The report found that both Energy Trust and the OPUC, "...have adequate controls in place to ensure that Energy Trust administrative costs are reasonable."⁷ However, the Secretary of State did make three recommendations to increase transparency. They were:

1. Define reasonable administrative costs.
2. Revise the administrative cost metric to provide actual amounts spent.
3. Clarify reporting methods to ease determination of administrative costs.

In response to these recommendations, 1) OPUC Staff reviewed Energy Trust's policies on administrative costs and determined that the existing policies are reasonable, 2) OPUC Staff revised the administrative cost metric to include the equivalent dollar cap, and 3) Energy Trust clarified administrative costs within reporting documents. The Secretary of State released a final report in September 2019. The report concludes that

⁶ See Oregon Secretary of State Office audit of Energy Trust, June 2018, Report No. 2018-20 at <https://sos.oregon.gov/audits/documents/2018-20.pdf>.

⁷ *Ibid*, pg. 1.

Recommendations number two and three were implemented and Recommendation number one was partially implemented.⁸

Administrative costs fall under the following categories:

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

Administrative costs are projected to increase by \$460,178 – or 3.5 percent – in 2020. While costs are not expected to change much, revenues will at the same time decrease, which means that administrative costs will be a larger share of revenues.

| | 2019 Budget | 2020 Budget | 2021 Budget |
|-----------------------------|---------------|---------------|---------------|
| Administrative Costs | \$13,225,417 | \$13,685,595 | \$13,999,165 |
| Revenues | \$181,132,028 | \$178,513,981 | \$179,399,455 |
| Percent of Revenues | 7.3% | 7.7% | 7.8% |

In 2019, Energy Trust worked on numerous activities to control administrative costs. These activities have resulted in a range of operational efficiencies. One major project was automating transaction processing. This project automated multiple processes that included program delivery and administration. Automation activities will continue into 2020 for additional efficiencies to new processes. This activity is of high importance to Staff. Staff also worked with Energy Trust to review services Energy Trust provides to the Commission and other utilities. Major activities will be tracked going forward.

Energy Trust also worked on activities that came out of the organizational review conducted in 2018. This ongoing work includes projects to develop methods to more

⁸ See Recommendation Follow-up Report: The PUC Has Taken Appropriate Steps to Strengthen Oversight of Energy Trust Administrative Costs, September 2019, Report No. 2019-35 at <https://sos.oregon.gov/audits/documents/2019-35.pdf>.

effectively evaluate and implement new ideas and processes, frameworks for decision making, and processes to better incorporate customer feedback.

Energy Trust will also continue to implement its new budget software. As the organization learns more and leverages the new capabilities this software offers, it anticipates it will result in a less labor-intensive process and provide additional flexibility for planning in 2020 and beyond. The implementation of this software is important to Staff because of the future savings in administrative costs and the opportunities to plan different scenarios.

While Staff believes that Energy Trust is managing administrative costs appropriately, Staff is still concerned about the increasing percentage share of administrative costs. Staff will continue to work with Energy Trust in 2020, building off the work in 2019, to identify additional opportunities to control this overall trend.

Staffing Costs

In 2019, Staff worked closely with Energy Trust to understand trends in Energy Trust's staffing costs and recommended changes to the staffing performance metrics through UM 1158. In 2019, two staffing performance metrics were in place:

- Total staffing expenditures will not exceed 7.25% of total organization expenditures calculated on a 3-year rolling average for public purpose funded activities in Oregon.
- Staffing cost growth is limited to 10% year-over-year increase.

As a result of the review of staffing costs, the Commission approved a change in performance metrics for 2020, suspending the first metric and changing the second metric to a 9% year-over-year increase. Staff will also hold public workshops and report to the Commission on staffing trends to provide a recommendation for 2022 performance measures. The review and discussion of staffing costs will continue in the UM 1158 docket.⁹

Staffing cost increases are not as large as was predicted earlier in 2019. Specifically, healthcare costs are not expected to increase as dramatically.

⁹ See Order No. 19-292.

| Year | Total Staffing Cost | Total Change in Dollars | Annual Change |
|-------------|---------------------|-------------------------|---------------|
| 2017 Actual | \$12,508,690 | | |
| 2018 Actual | \$13,185,215 | \$676,525 | 5.4% |
| 2019 Budget | \$14,026,974 | \$841,759 | 6.4% |
| 2020 Budget | \$15,028,985 | \$1,002,011 | 7.1% |
| 2021 Budget | \$15,834,799 | \$805,814 | 5.4% |

Changes in the staffing budget for 2020 are primarily driven by increasing healthcare costs and the addition of new staff. As discussed in UM 1158, Energy Trust will be adding a new full-time staff member to take the lead on several activities that are part of Energy Trust’s DEI Initiative and provide other internal support to help the organization achieve these goals. Energy Trust also proposes converting one part-time staff to full time to provide additional project management assistance to the organization. Staff believes this additional 0.5 FTE will result in increased savings through effective project management of program-based projects. Staff remains concerned about forecasted increases in staffing costs in 2021, while at the same time energy savings are projected to decline and plans to continue to work with Energy Trust on how to control staffing beyond 2020.

Status of 2019 Action Items and Other 2019 Activities

As part of the review of each Energy Trust annual budget, the Commission makes suggested recommendations for Energy Trust to adopt over the course of the next year. The table below captures the Commission approved recommendations from last year’s budget and Energy Trust’s progress toward completing them.

| 2019 OPUC Recommendations | Status |
|---|-----------------|
| 1. Reduce action items when reporting to Staff to prioritize the most important activities pertaining to the budget. Action items reported to the Commission will state measurable outcomes, whether quantitative or qualitative. Action items will include budget impacts and will list the business unit(s) responsible for executing the action item in the budget year. This information will allow Staff to better evaluate proposed action items. | Complete |
| 2. Provide a longer range forecast for the renewables pipeline to better represent the expected outcomes of investments made today that shows the expected operation date of projects currently under contract. | Complete |

| | |
|--|-----------------------------|
| 3. Identify measures that have high delivery costs, especially in natural gas, so that they can be assessed for extension or discontinuation. Report analysis by July 2019. | Complete |
| 4. Prioritize the future of the residential and multifamily sectors over the other sectors through activities such as pilot studies and program redesign. Update in quarterly reports on progress. | Complete and ongoing |
| 5. Focus on decreasing transaction costs for high-volume activities, such as expediting the rollout of electronic signatures and automated W9 processing. Update in quarterly reports on progress. | Complete and ongoing |
| 6. Continue to report on DEI initiative progress, particularly work to estimate energy efficiency potential in underserved markets. Update in quarterly reports on progress. | Complete and ongoing |
| 7. Prepare for the possibility of reduced revenues in 2020 by developing scenarios, which include reduced staffing levels, in the next six months and report back to the Commission in the Q1 report. | Complete |
| 8. Review with staff the services Energy Trust provides to the Commission and utilities so that these activities can be assessed for value. For example, Energy Trust has been extremely supportive of utilities running targeted demand-side management projects, which impacts their costs, but does not result in significant near-term savings. Energy Trust should gain appropriate credit for their efforts. Staff will work with Energy Trust through 2019 to identify and assess these services. | Complete |
| 9. Identify the organizational review recommendations that quantifiably either save costs or add flexibility and prioritize implementing these activities. The organizational review was undertaken under the assumption that it will increase flexibility and reduce costs and some of the recommendations can be implemented in 2019 to impact performance in 2020. Update in quarterly reports on progress. | Complete and ongoing |
| 10. Begin implementation of new budget software on time and on budget to enable improved reporting on how public purpose funds are spent and enhance capability to test different scenarios. Energy Trust's current system is not set up for scenario testing, and the ability to run multiple scenarios will be increasingly important. Energy Trust needs this capability to address the questions Staff have about their future plans. Update in quarterly reports on progress. | Complete and ongoing |

| | |
|---|-----------------|
| 11. Present the impact of Energy Trust’s role as a delivery contractor of the Community Solar Program on the overall budget, providing transparency and ensuring public purpose funds are not impacted. Report analysis by July 2019. | Complete |
| 12. Q1 2019 Report: As was previously agreed upon, provide written report as normal, without the formal presentation at a Public Meeting. | Complete |

All twelve action items identified for the 2019 budget have either been incorporated into ongoing reporting or completed satisfactorily. Of particular note:

#4: Energy Trust invested heavily in identifying and testing new opportunities in the residential and multifamily sector. While launching new energy efficiency measures and testing new delivery approaches are routine work for Energy Trust, these activities increased significantly and also included investments in new approaches such as targeted load management and complementary funding collaborations.

#11: Energy Trust delivered a thorough report to staff that outlined the steps taken to separate Community Solar funds from the rest of the budget, demonstrating careful stewardship of public purpose funds and a commitment to transparency. Staff also appreciates the subsequent changes to reporting in the budget that separates costs by funding stream.

Staff also very much appreciates Energy Trust’s efforts on #1 to address Staff’s reporting needs.

Based on outcomes in 2019, Staff recommends incorporating some practices going forward. Staff recommends that Energy Trust continue to: deliver a targeted action item list to Staff (#1), provide a longer-range projection of renewables projects (#2), and provide the Q1 report only as a written report.

Staff also recommends that the following reporting continue in the 2020 quarterly reports: DEI activities (#6), residential and multifamily development (#4), and progress on the budget tracking tool (#10). These topics will continue to be important areas of interest next year.

Draft 2020 Action Plan

Energy Trust identified five major organizational goals to guide the 2020 budget and action plan activities. Previously, Energy Trust developed themes based on program-level action plans. By starting with the goals, Energy Trust was able to identify and organize key strategies and activities more deliberately throughout the process.

For 2020, Energy Trust identified five major goals:

1. Meet savings and generation targets and create future opportunities.
2. Use guidelines to determine resource investments in community efforts.
3. Provide information to policymakers, agencies and implementers.
4. Strengthen internal innovation capabilities and develop new proposals.
5. Make operational improvements.

The majority of budgeted staff hours will be spent on goal #1. The second source of planned time investment is goal #5. Staff supports the prioritization between goals based on hours allocated.

Some activities of note in the 2020 Action Plan include:

- Implementation of a new budget tool that will replace the currently labor-intensive process with added flexibility for scenario development.
- Measure process improvements that will free up at least half an FTE.
- An updated online customer engagement tool.
- Improve participant history reporting.
- Data security upgrades.
- New Buildings program update.
- Multifamily program update and rebid.
- Community engagement guidelines.

Energy Trust has set aside project leads, staff hours, and appropriate funding to support each DEI Performance Metric that will the Commission will apply to Energy Trust in 2020.

Conclusion

The 2020 Budget sees a continuation of many themes identified last year. Energy Trust continues to see increases in energy efficiency acquisition costs as several low-cost opportunities have become the default option. Energy Trust will also face additional challenges and market changes in both energy efficiency and renewables.

In the face of these significant shifts in the energy efficiency market, and other new challenges for energy efficiency and for renewables, Energy Trust has put in tremendous effort in 2019 to become more flexible and explore new opportunities to deliver energy efficiency and renewables generation.

Based on the review of this budget, Staff recommends the following:

Continue to increase operational efficiency and reduce costs

1. Focus on decreasing transaction costs for high-volume activities, such as expediting the rollout of electronic signatures and automated form processing. Update in quarterly reports on progress.
2. Complete the measure development automation project in 2020.
3. Continue to work with OPUC on future staffing costs given the forecasted decline in savings.

Continue to invest in future opportunities

4. Continue to report on DEI initiative progress, particularly work to estimate energy efficiency potential in underserved markets. Update in quarterly reports on progress.
5. Given the transformation of the residential lighting market, prioritize the future of the residential and multifamily sectors through activities such as pilot studies and program redesign. Update in quarterly reports on progress.
6. Begin reporting quarterly on complementary funds activities, tracking the status of co-funding opportunities and the outcomes of those arrangements. Update in quarterly reports on progress.

Continue to provide transparency and high value reporting

7. As part of the budget, provide a report on Community Solar activities that is equivalent to the longer-range forecast for the renewables pipeline.
8. Complete the implementation of the budget tracking tool. Update in quarterly reports on progress.

PROPOSED COMMISSION MOTION:

Adopt Staff's comments as Commission comments on the Draft 2020 Budget and Draft 2020-2021 Action Plan for Energy Trust of Oregon.



Portland General Electric Company
121 SW Salmon Street • 1WTC1708 • Portland, Oregon 97204
503-464-7772
portlandgeneral.com

Larry Bekkedahl
Vice President
Grid Architecture, Integration &
Systems Operations

November 30, 2019

Michael Colgrove
Executive Director
Energy Trust of Oregon
421 SW Oak Street, Suite 300
Portland, OR 97204

RE: Comments on Energy Trust 2020 Annual Budget and 2020 Action Plan

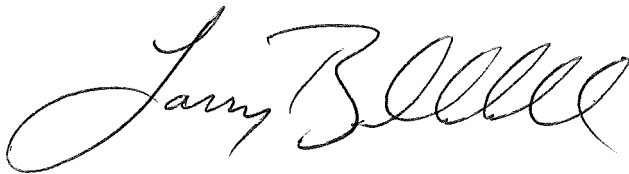
Dear Mike,

Thank you for the work that you and your staff at the Energy Trust put into developing the 2020 energy efficiency, market transformation, and conservation budget for Portland General Electric (PGE). We appreciate the significant time and effort that went into forecasting the potential electricity savings for 2020 and succeeding years and would like to offer some high-level comments on the budget planning processes and associated programming:

- We found the information provided by your staff discussing potential savings in each market to be comprehensive in nature. We understand from the information and tables provided that Energy Trust is forecasting to not meet PGE's 2019 Integrated Resource Plan's Energy Efficiency target. We have spoken about the challenges faced by Energy Trust, in part because of changes in baselines, building codes, appliance standards, general sector economies as well as Energy Trust's past successes. We appreciate Energy Trust's transparency and open dialogue.
- We recognize that energy efficiency forecasting, and budgeting can be challenging as the market in which Energy Trust operates shifts. Recently these shifts have been very rapid. Thank you for keeping PGE apprised of the over-collection of customer monies to fund the Trust's work. We are pleased to know that some of the identified over-collection is the result of Energy Trust's more efficient administration and that Energy Trust will apply the over collection to the following year's work.
- We are encouraged by the decision to apply a diversity, equity and inclusion lens in the development of the 2020-2024 strategic plan. PGE has similarly been working on our own equity lens and we hope to be able to engage with the ETO as you address issues of delivery of services to underserved communities and your launch of the Diversity Advisory Council.

- We are encouraged by Energy Trust's continued commitment, both through Energy Trust directly and the Northwest Energy Efficiency Alliance, to advance heat pump adoption and heat pump technology.
- Lastly, we have requested, through several forums, more measure and program coordination. We are encouraged to see that our requests for coordination are being met through action and planning as demonstrated through the 2020-2021 Action Plan.

The next few years will likely bring continued changes to how PGE plans for and delivers service as we accelerate our work to decarbonize our energy supply. We look forward to offering customer programs together such as smart thermostats. We also look forward to finding additional opportunities for coordination and synergies. PGE is committed to reducing our greenhouse gas emissions by more than 80% by 2050 and a key first step for that reduction continues to be the energy efficiency savings provided by the Energy Trust. The Energy Trust has been a valuable partner with us and our customers for 17 years and we look forward to addressing Oregon's energy future together.

A handwritten signature in black ink, reading "Larry Bekkedahl". The signature is written in a cursive, flowing style with a large initial "L".

Larry Bekkedahl
Portland General Electric
Vice President, Grid Architecture, Integration and System Operations

October 30, 2019

Michael Colgrove
Executive Director
Energy Trust of Oregon
421 SW Oak Street, Suite 300
Portland, OR 97204

RE: Comments on Energy Trust 2020 Annual Budget and 2020-2021 Action Plan

Dear Mike,

We appreciate the work Energy Trust of Oregon (ETO) has invested in developing and presenting your draft 2020 budget and 2020-2021 action plan to Pacific Power, other funding utilities, and interested stakeholders around the state. We would like to offer the following comments and have identified the following opportunities for the upcoming year:

- Pacific Power appreciates the continued improved alignment between the 2020 target and the amount of cost-effective energy efficiency identified in our very recently released 2019 Integrated Resource Plan (IRP). It is difficult to assess at this moment the impact of increased acquisition over 2017 IRP levels on Energy Trust's longer-term budget. We look forward to continued discussions and Pacific Power specific budget projections for 2020-2021 scheduled for November 13, 2019.
- Due to our unique service territory, Pacific Power appreciates Energy Trust's focus on delivering benefits to a wider group of customers including rural and low-moderate income households. We strongly encourage, and will help coordinate, working directly with our regional business managers (RBMs). Our RBMs live locally across the state and are positioned to support key customers and community activities, including energy efficiency and renewable energy.
- Pacific Power is concerned some of the funding that flows from Energy Trust to community-based organizations and internships may be comingled with initiatives that go beyond energy efficiency and renewable energy. While both Pacific Power and the Energy Trust play an important role in supporting communities in their energy planning efforts, funding or support provided by ETO should be explicitly focused on the acquisition of cost-effective energy efficiency resources and/or addressing the above-market costs of renewables.

Pacific Power continues to value the resource acquisitions and customer benefits delivered by Energy Trust of Oregon on behalf of our customers. We are looking forward to continued good work in 2020.

Sincerely,

A handwritten signature in black ink that reads "Cory Scott". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Cory Scott
Director, Customer Solutions

From: Braun, Holly <Holly.Braun@nwnatural.com>

Sent: Wednesday, October 30, 2019 5:45 PM

To: Energy Trust of Oregon Info

Cc: Edmonds, Bill; Hodges, Rick

Subject: 2020 Energy Trust Budget

[EXTERNAL]

On behalf of our customers and our planet, I thank you for another year of faithfully identifying cost-effective therm savings and ideating with us on ways to stretch our thinking and test our models to reach more customers through a variety of methods.

We are excited about the new Zero Net Energy home program and a possible 844 offering for boiler replacement.

Looking forward to 2020 together.

Thank you,

Holly Braun

NW Natural – Energy Efficiency and Innovation Manager

503.226.4211 x5717 | nwnatural.com

From: Spector, Alyn <Alyn.Spector@cngc.com>
Sent: Thursday, October 31, 2019 1:57 PM
To: Amber Cole <Amber.Cole@energytrust.org>
Subject: RE: inquiring about budget comments

Sorry, Amber. We've been swamped! It seems like I have multiple concurrent meetings on my calendar nowadays. Here are some comments you can share.

Cascade Natural Gas Corporation appreciates the opportunity to review and comment on the Energy Trust's final proposed 2020 budget and 2020-2021 Action Plan. We value the continued transparency and commitment to detail offered to the Company as the Energy Trust provides cost-effective programs of value to our customers and the greater Oregon community. This year's proposals appear consistent with Cascade's expectations. We are glad to see that the Energy Trust's Projections will match the achievement targets in our Integrated Resources Plan. We look to the Energy Trust to continue monitoring program cost-effectiveness and being mindful of increases to levelized costs. We understand some levelized cost changes are due to the Energy Trust and State's success in continued market transformation, code changes, and achievement of "low hanging fruit" saving opportunities. Continued innovation remains a priority, as does ensuring program accessibility to all qualified customers. Cascade applauds the Energy Trust's commitment to exploring ways to achieve greater diversity, equity, and inclusion in its efforts. We would also like to see continued exploration of the role Energy Trust can play in helping to support renewable natural gas opportunities for our customers. Thanks again for your partnership.

Best,

Alyn Spector
Mgr, Energy Efficiency Policy
Cascade Natural Gas Corporation
206-310-1120



Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

October 30, 2019

Michael Colgrove
Executive Director
Energy Trust of Oregon
4321 SW Oak St, Ste. 300
Portland, OR 97204

RE: Avista Utilities Comments – Energy Trust of Oregon 2020 Budget and Action Plan

Dear Michael:

Avista Utilities hereby provides the following letter regarding Energy Trust of Oregon's (ETO's) 2020 Annual Budget and Action Plan ("Plan"), as it applies to the energy efficiency programs administered by ETO on behalf of Avista.

Avista would again like to reiterate that it appreciates the efforts of the ETO in achieving all cost-effective natural gas savings within the Company's Oregon service territory during the 2019 program year, and values the Energy Trust's continued efforts in striving to keep these endeavors affordable, and appropriate for our customers. Throughout the Plan, ETO's commitment to high customer satisfaction, and experience is evident; as a utility, Avista finds this focus to be an integral part of any energy efficiency program offering, as these values closely align with our own.

It is clear that the Energy Trust of Oregon's Diversity, Equity and Inclusion ("DEI") plan, and increased focus on the DEI lens, hopes to engage, and reach more customers in the upcoming years. Realization of these efforts could translate to additional energy efficiency opportunities, as these customers currently may not be aware of, or may not have previously been able to participate in such programs. As stated in previous meetings, Avista considers that these savings might have the potential to be accounted for within the Company's Integrated Resource Plan ("IRP"), to better inform planning for the natural gas distribution system. To address customers' inability to

participate, Avista stands ready to engage in any potential discussions regarding exploration of additional solutions to increase the overall reach of the energy efficiency programs.

There are allusions to a potential downturn in the economy within the Plan, with trade wars, and shortages of contractors impacting businesses' ability to implement energy efficiency projects. As such, the Action Plan seeks remedies such as increases to natural gas incentives, improvements to offerings, and technical assistance. Avista is interested in how effective these strategies are, or might be, in keeping business customers engaged, and if there is any need for shared efforts with these strategies. Additionally, collaborations with utilities will be essential for ETO for successful transformation of markets with natural gas heat pump water heaters, and renewable natural gas procurement. The forthcoming definition of scope, and what a partnership might look like will better define how we might bring these opportunities to market.

As Staffing and Administration costs continue to rise, Avista appreciates the innovations of Energy Trust as it strives to meet the Oregon Public Utility Commission's mandated performance metrics. As a utility, Avista shares the duty to wisely utilize ratepayer funds, and we look forward to continuous open communication in this matter.

Overall, Avista is supportive of the 2020 Annual Budget and Action Plan. The time and effort that Energy Trust has expended, and continues to apply to develop the best course forward for these programs is apparent, and Avista looks forward to working together in the future to balance the needs of our communities while maintaining the provision of world-class energy efficiency program delivery.

If you have any questions regarding these comments, please contact me at (541) 858-4719, or by email at lisa.mcgarity@avistacorp.com.

Sincerely,

Lisa McGarity
Energy Efficiency Program Manager



From: kris alman <kris.alman@gmail.com>
Sent: Wednesday, October 30, 2019 8:30 AM
To: Energy Trust of Oregon Info; puc.commission@state.or.us; puc.public.comments@state.or.us
Cc: Tom Beverly; PEACOCK Julie
Subject: Comments re budget Energy Trust of Oregon

[EXTERNAL]

To whom this concerns,
I participated in the SB 978 process last year as a citizen stakeholder. At our last meeting, I was brought forth on a panel to be questioned by the Commissioners. Chair Decker specifically asked me how the Oregon Public Utility Commission could better engage citizens. By sending these comments, I am continuing my commitment toward influencing thoughtful regulation of utility companies.

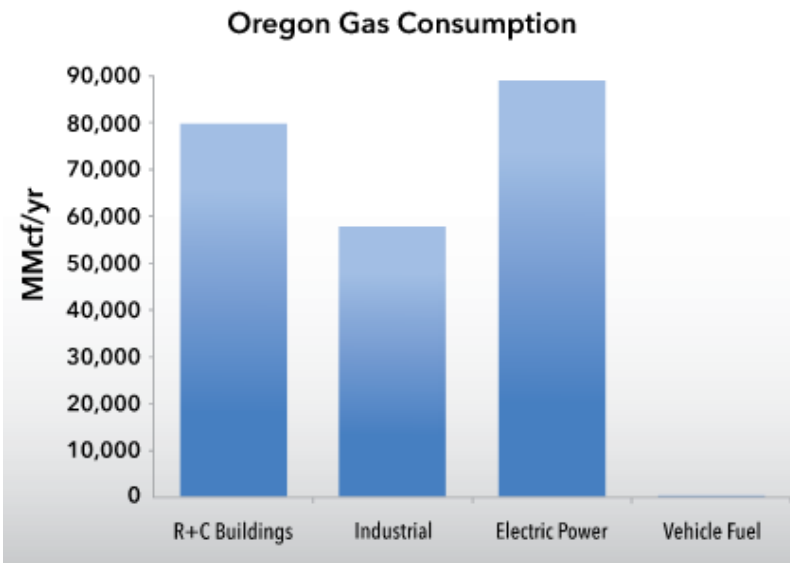
Climate mitigation is not within the purview of the ETO. Though we urgently need to put a price on greenhouse gas emissions, that action requires changes in Oregon law. [\[1\]](#) **On the other hand, statutory changes are unnecessary for Oregon Public Utility Commission (OPUC) and ETO to end financial incentivizes for natural gas appliances and heating systems. This needs to happen.**

For the past century, OPUC's regulatory goals focused on reliable, safe services and lower energy bills for customers. Every two years, OPUC requires an energy utility to file an integrated resource plan (IRP) that shows how they will provide an adequate and reliable supply of energy at the least cost and risk to the utility and its customers.

In a climate-constrained world, fossil fuel consumption must be significantly reduced.

Recently, the Rocky Mountain Institute announced that investments in natural gas infrastructure could lead to over \$100 billion in stranded costs as clean energy prices fall.^[2] These stranded assets include plants and pipelines. The combinations of solar, wind, storage, efficiency and demand response are now less expensive than most proposed gas power plant projects.

According to the U.S. Energy Information Administration (EIA), Oregon is among only 4 states to increase its share of natural gas consumption in the United States in the recent past.^[3] Overall, we burn nearly as much gas in Oregon’s residential and commercial buildings as we do in all of Oregon’s power plants.^[4] Gas heats our rooms and water and is used for stoves, dryers and fireplaces.



But the newest (and still incomplete) EIA data show a sharp increase of natural gas consumption for electric power in Oregon. Consumption rose from 88,673 to 122,230 Million Cubic Feet (nearly a 38% increase) from 2017 to 2018, no doubt to the Carty facility serving PGE customers becoming fully operational.

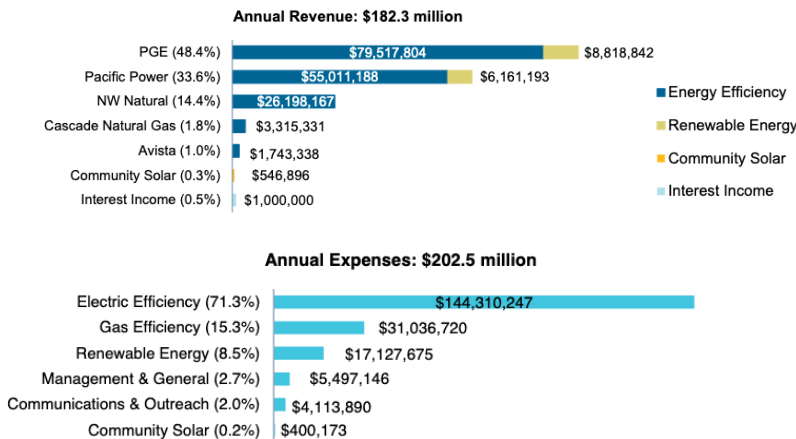
Two decades ago, lawmakers passed energy restructuring legislation. A three percent “public purpose charge” (PPC) was assessed on Investor Owned Utility (IOU) electricity bills.^[5] The purpose of these funds are to improve energy conservation in public schools, subsidize weatherization and energy assistance for low-income households; and incentivize energy efficiency and renewable energy projects for residential and business customers. Energy Trust of Oregon administers many of these programs.

In 2007, the legislature authorized OPUC to increase the public purpose charge to meet energy efficiency for the utility company’s integrated resource plans (IRP). Over half of ETO’s ~\$200 Million budget are distributed as incentives.

Starting in 2003, OPUC added tariffs to natural gas utilities similar to the PPC *through regulatory and rule changes only*. In other words, there are no statutes that require or guide this surcharge to gas utility bills. OPUC and Energy Trust negotiate the tariff on gas utilities based on the amount of money needed to meet the energy efficiency portion of their IRP. Collectively, gas tariffs are projected to be ~17% of new budget. There are \$150-\$250 cash incentives for gas fireplaces; \$200-

\$550 cash incentives for gas furnaces and \$100 cash incentives for gas water heaters.

Revenue and Expenses (Oregon and Southwest Washington)^{1,2}

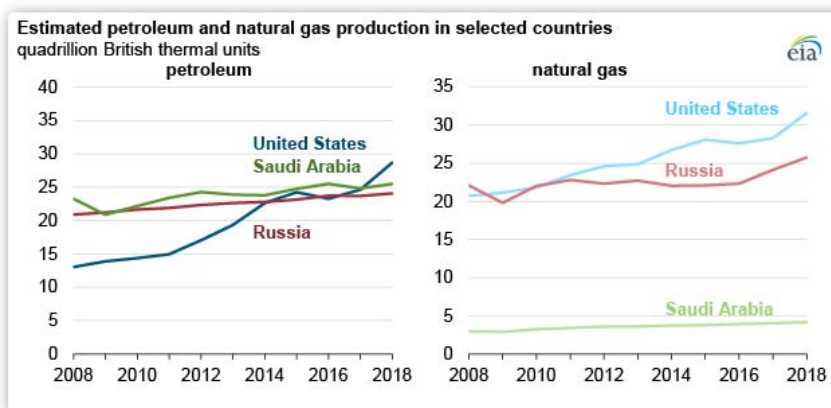


Since the Energy Trust of Oregon serves customers of both electric and gas utilities, they are “fuel neutral.” This means the ETO does not encourage customers to switch between gas and electric technologies, but instead focuses on how customers can save energy with their existing fuel types.

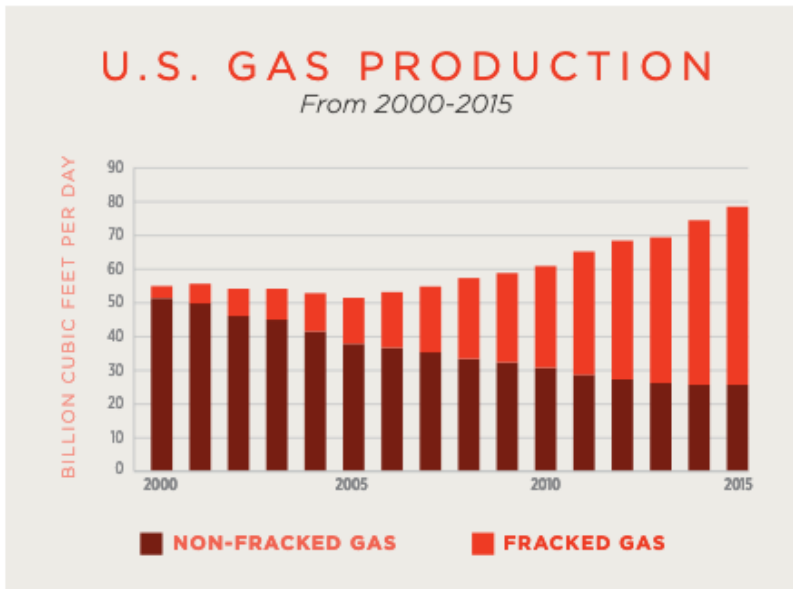
While the ETO is not tasked to address climate change, it boasts that its work has led to air quality improvements by avoiding 4.2 million tons of carbon dioxide. What about other green house gases, in particular methane from natural gas, and other air pollutants? This is particularly relevant for two reasons:

- The DEQ has not ruled on PGE’s Carty plant’s emissions that exceeded projections.^[6]
- Natural gas is primarily from fracking and methane leakage has consequentially become a huge problem.

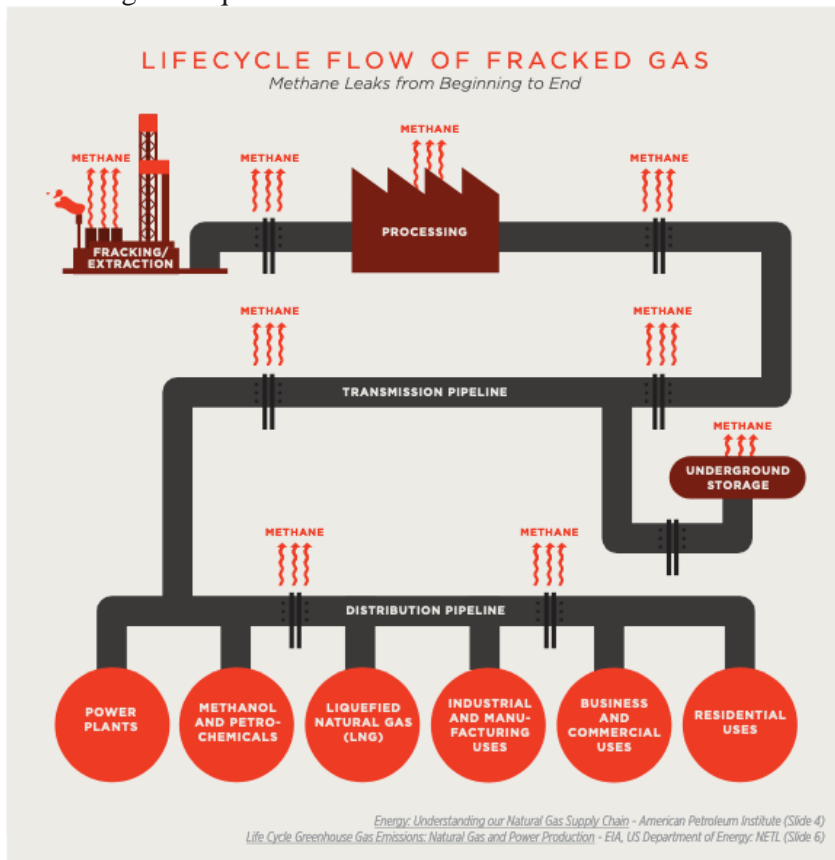
Back in 2003, “natural” gas was touted as a “bridge fuel” to move from coal to renewable energy. This was before “unconventional” methods through fracking turned the United States into a leading exporter of fossil fuels.^[7] By 2014, the U.S. became the global leader on petroleum and natural gas production.^[8]



Now two-thirds of the energy sources fueling America’s electric grids come from fossil fuels and nearly half of that comes from gas.^[9] Furthermore, two-thirds of all gas produced in the United States is fracked gas, which was less than 10 percent in 2000.^[10]



Whether burned to make electricity or to fuel a gas furnace, there is nothing “natural” about fracked gas. Current estimates suggest that fracked gas has contributed 33 % of the global increase in all methane emissions in recent years.^[11] Companies marketed natural gas as a cleaner source of energy because it emits only half the carbon dioxide of coal, but this doesn’t account for the devastating consequence of methane leaks.

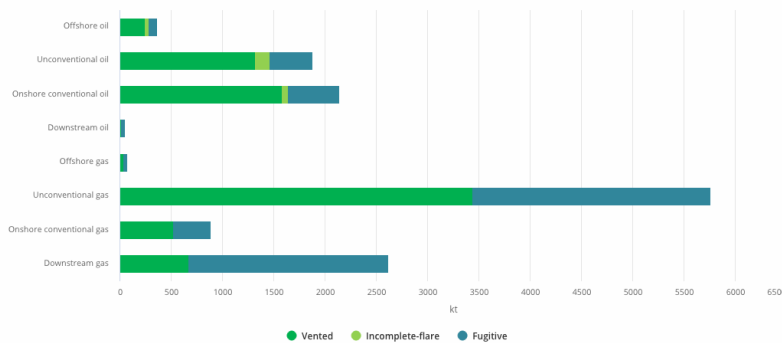


As a greenhouse gas, methane is 84x more potent than carbon dioxide^[12] when comparing heat-trapping potential in a 20-year time frame. Fracking is clearly accelerating methane emissions in

North America. [\[13\]](#)

North America emissions sources

Estimated total emissions in 2017: 13722 kt (17.3% of global emissions)



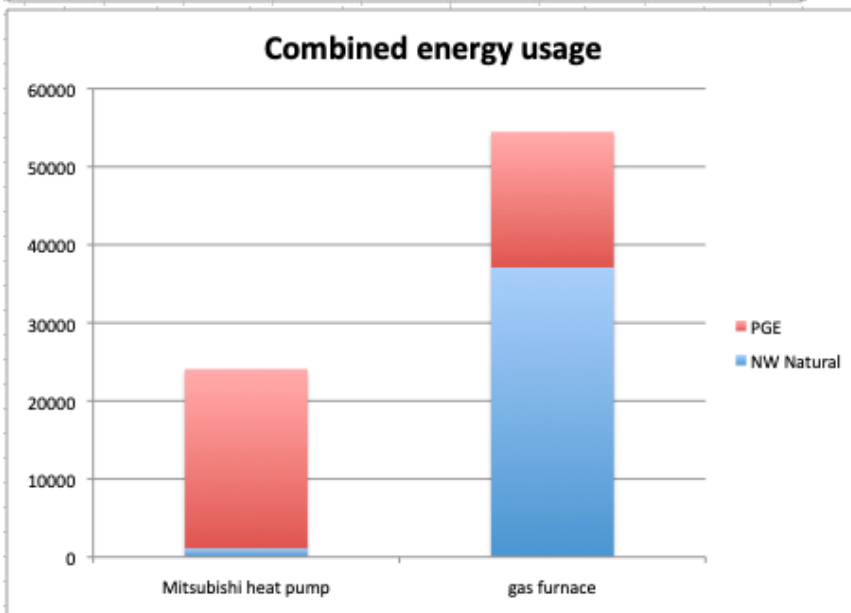
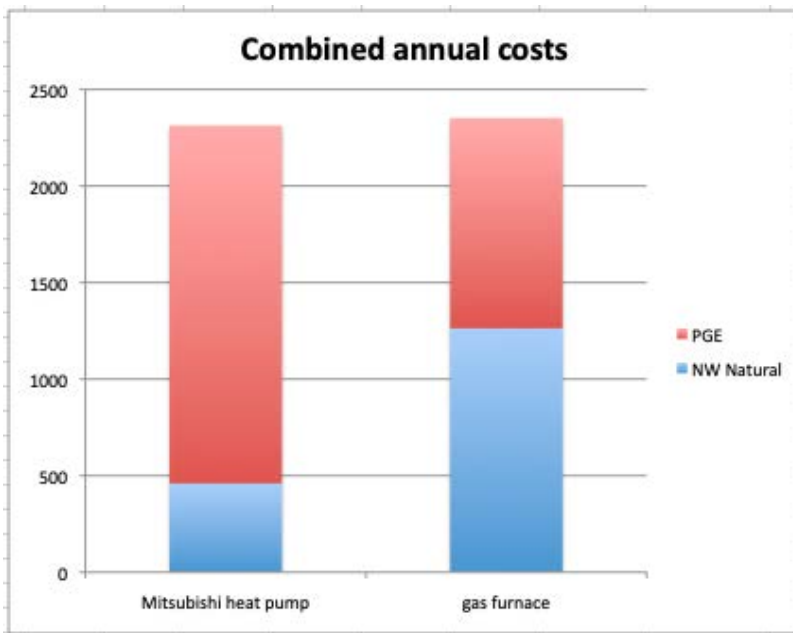
Last summer, my husband and I made inquiries to the ETO about replacing our 25-year-old heat pump and 13-year-old Bryant 96.6 AFUE and 100,000 BTU gas furnace. We had originally intended to keep our gas furnace as back up heating. But premature failure of the secondary heat exchanger was noticed. [\[14\]](#) Could we replace them both with a high efficiency heat pump? Would it work without back up on cold days? Would the electric energy costs be affordable?

ETO did not tell me about a study [\[15\]](#) that was completed in 2017 at the direction of OPUC. This study modeled the economics of heating and cooling, comparing a heat pump system with a natural gas furnace system combined with air conditioning. That said, the cost analyses didn't account for higher fossil fuel energy prices—something that is surely inevitable as earth becomes scorched by more wild fires while glaciers melt.

We took a gamble on a Mitsubishi Hyper-Heating heat pump, which was touted to work efficiently when temperatures dropped as low as -13° F. Unfortunately when temperatures dipped to freezing, our home was too cold. So we added supplemental heat strips for comfort.

Over the year, I collected data on total energy costs and energy usage (converting therms to kWh by multiplying by 29.3 [\[16\]](#)) for our approximately 2400 square foot home. We have a gas stovetop, a water heater and fireplace. Since the conversion, our NW Natural Gas bills average ~\$30 monthly. ~1/3 of our bill is an \$8.00 monthly rate, a franchise fee and the public purpose charge (which is currently 4.89% and 4.14% for residential and commercial customers respectively).

I was comforted that after converting our HVAC systems to all-electric, our total energy costs were similar. I was astounded that we required half the energy (in kWh) to keep our home comfortable after replacing both units with a high efficiency heat pump.



Fracked gas is a cheap fuel. For now, that is. Rapidly accelerating climate change due to methane leaks will change that equation when we put a cost on greenhouse gas emissions.

Gas furnaces are not a climate solution at Project Drawdown.^[17] Heat pumps are ranked 42. Other solutions include electric vehicles: 26; insulation: 31; LED lighting (household): 33 and Smart thermostats: 57.

We need to rapidly eliminate fossil fuels from the electric grid and from HVAC systems. ETO incentives for gas furnaces, water heaters and appliances lock residential customers into 15-20 more years of gas or will strand them with unusable furnaces and appliances. **OPUC should direct ETO to end financial incentivizes for natural gas appliances and heating systems. OPUC could either eliminate public purpose charges on gas utilities or, preferably, re-direct them toward clean renewables.**

Kris Alman M.D.

[1] Detailed in this report:

[1] <https://www.oregon.gov/puc/utilities/Documents/SB978LegislativeReport-2018.pdf>

[2] <https://rmi.org/press-release/announced-investment-in-us-natural-gas-infrastructure-could-lead-to-over-100-billion-in-stranded-costs-as-clean-energy-prices-fall/>

[3] https://www.eia.gov/dnav/ng/ng_cons_pns_a_EPG0_VRP_pct_a.htm

[4] https://www.eia.gov/dnav/ng/ng_cons_sum_dc_u_SOR_a.htm

[5] Senate Bill 1149 (1999) and Senate Bill 838 (2007) <https://www.energytrust.org/about/explore-energy-trust/mission-approach/funding/>

[6] https://www.eastoregonian.com/news/local/pge-seeks-permit-to-increase-pollution-at-carty-plant/article_3c2604ed-4b96-5960-b4bf-51fb009b21d7.html

[7] <https://www.ajot.com/news/the-us-leads-global-petroleum-and-natural-gas-production-with-record-growth-in-2018>

[8] <https://www.csmonitor.com/USA/Politics/2018/1018/How-the-US-became-a-leading-fossil-fuels-exporter>

[9] <https://www.eia.gov/tools/faqs/faq.php?id=427&id=427&t=3>

[10]

<https://content.sierraclub.org/coal/sites/content.sierraclub.org/coal/files/Final%20Gas%20Report.pdf?scv=1516508616196>

[11] <https://www.biogeosciences.net/16/3033/2019/>

[12] <https://www.edf.org/climate/methane-other-important-greenhouse-gas>

[13] <https://www.iea.org/weo/methane/database/>

[14] <https://www.achrnews.com/articles/105099-carrier-settles-lawsuit-extends-warranty-coverage>

Unbeknownst to us, this failure led to a class action lawsuit.

[15] <https://apps.puc.state.or.us/orders/2017ords/17-047.pdf>

[16] <https://sciencing.com/convert-therms-kwh-8391252.html>

[17] <https://www.drawdown.org/solutions-summary-by-rank>

Energy Trust of Oregon
Income Statement Budget Comparison
2019 to 2021

| | Budget 2019 | Forecast 2019 | Budget 2020 | Projection 2021 |
|---|---------------------|--------------------|---------------------|--------------------|
| <u>OREGON PPC REVENUE</u> | | | | |
| Public Purpose Funds-PGE | 38,961,842 | 38,869,876 | 38,961,842 | 38,961,842 |
| Incremental Funds - PGE | 51,874,804 | 53,897,212 | 48,674,804 | 48,674,804 |
| Public Purpose Funds-PacifiCorp | 28,848,138 | 28,625,759 | 27,771,831 | 28,038,462 |
| Incremental Funds - PacifiCorp | 32,112,130 | 32,153,710 | 32,300,550 | 32,300,550 |
| Public Purpose Funds-NW Natural | 20,558,144 | 20,415,328 | 20,358,144 | 20,358,144 |
| NW Natural - Industrial DSM | 3,769,769 | 3,769,658 | 4,185,585 | 4,804,314 |
| Public Purpose Funds-Cascade | 2,915,331 | 3,396,239 | 3,043,738 | 3,043,738 |
| Public Purpose Funds-Avista | 2,091,870 | 2,091,870 | 2,073,292 | 1,823,292 |
| Total Oregon PPC Revenue | 181,132,028 | 183,219,652 | 177,369,785 | 178,005,146 |
| | | | | |
| NW Natural - Washington | 2,194,160 | 2,230,921 | 2,556,282 | 2,508,555 |
| Community Solar Revenue | 355,063 | 355,063 | 546,896 | 552,000 |
| Revenue from Investments | 600,000 | 1,490,500 | 1,000,000 | 900,000 |
| Total Other Sources of Revenue | 3,149,223 | 4,076,484 | 4,103,177 | 3,960,555 |
| | | | | |
| TOTAL REVENUE | 184,281,251 | 187,296,136 | 181,472,963 | 181,965,701 |
| <u>EXPENSES</u> | | | | |
| Incentives | 109,121,220 | 97,978,531 | 113,220,092 | 101,433,226 |
| Program Delivery Subcontracts | 61,771,050 | 61,764,448 | 58,123,983 | 57,025,683 |
| Employee Salaries & Fringe Benefits | 14,546,604 | 14,185,718 | 15,685,787 | 16,658,688 |
| Agency Contractor Services | 1,927,964 | 1,610,115 | 1,730,794 | 1,424,280 |
| Planning and Evaluation Services | 3,702,872 | 3,062,267 | 3,512,048 | 2,753,929 |
| Advertising and Marketing Services | 3,195,450 | 3,194,950 | 3,309,550 | 3,031,050 |
| Other Professional Services | 4,771,018 | 3,979,407 | 5,907,948 | 4,787,238 |
| Travel, Meetings, Trainings & Conferences | 470,440 | 413,200 | 573,760 | 558,640 |
| Dues, Licenses and Fees | 253,683 | 297,749 | 280,501 | 276,063 |
| Software and Hardware | 526,989 | 481,685 | 691,221 | 719,800 |
| Depreciation & Amortization | 264,647 | 223,380 | 273,112 | 284,576 |
| Office Rent and Equipment | 1,059,933 | 1,059,933 | 1,087,933 | 1,064,933 |
| Materials Postage and Telephone | 137,450 | 132,950 | 154,050 | 159,750 |
| Miscellaneous Expenses | 4,500 | 5,225 | 5,350 | 5,650 |
| TOTAL EXPENSES | 201,753,819 | 188,389,560 | 204,556,129 | 190,183,506 |
| | | | | |
| TOTAL REVENUE LESS EXPENSES | (17,472,568) | (1,093,424) | (23,083,166) | (8,217,805) |

Energy Trust of Oregon
2020 Approved Budget versus Draft

| SAVINGS & GENERATION | Draft 2020 | Approved 2020 | Change | Percent Change |
|--|-----------------------|--------------------------|------------------|---------------------------|
| PGE | 27.53 | 27.40 | (0.13) | -0.5% |
| Pacific Power | 18.06 | 17.98 | (0.08) | -0.4% |
| Total Electric Savings (aMW) | 45.59 | 45.38 | (0.21) | -0.5% |
| NW Natural | 5.91 | 5.93 | 0.02 | 0.3% |
| Cascade Natural Gas | 0.55 | 0.55 | - | 0.0% |
| Avista | 0.38 | 0.39 | 0.01 | 2.6% |
| Total Gas Savings (MM Therms) | 6.84 | 6.87 | 0.03 | 0.4% |
| PGE Generation | 2.32 | 2.25 | (0.07) | -3.0% |
| Pacific Power Generation | 1.04 | 1.02 | (0.02) | -1.9% |
| Total Generation (aMW) | 3.36 | 3.27 | (0.09) | -2.6% |
| FINANCIALS | | | | |
| REVENUE | 182,312,758 | 181,472,964 | (839,794) | -0.5% |
| Expenses by Function | | | | |
| Electric Efficiency | 144,310,248 | 144,851,263 | 541,015 | 0.4% |
| Gas Efficiency | 31,036,726 | 32,038,723 | 1,001,997 | 3.2% |
| Renewable Energy | 17,127,677 | 17,627,801 | 500,124 | 2.9% |
| Community Solar | 400,174 | 337,205 | (62,969) | -15.7% |
| Management & General | 5,497,146 | 5,542,869 | 45,723 | 0.8% |
| Communications and Outreach | 4,113,892 | 4,158,253 | 44,361 | 1.1% |
| TOTAL | 202,485,849 | 204,556,129 | 2,070,280 | 1.0% |
| Expenses by Nature | | | | |
| Efficiency Incentives | 99,646,929 | 100,683,289 | 1,036,360 | 1.0% |
| Renewable Incentives | 12,045,908 | 12,536,803 | 490,895 | 4.1% |
| Program Delivery Subcontractors | 58,074,622 | 58,123,982 | 49,360 | 0.1% |
| Employee Salaries and Fringe Benefits | 15,688,818 | 15,685,788 | (3,030) | 0.0% |
| All Other Expenses | 17,029,572 | 17,526,267 | 496,695 | 2.9% |
| TOTAL | 202,485,849 | 204,556,129 | 2,070,280 | 1.0% |
| Expenses by Utility, Fully Loaded | | | | |
| Electric | 151,544,905 | 152,110,595 | 565,690 | 0.4% |
| Gas | 32,588,386 | 33,638,577 | 1,050,191 | 3.2% |
| Renewables | 17,934,552 | 18,454,229 | 519,677 | 2.9% |
| Community Solar | 418,015 | 352,715 | (65,300) | -15.6% |
| TOTAL | 202,485,849 | 204,556,129 | 2,070,280 | 1.0% |
| Expenses by Sector | | | | |
| Commercial | 81,238,051 | 81,380,961 | 142,910 | 0.2% |
| Industrial | 42,575,055 | 42,970,023 | 394,968 | 0.9% |
| Residential | 49,581,524 | 50,656,457 | 1,074,933 | 2.2% |
| Washington | 2,576,869 | 2,579,668 | 2,799 | 0.1% |
| NEEA Combined | 8,161,783 | 8,162,072 | 289 | 0.0% |
| Efficiency Total | 184,133,282 | 185,749,181 | 1,615,899 | 0.9% |
| Renewables total | 17,934,551 | 18,454,229 | 519,678 | 2.9% |
| Community Solar | 418,015 | 352,715 | (65,300) | -15.6% |
| Grand total | 202,485,849 | 204,556,129 | 2,070,280 | 1.0% |

2020 Approved Budget - Recap Spending and Savings

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 | 44.2 | 8.5 | 52.7 | 13.09 | 3.6 | 1,757,530 | 41.49 |
| Business Energy Solutions – Multifamily | 8.3 | 1.6 | 9.9 | 1.46 | 5.6 | 204,919 | 59.36 |
| Business Energy Solutions – New Buildings | 17.0 | 1.9 | 18.8 | 4.77 | 3.7 | 548,061 | 29.55 |
| Mkt Transformation (Alliance) | 2.5 | 1.0 | 3.5 | 0.67 | 7.2 | 456 | |
| Total Commercial | 71.9 | 13.0 | 84.9 | 20.00 | 3.9 | 2,510,966 | 44.07 |
| Industrial | | | | | | | |
| Production Efficiency | 39.4 | 3.6 | 43.0 | 17.14 | 2.5 | 1,514,698 | 23.33 |
| Mkt Transformation (Alliance) | 0.4 | 0.0 | 0.4 | 0.80 | 1.0 | | |
| Total Industrial | 39.9 | 3.6 | 43.4 | 17.94 | 2.5 | 1,514,698 | 23.33 |
| Residential | | | | | | | |
| Home Energy Solutions – Residential | 36.5 | 14.1 | 50.7 | 5.50 | 6.6 | 2,478,903 | 40.05 |
| Mkt Transformation (Alliance) | 3.8 | 0.4 | 4.2 | 1.94 | 2.3 | 22,232 | |
| Total Residential | 40.3 | 14.5 | 54.8 | 7.44 | 5.6 | 2,501,135 | 40.68 |
| Washington | | | | | | | |
| Business Energy Solutions – Existing Buildings | | 0.9 | 0.9 | | | 111,413 | 63.09 |
| Home Energy Solutions – Residential | | 1.7 | 1.7 | | | 227,918 | 50.99 |
| Total Washington | | 2.6 | 2.6 | | | 339,331 | 54.50 |
| Total Energy Efficiency | \$152.1 | \$33.6 | \$185.7 | 45.38 | 3.6 | 6,866,130 | 39.00 |

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 | 8.1 | | 7.8 | 0.70 | 11.64 | 1.03 | 7.63 |
| Solar Electric | 12.4 | | 10.6 | 2.04 | 6.10 | 2.24 | 4.74 |
| Total Renewable Resources | \$20.6 | | \$18.5 | 2.74 | 7.52 | 3.27 | 5.65 |

TOTAL BUDGET - ALL

\$204.2

Some columns may not add due to rounding

ENERGY TRUST OF OREGON
Summary of All Units
2020 Approved Budget

| | ENERGY EFFICIENCY | | | | | | | RENEWABLE ENERGY | | | OPUC Grant Funded Programs |
|--|---------------------|--------------------|------------------|-------------------|------------------|------------------|---------------------|--------------------|--------------------|--------------------|----------------------------|
| | PGE | PacifiCorp | NWN Industrial | NW Natural | Cascade | Avista | Total | PGE | PacifiCorp | Total | |
| REVENUES | | | | | | | | | | | |
| Public Purpose Funding | 30,143,000 | 21,610,638 | | 20,358,144 | 3,043,738 | 2,073,292 | 77,228,812 | 8,818,842 | 6,161,193 | 14,980,035 | 92,208,847 |
| Incremental Funding | 48,674,804 | 32,300,550 | 4,185,585 | | | | 85,160,939 | | | | 85,160,939 |
| Grant Revenue | | | | | | | | | | | |
| Community Solar Revenue | | | | | | | | | | | |
| Contributions | | | | | | | | | | | |
| Revenue from Investments | | | | | | | | | | | |
| Gain or Loss on Investments | | | | | | | | | | | |
| TOTAL PROGRAM REVENUE | 78,817,804 | 53,911,188 | 4,185,585 | 20,358,144 | 3,043,738 | 2,073,292 | 162,389,751 | 8,818,842 | 6,161,193 | 14,980,035 | 177,369,786 |
| EXPENSES | | | | | | | | | | | |
| Incentives | 48,736,213 | 33,890,369 | 3,062,638 | 10,868,685 | 1,862,012 | 952,419 | 99,372,337 | 7,128,747 | 5,408,056 | 12,536,803 | 111,909,140 |
| Program Delivery Subcontracts | 28,333,767 | 18,956,949 | 1,047,544 | 6,970,218 | 1,022,351 | 663,624 | 56,994,452 | 239,174 | 176,217 | 415,391 | 57,409,843 |
| Employee Salaries and Fringe Benefits | 1,881,751 | 1,282,742 | 100,438 | 453,026 | 59,396 | 34,333 | 3,811,685 | 802,060 | 621,039 | 1,423,098 | 5,234,783 |
| Agency Contractor Services | 327,629 | 237,700 | 24,334 | 60,942 | 12,389 | 6,471 | 669,465 | 116,934 | 72,395 | 189,329 | 858,794 |
| Planning and Evaluation Services | 1,585,927 | 1,079,356 | 77,287 | 300,268 | 57,930 | 15,276 | 3,116,048 | 12,352 | 13,648 | 26,000 | 3,142,048 |
| Advertising and Marketing Services | 883,721 | 607,634 | 40,911 | 260,338 | 35,580 | 19,314 | 1,847,500 | 211,642 | 136,358 | 348,000 | 2,195,500 |
| Other Professional Services | 1,382,107 | 925,858 | 48,271 | 370,654 | 49,341 | 30,867 | 2,807,100 | 741,375 | 739,374 | 1,480,749 | 4,287,849 |
| Travel, Meetings, Trainings and Conference | 71,323 | 48,904 | 3,689 | 18,389 | 2,732 | 1,461 | 146,500 | 26,191 | 20,309 | 46,500 | 193,000 |
| Dues, Licenses and fees | 32,285 | 22,336 | 2,363 | 5,401 | 1,788 | 884 | 65,057 | 9,804 | 7,746 | 17,550 | 82,607 |
| Software and Hardware | - | - | - | - | - | - | - | 147,671 | 91,424 | 239,095 | 239,095 |
| Materials Postage and Telephone | 5,173 | 4,054 | 531 | 482 | 182 | 77 | 10,500 | 3,129 | 2,071 | 5,200 | 15,700 |
| Shared Office Space | 283,391 | 191,383 | 14,912 | 67,824 | 9,508 | 5,452 | 572,470 | 103,651 | 77,553 | 181,204 | 753,674 |
| Shared Information Technology | 1,120,436 | 732,132 | 47,459 | 302,645 | 38,867 | 22,991 | 2,264,531 | 318,031 | 246,518 | 564,549 | 2,829,080 |
| Customer Service Management | 158,372 | 105,467 | 5,980 | 50,366 | 6,873 | 3,927 | 330,983 | 11,754 | 7,277 | 19,030 | 350,013 |
| Trade Ally Management | 144,334 | 99,266 | 815 | 75,638 | 7,162 | 4,347 | 331,562 | 23,837 | 14,778 | 38,615 | 370,177 |
| Planning & Evaluation Management | 1,044,020 | 676,664 | 40,954 | 274,476 | 34,481 | 20,577 | 2,091,175 | 57,787 | 38,901 | 96,688 | 2,187,863 |
| TOTAL PROGRAM EXPENSES | 85,990,449 | 58,860,814 | 4,518,126 | 20,079,352 | 3,200,592 | 1,782,020 | 174,431,365 | 9,954,139 | 7,673,664 | 17,627,801 | 192,059,166 |
| ADMINISTRATIVE COSTS | | | | | | | | | | | |
| Management & General (Notes 1 & 2) | 2,446,095 | 1,674,362 | 128,523 | 571,179 | 91,045 | 50,692 | 4,961,897 | 283,157 | 218,286 | 501,442 | 5,463,339 |
| Communications & Customer Svc (Notes | 1,867,395 | 1,271,480 | 97,304 | 431,902 | 69,444 | 38,733 | 3,776,255 | 185,780 | 139,206 | 324,986 | 4,101,241 |
| Total Administrative Costs | 4,313,490 | 2,945,842 | 225,827 | 1,003,081 | 160,489 | 89,425 | 8,738,152 | 468,937 | 357,492 | 826,428 | 9,564,580 |
| TOTAL PROG & ADMIN EXPENSES | 90,303,939 | 61,806,656 | 4,743,953 | 21,082,433 | 3,361,081 | 1,871,445 | 183,169,517 | 10,423,076 | 8,031,156 | 18,454,229 | 201,623,746 |
| TOTAL REVENUE LESS EXPENSES | (11,486,135) | (7,895,468) | (558,368) | (724,289) | (317,343) | 201,847 | (20,779,766) | (1,604,234) | (1,869,963) | (3,474,194) | (24,253,960) |
| NET ASSETS - RESERVES | | | | | | | | | | | |
| Rollforward from beginning of year | | | | | | | | | | | |
| Beginning Total Net Assets at 1/1/2020 | 19,033,335 | 8,938,284 | 779,271 | 3,039,800 | 908,376 | 41,056 | 32,740,122 | 12,278,779 | 6,170,365 | 18,449,143 | 51,189,266 |
| Current Year Revenue Less Expenses | (11,486,135) | (7,895,468) | (558,368) | (724,289) | (317,343) | 201,847 | (20,779,766) | (1,604,234) | (1,869,963) | (3,474,194) | (24,253,960) |
| Attribution of Investment income (est) | 274,764 | 103,175 | 10,339 | 55,358 | 15,499 | 2,935 | 462,071 | 237,269 | 108,237 | 345,506 | 807,576 |
| Ending Net Assets | 7,821,964 | 1,145,991 | 231,242 | 2,370,869 | 606,533 | 245,838 | 12,422,427 | 10,911,814 | 4,408,639 | 15,320,455 | 27,742,882 |
| Ending Reserve by Category | | | | | | | | | | | |
| Efficiency Program Reserves by Utility | 7,821,964 | 1,145,991 | 231,242 | 2,370,869 | 606,533 | 245,838 | 12,422,427 | | | | 12,422,427 |
| Renewable Reserves by Utility | | | | | | | | 10,911,814 | 4,408,639 | 15,320,455 | 15,320,455 |
| Net Assets by Other Funding Source | | | | | | | | | | | |
| Net Assets Loaned through Craft3 Progra | | | | | | | | | | | |
| Operational Contingency Reserve | | | | | | | | | | | |
| Emergency Contingency Reserve | | | | | | | | | | | |
| TOTAL NET ASSETS CUMULATIVE | 7,821,964 | 1,145,991 | 231,242 | 2,370,869 | 606,533 | 245,838 | 12,422,427 | 10,911,814 | 4,408,639 | 15,320,455 | 27,742,882 |

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.

ENERGY TRUST OF OREGON
Summary of All Units
2020 Approved Budget

| | NWN WA | OTHER FUNDING SOURCES | | Investment Income | TOTAL ORGANIZATION |
|--|------------------|-----------------------|-----------------|----------------------|-----------------------|
| | | Fund Development | Community Solar | | |
| REVENUES | | | | | |
| Public Purpose Funding | | | | | 92,208,847 |
| Incremental Funding | 2,556,282 | | | | 87,717,221 |
| Grant Revenue | | | | | |
| Community Solar Revenue | | | 546,896 | | 546,896 |
| Contributions | | | | | |
| Revenue from Investments | | | | 1,000,000 | 1,000,000 |
| Gain or Loss on Investments | | | | | |
| TOTAL PROGRAM REVENUE | 2,556,282 | | 546,896 | 1,000,000 | 181,472,964 |
| EXPENSES | | | | | |
| Incentives | 1,310,952 | - | - | - | 113,220,092 |
| Program Delivery Subcontracts | 714,139 | - | - | - | 58,123,982 |
| Employee Salaries and Fringe Benefits | 124,751 | - | 244,046 | - | 5,603,580 |
| Agency Contractor Services | - | - | - | - | 858,794 |
| Planning and Evaluation Services | - | - | - | - | 3,142,048 |
| Advertising and Marketing Services | - | - | - | - | 2,195,500 |
| Other Professional Services | 21,550 | - | 33,976 | - | 4,343,375 |
| Travel, Meetings, Trainings and Conference | 5,250 | - | 3,410 | - | 201,660 |
| Dues, Licenses and fees | 38,137 | - | - | - | 120,744 |
| Software and Hardware | - | - | - | - | 239,095 |
| Materials Postage and Telephone | - | - | - | - | 15,700 |
| Shared Office Space | 21,860 | - | 24,114 | - | 799,648 |
| Shared Information Technology | 67,003 | - | 31,659 | - | 2,927,742 |
| Customer Service Management | 51,470 | - | - | - | 401,483 |
| Trade Ally Management | - | - | - | - | 370,177 |
| Planning & Evaluation Management | 103,521 | - | - | - | 2,291,384 |
| TOTAL PROGRAM EXPENSES | 2,458,633 | - | 337,205 | - | 194,855,004 |
| ADMINISTRATIVE COSTS | | | | | |
| Management & General (Notes 1 & 2) | 69,938 | - | 9,592 | - | 5,542,869 |
| Communications & Customer Svc (Notes) | 51,094 | - | 5,918 | - | 4,158,253 |
| Total Administrative Costs | 121,032 | - | 15,510 | - | 9,701,122 |
| TOTAL PROG & ADMIN EXPENSES | 2,579,665 | - | 352,715 | - | 204,556,126 |
| TOTAL REVENUE LESS EXPENSES | (23,383) | - | 194,181 | 1,000,000 | (23,083,162) |
| NET ASSETS - RESERVES | | | | | |
| Rollforward from beginning of year | | | | | |
| Beginning Total Net Assets at 1/1/2020 | 234,341 | 19,359 | 159,046 | 10,109,340 | 61,711,351 |
| Current Year Revenue Less Expenses | (23,383) | | 194,181 | 1,000,000 | (23,083,162) |
| Attribution of Investment income (est) | 4,603 | 400 | 5,295 | (817,875) | - |
| Ending Net Assets | 215,561 | 19,759 | 358,522 | 10,291,465 | 38,628,187 |
| Ending Reserve by Category | | | | | |
| Efficiency Program Reserves by Utility | | | | | 12,422,427 |
| Renewable Reserves by Utility | | | | | 15,320,455 |
| Net Assets by Other Funding Source | 215,561 | 19,759 | 358,522 | | 593,842 |
| Net Assets Loaned through Craft3 Progra | | | | 1,800,000 | 1,800,000 |
| Operational Contingency Reserve | | | | 3,491,465 | 3,491,465 |
| Emergency Contingency Reserve | | | | 5,000,000 | 5,000,000 |
| TOTAL NET ASSETS CUMULATIVE | 215,561 | 19,759 | 358,522 | 10,291,465 | 38,628,187 |

Energy Trust of Oregon
Administrative Expenses classified by OPUC Performance Measure
2020 Approved Budget

| | PUC Grant Funded Expenditure | | |
|---|-------------------------------------|----------------------|---|
| | PUC Grant Funded Total | Program Costs | Program Support and Administrative |
| Incentives | \$111,909,140 | \$111,909,140 | |
| Program Delivery Subcontracts | 57,409,844 | 57,409,844 | |
| Employee Salaries & Fringe Benefits | 15,054,554 | 7,404,773 | 7,649,781 |
| Agency Contractor Services | 1,712,209 | 858,794 | 853,415 |
| Planning and Evaluation Services | 3,496,898 | 3,383,151 | 113,747 |
| Advertising and Marketing Services | 3,293,377 | 2,202,344 | 1,091,033 |
| Other Professional Services | 5,819,585 | 4,621,780 | 1,197,805 |
| Travel, Meetings, Trainings & Conferences | 554,151 | | 554,151 |
| Dues, Licenses and Fees | 237,115 | | 237,115 |
| Software and Hardware | 676,122 | | 676,122 |
| Depreciation & Amortization | 263,200 | | 263,200 |
| Office Rent and Equipment | 1,043,426 | | 1,043,426 |
| Materials Postage and Telephone | 148,934 | | 148,934 |
| Miscellaneous Expenses | 5,194 | | 5,194 |
| TOTAL FUNCTIONAL EXPENSE | 201,623,746 | 187,789,826 | 13,833,923 |

OPUC Grant / Utility Funded Revenue

177,369,785

Performance against OPUC Measure

Program support and administrative cost may not exceed 8% of Revenue

| | | |
|--|------|------------|
| Maximum allowed under the performance measure | 8.0% | 14,189,583 |
| Actual program support and administrative cost | 7.8% | 13,833,923 |
| Unspent below the maximum allowed | | 355,660 |

**Energy Trust of Oregon
Summary by Service Territory and Program
2020 Approved Budget**

| | <u>PGE</u> | <u>Pacific Power</u> | <u>Subtotal Elec.</u> | <u>NWN Industrial</u> | <u>NW Natural Gas</u> | <u>Cascade</u> | <u>Avista</u> | <u>Subtotal Gas</u> | <u>Oregon Total</u> | <u>NWN WA</u> | <u>ETO Total</u> |
|--|--------------------|----------------------|-----------------------|-----------------------|-----------------------|------------------|------------------|---------------------|---------------------|------------------|--------------------|
| Energy Efficiency | | | | | | | | | | | |
| Commercial | | | | | | | | | | | |
| Existing Buildings | 31,191,566 | 21,280,831 | 52,472,397 | 2,205,649 | 5,330,062 | 1,658,924 | 903,847 | 10,098,482 | 62,570,879 | 901,236 | 63,472,115 |
| New Buildings | 12,286,698 | 4,665,324 | 16,952,022 | 55,223 | 1,468,886 | 203,118 | 130,833 | 1,858,060 | 18,810,082 | | 18,810,082 |
| NEEA | 1,431,534 | 1,068,075 | 2,499,609 | | 833,568 | 104,196 | 104,196 | 1,041,959 | 3,541,568 | | 3,541,568 |
| Total Commercial | 44,909,798 | 27,014,230 | 71,924,028 | 2,260,872 | 7,632,516 | 1,966,238 | 1,138,875 | 12,998,501 | 84,922,529 | 901,236 | 85,823,765 |
| Industrial | | | | | | | | | | | |
| Production Efficiency | 21,658,964 | 17,749,759 | 39,408,723 | 2,483,080 | 833,253 | 210,700 | 34,267 | 3,561,300 | 42,970,023 | | 42,970,023 |
| NEEA | 256,135 | 191,103 | 447,238 | | | | | | 447,238 | | 447,238 |
| Total Industrial | 21,915,098 | 17,940,863 | 39,855,961 | 2,483,080 | 833,253 | 210,700 | 34,267 | 3,561,300 | 43,417,261 | | 43,417,261 |
| Residential | | | | | | | | | | | |
| Residential Combined | 21,305,016 | 15,229,513 | 36,534,529 | | 12,314,919 | 1,146,424 | 660,585 | 14,121,928 | 50,656,457 | 1,678,432 | 52,334,889 |
| NEEA | 2,174,027 | 1,622,053 | 3,796,080 | | 301,749 | 37,718 | 37,718 | 377,186 | 4,173,266 | | 4,173,266 |
| Total Residential | 23,479,043 | 16,851,566 | 40,330,609 | | 12,616,668 | 1,184,143 | 698,303 | 14,499,114 | 54,829,723 | 1,678,432 | 56,508,155 |
| Energy Efficiency Program Costs | 90,303,939 | 61,806,656 | 152,110,598 | 4,743,953 | 21,082,433 | 3,361,081 | 1,871,445 | 31,058,915 | 183,169,517 | 2,579,665 | 185,749,181 |
| Renewables | | | | | | | | | | | |
| Solar Electric (Photovoltaic) | 6,562,815 | 4,063,100 | 10,625,915 | | | | | | 10,625,915 | | 10,625,915 |
| Other Renewable | 3,860,260 | 3,968,056 | 7,828,316 | | | | | | 7,828,316 | | 7,828,316 |
| Renewables Program Costs | 10,423,076 | 8,031,156 | 18,454,229 | | | | | | 18,454,231 | | 18,454,231 |
| Community Solar | | | | | | | | | | | 352,715 |
| Cost Grand Total | 100,727,015 | 69,837,812 | 170,564,827 | 4,743,953 | 21,082,433 | 3,361,081 | 1,871,445 | 31,058,915 | 201,623,748 | 2,579,665 | 204,556,126 |

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Approved Budget

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Washington | Solar Renewables | Custom Renewables | ETO Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|--------------------|-------------------------|-------------------|-------------------------|--------------------------|--------------------|
| Incentives | 31,137,724 | 3,165,576 | 10,193,257 | - | 26,120,398 | - | 28,755,381 | - | 1,310,952 | 6,806,000 | 5,730,803 | 113,220,091 |
| Program Delivery Subcontracts | 14,789,263 | 4,687,993 | 5,904,383 | 3,348,645 | 10,668,865 | 418,641 | 13,235,225 | 3,941,438 | 714,139 | 415,391 | - | 58,123,983 |
| Employee Salaries and Fringe Benefits | 652,000 | 372,035 | 328,895 | - | 1,234,843 | - | 1,223,913 | - | 124,751 | 805,635 | 617,464 | 5,359,536 |
| Agency Contractor Services | 270,655 | 55,125 | 10,125 | - | 221,030 | - | 112,530 | - | - | 189,329 | - | 858,794 |
| Planning and Evaluation Services | 494,240 | 227,247 | 314,704 | 23,527 | 347,464 | 10,980 | 647,913 | 25,097 | 103,521 | 68,455 | 28,233 | 2,291,381 |
| Advertising and Marketing Services | 430,499 | 75,000 | 142,999 | - | 383,001 | - | 815,999 | - | - | 297,000 | 51,000 | 2,195,498 |
| Other Professional Services | 732,000 | 438,999 | 120,099 | - | 549,001 | - | 966,999 | - | 21,550 | 756,749 | 724,000 | 4,309,397 |
| Travel, Meetings, Trainings and Conferences | 37,999 | 5,999 | 15,501 | - | 35,000 | - | 51,999 | - | 5,250 | 25,000 | 21,500 | 198,248 |
| Dues, Licenses and fees | 53,557 | 2,500 | 5,001 | - | 1,499 | - | 2,500 | - | 38,137 | 8,750 | 8,800 | 120,744 |
| Software and Hardware | - | - | - | - | - | - | - | - | - | 239,095 | - | 239,095 |
| Materials Postage and Telephone | 5,000 | - | - | - | 5,499 | - | - | - | - | 4,500 | 700 | 15,699 |
| Shared Office Space | 125,408 | 55,690 | 53,953 | - | 162,344 | - | 175,075 | - | 21,860 | 114,826 | 66,378 | 775,534 |
| Shared Information Technology | 429,976 | 230,167 | 276,796 | - | 489,008 | - | 838,583 | - | 67,003 | 318,399 | 246,150 | 2,896,082 |
| Customer Service Management | 92,503 | 26,297 | 28,465 | - | 34,167 | - | 149,553 | - | 51,470 | 19,031 | - | 401,486 |
| Trade Ally Management | 12,610 | 22,019 | 2,417 | - | 4,737 | - | 289,779 | - | - | 38,517 | 98 | 370,177 |
| Planning and Evaluation Management | 861,518 | 79,999 | 490,728 | - | 683,865 | - | 999,934 | - | - | 26,000 | - | 3,142,044 |
| TOTAL PROGRAM EXPENSES | 50,124,952 | 9,444,646 | 17,887,323 | 3,372,172 | 40,940,721 | 429,621 | 48,265,383 | 3,966,535 | 2,458,633 | 10,132,677 | 7,495,126 | 194,517,789 |
| ADMINISTRATIVE COSTS | | | | | | | | | | | | |
| Management & General | 1,425,862 | 268,664 | 508,824 | 95,925 | 1,164,605 | 12,221 | 1,372,963 | 112,832 | 69,938 | 288,235 | 213,208 | 5,533,277 |
| Communications & Customer Svc | 1,100,962 | 205,785 | 413,934 | 73,470 | 864,702 | 5,396 | 1,018,109 | 93,900 | 51,094 | 205,004 | 119,982 | 4,152,338 |
| Total Administrative Costs | 2,526,824 | 474,449 | 922,758 | 169,395 | 2,029,307 | 17,617 | 2,391,072 | 206,732 | 121,032 | 493,239 | 333,190 | 9,685,615 |
| Total Program & Admin Expenses | 52,651,776 | 9,919,095 | 18,810,081 | 3,541,567 | 42,970,028 | 447,238 | 50,656,455 | 4,173,267 | 2,579,665 | 10,625,916 | 7,828,316 | 204,203,404 |
| Energy Savings (kwh) | 114,702,524 | 12,814,724 | 41,806,893 | 5,870,653 | 150,180,913 | 7,005,720 | 48,214,036 | 16,975,118 | | | | 397,570,581 |
| Energy Savings (therms) | 1,757,530 | 204,919 | 548,061 | 456 | 1,514,698 | - | 2,478,903 | 22,232 | 339,331 | | | 6,866,130 |
| Energy Generation (kwh) | | | | | | | | | | 19,645,160 | 8,988,600 | 28,633,760 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Approved Budget**

ENERGY EFFICIENCY

PGE

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | NEEA Residential | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Incentives | 14,791,103 | 1,864,544 | 6,671,209 | | 13,285,866 | | 12,123,491 | | 48,736,213 |
| Program Delivery Subcontracts | 7,314,879 | 2,761,257 | 3,874,898 | 1,349,588 | 5,253,966 | 239,757 | 5,487,463 | 2,051,959 | 28,333,767 |
| Employee Salaries and Fringe Benefit | 313,407 | 219,158 | 214,752 | | 621,959 | | 512,475 | | 1,881,751 |
| Agency Contractor Services | 130,100 | 32,473 | 6,611 | | 111,327 | | 47,118 | | 327,629 |
| Planning and Evaluation Services | 237,496 | 134,435 | 202,475 | 13,474 | 172,225 | 6,288 | 263,254 | 14,373 | 1,044,020 |
| Advertising and Marketing Services | 206,935 | 44,181 | 93,372 | | 192,908 | | 346,325 | | 883,721 |
| Other Professional Services | 351,862 | 258,605 | 78,419 | | 288,320 | | 404,901 | | 1,382,107 |
| Travel, Meetings, Trainings and Confe | 18,266 | 3,534 | 10,121 | | 17,629 | | 21,773 | | 71,323 |
| Dues, Licenses and fees | 25,744 | 1,473 | 3,265 | | 756 | | 1,047 | | 32,285 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 2,403 | | | | 2,770 | | | | 5,173 |
| Shared Office Space | 60,282 | 32,806 | 35,228 | | 81,768 | | 73,307 | | 283,391 |
| Shared Information Technology | 206,684 | 135,586 | 180,734 | | 246,301 | | 351,131 | | 1,120,436 |
| Customer Service Management | 44,465 | 15,491 | 18,586 | | 17,209 | | 62,621 | | 158,372 |
| Trade Ally Management | 6,062 | 12,971 | 1,579 | | 2,386 | | 121,336 | | 144,334 |
| Planning and Evaluation Management | 421,107 | 48,266 | 292,704 | | 340,708 | | 483,142 | | 1,585,927 |
| TOTAL PROGRAM EXPENSES | 24,130,795 | 5,564,780 | 11,683,953 | 1,363,062 | 20,636,098 | 246,045 | 20,299,384 | 2,066,332 | 85,990,449 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 686,428 | 158,296 | 332,363 | 38,774 | 587,017 | 6,999 | 577,439 | 58,779 | 2,446,095 |
| Communications & Customer Svc | 530,017 | 121,248 | 270,381 | 29,697 | 435,851 | 3,090 | 428,195 | 48,916 | 1,867,395 |
| Total Administrative Costs | 1,216,445 | 279,544 | 602,744 | 68,471 | 1,022,868 | 10,089 | 1,005,634 | 107,695 | 4,313,490 |
| Total Program & Admin Expenses | 25,347,240 | 5,844,324 | 12,286,697 | 1,431,533 | 21,658,966 | 256,134 | 21,305,018 | 2,174,027 | 90,303,939 |
| Energy Savings (kwh) | 69,013,572 | 9,329,802 | 28,719,389 | 3,346,272 | 88,699,900 | 3,993,261 | 27,251,090 | 9,675,817 | 240,029,103 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Approved Budget**

ENERGY EFFICIENCY

Pacific Power

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Efficiency Total |
|---|-------------------------------|----------------------------------|--------------------------|----------------------------|----------------------------------|----------------------------|--------------------|-----------------------------|-----------------------------|
| Incentives | 10,972,495 | 787,657 | 2,531,135 | | 10,858,400 | | 8,740,682 | | 33,890,369 |
| Program Delivery Subcontracts | 5,426,402 | 1,166,464 | 1,470,182 | 1,006,935 | 4,330,961 | 178,884 | 3,846,143 | 1,530,978 | 18,956,949 |
| Employee Salaries and Fringe Benefit | 232,611 | 92,553 | 81,542 | | 509,702 | | 366,334 | | 1,282,742 |
| Agency Contractor Services | 96,560 | 13,714 | 2,510 | | 91,234 | | 33,682 | | 237,700 |
| Planning and Evaluation Services | 178,407 | 56,190 | 79,977 | 10,053 | 146,668 | 4,692 | 189,953 | 10,724 | 676,664 |
| Advertising and Marketing Services | 153,587 | 18,658 | 35,454 | | 158,090 | | 241,845 | | 607,634 |
| Other Professional Services | 261,152 | 109,213 | 29,776 | | 236,281 | | 289,436 | | 925,858 |
| Travel, Meetings, Trainings and Confe | 13,557 | 1,493 | 3,843 | | 14,447 | | 15,564 | | 48,904 |
| Dues, Licenses and fees | 19,107 | 622 | 1,240 | | 619 | | 748 | | 22,336 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 1,784 | | | | 2,270 | | | | 4,054 |
| Shared Office Space | 44,741 | 13,854 | 13,376 | | 67,010 | | 52,402 | | 191,383 |
| Shared Information Technology | 153,400 | 57,260 | 68,626 | | 201,847 | | 250,999 | | 732,132 |
| Customer Service Management | 33,002 | 6,542 | 7,057 | | 14,103 | | 44,763 | | 105,467 |
| Trade Ally Management | 4,499 | 5,478 | 599 | | 1,955 | | 86,735 | | 99,266 |
| Planning and Evaluation Management | 318,545 | 20,383 | 111,141 | | 277,921 | | 351,366 | | 1,079,356 |
| TOTAL PROGRAM EXPENSES | 17,909,849 | 2,350,081 | 4,436,458 | 1,016,988 | 16,911,508 | 183,576 | 14,510,652 | 1,541,702 | 58,860,814 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 509,466 | 66,851 | 126,200 | 28,929 | 481,067 | 5,222 | 412,772 | 43,855 | 1,674,362 |
| Communications & Customer Svc | 393,378 | 51,205 | 102,665 | 22,157 | 357,185 | 2,306 | 306,087 | 36,497 | 1,271,480 |
| Total Administrative Costs | 902,844 | 118,056 | 228,865 | 51,086 | 838,252 | 7,528 | 718,859 | 80,352 | 2,945,842 |
| Total Program & Admin Expenses | 18,812,693 | 2,468,137 | 4,665,323 | 1,068,074 | 17,749,760 | 191,104 | 15,229,511 | 1,622,054 | 61,806,656 |
| Energy Savings (kwh) | 45,688,952 | 3,484,921 | 13,087,505 | 2,524,381 | 61,481,013 | 3,012,460 | 20,962,946 | 7,299,301 | 157,541,478 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Approved Budget**

ENERGY EFFICIENCY

NW Natural Industrial

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | NEEA Residential | NEEA Residential | Efficiency Total |
|---|-------------------------------|----------------------------------|--------------------------|----------------------------|----------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Incentives | 1,696,584 | | 39,697 | | 1,326,357 | | | | 3,062,638 |
| Program Delivery Subcontracts | 229,269 | | 6,800 | | 811,475 | | | | 1,047,544 |
| Employee Salaries and Fringe Benefit | 27,527 | | 969 | | 71,942 | | | | 100,438 |
| Agency Contractor Services | 11,427 | | 30 | | 12,877 | | | | 24,334 |
| Planning and Evaluation Services | 20,132 | | 901 | | 19,921 | | | | 40,954 |
| Advertising and Marketing Services | 18,176 | | 421 | | 22,314 | | | | 40,911 |
| Other Professional Services | 30,905 | | 354 | | 17,012 | | | | 48,271 |
| Travel, Meetings, Trainings and Confe | 1,604 | | 46 | | 2,039 | | | | 3,689 |
| Dues, Licenses and fees | 2,261 | | 15 | | 87 | | | | 2,363 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 211 | | | | 320 | | | | 531 |
| Shared Office Space | 5,295 | | 159 | | 9,458 | | | | 14,912 |
| Shared Information Technology | 18,154 | | 815 | | 28,490 | | | | 47,459 |
| Customer Service Management | 3,905 | | 84 | | 1,991 | | | | 5,980 |
| Trade Ally Management | 532 | | 7 | | 276 | | | | 815 |
| Planning and Evaluation Management | 33,814 | | 2,217 | | 41,256 | | | | 77,287 |
| TOTAL PROGRAM EXPENSES | 2,099,796 | - | 52,515 | - | 2,365,815 | - | - | - | 4,518,126 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 59,731 | | 1,494 | | 67,298 | | | | 128,523 |
| Communications & Customer Svc | 46,121 | | 1,215 | | 49,968 | | | | 97,304 |
| Total Administrative Costs | 105,852 | - | 2,709 | - | 117,266 | - | - | - | 225,827 |
| Total Program & Admin Expenses | 2,205,648 | - | 55,224 | - | 2,483,081 | - | - | - | 4,743,953 |
| Energy Savings (therms) | 568,981 | - | 22,997 | - | 1,050,863 | - | - | - | 1,642,841 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Approved Budget**

ENERGY EFFICIENCY

NW Natural Gas

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | NEEA Residential | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Incentives | 2,284,548 | 454,390 | 775,095 | | 510,000 | | 6,844,652 | | 10,868,685 |
| Program Delivery Subcontracts | 1,129,814 | 672,919 | 450,205 | 793,698 | 201,421 | | 3,435,360 | 286,801 | 6,970,218 |
| Employee Salaries and Fringe Benefit | 48,774 | 53,393 | 25,772 | | 24,142 | | 300,945 | | 453,026 |
| Agency Contractor Services | 20,247 | 7,911 | 793 | | 4,321 | | 27,670 | | 60,942 |
| Planning and Evaluation Services | 36,499 | 32,415 | 25,902 | | 6,685 | | 172,975 | | 274,476 |
| Advertising and Marketing Services | 32,204 | 10,764 | 11,205 | | 7,488 | | 198,677 | | 260,338 |
| Other Professional Services | 54,758 | 63,003 | 9,411 | | 5,709 | | 237,773 | | 370,654 |
| Travel, Meetings, Trainings and Confe | 2,843 | 861 | 1,215 | | 684 | | 12,786 | | 18,389 |
| Dues, Licenses and fees | 4,006 | 359 | 392 | | 29 | | 615 | | 5,401 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 374 | | | | 108 | | | | 482 |
| Shared Office Space | 9,381 | 7,992 | 4,228 | | 3,174 | | 43,049 | | 67,824 |
| Shared Information Technology | 32,165 | 33,033 | 21,690 | | 9,560 | | 206,197 | | 302,645 |
| Customer Service Management | 6,920 | 3,774 | 2,231 | | 668 | | 36,773 | | 50,366 |
| Trade Ally Management | 943 | 3,160 | 189 | | 93 | | 71,253 | | 75,638 |
| Planning and Evaluation Management | 56,994 | 10,046 | 68,500 | | 19,820 | | 144,908 | | 300,268 |
| TOTAL PROGRAM EXPENSES | 3,720,470 | 1,354,020 | 1,396,828 | 793,698 | 793,902 | - | 11,733,633 | 286,801 | 20,079,352 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 105,833 | 38,517 | 39,734 | 22,578 | 22,583 | | 333,776 | 8,158 | 571,179 |
| Communications & Customer Svc | 81,718 | 29,502 | 32,324 | 17,292 | 16,768 | | 247,509 | 6,789 | 431,902 |
| Total Administrative Costs | 187,551 | 68,019 | 72,058 | 39,870 | 39,351 | - | 581,285 | 14,947 | 1,003,081 |
| Total Program & Admin Expenses | 3,908,021 | 1,422,039 | 1,468,886 | 833,568 | 833,253 | - | 12,314,918 | 301,748 | 21,082,433 |
| Energy Savings (therms) | 771,717 | 179,068 | 440,597 | 332 | 397,808 | - | 2,143,415 | 16,189 | 3,949,125 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Approved Budget**

ENERGY EFFICIENCY

Cascade Natural Gas

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Efficiency Total |
|---|-------------------------------|----------------------------------|--------------------------|----------------------------|----------------------------------|----------------------------|--------------------|-----------------------------|-----------------------------|
| Incentives | 945,529 | 12,832 | 104,793 | | 119,160 | | 679,698 | | 1,862,012 |
| Program Delivery Subcontracts | 467,607 | 19,004 | 60,868 | 99,212 | 62,039 | | 277,771 | 35,850 | 1,022,351 |
| Employee Salaries and Fringe Benefit | 20,203 | 1,508 | 3,564 | | 6,105 | | 28,016 | | 59,396 |
| Agency Contractor Services | 8,387 | 223 | 110 | | 1,093 | | 2,576 | | 12,389 |
| Planning and Evaluation Services | 14,775 | 915 | 3,314 | | 1,690 | | 13,787 | | 34,481 |
| Advertising and Marketing Services | 13,339 | 304 | 1,549 | | 1,893 | | 18,495 | | 35,580 |
| Other Professional Services | 22,682 | 1,779 | 1,301 | | 1,444 | | 22,135 | | 49,341 |
| Travel, Meetings, Trainings and Confe | 1,177 | 24 | 168 | | 173 | | 1,190 | | 2,732 |
| Dues, Licenses and fees | 1,660 | 10 | 54 | | 7 | | 57 | | 1,788 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 155 | | | | 27 | | | | 182 |
| Shared Office Space | 3,886 | 226 | 585 | | 803 | | 4,008 | | 9,508 |
| Shared Information Technology | 13,323 | 933 | 2,999 | | 2,417 | | 19,195 | | 38,867 |
| Customer Service Management | 2,866 | 107 | 308 | | 169 | | 3,423 | | 6,873 |
| Trade Ally Management | 391 | 89 | 26 | | 23 | | 6,633 | | 7,162 |
| Planning and Evaluation Management | 25,098 | 284 | 13,514 | | 3,707 | | 15,327 | | 57,930 |
| TOTAL PROGRAM EXPENSES | 1,541,078 | 38,238 | 193,153 | 99,212 | 200,750 | - | 1,092,311 | 35,850 | 3,200,592 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 43,838 | 1,088 | 5,494 | 2,822 | 5,711 | | 31,072 | 1,020 | 91,045 |
| Communications & Customer Svc | 33,849 | 833 | 4,470 | 2,162 | 4,240 | | 23,041 | 849 | 69,444 |
| Total Administrative Costs | 77,687 | 1,921 | 9,964 | 4,984 | 9,951 | - | 54,113 | 1,869 | 160,489 |
| Total Program & Admin Expenses | 1,618,765 | 40,159 | 203,117 | 104,196 | 210,701 | - | 1,146,424 | 37,719 | 3,361,081 |
| Energy Savings (therms) | 273,709 | 5,710 | 43,214 | 85 | 55,338 | - | 165,064 | 4,124 | 547,244 |

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Approved Budget

ENERGY EFFICIENCY

Avista

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|--------------------|-------------------------|-------------------------|
| Incentives | 447,465 | 46,153 | 71,328 | | 20,615 | | 366,858 | | 952,419 |
| Program Delivery Subcontracts | 221,292 | 68,349 | 41,430 | 99,212 | 9,003 | | 188,488 | 35,850 | 663,624 |
| Employee Salaries and Fringe Benefit: | 9,478 | 5,423 | 2,296 | | 993 | | 16,143 | | 34,333 |
| Agency Contractor Services | 3,934 | 804 | 71 | | 178 | | 1,484 | | 6,471 |
| Planning and Evaluation Services | 6,931 | 3,292 | 2,135 | | 275 | | 7,944 | | 20,577 |
| Advertising and Marketing Services | 6,258 | 1,093 | 998 | | 308 | | 10,657 | | 19,314 |
| Other Professional Services | 10,641 | 6,399 | 838 | | 235 | | 12,754 | | 30,867 |
| Travel, Meetings, Trainings and Confe | 552 | 87 | 108 | | 28 | | 686 | | 1,461 |
| Dues, Licenses and fees | 779 | 36 | 35 | | 1 | | 33 | | 884 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 73 | | | | 4 | | | | 77 |
| Shared Office Space | 1,823 | 812 | 377 | | 131 | | 2,309 | | 5,452 |
| Shared Information Technology | 6,250 | 3,355 | 1,932 | | 393 | | 11,061 | | 22,991 |
| Customer Service Management | 1,345 | 383 | 199 | | 27 | | 1,973 | | 3,927 |
| Trade Ally Management | 183 | 321 | 17 | | 4 | | 3,822 | | 4,347 |
| Planning and Evaluation Management | 5,960 | 1,020 | 2,652 | | 453 | | 5,191 | | 15,276 |
| TOTAL PROGRAM EXPENSES | 722,964 | 137,527 | 124,416 | 99,212 | 32,648 | - | 629,403 | 35,850 | 1,782,020 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 20,566 | 3,912 | 3,539 | 2,822 | 929 | | 17,904 | 1,020 | 50,692 |
| Communications & Customer Svc | 15,879 | 2,997 | 2,879 | 2,162 | 690 | | 13,277 | 849 | 38,733 |
| Total Administrative Costs | 36,445 | 6,909 | 6,418 | 4,984 | 1,619 | - | 31,181 | 1,869 | 89,425 |
| Total Program & Admin Expenses | 759,409 | 144,436 | 130,834 | 104,196 | 34,267 | - | 660,584 | 37,719 | 1,871,445 |
| Energy Savings (therms) | 143,123 | 20,141 | 41,253 | 39 | 10,689 | - | 170,424 | 1,919 | 387,588 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Approved Budget**

ENERGY EFFICIENCY

NW Natural Washington

| EXPENSES | Existing Buildings | NEEA Commercial | Residential | NEEA Residential | Efficiency Total |
|---|-------------------------------|----------------------------|--------------------|-----------------------------|-----------------------------|
| Incentives | 410,902 | | 900,050 | | 1,310,952 |
| Program Delivery Subcontracts | 270,876 | | 443,263 | | 714,139 |
| Employee Salaries and Fringe Benefit | 53,172 | | 71,579 | | 124,751 |
| Agency Contractor Services | | | | | - |
| Planning and Evaluation Services | 43,918 | | 59,603 | | 103,521 |
| Advertising and Marketing Services | | | | | - |
| Other Professional Services | 1,000 | | 20,550 | | 21,550 |
| Travel, Meetings, Trainings and Confe | 1,750 | | 3,500 | | 5,250 |
| Dues, Licenses and fees | 10,053 | | 28,084 | | 38,137 |
| Software and Hardware | | | | | - |
| Materials Postage and Telephone | | | | | - |
| Shared Office Space | 9,569 | | 12,291 | | 21,860 |
| Shared Information Technology | 30,583 | | 36,420 | | 67,003 |
| Customer Service Management | 25,494 | | 25,976 | | 51,470 |
| Trade Ally Management | | | | | - |
| Planning and Evaluation Management | | | | | - |
| TOTAL PROGRAM EXPENSES | 857,317 | - | 1,601,316 | - | 2,458,633 |
| ADMINISTRATIVE COSTS | | | | | |
| Management & General | 24,387 | | 45,551 | | 69,938 |
| Communications & Customer Svc | 19,531 | | 31,563 | | 51,094 |
| Total Administrative Costs | 43,918 | - | 77,114 | - | 121,032 |
| Total Program & Admin Expenses | 901,235 | - | 1,678,430 | - | 2,579,665 |
| Energy Savings (therms) | 111,413 | - | 227,918 | | 339,331 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Approved Budget**

RENEWABLE PROGRAMS

PGE Renewables

| EXPENSES | Standard Solar | Custom Projects | Renewable Total |
|---|---------------------------|----------------------------|----------------------------|
| Incentives | 4,308,000 | 2,820,747 | 7,128,747 |
| Program Delivery Subcontracts | 239,174 | | 239,174 |
| Employee Salaries and Fringe Benefit | 497,579 | 304,481 | 802,060 |
| Agency Contractor Services | 116,934 | | 116,934 |
| Planning and Evaluation Services | 43,865 | 13,922 | 57,787 |
| Advertising and Marketing Services | 186,493 | 25,149 | 211,642 |
| Other Professional Services | 379,375 | 362,000 | 741,375 |
| Travel, Meetings, Trainings and Confe | 15,441 | 10,750 | 26,191 |
| Dues, Licenses and fees | 5,404 | 4,400 | 9,804 |
| Software and Hardware | 147,671 | | 147,671 |
| Materials Postage and Telephone | 2,779 | 350 | 3,129 |
| Shared Office Space | 70,919 | 32,732 | 103,651 |
| Shared Information Technology | 196,651 | 121,380 | 318,031 |
| Customer Service Management | 11,754 | | 11,754 |
| Trade Ally Management | 23,789 | 48 | 23,837 |
| Planning and Evaluation Management | 12,352 | | 12,352 |
| TOTAL PROGRAM EXPENSES | 6,258,180 | 3,695,959 | 9,954,139 |
| ADMINISTRATIVE COSTS | | | |
| Management & General | 178,021 | 105,136 | 283,157 |
| Communications & Customer Svc | 126,615 | 59,165 | 185,780 |
| Total Administrative Costs | 304,636 | 164,301 | 468,937 |
| Total Program & Admin Expenses | 6,562,816 | 3,860,260 | 10,423,076 |
| Energy Generation (kwh) | 11,620,560 | 8,066,600 | 19,687,160 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Approved Budget**

RENEWABLE PROGRAMS

Pacific Power Renewables

| EXPENSES | Standard Solar | Custom Projects | Renewable Total |
|---|---------------------------|----------------------------|----------------------------|
| Incentives | 2,498,000 | 2,910,056 | 5,408,056 |
| Program Delivery Subcontracts | 176,217 | | 176,217 |
| Employee Salaries and Fringe Benefit | 308,056 | 312,983 | 621,039 |
| Agency Contractor Services | 72,395 | | 72,395 |
| Planning and Evaluation Services | 24,590 | 14,311 | 38,901 |
| Advertising and Marketing Services | 110,507 | 25,851 | 136,358 |
| Other Professional Services | 377,374 | 362,000 | 739,374 |
| Travel, Meetings, Trainings and Confe | 9,559 | 10,750 | 20,309 |
| Dues, Licenses and fees | 3,346 | 4,400 | 7,746 |
| Software and Hardware | 91,424 | | 91,424 |
| Materials Postage and Telephone | 1,721 | 350 | 2,071 |
| Shared Office Space | 43,907 | 33,646 | 77,553 |
| Shared Information Technology | 121,748 | 124,770 | 246,518 |
| Customer Service Management | 7,277 | | 7,277 |
| Trade Ally Management | 14,728 | 50 | 14,778 |
| Planning and Evaluation Management | 13,648 | | 13,648 |
| TOTAL PROGRAM EXPENSES | 3,874,497 | 3,799,167 | 7,673,664 |
| ADMINISTRATIVE COSTS | | | |
| Management & General | 110,214 | 108,072 | 218,286 |
| Communications & Customer Svc | 78,389 | 60,817 | 139,206 |
| Total Administrative Costs | 188,603 | 168,889 | 357,492 |
| Total Program & Admin Expenses | 4,063,100 | 3,968,056 | 8,031,156 |
| Energy Generation (kwh) | 8,024,600 | 922,000 | 8,946,600 |



Capital Expenditure Budget

| Description | Useful Lives / Depreciation Policy | 2020 | 2021 |
|--------------------------------|--|----------------|---------------|
| Information Systems | | | |
| Budget Software | 3 years | 294,750 | |
| Servers and Storage | 3 years | 25,000 | 61,000 |
| Leasehold Improvements | | | |
| Bathroom Renovation | 6 years | 30,000 | |
| TOTAL CAPITAL PURCHASES | | 349,750 | 61,000 |

Executive Summary

Energy Trust’s Approved 2020-2021 Action Plan highlights strategies and activities for all major programs, program support functions and general management. Throughout the action plans, we highlight each program or function’s strategic focus in relation to 2020 goals. We also provide relevant context, key activities and summary expenditures with savings and generation, where applicable.

2020 Goal Alignment

Five 2020 goals were established early in the organization’s annual business planning process. To draft the goals, staff looked to Energy Trust’s draft 2020-2024 strategic plan and identified what would be most important to accomplish in the plan’s first year to fully realize the plan by 2024. Conservation and Renewable Energy Advisory Councils, along with several foundational Diversity Advisory Council members, reviewed the draft goals and provided input to inform our revisions. The resulting five 2020 goals provide detail specifying where Energy Trust will focus efforts.

1 Meet savings and generation targets and create future opportunities

Energy Trust will meet 2020 savings targets of 45.6 aMW and 6.8 million annual therms, meet the 2020 generation target of 3.4 aMW **and create future savings and generation opportunities with a particular focus on:**

- Serving more **diverse customers**
- Supporting higher value **renewable energy and energy efficiency**
- Sustaining services for efficiency **programs where cost-effectiveness is becoming a challenge**
- Pushing new construction beyond code

2 Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input

Energy Trust will seek input from community partners and advisory councils as we develop a set of guidelines to more clearly identify Energy Trust’s role in supporting community efforts with a focus on:

- Coordinating with utility efforts in communities
- Building capacity in communities and community-based organizations
- Strengthening internal capabilities to support community efforts
- Developing toolkits and templates

3 Provide information to policymakers, agencies and implementers

Energy Trust will provide objective information and analysis to policymakers, agencies and implementers with a particular focus on:

- Oregon Public Utility Commission requests
- Portland’s Clean Energy Fund
- Potential state carbon policy development
- Communities forming clean energy objectives

4 Strengthen internal innovation capabilities and develop new proposals

Energy Trust will strengthen internal capability for innovation and support development of several new proposals with a particular focus on:

- Establishing an internal Innovation Team and resourcing initiatives
- Developing an Innovation Approach
- Adopting a framework, processes and tools

5 Make operational improvements

Energy Trust will accomplish operational improvements and remove barriers to meeting organizational goals with a particular focus on:

- Budgeting tools
- Forecasting
- Staff development
- Alignment of systems, data and reporting
- Collaborations

Action Plan Table of Contents

General Management & Administration

Key Contact: Mike Colgrove, Executive Director

| | |
|---|---|
| General Management | 3 |
| <i>Key Contacts: Steve Lacey, Director of Operations</i> <i>Debbie Menashe, Director of Legal and Human Resources</i> <i>Pati Presnail, Director of Finance</i> | |
| Diversity, Equity and Inclusion | 5 |
| <i>Key Contact: Debbie Menashe, Director of Legal and Human Resources</i> | |
| General Communications and Outreach | 7 |
| <i>Key Contact: Amber Cole, Director of Communications and Customer Service</i> | |

Programs

Key Contact: Peter West, Director of Energy Programs

Commercial Sector

Key Contact: Oliver Kesting, Commercial Sector Lead

| | |
|--|----|
| Existing Buildings | 9 |
| New Buildings | 11 |
| Existing Multifamily | 13 |
| Southwest Washington Commercial | 15 |

Industry and Agriculture

Key Contact: Amanda Potter, Industrial and Agriculture Sector Lead

| | |
|------------------------------------|----|
| Production Efficiency | 17 |
|------------------------------------|----|

Residential Sector

Key Contact: Thad Roth, Residential Sector Lead

| | |
|---|----|
| Residential | 19 |
| Southwest Washington Residential | 21 |

Northwest Energy Efficiency Alliance

Key Contact: Fred Gordon, Director of Planning and Evaluation

| | |
|---|----|
| Northwest Energy Efficiency Alliance | 23 |
|---|----|

Renewables

Key Contact: Betsy Kauffman, Renewable Energy Sector Lead

| | |
|-------------------------------|----|
| Solar | 25 |
| Community Solar | 27 |
| Other Renewables | 29 |

Program Support

| | |
|---|----|
| Planning and Evaluation | 31 |
| <i>Key Contact: Fred Gordon, Director of Planning and Evaluation</i> | |
| Program Marketing | 33 |
| <i>Key Contact: Susan Jowaiszas, Program Marketing Lead</i> | |
| Trade Ally and Customer Service | 35 |
| <i>Key Contact: Sue Fletcher, Senior Manager of Communications and Customer Service</i> | |
| Operations Analysis | 37 |
| <i>Key Contact: Scott Swearingen, Operations Analysis Lead</i> | |
| Information Technology | 39 |
| <i>Key Contact: Scott Clark, Director of Information Technology</i> | |

General Management

The Management and General group represents the executive, board relations, organizational development, legal, finance, human resource, project management and operations functions. It provides leadership to support Energy Trust strategic goals and operations.

Context

There are a number of significant milestones in 2020: it is the first year of Energy Trust's next five-year strategic plan, several organizational development projects will be completed, the new Diversity Advisory Council will fully engage with the organization, and staff will implement the recommendations of the five-year Management Review completed in 2019.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Engage the OPUC, utilities and stakeholders to ensure support for and alignment with savings and generation goals.
 - Support Energy Trust program management contract solicitations, including support for engagement of minority- and women-owned subcontracting opportunities.
 - Strengthen relationships with community-based organizations to better reach and engage underserved customers.
 - Expand the contractor and supplier pool with the intent to increase the diversity of these pools.
 - Ensure staffing needs are met to all achieve organizational goals.

- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Track policy activities within the OPUC, Oregon Legislature, state agencies and municipalities and provide objective information and data to inform decisions.
 - Monitor regulatory and legislative policy development and provide relevant legal and policy advice to Energy Trust.

- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Develop new structures, tools and approaches to accelerate the development of innovative ideas.

- ▶ **Goal 5: Make operational improvements**
 - Direct resources to ensure the successful adoption of a new budgeting software system.
 - Begin developing a new three-year planning process.
 - Ensure that HR processes support employees and are efficiently and effectively delivered.
 - Implement changes to the board, including its practices, policies and decision-making authority, based on recommendations from the 2019 board review project.
 - Improve organizational capacity to track resource allocation by specific initiatives.

2020 Key Activities

- a. Develop metrics, a dashboard and a reporting cadence to monitor performance toward the 2020-2024 Strategic Plan progress indicators.
- b. Meet regularly with the OPUC, utilities and other stakeholders to remain aware of emerging policy, funding and alignment opportunities.
- c. Provide support to the board of directors to enable them to perform their fiduciary responsibilities by preparing and providing information for their committee and board meetings and by responding to their requests for information.
- d. Continue to make progress on diversity, equity and inclusion goals as described in the diversity, equity and inclusion action plan.

- e. Test approaches and tools to support staff in developing innovative ideas.
- f. Develop tools to facilitate effective decision-making and invest in change management to promote strong adoption of these tools.
- g. Complete the installation, testing and training for the new budget software, and utilize the software in 2021 budgeting.
- h. Review, draft and negotiate contracts to support organizational goals, manage organizational legal risk and ensure efficient and effective operations.
- i. Provide informed legal advice and services to program and other legal staff.
- j. Monitor and manage legal and policy developments that may impact Energy Trust; provide information and training as needed.
- k. Continue integration of DocuSign in contract finalization and tracking processes.
- l. Support the organization with accurate and efficient payment processing, financial operations, auditing and reporting activities.
- m. Implement recommendations from the five-year Management Review completed in 2019.
- n. Employ more intentional and focused diversity strategies when recruiting for open staff positions.
- o. Provide enhanced manager training to support managers and supervisors.
- p. Support staff development and engagement with attention to market drivers, compensation and career opportunities.
- q. Provide project management support for a large portfolio of projects across the organization.
- r. Provide project and change management resources for staff.
- s. Oversee the management and mentoring of the De LaSalle interns to provide exposure to the clean energy industry to this diverse group of high school students.

2021 Expected Changes

- Finalize the development of a new three-year planning process.
- Realize the value of improved forecasting over a longer time horizon enabled by the new budget software.
- Support diversification of program management contract subcontractor pools.
- Begin implementation of Oregon’s paid family leave law.

Budgeted Expenditures

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$5.4 | \$5.5 | \$5.7 |

**Expenditure detail is provided under budget details tab in the budget binder.*

Diversity, Equity and Inclusion

Energy Trust's strategic goals recognize the diversity of eligible customers and the obligation to ensure all customers benefit equitably from services and investments. This action plan is provided as a summary of activities to support organization-wide efforts to promote diversity, equity and inclusion. **The information and budget figures provided below are not a comprehensive accounting of all diversity, equity and inclusion activities or investments.** Specific program and support group activities supported and implemented throughout the organization are integrated into program and support group action plans and are not called out separately in this budget.

Context

2020 will be a significant year for Energy Trust's diversity, equity and inclusion activities. For the first time, the Oregon Public Utility Commission's annual minimum performance measures for Energy Trust will include a set of measures pertaining to diversity, equity and inclusion. At the end of 2020, Energy Trust will measure its progress to the goals set in Energy Trust's 2018 initial Diversity, Equity and Inclusion Operations Plan, and staff will look ahead to the next set of plans and goals to address and enhance work in diversity, equity and inclusion through all parts of the organization. Staff and board will be supported by a new Diversity Lead staff member who will bring expertise and leadership on diversity, equity and inclusion concepts to help the organization build on past work.

Staff and board will also be advised by a new Diversity Advisory Council, a group of 11 community members helping Energy Trust's board and staff enhance programs and activities to meet the needs of all eligible customers, wherever and whomever they may be. The Diversity Advisory Council will provide guidance similar to Energy Trust's existing Conservation Advisory Council and Renewable Energy Advisory Council.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Provide guidance and insights to help ensure that Energy Trust programs are geographically and culturally focused to reach all eligible customers who have not previously participated.
 - Support development of the Diversity Advisory Council and bring program, marketing, research and data questions to the council for input.
- ▶ **Goal 2: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
 - Work closely with communities to understand needs and interests in Energy Trust programs.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Prioritize activities to meet OPUC diversity, equity and inclusion performance measures and report on activities and results.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Support efforts to make staff and board more closely reflect the diversity of customers we seek to serve. Diverse perspectives will help the organization innovate to support its core work of energy savings and generation.
- ▶ **Goal 5: Make operational improvements**
 - Support new Diversity Lead staff member's leadership to continue and build on diversity, equity and inclusion activities across the organization.
 - Learn from the first year with a Diversity Advisory Council and adjust stakeholder processes as needed.
 - Enhance data collection and analysis to gain deeper and more granular understanding of customers who are and are not being served by Energy Trust programs.

2020 Key Activities

- a. Convene Diversity Advisory Council meetings and work with staff to identify agenda items for council discussion.

- b. Continue and build on thought leadership activities through the internal diversity, equity and inclusion committee.
- c. Continue to use the diversity, equity and inclusion lens to inform organizational strategies and activities. Engage Diversity Advisory Council for feedback on the lens and implement improvements.
- d. Build an ongoing plan of organizational and individual cultural responsiveness training and understanding to ensure Energy Trust is a supportive culture where diverse employees can thrive.
- e. Implement the customer insights survey, tapping into community-based organizations to ensure the sample includes specific demographic targets. Continue collecting data and analyzing methods to identify demographics of customers served.
- f. Report transparently to the Oregon Public Utility Commission to support its oversight and monitoring of Energy Trust's diversity, equity and inclusion activities. Prepare two biannual Diversity, Equity and Inclusion Operations Plans updates and report on performance against 2020 OPUC performance measures.

2021 Expected Changes

- As the Diversity, Equity and Inclusion Operations Plan goals are measured at the end of 2020, staff expect to set new diversity, equity and inclusion activities and goals in 2021, informed by the Diversity Advisory Council, the Diversity Lead staff member and staff on the internal diversity, equity and inclusion committee.
- Further development of cultural responsiveness training and focus for staff and the board.

Budgeted Expenditures

| | 2020 Draft Budget |
|-------------------------------|--------------------------|
| Total Expenditures (millions) | \$0.59* |

** This number reflects all expenditures in the DEI General Budget and does not include expenditures for specific program and support group diversity, equity and inclusion activities.*

General Communications and Outreach

The Communications and Customer Service (CCS) group engages customers, stakeholders and the public through general marketing, communications, results reporting, public relations, outreach, education initiatives, online resources and social media. The General Communications and Outreach budget provides staff and resources to 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 a credible expert resource; expand the organization's reach to new customers, communities and stakeholders; and support organizational transparency and accountability.

Context

As programs conduct more targeted outreach and marketing, general communications and outreach functions need to continue supporting broad customer awareness of programs, services and benefits. The need is greater in underserved communities that are less aware of Energy Trust. Enhancing web, customer service, marketing and communications to better reach non-English speakers, communities of color and rural customers, *and* responding to growing interest from communities in how Energy Trust programs can support their unique needs, will require prioritization to assess and respond to opportunities. The energy industry is highly dynamic right now, and Energy Trust is receiving more requests for information to support policy and regulatory discussions.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Promote awareness of Energy Trust programs and benefits among stakeholders and customers.
 - Develop new relationships and facilitate connections to program offers.
 - Provide leadership on market research, strategies and tactics that allow Energy Trust to reach new market segments and increase awareness in diverse and underserved customer groups.
 - Continue development and enhancement of online channels and web-based forms that programs rely on to cost-effectively reach and serve customers.
- ▶ **Goal 2: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
 - Develop a community engagement planning strategy to assess, prioritize and support engagement in communities to increase participation in Energy Trust programs.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Inform energy-related policy discussions, regulatory proceedings and government program implementation with Energy Trust data and expertise.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Provide staff expertise and resources for the innovation team.
- ▶ **Goal 5: Make operational improvements**
 - Drive innovation online to reduce costs and better serve customers and stakeholders with targeted marketing resources and easier online transactions using digital tools.
 - Develop a holistic marketing plan that reflects and guides promotional strategies and establishes multi-year objectives across all programs and general marketing, communications and outreach functions.
 - Bring communications and leadership skills to ensure an informed and engaged staff and stakeholders. Support change management initiatives related to internal operations.

2020 Key Activities

- a. Deliver quarterly and annual public reports, strategic plan dashboard, utility reports and data analysis as requested. Communicate progress toward diversity, equity and inclusion objectives to stakeholders and the public.

- b. Support increased engagement with community-based organizations to gain knowledge of underserved customers and establish delivery partnerships. Increase staff awareness by holding internal forums to share insights.
- c. Increase customer and stakeholder awareness of offers, services and benefits through additional resources for public relations, outreach, sponsorships and events support. Sustain and refine advertising and adapt marketing approaches based on research and analytics.
- d. Maintain and enhance the website, campaign microsites, social media accounts and bulk email platform using best practices to ensure positive digital customer experiences and support outreach to underserved populations.
- e. Considering the focus areas of the 2020-2024 Strategic Plan, deliver a brand audit report and marketing plan that provide guidance on marketing and communications tools and a roadmap that aligns and fully leverages all channels.
- f. Identify opportunities to be an information resource for state agencies, local governments and community groups on energy efficiency and renewable generation. Respond to information requests.
- g. Develop tools to assess opportunities and identify resources to support community efforts that result in increased participation in programs.
- h. Be a resource to the City of Portland by providing program information and participation data to support the development of the Portland Clean Energy Community Benefits Fund grant program.
- i. Organize a workshop in a rural community to identify needs and opportunities to better serve rural customers.
- j. Research participation results to date and opportunities for future savings and engagement with tribal governments and Native Americans.
- k. Continue to expand the use of DocuSign to deliver digital signature solutions and pilot the integration of DocuSign form data with business systems to reduce data entry and processing time and enhance customer experience.
- l. Provide general program support as needed, utilizing marketing, communications and outreach expertise and services to support emerging program approaches. Support collaboration with utilities, communities, state agencies and others.

2021 Expected Changes

- Make further adjustments to brand tools and Energy Trust’s marketing plan based on 2020 brand audit findings and 2020 marketing results.
- Implement new approaches for working with communities and community-based organizations based on 2020 projects and activities.

Budgeted Expenditures

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$4.2 | \$4.2 | \$4.1 |

**Expenditure detail is provided under budget details tab in the budget binder.*

Existing Buildings Program

The Existing Buildings program offers incentives, tools, training and technical assistance to customers who complete energy efficiency, behavioral and operational improvements in existing commercial buildings of all sizes. Incentives are available for standard and custom projects, including capital upgrades and operations and maintenance improvements; direct installation offerings; lighting upgrades; and energy performance management offerings, including Strategic Energy Management (SEM) and Pay for Performance.

Context

The strong economy coupled with ongoing labor shortages continue to divert customers' attention away from energy efficiency projects, and tariffs are increasing costs to customers. Competition for contractor resources from outside Energy Trust's territory require a review of incentive rates to influence both customers and trade allies. Even with competition for contractor resources, the program is finding success in schools, particularly in gas territories, as a result of increased coordination with the Oregon Department of Energy and intensive outreach to school districts.

The program is losing measures due to product baseline changes, which puts downward pressure on savings for historically large savings generators like boilers and lighting.

Energy performance management offerings that create long-term savings at a site or organization are challenged to uncover deeper cost-effective savings. This is due to customers needing a higher level of technical assistance to achieve savings as they re-enroll for these offerings.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Engage new and underserved customers.
 - Develop new calculated and standard measures and investigate new pilot opportunities.
 - Expand SEM customer participation and improve customer performance and tracking.
 - Improve data collection in energy performance management offerings to inform long-term delivery strategies.

- ▶ **Goal 5: Make operational improvements**
 - Streamline calculations of custom measures.

2020 Key Activities

- a. Continue collaborating with Oregon Department of Energy and the OPUC to improve support of public and K-12 schools.
- b. Focus community outreach activities on assisting Energy Trust-led, outreach-focused efforts for diversity, equity and inclusion, Targeted Load Management, PropertyFit/CPACE financing, U.S. Department of Energy asset scores and Energy Performance Reporting in Portland.
- c. Expand direct installation efforts with new offerings to target new and underserved customers.
- d. Expand tubular LED (TLED) promotion to Southern Oregon based on the results of the Eastern Oregon promotion in 2019.
- e. Launch the network lighting controls pilot and look to better understand implementation and cost-effectiveness challenges with network lighting controls for future program offerings.
- f. Launch new marketing efforts targeted to smaller, more rural and more diverse customers.
- g. Focus engineering and measure development efforts on new calculated and standard measures to serve smaller customers. Review NEEA window film pilot findings for applicability and investigate a boiler calculator tool.
- h. Rebid delivery contracts for Existing Multifamily, Existing Buildings and commercial and industrial lighting to better align program strategies and encourage new, innovative approaches to delivery in 2021.

- i. Increase lighting incentives to counter the lighting savings declines. Incentive increases are focused on measures that have longevity in the program. Incentives will be aligned with Production Efficiency and Existing Multifamily programs.
- j. Increase the incentive rate for custom electric projects to provide an improved payback for customers, influencing them to opt for efficiency over standard measures and systems.
- k. Select a performance tracking tool platform with the industrial energy performance management team that will improve the customer experience and streamline delivery in SEM and Pay for Performance offerings.
- l. Develop a Strategic Energy Management cost optimization model and centralize data for streamlined delivery and reporting.
- m. Promote re-tooled Pay for Performance pilot to test a new delivery and acquisition strategy.
- n. Provide new intern and fellowship incentives to support customers' energy management strategies.
- o. Expand trade ally outreach and development efforts to recruit more rural and women- and minority-owned contractors.

2021 Expected Changes

- Transition to new program design, informed by the 2020 request for proposals to deliver Existing Multifamily, Existing Buildings and commercial and industrial lighting.
- More cost-effectiveness challenges, particularly in lighting, direct installation offerings, boilers and foodservice measures.
- Move toward more streamlined delivery mechanisms that will reduce operational costs, such as midstream offerings.
- Move toward more whole-building and system-based offerings to increase cost-effectiveness of offerings.
- Expand behavioral offerings and market transformation efforts.

Budgeted Expenditures and Savings

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$54.5 | \$52.7 | \$49.4 |
| Gas Savings (therms) | 1,775,800 | 1,757,530 | 1,811,584 |
| Electric Savings (aMW) | 16.4 | 13.1 | 11.2 |

*Expenditure detail is provided under budget details tab in the budget binder.

New Buildings Program

The New Buildings program supports design and construction of high-performance commercial buildings and major renovations of all sizes and building types. Staff engage with building owners, developers and design professionals to provide standard incentives, Market Solutions incentive packages and custom incentives. Market Solutions incentives help businesses make quick decisions and achieve deeper energy savings when constructing small restaurant, grocery, multifamily, office, school or retail buildings.

Context

Oregon is adopting two new energy codes, the first goes into effect October 2019 and a second in October 2020; this is driving the need to redesign offers for 2020 and 2021. In addition to these code changes, 2020 savings are negatively impacted by market dynamics—increasing construction costs in every region of the state, and a constrained skilled labor market that's pushing construction timelines to extend past expected completion dates. Further baseline changes along with degradation of savings within available measures shifted savings in 2020 and 2021 away from Market Solutions to focus on implementing the remaining standard track options.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Guide all projects on the path to higher performance. Build broader market demand for high-performance buildings in Oregon.
 - Increase overall market capacity and help the market adapt to the new energy code.
- ▶ **Goal 5: Make operational improvements**
 - Refine processes and automate data entry and data transfer to reduce costs.
 - Improve customer experience by creating online forms.

2020 Key Activities

- a. Revise the modeled savings (custom path and Market Solutions multifamily and schools) to update program methodology to adjust to Oregon's new code, for projects enrolling in 2020.
- b. Launch a revised Market Solutions offering limited to just two custom building types, multifamily and K-12 schools (pending OPUC approval); serve restaurant, grocery and retail customers with standard incentives.
- c. Increase technical project delivery to support customers adjusting to new requirements for Energy Trust incentives under the new code.
- d. Expand the use of target-setting as a strategy to holistically address total building energy use, aligning with the state's new code that focuses on whole-building energy consumption and better enables market transformation.
- e. Develop system-level water heating savings strategies for low-income and affordable housing developments.
- f. Improve delivery of lighting design opportunities by simplifying the lighting calculator for early project engagement and streamlining outreach to lighting trade allies.
- g. Develop, launch and promote new program offerings, including lighting design offers. Enhance marketing of program offers with regional messaging to reach rural customers.
- h. Deliver solar as part of the design and construction of a building, leveraging the solar add-on incentive and coordinating with customers and solar trade allies.
- i. Coordinate with NEEA on complex emerging technologies including very high-efficiency dedicated outdoor air systems.
- j. Administer grants to support net zero focused research, the emerging leader's initiative and internships for emerging professionals working at architecture firms to support commitment to aggressive energy goals.

- k. Work with customers to evaluate the energy performance of buildings and provide final estimates of energy saved.

2021 Expected Changes

- Anticipating a second Oregon energy code update in 2020 in addition to the Oregon energy code update in 2019. This code will be the fourth code change since 2010 and comes ahead of any foreseeable changes to utility avoided costs, creating uncertainties with determining the next increment of cost-effective prescriptive measure savings.
- Expecting to see further signs of the market slowing, with fewer enrollments and more field effort required to engage projects. Further measure changes will impact potential to generate savings.
- Anticipating a continued strong, but flat, new construction market in 2021 with affordable housing and commercial office projects leading the market.

Budgeted Expenditures and Savings

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$21.2 | \$18.8 | \$17.5 |
| Gas Savings (therms) | 837,152 | 548,061 | 537,656 |
| Electric Savings (aMW) | 6.1 | 4.8 | 4.0 |

*Expenditure detail is provided under budget details tab in the budget binder.

Existing Multifamily Program

The Existing Multifamily program serves structures with two or more dwelling units, including market-rate and affordable housing, assisted living facilities, campus housing facilities, homeowners' associations and individual unit owners. Offerings include in-unit installations of free energy-efficient products; incentives for common-area lighting; incentives for standard measures including HVAC equipment, water heaters, weatherization, appliances and foodservice equipment; midstream incentives provided to distributors for qualifying equipment; and incentives for custom projects. The program is delivered through energy advisors across the state. The program also offers technical and educational services and support for technical studies.

Context

Market conditions with low vacancy and high demand are beginning to soften, creating a situation where owners and managers are no longer as confident in occupancy, revenue and valuation. This could make owners and managers reluctant to invest in capital improvements. Alternatively, this may lead to a more competitive market for renters, and owners and managers may focus more on tenant retention. In general, the program expects the changing market will likely result in more small projects at smaller properties in rural regions and market segments with less appetite for spending capital for improvements. Cost-effectiveness challenges driven by changing baselines and other market adoption factors are also impacting the program.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Expand participation in market segments and regions where participation has historically been lower, using data analytics and targeted marketing tactics.
 - Evolve lighting strategies to respond to a quickly changing market and future challenges.
 - Pursue new technologies and savings opportunities.
 - Expand engagement with distributors and retailers to increase savings through midstream and buy-down channels.
 - Expand engagement and offerings for affordable housing and low- and moderate-income customers.
 - Explore opportunities to engage with and serve renters.

- ▶ **Goal 5: Make operational improvements**
 - Identify opportunities to streamline program participation.
 - Expand cross-program operations to increase processing efficiencies for shared incentive offerings.

2020 Key Activities

- a. Advance efforts to serve low- to moderate-income customers, including getting to full scale with Oregon Housing and Community Services on affordable housing collaboration and potential co-funding opportunities.
- b. Support Community Energy Project's delivery of do-it-yourself energy savings workshops for residents of affordable housing properties.
- c. Assess savings opportunities from new technologies such as line-voltage smart thermostats, window air conditioners and emerging water heating technologies.
- d. Develop strategies to deliver ductless heat pumps to multifamily customers, such as refining eligibility requirements and pursuing fixed-price offerings in coordination with the Residential program.
- e. Launch a simplified incentive request process allowing multifamily portfolio managers to submit applications for multiple properties.

- f. Participate in cross-program midstream incentive offerings, shifting the delivery of select incentives to distributors and retailers (measures include residential water heaters, clothes washers and dryers and emergency generator block heaters).
- g. Increase collaboration with other programs on promotions, such as smart thermostat coupons and direct installation of heat pump water heaters. Expand tubular LED (TLED) promotion to Southern Oregon based on the results of the Eastern Oregon promotion in 2019.
- h. Expand trade ally outreach and development efforts to recruit more rural, and women- and minority-owned contractors.
- i. Rebid commercial sector delivery contracts for Existing Multifamily, Existing Buildings and commercial and industrial lighting to better align program strategies and encourage new, innovative approaches to delivery in 2021.
- j. Increase lighting incentives to counter the lighting savings declines the program is experiencing. Incentive increases are focused on measures that have longevity in the program. Incentives will be aligned with Production Efficiency and Existing Buildings programs.
- k. Support Targeted Load Management efforts.
- l. Continue to provide technical assistance to customers through free walkthrough surveys, technical analysis studies and site evaluations, and support for capital planning.

2021 Expected Changes

- Transition to new program design, informed by the 2020 request for proposals to deliver Existing Multifamily, Existing Buildings and commercial and industrial lighting.
- Expect continued declines in common-area lighting savings.

Budgeted Expenditures and Savings

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$10.1 | \$9.9 | \$9.2 |
| Gas Savings (therms) | 184,558 | 204,919 | 214,868 |
| Electric Savings (aMW) | 1.8 | 1.5 | 1.3 |

**Expenditure detail is provided under budget details tab in the budget binder.*

Southwest Washington Commercial Program

Energy Trust provides standard and custom capital, operations and maintenance and retrocommissioning incentives for Washington State business customers on qualifying NW Natural commercial firm or interruptible rate schedules. These include upgrades and retrofits for existing buildings; energy-efficient equipment for new construction; energy-efficient equipment and retrofits at existing and new multifamily properties with two or more units; and measures for natural gas-heated production greenhouses.

Context

The strong economy coupled with ongoing construction labor shortages continue to divert commercial customers' attention away from energy efficiency projects, and tariffs are increasing costs and risk to customers. Recently passed Washington school bond measures have led to significant retrofit and new construction activity that is expected to continue for the next few years. Working with design and construction teams has allowed the program to explore custom modeled savings approaches to ensure no savings opportunities are left behind. Savings from boilers, which have been a key contributor of commercial savings for both new and existing buildings, will be about 64% lower per boiler as a result of a new evaluation.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Influence design and construction of new school construction and major renovations.
 - Focus on building awareness and providing training to the design community, including general contractors, engineering firms and architects.
 - Investigate new calculated and standard measures.

- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Ensure NW Natural has all needed information requested by the Washington Utilities and Transportation Commission.

- ▶ **Goal 5: Make operational improvements**
 - Revamp application processes to help reduce incomplete customer information and streamline calculations of custom measures to improve operational efficiency for these offers.

2020 Key Activities

- a. Offer a range of standard measures, including restaurant equipment, insulation, water heaters and boilers.
- b. Continue to focus outreach activities on low-income housing through the Vancouver Housing Authority and other local agencies.
- c. Increase outreach and promotion of Building Operator Certification to capital improvement project teams.
- d. Participate in local, community-focused events, including chambers and business associations.
- e. Expand regional involvement and cross program collaboration in outlying rural areas, support Clark County's Green Business program activities, seek out sponsorships, training and outreach with local chambers and business organizations, and increase collaboration with the Washington Green Schools program.
- f. Review NEEA window film pilot findings for applicability to Existing Buildings.
- g. Launch new marketing campaigns targeted to smaller, rural and minority-owned businesses.
- h. Investigate a new boiler calculator tool.
- i. Ensure that NW Natural objectives for Washington are addressed through the process of rebidding Existing Buildings and Existing Multifamily contracts.

- j. Collaborate with Clark Public Utility District and NW Natural to explore offering Strategic Energy Management.

2021 Expected Changes

- It may be necessary to reevaluate incentive rates for 2021 to motivate customers to engage with the program. Economic and technical factors are expected to continue and could erode the influence of incentives with customers and trade allies. These factors include cost pressures from labor and equipment constraints and trade tariffs, and changes to cost-effectiveness that reduce the scale of projects.
- Washington passed WA HB 1444 “Concerning Appliance Efficiency Standards” and HB 1257 “Concerning Energy Efficiency” to establish efficiency standards for equipment such as foodservice and showerheads that are slated to take effect in 2021. As a result, these products will no longer be able to receive Energy Trust incentives, beginning in 2021.
- Transition to new program design, informed by the 2020 request for proposals for the Existing Buildings, Existing Multifamily and commercial and industrial lighting to deliver commercial, multifamily and new construction offers in Southwest Washington.

Budgeted Expenditures and Savings

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$1.0 | \$0.9 | \$0.9 |
| Gas Savings (therms) | 147,481 | 111,413 | 105,344 |

**Expenditure detail is provided under budget details tab in the budget binder.*

Production Efficiency Program

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

Context

The Production Efficiency program has worked successfully with large customers for many years and now sees fewer new, large custom project opportunities. Additionally, lighting savings are expected to decrease due to changing baselines, a decrease in cannabis projects due to the freeze in Oregon Liquor Control Commission licenses and economic factors. The strong economy coupled with ongoing construction labor shortages continue to divert industrial customers' attention away from energy efficiency projects, and tariffs are increasing costs and risk to customers. The program is seeing success in working with more small- to medium-sized customers, and has been developing a lighting strategy with measures, delivery channels and better design options to address the lighting market changes. Overall, the program expects lower savings in the custom and lighting tracks.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Improve custom and standard prescriptive offerings, and continue to introduce new measures.
 - Increase incentives to drive energy savings.
 - Continue to evolve Strategic Energy Management (SEM).
 - Increase marketing and outreach, technical services and other support to small- to medium-sized and rural industrial and agricultural customers.
 - Complete more gas projects in all tracks to help reduce fluctuations in annual gas savings.
- ▶ **Goal 2: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
 - Support community efforts through current program activities, expanded outreach to industrial and agricultural customers and a targeted lighting direct installation offering.
- ▶ **Goal 5: Make operational improvements**
 - Improve internal processes and systems.

2020 Key Activities

- a. Continue to focus on engaging small- to medium-sized customer sites, in both rural and urban areas, through targeted marketing and outreach. Continue ongoing activities to connect to customers with low or no previous participation with the program.
- b. Continue to support Targeted Load Management pilots, which have limited industrial energy-savings potential, at appropriate levels.
- c. Launch a new marketing campaign targeting smaller, more rural and more diverse customers.
- d. Expand the streamlined technical study process to attract small- to medium-sized customers.
- e. Continue to evolve SEM with the deployment of Continuous SEM cohort workshops and implementation and testing a streamlined approach to First Year SEM. SEM savings from large customers are getting more difficult to achieve, and the program is focusing on expanding offerings to bring in SEM savings over time.
- f. Increase gas and electric custom and calculated incentives to better align payback rates with market expectations and reflect the relative impacts of fixed project costs for small- to medium-sized projects.

- g. Increase lighting incentives to counter declines in lighting savings. Incentive increases are focused on measures that have longevity in the program. Incentives will be aligned with the Existing Buildings and Existing Multifamily programs.
- h. Launch the network lighting controls pilot, which will help staff better understand implementation and cost-effectiveness challenges with network lighting controls for future program offerings.
- i. Expand the tubular LED (TLED) promotion to Southern Oregon based on the results of the Eastern Oregon promotion in 2019.
- j. Launch a direct-install pipe insulation offer in the standard track and develop new measures, including specialized pumps for wastewater treatment and compressed air demand-side measures.
- k. Collaborate with the commercial energy performance management team to select a performance management tool that will improve the customer experience and streamline delivery of SEM offerings.
- l. Assess energy savings opportunities in the emerging hemp market and develop and implement energy savings strategies for hemp production and processing.
- m. Rebid delivery contracts for Existing Multifamily, Existing Buildings and commercial and industrial lighting to better align program strategies and encourage new, innovative approaches to delivery in 2021.

2021 Expected Changes

- Savings levels in the custom and SEM tracks are not expected to change significantly in 2021.
- Transition to the new commercial and industrial lighting program design, informed by the 2020 request for proposals to deliver Existing Multifamily, Existing Buildings and commercial and industrial lighting.
- Savings from the standard track are projected to remain flat in 2021. There will likely be some changes to existing measures due to baseline changes, but the program will continually add new measures to make up the gap.

Budgeted Expenditures and Savings

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$41.7 | \$43.0 | \$41.5 |
| Gas Savings (therms) | 1,329,682 | 1,514,698 | 1,478,433 |
| Electric Savings (aMW) | 20.9 | 17.1 | 17.2 |

**Expenditure detail is provided under budget details tab in the budget binder.*

Residential Program

The Residential program provides electric and gas energy-efficiency solutions for customers of single-family homes, manufactured homes and newly constructed homes. The program is delivered through Program Management Contractor CLEAResult and through two Program Delivery Contractors supporting retail promotions and EPS™ new construction offerings. Incentives are available for smart thermostats, energy-efficient HVAC and water heating equipment, lighting, appliances, weatherization upgrades and whole-home improvements in new construction.

Context

Overall, 2019 market dynamics are expected to continue into 2020. Retail lighting will continue to be cost-effective in 2020 due to slower market share growth and a U.S. Department of Energy determination that pending federal lighting standards through the Energy Independence and Securities Act are not economically justified. Engagement with distributors is leading to growth in sales of heat pump and gas tank water heaters to contractors and builders. While the rate of growth in new home construction in Oregon is declining slightly, participation in EPS continues to be strong and market share is expected to remain at 30%. Lower home volume and the impact of higher baselines will reduce savings per home. Market rate ductless heat pumps and heat pump replacement volumes have declined since the state Residential Energy Tax Credit sunset at the end of 2017. Demand for gas furnaces in rental properties and the Savings Within Reach offer continues to grow, but at a slower pace than expected for 2019.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Work with low-income agencies, community-based organizations and utilities to co-fund offerings that benefit low-income customers and funding partners.
 - Support utility-led distributed energy resource programs.
 - Develop new savings opportunities informed by the Manufactured Homes Replacement pilot, Pay for Performance pilot and 2019 extended capacity heat pump pilot.

- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Work with the Oregon Department of Energy and Oregon Building Codes Division to support development of the 2020 Oregon Residential Specialty Code for 2021.
 - Align program offerings with the Portland Clean Energy Community Benefits Fund grant program in collaboration with community-based organizations, the City of Portland and other actors.
 - Support Oregon Housing and Community Service's implementation of HB 2896 objectives related to manufactured housing.

2020 Key Activities

- a. Work with retailers to drive sales of efficient lighting products, diversify products available at retail and increase savings from water heaters and appliances, as well as lighting products in lagging markets.
- b. Prepare home builders for a 2020 code update and develop new program pathways to support the state's goals to achieve a residential energy code equivalency to U.S. Department of Energy Zero Energy Ready Home by 2023.
- c. Improve alignment with trade allies around Energy Trust program strategies for non-market rate offers, such as Savings Within Reach and fixed-price offers. Provide incentives for efficient gas and electric HVAC equipment.
- d. Adjust ductless heat pump requirements based upon evaluation results and revise quality assurance activities to achieve cost-effective savings.
- e. Expand installation of smart thermostats through instant coupon promotions, downstream incentives and direct installations. Leverage installed smart thermostats to achieve additional savings through control of customer thermostats.

- f. Contract with community-based organizations and low-income service providers to deliver Energy Trust offers and incentives to low- and moderate-income customers and communities of color.
- g. Support Targeted Load Management and utility-led demand response activities.
- h. Expand regionally based staffing to support targeted outreach efforts, including Eastern Oregon, Southern Oregon, Portland and Willamette Valley.
- i. Continue to develop targeted marketing and communications strategies to drive leads to contractors, highlight midstream promotions and expand reach and engagement.
- j. Collaborate with the Solar program to create new offers that combine renewable energy and energy efficiency benefits, including net zero and smart grid interactive offerings as part of the new construction offer.
- k. Leverage a final year of Energy Saver Kits as a tool to engage new participants and explore new approaches to optimize and personalize the customer experience.
- l. Evaluate new measures including room air conditioning, evaporative coolers, advanced windows and smart controls for ductless heat pumps.

2021 Expected Changes

- Significant reductions in savings from changes in market baselines for retail lighting and new construction code updates.
- Reposition lighting offers to focus support on rural and lagging markets.
- Design new EPS pathways reflecting the new baseline code developed in 2020 for implementation in 2021.
- Increase focus on directly connecting customers to the best market offers, as part of a transition away from Energy Saver Kits.

Budgeted Expenditures and Savings

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$49.0 | \$50.7 | \$43.6 |
| Gas Savings (therms) | 2,505,334 | 2,478,903 | 2,806,800 |
| Electric Savings (aMW) | 6.8 | 5.5 | 4.1 |

**Expenditure detail is provided under budget details tab in the budget binder.*

Southwest Washington Residential Program

Energy Trust helps single-family and small multifamily homeowners in NW Natural's Washington territory achieve energy savings by offering cash incentives for efficient space heating and controls, water heating, insulation, windows, water conservation, behavioral actions, education, trade ally support, financing with repayment through utility bills and market interventions. The program also influences new residential construction by engaging with builders to increase energy efficiency of newly constructed homes through incentives, education, trade and program ally support and quality assurance.

Context

Overall, 2019 market dynamics are expected to continue into 2020. The Washington new construction market volume is expected to remain constant in 2020. Builder participation will remain strong, and the program expects to maintain its current market share of 45%. Gas savings are decreasing slightly in new construction due to the impact of the increased air infiltration baseline. The saving acquisition cost for gas homes remains consistent.

As the Southwest Washington housing stock matures, and existing HVAC systems need replacement, gas furnaces are expected to continue as a large savings opportunity. The multifamily market in Southwest Washington continues to be strong, and these properties are considered an opportunity despite low program uptake. Single-family rental homes continue to be challenging to serve due to property management and ownership structures, awareness of Energy Trust offerings and limited financial case for efficiency improvement. A decrease in showerhead unit sales is expected based on year-over-year trends, which creates risk with partners, such as Bonneville Power Administration, that support these promotions.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Support residential customer access and market actor participation with energy efficiency improvements in single-family and multifamily homes.
 - Expand efforts in lagging markets, increase opportunities in emerging markets and test new offerings to grow future savings.

- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Work with NW Natural and the Washington Utilities and Transportation Commission to ensure programs are properly responding to Washington HB 1444 and HB 1257, which provide direction to utilities and the commission for efficiency investments and set state efficiency standards for products including showerheads.
 - Ensure NW Natural has all needed information requested by the Washington Utilities and Transportation Commission.

2020 Key Activities

- a. Prepare home builders for a 2020 Washington code update to drive 2021 savings through the EPS new construction track.
- b. Continue to engage residential HVAC market actors to align program strategies and provide incentives for efficient gas HVAC equipment. Develop market promotions that drive low-cost installations across customer types.
- c. Work with residential weatherization market actors to promote increased insulation incentives to encourage broader customer adoption.
- d. Continue to develop and expand relationships with distributor partners to expand sales of efficient gas tank water heaters to contractors and builders.

- e. Expand the installed base of smart thermostats, through instant coupon promotions, downstream incentives and direct installations. Leverage installed base of smart thermostats to achieve additional savings through enhanced control of customer thermostats.
- f. Implement distribution plan of instant saving devices at no cost to customers through community partnerships and event participation
- g. Continue to develop targeted marketing and communications strategies to drive leads to contractors, highlight special midstream promotions, and expand reach and engagement with general audiences and in specific regions or communities.
- h. Prepare for discontinuation of retail showerheads.
- i. Leverage a final year of Energy Saver Kits as a tool to engage new participants, while developing new approaches to optimize and personalize the customer experience.
- j. Evaluate new measures, including advanced windows.
- k. Assess the multifamily market in Southwest Washington and revise the strategy to gain better market participation in efforts to serve diverse customer profiles.
- l. Expand co-funding of thermostats, water heating and HVAC equipment to include low-income agencies, community-based organizations and partner utilities with a goal of maximizing benefit streams across partners.

2021 Expected Changes

- Implement the new EPS pathways to achieve savings above the revised 2020 code.
- Increase focus on directly connecting customers to the best market offers, as part of a transition away from Energy Saver Kits.
- Respond to potential reductions in savings from changes in market baselines for gas furnaces and tankless water heaters.

Budgeted Expenditures and Savings

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$1.4 | \$1.7 | \$1.6 |
| Gas Savings (therms) | 221,714 | 227,918 | 236,529 |

**Expenditure detail is provided under budget details tab in the budget binder. Expenditures include delivery and incentives.*

Northwest Energy Efficiency Alliance

Energy Trust has been working with the Northwest Energy Efficiency Alliance (NEEA) since 2002 to increase the availability and adoption of energy-efficient electric products, equipment and practices. In 2015, natural gas equipment was added. By pooling resources at a regional level to work with manufacturers, distributors and retailers, NEEA accelerates the development, testing and distribution of new energy-saving equipment and approaches. NEEA identifies and refines new high-efficiency products, services and practices and helps bring them to market. Once products are ready and available, Energy Trust creates and implements programs to support broad market adoption in Oregon.

Context

NEEA is an entity of regional funders that pools resources and shares risks to transform the market for energy efficiency to the benefit of consumers in Oregon, Washington, Idaho and Montana. Energy Trust is NEEA's second largest funder, based on the size of its service territory. Energy Trust coordinates its program efforts with NEEA through participation on NEEA's board and on advisory groups addressing NEEA's portfolio, specific program areas and savings reporting.

NEEA recently completed a strategic plan and achieved funding for the period 2020-2024. In NEEA's 2020-2024 strategic and business plans, NEEA will expand gas efficiency initiatives and include targets for carbon reduction and capacity savings. In 2020, NEEA will see significant reductions in annual added savings from prior initiatives and will be developing additional initiatives to help meet their five-year savings goals. Thus, annual electric savings will decline modestly. NEEA will be reporting their first savings from their gas initiatives in 2020.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - 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.
 - Influence market actors to increase availability of energy-efficient products and services.

- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Build market knowledge and capability to support new products, services or practices.
 - Support dialogue and coordinate activities among stakeholders interested in accelerating efficiency through market transformation in the Northwest.
 - Influence development and support successful implementation of building codes and equipment efficiency standards and test methods to improve efficiency outcomes.

- ▶ **Goal 5: Make operational improvements**
 - Engage funders and other qualified advisors to identify, develop and sustain a portfolio of efficiency-enabling initiatives and activities that are consistent with NEEA's purpose.

2020 Key Activities

- a. Window attachments: With a national industry group, identify efficient products, encourage product certification, raise awareness and work with funders to achieve commercial building installations.
- b. Consumer products: Deliver project-specific strategies for each product in NEEA's Retail Products Portfolio initiative, including targeted incentive structures, support for highest energy-saving products and an efficiency index for ultra-high definition TVs. Expand to online retailers. Encourage codes and standards.
- c. Motor/pump systems: Work to increase uptake of motor/pump system specifications by increasing the number of distributors engaged and through market research to identify how to maximize their engagement.

- d. HVAC products: Continue advancement of the variable capacity heat pump test procedure to better differentiate top performing equipment in real world conditions. Improve measure cost-effectiveness for ductless heat pumps. Continue progress in market transformation for ductless heat pumps through market research to inform next steps. Gain more experience with very high-efficiency dedicated outside air systems and condensing gas rooftop systems to begin supply chain training, support pilot efforts and begin targeted outreach.
- e. Lighting: Train trade allies, lighting designers and specifiers in promoting and installing luminaire level lighting controls. Enhance market tracking via pricing and sales data dashboard.
- f. Water heating: Increase heat pump water heater adoption to improve positioning for future federal standard passage, including amplifying heat pump water heater impact on carbon goals, addressing challenging installation situations and supporting introduction of a new 120-volt product. Prepare for gas heat pump water heater product launch through collaboration with market actors and utility partners.
- g. New construction: Support and validate technologies and building strategies that may fit in future commercial code cycles. Provide proposals to national code development bodies and perform system efficiency demonstrations. Continue to develop a stable market for an advanced efficiency specification for manufactured homes through retailer support, homebuyer demand generation and utility program support.
- h. Regional infrastructure: Provide and enhance common resources and support for funder Strategic Energy Management programs as engagement opportunities for commercial and industrial customers.

2021 Expected Changes

- More electric savings are expected from luminaire level lighting controls in commercial and industrial sectors.
- Residential gas and electric savings are expected to increase due to adoption of the 2020 construction code.

Budgeted Expenditures and Savings

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$8.6 | \$8.2 | \$8.4 |
| Gas Savings (therms) | -- | 22,688 | 7,417 |
| Electric Savings (aMW) | 5.7 | 3.4 | 3.7 |

*Expenditure detail is provided under budget details tab in the budget binder.

Solar Program

The Solar program aims to create a vigorous and sustainable market for solar in Oregon that will ultimately thrive without incentives. The program offers incentives and support to increase consumer awareness through education and marketing; protect consumers by enforcing business and quality standards; aid the industry to drive down non-hardware soft costs; and ensure a robust, qualified Trade Ally Network. The program offers standard incentives for smaller-scale distributed systems for residential, business, public sector and nonprofit customers. In 2020, the program will focus on developing higher-value applications of solar, which include improving equitable access to solar for low- and moderate-income customers and expanding innovative applications of solar that support community resilience and grid flexibility.

Context

The solar market will be dynamic in 2020 with changes to solar policies and funding sources. These changes include a reduction in the federal Investment Tax Credit, which will decrease from 30% to 26%, and the launch of the state's Rooftop Solar Incentive Fund (HB 2618) administered by the Oregon Department of Energy. The Oregon Community Solar program will also be underway, making solar available to a broader range of customers and providing customers with an alternative to rooftop solar investments.

Advanced solar systems—such as solar installations paired with smart inverters or battery storage—are capable of providing additional value to both the customer and the utility grid. Cost reductions and utility investments focused on energy storage and other smart grid technologies will likely drive adoption of these technologies in 2020. However, customers and trade allies still face many barriers to adoption, including upfront costs, unclear economics and cost savings and a lack of awareness of advanced solar options.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Provide incentives to a more diverse set of customers to make deployment of solar more equitable and inclusive.
- ▶ **Goal 2: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
 - Develop standardized early project assistance offerings for communities interested in resilience and broader access to renewable energy.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Support new energy programs, code officials and policymakers by sharing technical expertise and program experience.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Collaborate with utilities to meet their goals for flexible distributed energy resources by pairing solar with complementary technologies, controls, smart inverters and storage.
 - Develop integrated offerings in collaboration with energy efficiency programs.
- ▶ **Goal 5: Make operational improvements**
 - Streamline the standard solar program to allow more focus on higher-value applications of solar.

2020 Key Activities

- a. Continue to operate a standard solar incentive program for homes and business, automating some aspects of the program's application and verification processes.
- b. Continue to develop offerings for projects that benefit low- and moderate-income customers using learnings from completed low- and moderate-income Solar Innovation grants and the new Solar Within Reach offering rolled out in late 2019.
- c. Provide incentives for small projects (<360 kW-AC) that are participating in the Oregon Community Solar Program, targeting projects that expand access for low-income customers, renters and others that have not traditionally been able to benefit from rooftop solar incentives.
- d. Develop standardized early project assistance offerings with the Other Renewables program for communities pursuing broader access to renewables, engaging in renewable energy planning and interested in installing renewable energy microgrids for resilience.
- e. Collaborate with the Residential program to create new offers that combine renewable energy and energy efficiency benefits, including net zero and smart grid interactive offerings as part of the new construction offer.
- f. Support the New Buildings program to identify and address barriers to incorporating solar and solar plus storage into new commercial construction.
- g. Coordinate and share expertise with new energy programs, including the Oregon Community Solar Program, the state's Rooftop Solar Incentive Fund, Portland General Electric's residential storage pilot and the Portland Clean Energy Fund.
- h. Work with Oregon Department of Energy and Oregon Building Codes Division to support implementation of the Governor's Executive Order 17-20, which requires all new homes and buildings to be constructed solar ready starting in 2020.
- i. Apply the learnings from recent market research with customers and solar trade ally contractors about solar plus storage to develop an educational marketing campaign.
- j. Automate and improve the solar leads referral process to help customers navigate the wider array of rooftop solar, community solar and solar plus storage options.
- k. Continue to support Targeted Load Management and utility-led demand response activities in coordination with participating utilities.
- l. Integrate the program's PowerClerk incentive application software with the utilities' interconnection application and other state incentive programs to streamline the experience for solar trade ally contractors and customers.

2021 Expected Changes

- The commercial and residential federal Investment Tax Credit will drop to 22% on January 1, 2021. In 2022, the commercial tax credit will drop to 10% and the residential tax credit will expire, driving activity ahead of the deadline at the end of 2021.
- Both PGE and Pacific Power are beginning their Integrated Resource Planning processes and have identified capacity shortfalls that may increase the value of flexible, customer-sited distributed energy resources like solar plus storage in 2021.

Budgeted Expenditures and Generation

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$9.6 | \$10.6 | \$10.5 |
| Generation (aMW) | 2.02 | 2.24 | 2.22 |

*Expenditure detail is provided under budget details tab in the budget binder.

Oregon Community Solar Program

The Oregon Community Solar Program gives Oregon customers of Portland General Electric, Pacific Power and Idaho Power the option to buy or lease part of a community solar project and be credited through their electric bills for their portion of the energy generated. Community solar is an option for renters, people who live in multifamily buildings and other customers who want to use solar energy but may not have a sunny roof of their own or are not able to invest in a rooftop system. The Oregon Community Solar Program is currently in development and is expected to launch at the end of 2019. Once the program is launched, project managers can apply to build community solar projects. Customers of PGE, Pacific Power and Idaho Power will then be able to work with a project manager to enroll and invest in a community solar system.

Context

The Oregon Community Solar Program was developed in response to state legislative direction set in SB 1547 in 2016. The program is managed by the Oregon Public Utility Commission and administered through a contract with the primary Program Administrator, Energy Solutions. Energy Trust has a three-year subcontract with Energy Solutions that runs from March 2019 through March 2022 to support certain aspects of program development and delivery, including project manager registration, project certification, customer service and consumer protection. **This work is funded by new revenue that is separate from utility customer public purpose funding directed to Energy Trust for energy efficiency and renewable energy programs.** Energy Trust's services under the subcontract result in a small increase in the organization's net assets. Energy Trust's work on Community Solar will provide underserved customers with access to solar energy; however, Energy Trust will not claim any generation.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Expand opportunities for underserved customers to participate directly in solar, including renters and people with low and moderate incomes, communities of color and rural communities.
- ▶ **Goal 2: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
 - Educate and empower communities and community-based organizations to lead, champion and promote community solar to encourage wide and diverse participation in the Community Solar Program.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Provide impartial advice to the OPUC and other policymakers on policy issues relevant to community solar, including interconnection, permitting, the resource value of solar and low-income access.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Strengthen internal processes and organizational flexibility to support the efficient and successful delivery of this work under a funding and contracting arrangement that is new to Energy Trust.

2020 Key Activities

- a. Deliver services during ongoing operations of the program, including management of the network of project managers, project pre-certification and certification processes, project quality control/assurance and customer service contact center, and implementation of the program's consumer protection plan.
- b. Conduct outreach and education to recruit a diverse pool of project managers and projects, including public entities and community organizations, to encourage wide and diverse participation in the program.
- c. Coordinate with the Program Administrator's low-income facilitator, Community Energy Project, to achieve the program goals specific to low-income participation, and to ensure the program strategy and approach to consumer protection and customer service reflect and consider the needs of low-income participants.

- d. Provide impartial advice to the OPUC on policy issues relevant to the program.
- e. Recommend and implement continuous improvements to the program.
- f. Support a stakeholder engagement process to revise the Program Implementation Manual and make improvements to the program.

2021 Expected Changes

- Same scope of work as 2020.
- Subcontract ends March 4, 2022. In 2021, staff will work with the board of directors and Executive Team, in consultation with Energy Solutions and the OPUC, to evaluate the options for a contract extension, rebid or wind-down.
- If appropriate, support the development of a contract transition plan and begin wind-down.

Budgeted Expenditures

| | 2019 Budget | 2020 Budget | 2021 Projection |
|---------------------|-------------|-------------|-----------------|
| Total Expenditures* | \$244,039 | \$352,716 | \$375,972 |

*Expenditure detail is provided under budget details tab in the budget binder.

Other Renewables Program

The Other Renewables program supports renewable energy projects up to 20 megawatts in nameplate capacity that generate electricity using biopower, hydropower, geothermal and community-scale, municipally owned wind technologies. Most projects are less than two 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 to completing projects. 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 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 commercial operation or activity completion.

Context

Interest from irrigation districts in Energy Trust's irrigation modernization offering continues to grow after the awarding of federal and state funds to districts to design and accelerate the replacement of open irrigation district infrastructure with pressurized pipes. Through planning and piping activities, districts can decrease pumping needs and install in-conduit hydropower systems. Emerging opportunities include interest by gas utilities in developing renewable natural gas projects and selling the product to their customers. The Other Renewables program is well-positioned to support the nascent renewable natural gas market. Low wholesale power prices and the reduction in incentive offerings favor distributed renewable energy generation projects that net meter over those that sell electricity wholesale to utilities. Interconnection and wheeling fees continue to create significant challenges for small-scale distributed renewable energy resources.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Maintain incentives and support for a portfolio of technologies to sustain and grow Oregon's vibrant small- and community-scale distributed renewable energy generation markets.
 - Focus development assistance outreach on irrigation hydropower and net-metered biogas projects.
 - Help wastewater treatments plants reduce energy use and generate renewable energy in coordination with energy efficiency programs.
 - Expand the irrigation modernization offering to build a portfolio of small-scale hydropower projects.
- ▶ **Goal 2: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
 - Support communities interested in small hydropower and/or biopower projects for resilience with energy planning and project development.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Provide information to stakeholders about market barriers and opportunities for development of small-scale distributed renewable energy resources.
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Explore opportunities to support the renewable natural gas market.

2020 Key Activities

- a. Hold competitive solicitations to identify projects to receive installation incentives.
- b. Use project development assistance to develop a pipeline of hydropower and biogas projects that generate energy in addition to supporting resilience and peak energy management.
- c. Support communities in energy planning and early stages of project development, in collaboration with the Solar program.
- d. Advance irrigation modernization participants to hydropower project design and other project development activities.
- e. Support biopower projects using anaerobic digestion with entities that can benefit operationally and financially from generating electricity from co-digestible materials.
- f. Support Portland metro area wastewater treatment plant efforts to use post-commercial food waste as a biogas feedstock.
- g. Build relationships with utilities and customers to learn about the renewable natural gas market and how it may impact the potential for biogas electricity projects.
- h. Inform renewable natural gas rulemaking at the OPUC and seek opportunities for Energy Trust to share expertise in renewable natural gas project development.
- i. Seek opportunities to help utilities develop small-scale distributed renewable energy resources and identify additional funding to help customers complete projects with both energy and non-energy benefits.
- j. Develop new strategies that reach a broader range of project developers.
- k. Enhance knowledge about the market potential of new biomass waste streams, including hemp.

2021 Expected Changes

- Opportunities will increase for biopower and hydropower projects to be used for county and city resilience planning and peak energy demand management.
- Once rulemaking is complete in July 2020, the renewable natural gas market in Oregon will mature rapidly and opportunities for Energy Trust to support this market will be clear.
- Metro’s post-commercial food waste recovery ordinance will present opportunities for Energy Trust to help wastewater treatment plants develop organic waste receiving infrastructure, allowing this material to be anaerobically digested into biogas.

Budgeted Expenditures and Generation

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$4.5 | \$7.8 | \$7.3 |
| Generation (aMW) | 0.24 | 1.03 | 0.52 |

*Expenditure detail is provided under budget details tab in the budget binder.

Planning and Evaluation

The Planning and Evaluation group is comprised of the Planning team and the Evaluation and Engineering team. The Planning team develops estimates of efficiency program costs and savings. The team works with utilities to develop forecasts for long-range savings; updates avoided costs and tools; develops cost-effectiveness tools; and manages savings and cost-effectiveness reporting.

The Evaluation and Engineering team assesses the effectiveness of efficiency and renewable energy program implementation and estimates savings and generation on a retrospective basis. This team performs market research; manages complex datasets for Energy Trust, such as third-party data and utility customer information data; and participates in regional research projects. Additionally, the team assists in and reviews development of proposed new or revised measures and helps Energy Trust incorporate new efficient technologies into programs.

Context

Energy Trust is facing challenges as the pace of energy savings slows as a result of the organization's prior success reaching customers and evolving baselines due to increasing codes and standards. Electric and gas savings are expected to be more expensive than in the past, and this presents challenges for some programs that are already approaching cost-effectiveness limitations. Additionally, the value that efficiency and renewable energy provide to utility systems is changing. Electric utilities are facing high costs for serving loads at times of peak use for the first time since Energy Trust's inception. Utilities are interested in implementing efficiency and renewable energy on a geographically targeted basis as part of a strategy to limit costs of expanding distribution systems.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Work with stakeholders to refine and apply forecasting techniques for energy and capacity savings potential and the value of the savings.
 - Support program efforts to adapt to market changes, such as new efficiency baselines, market saturation, new codes and new opportunities.
 - Refine how peak savings are quantified and valued.
 - Provide technical support and quality assurance for measure development.
- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Use standardized analysis and reporting on generation, savings and economics to maintain Energy Trust's transparency and create a framework to respond to a variety of queries.
 - Provide analysis and reports relevant to Energy Trust's activities when requested, including the benefits of efficiency and renewable projects beyond energy (e.g., peak, clean air, health, power system resilience, equity).
- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Structure and accelerate the process for refining emerging efficiency technologies and moving them into markets.
 - Explore the most efficient and effective ways to target and track program activities that are focused on high-value and high-priority markets.
- ▶ **Goal 5: Make operational improvements**
 - Work with utilities to improve the data transfer process.
 - Improve the measure data maintenance process to reduce paper approvals and records.
 - Streamline and standardize approach to resource analysis in Targeted Load Management areas.

2020 Key Activities

- a. Deliver enhanced energy efficiency supply and cost estimates for use in utility integrated planning processes. Communicate with stakeholders to provide transparency on forecasting modeling and improve methodology based on feedback.
- b. Work with efficiency programs to forecast savings potential and develop programs that are responsive to evolving market conditions and future efficiency opportunities, including fewer remaining standard mass market products, more niche products and limited-scale markets (both previously under-served markets and niche technologies) and more controls and behavior dependence.
- c. Continue to enhance benefit/cost sensitivity analysis tools for use in planning and budgeting.
- d. Develop a framework to quantify the value of energy savings in the changing industry landscape. Improve estimates of peak energy use reduction from energy efficiency and renewable generation. Develop improved annual estimates of energy savings and savings shapes for selected measures that reflect summer peak savings.
- e. Provide analysis of savings and generation results and economic impacts for use in Energy Trust annual and quarterly reporting. Ensure accuracy of energy savings and benefits reporting by Energy Trust.
- f. Assist programs in tracking policy changes, assessing new program designs and charting the future course of programs to meet market needs.
- g. Support the regional end use load research project. Use data from an initial sample of metered residential sites to increase understanding of load shapes of energy savings.
- h. Employ a clearer and more coordinated process for approving updated and new efficiency measures. Provide technical information and quality assurance for the measure development process. Obtain data on markets and measure performance that are critical to measure assessment.
- i. Work with IT to create integrated datasets combining Energy Trust data, utility customer information and third-party data in a central location. Train analysts on these datasets and support programs in utilizing the datasets for research and analysis.
- j. 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.
- k. Conduct periodic process evaluations for all major programs to provide feedback that helps enhance program delivery and market understanding.
- l. Update avoided costs to reflect outcomes from OPUC Docket UM 1893 and incorporate these avoided costs into measure and program planning work in 2020 to prepare for 2021 implementation.
- m. Use evaluation results and other intelligence to revise savings estimates for programs.

2021 Expected Changes

- 2020 may bring significant adjustments to programs due to continued market adoption of efficient technologies and expected federal efficiency standards for lighting.
- There may be further changes to avoided costs as the Oregon regulatory process addresses fundamental changes in power markets and the role and value of efficiency and renewable energy.

Budgeted Expenditures

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$5.6 | \$5.5 | \$4.9 |

*Expenditure detail is provided under budget details tab in the budget binder.

Program Marketing

The Program Marketing Team develops and delivers marketing that drives participation in Energy Trust efficiency and renewable energy programs, supports savings and generation goals, and consistently aligns with and supports Energy Trust's overall organizational goals. The team manages marketing activities of Program Management Contractors and Program Delivery Contractors and is responsible for setting overarching program marketing strategy to ensure consistency across programs. The team seeks to achieve best practice and improve effectiveness in marketing by helping transfer learnings across sectors.

Context

Energy Trust reorganized its program marketing function in 2018 to be more responsive, resilient and effective in helping efficiency and renewable programs reach their goals. Changes in the economy, as well in the energy industry, have created a need to engage new customers in new ways. This includes customers and communities with little to no prior knowledge of efficiency and renewable energy and low to no awareness of Energy Trust. Reframing what Energy Trust can do to help these customers requires new approaches. New technology to help identify and reach these customers is expanding the reach of program messages, and new ways of thinking about customer needs and motivations are expanding staff views of how marketing can be successful in supporting program goals.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Work with program management and delivery contractors to continuously improve marketing materials and establish clear expectations around marketing results.
 - Develop and launch new integrated marketing campaigns for residential and business customers that demonstrate the relevance and benefits of efficiency and renewable energy.
 - Continue to expand marketing collaborations with trade associations and other organizations that have complementary needs.
 - Apply market intelligence and market research findings to optimize marketing and customer engagement strategies for key residential technologies.
 - Deepen understanding of the needs of smaller business customers to help drive engagement.

- ▶ **Goal 2: Develop guidelines to guide resource investments in community efforts, engaging stakeholders for input**
 - Support community efforts through targeted, direct marketing efforts that address local needs and opportunities.

- ▶ **Goal 4: Strengthen internal innovation capabilities and develop new proposals**
 - Initiate market research projects that inform future program design and marketing opportunities.

- ▶ **Goal 5: Make operational improvements**
 - Optimize the structure of the program marketing team to ensure resilience, redundancy and effectiveness in supporting program savings and generation.

2020 Key Activities

- a. Apply findings from campaign monitoring and evaluation activities to refine and optimize the new residential integrated marketing campaign launched in Q4 2019, as well as other ongoing marketing activities.
- b. Identify and implement best practices for collaborating with community-based organizations on marketing activities that streamline communications.

- c. Expand marketing support for diversity, equity and inclusion initiatives, such as manufactured home replacements, incentives for rental properties, direct installation offers with Verde and Community Energy Project, and targeted geographic areas.
- d. Launch a new business customer engagement campaign that creates a strong link between the business needs of smaller and more diverse business customers and Energy Trust's offerings.
- e. Expand use of automated email marketing to support key savings drivers, including smart thermostats, heat pump water heating, commercial and industrial lighting and equipment retrofits.
- f. Identify additional synergies in working with Oregon Manufacturing Extension Partnership; investigate other business/trade organizations that have complementary goals and opportunities for shared communications channels.
- g. Seek out more local and regional business-to-business events to reach more diverse and smaller business customers.
- h. Support a request for proposals for delivery of Existing Multifamily, Existing Buildings and commercial and industrial lighting to ensure that marketing needs are addressed.
- i. Seek out new ways to collaborate with utilities by supporting promotion of offers that provide mutual benefits such as demand response and energy efficiency.
- j. Work with program managers to develop marketing targeting the emerging and fast-growing hemp and CBD extraction businesses in Oregon.
- k. Work with City of Portland on Home Energy Score and energy performance benchmarking efforts that help customers improve scores.
- l. Develop new high-value solar marketing campaign, incorporating new offers.
- m. Develop public relations strategy that will reach a broader range of market actors for renewable programs, including high-value solar, biomass and hydropower.
- n. Support initial scoping, development and launch of an online customer engagement solution to meet customer and savings acquisition goals and address the gap caused by the gradual sunset of Energy Saver Kits.

2021 Expected Changes

- Implement a comprehensive residential customer engagement online platform to scale; plan for how the platform can be extended to serve small business customers. Digital customer engagement solutions enable online program participation by optimizing the user experience and path to participation. They remove common barriers to entry, reduce online drop-off rates and capture customer insights so the program can tailor messages and offers.
- Expand program engagement campaigns for residential and business customers to include new technologies.

Customer Service and Trade Ally

The Communications and Customer Service (CCS) group provides staff, services and resources to administer and manage customer experience and the Trade Ally Network. The Customer Service and Trade Ally budget provides customer access to information, services and cash incentives, supports a consistent and positive customer experience, and ensures contractor access to offers, training and customer leads. This is accomplished by working with programs and support groups on standards, training and planning to support customers and a network of informed contractors with high-quality customer service.

The Customer Service and Trade Ally team manages a call center contract for call-taking and administrative services and a trade ally insurance verification contract. The team coordinates across all Energy Trust business functions. Staff also coordinate with customer service and trade ally specialists at Program Delivery and Management Contractors.

Context

Energy Trust has been effective at capturing low-cost savings across programs. As some energy efficiency offers change or face challenges with cost-effective requirements, the number of available upgrades that qualify for incentives may be reduced and customer and contractor relationships may be impacted. Additionally, programs are developing more offers to expand participation within underserved communities and to acquire cost-effective energy savings. These efforts are changing the way Energy Trust's leverages the Trade Ally Network and how staff communicate and support customers accessing our offers. Staff will work to ensure that trade allies are able to support our offers and serve communities. Our goals to increase the number of minority- and women-owned trade ally contractors and projects submitted by those businesses will require greater outreach and understanding by contractors of the value of participating in Energy Trust's Trade Ally Network.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Ensure that Energy Trust offers are accessible to customers, in collaboration with programs and delivery contractors.
 - Seek out and continue partnerships with trade organizations to help spread awareness of Energy Trust's Trade Ally Network and engage more minority- and women-owned businesses.
 - Reduce participation barriers for trade allies to help drive more project submissions.
 - Explore strategies for supporting trade ally contractors to be successful in completing energy efficiency and renewable energy projects, such as workforce development.

- ▶ **Goal 5: Make operational improvements**
 - Improve Energy Trust's Trade Ally Network data to allow enhanced analysis.
 - Streamline Trade Ally Network administration to eliminate redundancy and improve reporting.
 - Standardize service level agreements, procedures and requirements across call centers to improve customer experience and reporting.

2020 Key Activities

- a. Manage contracted customer service call center and administrative functions. Monitor service levels of program contracted call centers to ensure alignment with quality control standards.
- b. Manage customer complaint resolution and ensure customer service process improvement.
- c. Redesign the Interactive Voice Response phone system to better support Spanish-speaking customers and provide improved service.
- d. Redesign the trade ally data structure in Energy Trust systems to improve network analytics including improved project attribution and program enrollment history.

- e. Develop self-service dashboards for trade ally and customer service data to reduce resources needed to support data requests from staff, Oregon Public Utility Commission staff and other stakeholders.
- f. Conduct research to help identify enrollment and participation barriers for minority- and women-owned and rural contractors in the Trade Ally Network and program offers. Create and implement an action plan to address them.
- g. Conduct analysis of current business development fund offerings to ensure they meet the needs of trade allies and provide value to their businesses.
- h. Increase sponsorships and partnerships with trade and community-based organizations to help spread awareness of the Trade Ally Network and help build connections with diverse contractors.
- i. Implement improvements to the online Find a Contractor tool to allow customers to search for contractors by the languages spoken.
- j. Hold forums for trade ally contractors to provide updates on offers and training, including in rural communities.

2021 Expected Changes

- The Trade Ally Network and customer service approaches will evolve as energy efficiency and renewable energy offers change.
- The Oregon Public Utility Commission diversity, equity, and inclusion performance measure for minority contractor project submittal may evolve for 2021.

Budgeted Expenditures

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$0.6 | \$0.8 | \$0.7 |

**Expenditure detail is provided under budget details tab in the budget binder.*

Operations Analysts

The Operations Analyst Team provides business system leadership and support, analytic resources and reporting support for Energy Trust. The team is also a forum for shared knowledge, solutions and approaches. The team manages projects across all groups and programs to promote alignment of priorities, standardization, replicability and best practices. The team ensures the data and systems architecture, data quality and analysis capabilities are aligned to plan, forecast and deliver program value to all customer types and markets while also reducing administrative burden on staff and customers alike.

Context

Energy Trust is transitioning to a new five-year strategic plan while facing rapid market and technology changes. This requires a re-evaluation of how the Operations Analyst Team supports emerging delivery strategies, development of new measures and integration of offerings across programs.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Lead efforts to provide measure analysis that informs annual program goals and budgets.
 - Lead data ownership and stewardship to standardize data definitions, content, quality and security throughout the organization.

- ▶ **Goal 3: Provide information to policymakers, agencies and implementers**
 - Provide and ensure quality control of data in organizational reporting.
 - Lead analysis and ongoing tracking and monitoring of the proportion of SB 1149 incentive spending on projects with electric customers exempt from SB 838, as well as self-direct administration.

- ▶ **Goal 5: Make operational improvements**
 - Support efforts to implement the new budget software that support the organization's annual budgeting and quarterly forecasting of expenditures and revenue.
 - Lead efforts to automate parts or all of organizational reporting with the goal of reducing staff resources required.
 - Improve the organization's ability to report on forecasted projects and eliminate duplicative data entry related to project pipeline management.

2020 Key Activities

- a. Lead all quarterly forecasting of savings and incentives for all energy programs, including ongoing improvements in data systems.
- b. Integrate the new Measure Development Manager staff position into the program teams to manage the measure development process and direct the work of analytic contractors to complete reviews and analyses.
- c. Lead the ongoing prioritization of requests for enhancements and upgrades to business systems.
- d. Manage user acceptance testing and change management efforts related to enhancements and upgrades to business systems.
- e. Identify pain points and opportunities for improvement within systems to eliminate administrative overhead and provide more accurate and accessible information to staff.
- f. Lead efforts to develop and utilize self-service reporting tools to enable staff to analyze and use information in day-to-day decision-making.
- g. Support the automation of the solar leads process to more efficiently pair customers with solar trade allies by specialty and service territory.

- h. Investigate and build business requirements to better support location and customer-segment based acquisition efforts to allow for more efficient delivery and processing of targeted offerings.
- i. Investigate and build business requirements for changes to system and data architecture to align and streamline delivery approaches across all programs.
- j. Support the loading of financial data in the data warehouse to support existing public reporting and the budget tools project implementation.
- k. Support new functionality to provide visibility, tracking and approval to the check re-issue process.
- l. Support the implementation, data clean-up and associated process and system changes to address duplicative vendors and accounts in Great Plains and CRM.

2021 Expected Changes

- Changes to program structure, program design, delivery channels or implementation contractors will result in new requirements for systems and reporting.
- Requirements for location and customer segment-based savings and incentives within data systems may require large system enhancement projects in future years.
- Lessons learned from the first year of integrating the Measure Development Manager into programs and changes to program implementation contracts across the business programs may surface a need to contract directly with engineering resources for organizational analytic needs.

Information Technology

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 energy programs and operational support groups. IT resources include hardware, infrastructure, information systems, reporting capabilities and technical support.

Context

Program offerings and delivery approaches continue to change at an increasing speed. Efficient operation of changing programs requires information systems acquisition and changes. It also requires ongoing assessment of rapidly advancing systems technology in choosing the best approaches for information systems architecture.

2020 Goals and Strategic Focus

- ▶ **Goal 1: Meet savings and generation targets and create future opportunities**
 - Develop robust systems to efficiently process and track customer projects, including through web applications.

- ▶ **Goal 5: Make operational improvements**
 - Enhance foundational IT systems, including Project Tracking, CRM and web services.
 - Improve data and reporting infrastructure to accommodate changing business needs, including new visual presentation tools for data.
 - Implement new tools to automate processes, improve capabilities and streamline work across the organization.
 - Continue assessment of changing business needs, emerging technologies and new approaches to improve information technology systems.

2020 Key Activities

- a. Rebuild the project forecasting functionality in the Project Tracking system to match business practices, reduce data entry work and provide better visibility to forecasting.
- b. Implement the new budget software to provide a more robust toolset for organizational budgeting, forecasting and budget management.
- c. Analyze systems changes needed for new program delivery approaches, including cross-program and location-based savings and incentives.
- d. Restructure the data warehouse to automate standard quarterly and annual reporting and streamline the production of reports.
- e. Work with programs and Communications and Customer Service staff in analyzing new tools to support customer engagement.
- f. Build integrations between the electronic signature application and Project Tracking and CRM to automate data transfer from electronic forms to internal tracking systems.
- g. Implement additional information security efforts to comply with best practices established by the International Organization for Standardization.
- h. Install video conferencing equipment in all conference rooms and upgrade remote services software to enhance productivity of remote collaboration.

2021 Expected Changes

- Implement systems changes based on new program delivery approaches.

- Greater focus on the backlog of smaller systems enhancements for operational improvements.

Budgeted Expenditures

| | 2019 Budget | 2020 Budget | 2021 Projection |
|--------------------------------|-------------|-------------|-----------------|
| Total Expenditures (millions)* | \$3.4 | \$3.4 | \$3.6 |

**Expenditure detail is provided under budget details tab in the budget binder.*

2019 Forecast - Recap Spending and Savings

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 | 40.2 | 6.3 | 46.4 | 12.3 | 3.7 | 1,516,987 | 45.31 |
| Business Energy Solutions – Multifamily | 7.8 | 1.5 | 9.3 | 1.5 | 4.9 | 190,911 | 55.94 |
| Business Energy Solutions – New Buildings | 17.6 | 2.1 | 19.7 | 5.8 | 3.2 | 769,769 | 23.60 |
| Mkt Transformation (Alliance) | 3.2 | 0.4 | 3.6 | 1.7 | 3.8 | | |
| Total Commercial | 68.8 | 10.3 | 79.1 | 21.2 | 3.7 | 2,477,667 | 40.39 |
| Industrial | | | | | | | |
| Production Efficiency | 35.8 | 3.1 | 38.9 | 16.3 | 2.3 | 863,952 | 30.94 |
| Mkt Transformation (Alliance) | 0.1 | 0.0 | 0.1 | 0.8 | 0.3 | | |
| Total Industrial | 35.9 | 3.1 | 39.0 | 17.1 | 2.3 | 863,952 | 31.40 |
| Residential | | | | | | | |
| Home Energy Solutions – Residential | 34.2 | 15.4 | 49.6 | 7.1 | 4.8 | 2,362,162 | 44.09 |
| Mkt Transformation (Alliance) | 3.8 | 1.1 | 4.9 | 2.8 | 1.6 | | |
| Total Residential | 38.1 | 16.4 | 54.5 | 9.9 | 4.1 | 2,362,162 | 48.08 |
| Washington | | | | | | | |
| Business Energy Solutions – Existing Buildings | | 1.0 | 1.0 | | | 165,365 | 42.69 |
| Home Energy Solutions – Existing Homes | | 1.5 | 1.5 | | | 239,668 | 47.29 |
| Total Washington | | 2.5 | 2.5 | | | 405,033 | 45.32 |
| Total Energy Efficiency | 142.8 | 32.3 | 175.0 | 48.3 | 3.2 | 6,108,814 | 41.78 |

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 | 4.3 | | 4.2 | | 0.00 | - | 0.13 | - |
| Solar Electric | 9.0 | | 8.9 | | 2.78 | 3.25 | 2.63 | 3.39 |
| Total Renewable Resources | \$13.3 | | \$13.1 | | 2.78 | 4.78 | 2.77 | 4.75 |

TOTAL BUDGET - ALL

188.2

Some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2019 Forecast

| | ENERGY EFFICIENCY | | | | | | RENEWABLE ENERGY | | | OPUC Grant Funded Programs | |
|--|--------------------|-------------------|------------------|-------------------|------------------|------------------|--------------------|-------------------|------------------|----------------------------|--------------------|
| | PGE | PacifiCorp | NWN Industrial | NW Natural | Cascade | Avista | Total | PGE | PacifiCorp | | Total |
| REVENUES | | | | | | | | | | | |
| Public Purpose Funding | 30,066,786 | 22,259,589 | | 20,415,328 | 3,396,239 | 2,091,870 | 78,229,812 | 8,803,091 | 6,366,170 | 15,169,261 | 93,399,073 |
| Incremental Funding | 53,897,212 | 32,153,710 | 3,769,658 | | | | 89,820,580 | | | | 89,820,580 |
| Grant Revenue | | | | | | | | | | | |
| Community Solar Revenue | | | | | | | | | | | |
| Contributions | | | | | | | | | | | |
| Revenue from Investments | | | | | | | | | | | |
| Gain or Loss on Investments | | | | | | | | | | | |
| TOTAL PROGRAM REVENUE | 83,963,997 | 54,413,299 | 3,769,658 | 20,415,328 | 3,396,239 | 2,091,870 | 168,050,392 | 8,803,091 | 6,366,170 | 15,169,261 | 183,219,653 |
| EXPENSES | | | | | | | | | | | |
| Incentives | 45,018,194 | 27,355,683 | 2,237,939 | 11,023,369 | 1,539,180 | 1,026,082 | 88,200,448 | 3,953,795 | 4,460,267 | 8,414,061 | 96,614,509 |
| Program Delivery Subcontracts | 30,839,366 | 20,112,190 | 1,062,024 | 7,049,556 | 971,427 | 755,885 | 60,790,446 | 210,160 | 145,703 | 355,863 | 61,146,309 |
| Employee Salaries and Fringe Benefits | 1,839,910 | 1,191,655 | 93,637 | 449,966 | 54,117 | 40,769 | 3,670,054 | 516,952 | 648,412 | 1,165,364 | 4,835,418 |
| Agency Contractor Services | 227,276 | 146,668 | 14,880 | 34,694 | 7,055 | 4,237 | 434,810 | 143,604 | 102,618 | 246,222 | 681,032 |
| Planning and Evaluation Services | 1,525,744 | 978,268 | 56,754 | 144,028 | 22,306 | 14,163 | 2,741,266 | 33,648 | 26,352 | 60,000 | 2,801,266 |
| Advertising and Marketing Services | 851,761 | 555,488 | 31,950 | 281,381 | 32,717 | 24,150 | 1,777,450 | 147,500 | 113,000 | 260,500 | 2,037,950 |
| Other Professional Services | 762,915 | 451,655 | 21,648 | 250,469 | 28,482 | 21,880 | 1,537,050 | 582,256 | 583,378 | 1,165,634 | 2,702,684 |
| Travel, Meetings, Trainings and Conferences | 51,952 | 34,863 | 2,275 | 16,590 | 1,889 | 1,430 | 109,000 | 18,424 | 16,076 | 34,500 | 143,500 |
| Dues, Licenses and fees | 29,062 | 16,656 | 1,475 | 4,298 | 1,343 | 723 | 53,557 | 9,122 | 7,678 | 16,800 | 70,357 |
| Software and Hardware | - | - | - | - | - | - | - | 95,759 | 66,459 | 162,218 | 162,218 |
| Materials Postage and Telephone | 3,725 | 2,548 | 326 | 258 | 98 | 46 | 7,000 | 350 | 350 | 700 | 7,700 |
| Shared Office Space | 244,250 | 159,549 | 13,074 | 57,442 | 7,026 | 5,191 | 486,535 | 77,995 | 102,147 | 180,143 | 666,678 |
| Shared Information Technology | 981,750 | 594,939 | 29,465 | 310,235 | 33,355 | 26,833 | 1,976,574 | 131,728 | 172,521 | 304,250 | 2,280,824 |
| Customer Service Management | 125,385 | 77,113 | 3,886 | 40,481 | 4,862 | 3,673 | 255,397 | 8,300 | 5,761 | 14,061 | 269,458 |
| Trade Ally Management | 128,121 | 89,886 | 614 | 76,847 | 6,427 | 5,726 | 307,621 | 21,117 | 14,710 | 35,827 | 343,448 |
| Planning & Evaluation Management | 884,136 | 586,308 | 29,225 | 289,285 | 27,500 | 21,217 | 1,837,669 | 44,707 | 44,052 | 88,760 | 1,926,429 |
| TOTAL PROGRAM EXPENSES | 83,513,547 | 52,353,469 | 3,599,172 | 20,028,899 | 2,737,784 | 1,952,005 | 164,184,877 | 5,995,417 | 6,509,484 | 12,504,903 | 176,689,780 |
| ADMINISTRATIVE COSTS | | | | | | | | | | | |
| Management & General (Notes 1 & 2) | 2,335,663 | 1,464,196 | 100,660 | 560,157 | 76,569 | 54,592 | 4,591,839 | 167,677 | 182,054 | 349,731 | 4,941,570 |
| Communications & Customer Svc (Notes 1 & 2) | 1,913,112 | 1,199,303 | 82,449 | 458,817 | 62,717 | 44,717 | 3,761,113 | 137,342 | 149,118 | 286,460 | 4,047,573 |
| Total Administrative Costs | 4,248,775 | 2,663,499 | 183,109 | 1,018,974 | 139,286 | 99,309 | 8,352,952 | 305,019 | 331,172 | 636,191 | 8,989,143 |
| TOTAL PROG & ADMIN EXPENSES | 87,762,322 | 55,016,968 | 3,782,281 | 21,047,873 | 2,877,070 | 2,051,314 | 172,537,829 | 6,300,436 | 6,840,656 | 13,141,094 | 185,678,923 |
| TOTAL REVENUE LESS EXPENSES | (3,798,325) | (603,669) | (12,623) | (632,545) | 519,169 | 40,556 | (4,487,437) | 2,502,655 | (474,486) | 2,028,167 | (2,459,270) |
| NET ASSETS - RESERVES | | | | | | | | | | | |
| Rollforward from beginning of year | | | | | | | | | | | |
| Beginning Total Net Assets at 1/1/2019 | 22,328,018 | 9,319,633 | 772,993 | 3,591,597 | 373,597 | - | 36,385,838 | 9,510,800 | 6,490,682 | 16,001,482 | 52,387,320 |
| Current Year Revenue Less Expenses | (3,798,325) | (603,669) | (12,623) | (632,545) | 519,169 | 40,556 | (4,487,437) | 2,502,655 | (474,486) | 2,028,167 | (2,459,270) |
| Attribution of Investment income this year (est) | 503,642 | 222,320 | 18,901 | 80,748 | 15,610 | 500 | 841,721 | 265,324 | 154,169 | 419,492 | 1,261,214 |
| Ending Net Assets | 19,033,335 | 8,938,284 | 779,271 | 3,039,800 | 908,376 | 41,056 | 32,740,122 | 12,278,779 | 6,170,365 | 18,449,141 | 51,189,264 |
| Ending Reserve by Category | | | | | | | | | | | |
| Efficiency Program Reserves by Utility | 19,033,335 | 8,938,284 | 779,271 | 3,039,800 | 908,376 | 41,056 | 32,740,122 | | | | 32,740,122 |
| Renewable Reserves by Utility | | | | | | | | 12,278,779 | 6,170,365 | 18,449,141 | 18,449,141 |
| Net Assets by Other Funding Source | | | | | | | | | | | |
| Net Assets Loaned through Craft3 Program | | | | | | | | | | | |
| Operational Contingency Reserve | | | | | | | | | | | |
| Emergency Contingency Reserve | | | | | | | | | | | |
| TOTAL NET ASSETS CUMULATIVE | 19,033,335 | 8,938,284 | 779,271 | 3,039,800 | 908,376 | 41,056 | 32,740,122 | 12,278,779 | 6,170,365 | 18,449,141 | 51,189,264 |

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.

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2019 Forecast

| | OTHER FUNDING SOURCES | | | TOTAL ORGANIZATION |
|--|-----------------------|------------------|--------------------|--------------------|
| | NWN WA | Fund Development | Community Solar Op | |
| REVENUES | | | | |
| Public Purpose Funding | | | | 93,399,073 |
| Incremental Funding | 2,230,921 | | | 92,051,501 |
| Grant Revenue | | | | |
| Community Solar Revenue | | | 355,063 | 355,063 |
| Contributions | | | | |
| Revenue from Investments | | | | 1,490,500 |
| Gain or Loss on Investments | | | | |
| TOTAL PROGRAM REVENUE | 2,230,921 | | 355,063 | 187,296,136 |
| EXPENSES | | | | |
| Incentives | 1,364,022 | - | - | 97,978,531 |
| Program Delivery Subcontracts | 618,140 | - | - | 61,764,449 |
| Employee Salaries and Fringe Benefits | 104,061 | 6,077 | 131,617 | 5,077,173 |
| Agency Contractor Services | - | - | - | 681,032 |
| Planning and Evaluation Services | - | - | - | 2,801,266 |
| Advertising and Marketing Services | 41,000 | - | - | 2,078,950 |
| Other Professional Services | 21,550 | - | 11,597 | 2,735,831 |
| Travel, Meetings, Trainings and Conferences | 5,250 | - | 750 | 149,500 |
| Dues, Licenses and fees | 36,464 | - | - | 106,821 |
| Software and Hardware | - | - | - | 162,218 |
| Materials Postage and Telephone | - | - | - | 7,700 |
| Shared Office Space | 16,601 | - | 21,648 | 704,927 |
| Shared Information Technology | 53,990 | - | 22,759 | 2,357,573 |
| Customer Service Management | 38,731 | - | - | 308,189 |
| Trade Ally Management | - | - | - | 343,448 |
| Planning & Evaluation Management | 85,447 | - | - | 2,011,876 |
| TOTAL PROGRAM EXPENSES | 2,385,256 | 6,077 | 188,371 | 179,269,484 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General (Notes 1 & 2) | 66,709 | - | 5,268 | 5,013,547 |
| Communications & Customer Svc (Notes 1 & 2) | 54,641 | - | 4,315 | 4,106,529 |
| Total Administrative Costs | 121,350 | - | 9,583 | 9,120,076 |
| TOTAL PROG & ADMIN EXPENSES | 2,506,606 | 6,077 | 197,954 | 188,389,560 |
| TOTAL REVENUE LESS EXPENSES | (275,685) | (6,077) | 157,109 | 1,490,500 |
| NET ASSETS - RESERVES | | | | |
| Rollforward from beginning of year | | | | |
| Beginning Total Net Assets at 1/1/2019 | 501,071 | 24,897 | - | 9,891,484 |
| Current Year Revenue Less Expenses | (275,685) | (6,077) | 157,109 | 1,490,500 |
| Attribution of Investment income this year (est) | 8,955 | 539 | 1,937 | (1,272,644) |
| Ending Net Assets | 234,341 | 19,359 | 159,046 | 10,109,340 |
| Ending Reserve by Category | | | | |
| Efficiency Program Reserves by Utility | | | | 32,740,122 |
| Renewable Reserves by Utility | | | | 18,449,141 |
| Net Assets by Other Funding Source | 234,341 | 19,359 | 159,046 | 412,745 |
| Net Assets Loaned through Craft3 Program | | | | 1,800,000 |
| Operational Contingency Reserve | | | | 3,309,340 |
| Emergency Contingency Reserve | | | | 5,000,000 |
| TOTAL NET ASSETS CUMULATIVE | 234,341 | 19,359 | 159,046 | 61,711,351 |

Energy Trust of Oregon
Statement of Administrative Expenses subject to OPUC performance Measure
2019 Forecast

| | OPUC Grant Funded Expenditure | | |
|---|--------------------------------------|----------------------|---|
| | PUC Grant Funded Total | Program Costs | Program Support and Administrative |
| Incentives | \$96,614,510 | \$96,614,510 | |
| Program Delivery Subcontracts | 61,146,308 | 61,146,308 | |
| Employee Salaries & Fringe Benefits | 13,710,518 | 6,819,123 | 6,891,396 |
| Agency Contractor Services | 1,591,233 | 681,032 | 910,201 |
| Planning and Evaluation Services | 3,052,233 | 2,981,368 | 70,864 |
| Advertising and Marketing Services | 3,137,316 | 2,042,759 | 1,094,557 |
| Other Professional Services | 3,924,441 | 2,932,122 | 992,319 |
| Travel, Meetings, Trainings & Conferences | 398,827 | | 398,827 |
| Dues, Licenses and Fees | 256,085 | | 256,084 |
| Software and Hardware | 472,453 | | 472,453 |
| Depreciation & Amortization | 216,151 | | 216,151 |
| Office Rent and Equipment | 1,020,714 | | 1,020,714 |
| Materials Postage and Telephone | 128,802 | | 128,802 |
| Miscellaneous Expenses | 5,082 | | 5,082 |
| TOTAL FUNCTIONAL EXPENSE | 185,674,672 | 173,217,222 | 12,457,450 |

OPUC Grant / Utility Funded Revenue 183,219,652

Performance against OPUC Measure

Program support and administrative cost may not exceed 8% of Revenue

| | | |
|--|------|------------|
| Maximum allowed under the performance measure | 8.0% | 14,657,572 |
| Actual program support and administrative cost | 6.8% | 12,457,450 |
| Unspent below the maximum allowed | | 2,200,122 |

Energy Trust of Oregon
Summary by Service Territory and Program
2019 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 | 31,490,271 | 16,492,808 | 47,983,079 | 1,316,861 | 4,421,496 | 1,235,706 | 779,108 | 7,753,171 | 55,736,250 | 988,377 | 56,724,627 |
| New Buildings | 12,589,259 | 5,020,540 | 17,609,798 | 138,446 | 1,658,309 | 207,370 | 122,500 | 2,126,625 | 19,736,423 | | 19,736,423 |
| NEEA | 1,851,060 | 1,381,086 | 3,232,146 | | 306,645 | 38,331 | 38,331 | 383,307 | 3,615,453 | | 3,615,453 |
| Total Commercial | 45,930,590 | 22,894,434 | 68,825,023 | 1,455,307 | 6,386,450 | 1,481,407 | 939,938 | 10,263,103 | 79,088,126 | 988,377 | 80,076,503 |
| Industrial | | | | | | | | | | | |
| Production Efficiency | 20,031,588 | 15,736,107 | 35,767,694 | 2,326,977 | 503,029 | 198,397 | 57,923 | 3,086,327 | 38,854,021 | | 38,854,021 |
| NEEA | 76,136 | 56,805 | 132,941 | | | | | | 132,941 | | 132,941 |
| Total Industrial | 20,107,724 | 15,792,912 | 35,900,635 | 2,326,977 | 503,029 | 198,397 | 57,923 | 3,086,327 | 38,986,962 | | 38,986,962 |
| Residential | | | | | | | | | | | |
| Residential Combined | 19,541,037 | 14,700,897 | 34,241,934 | | 13,312,724 | 1,091,559 | 947,744 | 15,352,026 | 49,593,960 | 1,518,231 | 51,112,191 |
| NEEA | 2,182,968 | 1,628,726 | 3,811,694 | | 845,668 | 105,709 | 105,709 | 1,057,085 | 4,868,779 | | 4,868,779 |
| Total Residential | 21,724,005 | 16,329,622 | 38,053,628 | | 14,158,392 | 1,197,267 | 1,053,452 | 16,409,111 | 54,462,739 | 1,518,231 | 55,980,970 |
| Energy Efficiency Program Costs | 87,762,322 | 55,016,968 | 142,779,286 | 3,782,281 | 21,047,873 | 2,877,070 | 2,051,314 | 29,758,541 | 172,537,827 | 2,506,606 | 175,044,435 |
| Renewables | | | | | | | | | | | |
| Solar Electric (Photovoltaic) | 5,270,137 | 3,657,588 | 8,927,725 | | | | | | 8,927,725 | | 8,927,725 |
| Other Renewable | 1,030,302 | 3,183,067 | 4,213,369 | | | | | | 4,213,369 | | 4,213,369 |
| Renewables Program Costs | 6,300,436 | 6,840,656 | 13,141,094 | | | | | | 13,141,094 | | 13,141,094 |
| Fund Development | | | | | | | | | | | 6,077 |
| Community Solar | | | | | | | | | | | 197,954 |
| Cost Grand Total | 94,062,758 | 61,857,624 | 155,920,380 | 3,782,281 | 21,047,873 | 2,877,070 | 2,051,314 | 29,758,541 | 185,678,921 | 2,506,606 | 188,389,560 |

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Forecast

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Washington | Solar Renewables | Custom Renewables | ETO Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|--------------------|-------------------------|-------------------|-------------------------|--------------------------|--------------------|
| Incentives | 23,600,885 | 3,085,126 | 10,859,600 | - | 21,146,042 | - | 29,508,794 | - | 1,364,022 | 6,005,100 | 2,408,962 | 97,978,531 |
| Program Delivery Subcontracts | 17,226,095 | 4,669,782 | 6,369,958 | 3,418,174 | 12,353,480 | 115,978 | 12,027,312 | 4,609,669 | 618,140 | 355,863 | - | 61,764,451 |
| Employee Salaries and Fringe Benefits | 657,481 | 315,195 | 302,892 | - | 1,213,026 | - | 1,181,460 | - | 104,061 | 670,893 | 494,471 | 4,939,479 |
| Agency Contractor Services | 179,025 | 18,540 | 15,165 | - | 161,180 | - | 60,900 | - | - | 241,182 | 5,040 | 681,032 |
| Planning and Evaluation Services | 432,561 | 189,947 | 252,204 | 22,247 | 277,213 | 10,527 | 629,571 | 23,401 | 85,447 | 65,358 | 23,401 | 2,011,877 |
| Advertising and Marketing Services | 404,449 | 59,000 | 147,998 | - | 323,000 | - | 843,000 | - | 41,000 | 230,500 | 30,000 | 2,078,947 |
| Other Professional Services | 421,850 | 100,000 | 106,500 | - | 171,600 | - | 737,099 | - | 21,550 | 369,634 | 796,000 | 2,724,233 |
| Travel, Meetings, Trainings and Conferences | 22,001 | 6,000 | 3,999 | - | 26,999 | - | 50,000 | - | 5,250 | 13,000 | 21,500 | 148,749 |
| Dues, Licenses and fees | 48,557 | - | - | - | 1,499 | - | 3,501 | - | 36,464 | 8,000 | 8,800 | 106,821 |
| Software and Hardware | - | - | - | - | - | - | - | - | - | 162,218 | - | 162,218 |
| Materials Postage and Telephone | 3,001 | - | - | - | 4,000 | - | - | - | - | - | 700 | 7,701 |
| Shared Office Space | 84,316 | 36,476 | 42,121 | - | 172,952 | - | 150,667 | - | 16,601 | 98,168 | 81,974 | 683,275 |
| Shared Information Technology | 350,021 | 204,343 | 278,752 | - | 292,106 | - | 851,355 | - | 53,990 | 165,799 | 138,450 | 2,334,816 |
| Customer Service Management | 72,988 | 19,558 | 23,137 | - | 27,356 | - | 112,361 | - | 38,731 | 14,061 | - | 308,192 |
| Trade Ally Management | 11,700 | 20,429 | 2,243 | - | 4,396 | - | 268,853 | - | - | 35,736 | 91 | 343,448 |
| Planning and Evaluation Management | 683,513 | 115,090 | 376,369 | - | 798,159 | - | 768,132 | - | - | 60,000 | - | 2,801,263 |
| TOTAL PROGRAM EXPENSES | 44,198,443 | 8,839,486 | 18,780,938 | 3,440,421 | 36,973,008 | 126,505 | 47,193,005 | 4,633,070 | 2,385,256 | 8,495,512 | 4,009,389 | 179,075,033 |
| ADMINISTRATIVE COSTS | | | | | | | | | | | | |
| Management & General | 1,236,119 | 247,219 | 525,255 | 96,220 | 1,034,042 | 3,538 | 1,319,870 | 129,574 | 66,709 | 237,598 | 112,133 | 5,008,277 |
| Communications & Customer Svc | 1,012,490 | 202,493 | 430,229 | 78,813 | 846,970 | 2,898 | 1,081,089 | 106,133 | 54,641 | 194,614 | 91,846 | 4,102,216 |
| Total Administrative Costs | 2,248,609 | 449,712 | 955,484 | 175,033 | 1,881,012 | 6,436 | 2,400,959 | 235,707 | 121,350 | 432,212 | 203,979 | 9,110,493 |
| Total Program & Admin Expenses | 46,447,052 | 9,289,198 | 19,736,422 | 3,615,454 | 38,854,020 | 132,941 | 49,593,964 | 4,868,777 | 2,506,606 | 8,927,724 | 4,213,368 | 188,185,526 |
| Energy Savings (kwh) | 122,827,966 | 15,422,985 | 49,892,237 | 14,473,628 | 159,232,410 | 7,109,689 | 62,868,539 | 24,504,958 | | | | 456,332,411 |
| Energy Savings (therms) | 1,686,412 | 234,770 | 762,071 | - | 1,044,902 | - | 2,476,498 | - | 405,033 | | | 6,609,685 |
| Energy Generation (kwh) | | | | | | | | | | 23,081,300 | 1,152,040 | 24,233,340 |

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Forecast

ENERGY EFFICIENCY

PGE

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | NEEA Residential | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Incentives | 12,921,573 | 1,898,717 | 6,904,533 | | 11,239,578 | | 12,053,793 | | 45,018,194 |
| Program Delivery Subcontracts | 9,704,122 | 2,873,981 | 4,088,867 | 1,748,705 | 6,035,870 | 66,421 | 4,257,516 | 2,063,884 | 30,839,366 |
| Employee Salaries and Fringe Benefit | 364,472 | 193,990 | 193,110 | | 625,313 | | 463,025 | | 1,839,910 |
| Agency Contractor Services | 99,242 | 11,411 | 9,668 | | 83,088 | | 23,867 | | 227,276 |
| Planning and Evaluation Services | 229,076 | 117,031 | 152,149 | 12,741 | 136,369 | 6,029 | 217,339 | 13,402 | 884,136 |
| Advertising and Marketing Services | 224,205 | 36,312 | 94,358 | | 166,506 | | 330,380 | | 851,761 |
| Other Professional Services | 256,134 | 61,546 | 67,899 | | 88,460 | | 288,876 | | 762,915 |
| Travel, Meetings, Trainings and Confe | 12,196 | 3,693 | 2,550 | | 13,918 | | 19,595 | | 51,952 |
| Dues, Licenses and fees | 26,917 | | | | 773 | | 1,372 | | 29,062 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 1,663 | | | | 2,062 | | | | 3,725 |
| Shared Office Space | 46,741 | 22,450 | 26,854 | | 89,157 | | 59,048 | | 244,250 |
| Shared Information Technology | 194,033 | 125,764 | 177,719 | | 150,580 | | 333,654 | | 981,750 |
| Customer Service Management | 40,461 | 12,037 | 14,751 | | 14,101 | | 44,035 | | 125,385 |
| Trade Ally Management | 6,486 | 12,573 | 1,430 | | 2,266 | | 105,366 | | 128,121 |
| Planning and Evaluation Management | 397,456 | 71,476 | 245,896 | | 413,770 | | 397,146 | | 1,525,744 |
| TOTAL PROGRAM EXPENSES | 24,524,777 | 5,440,981 | 11,979,784 | 1,761,446 | 19,061,811 | 72,450 | 18,595,012 | 2,077,286 | 83,513,547 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 685,896 | 152,171 | 335,044 | 49,263 | 533,111 | 2,026 | 520,056 | 58,096 | 2,335,663 |
| Communications & Customer Svc | 561,809 | 124,641 | 274,430 | 40,351 | 436,664 | 1,660 | 425,971 | 47,586 | 1,913,112 |
| Total Administrative Costs | 1,247,705 | 276,812 | 609,474 | 89,614 | 969,775 | 3,686 | 946,027 | 105,682 | 4,248,775 |
| Total Program & Admin Expenses | 25,772,482 | 5,717,793 | 12,589,258 | 1,851,060 | 20,031,586 | 76,136 | 19,541,039 | 2,182,968 | 87,762,322 |
| Energy Savings (kwh) | 77,488,514 | 11,567,427 | 33,377,896 | 8,249,968 | 88,995,678 | 4,052,522 | 36,517,022 | 13,967,826 | 274,216,853 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Forecast**

ENERGY EFFICIENCY

Pacific Power

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Efficiency Total |
|---|-------------------------------|----------------------------------|--------------------------|----------------------------|----------------------------------|----------------------------|--------------------|-----------------------------|-----------------------------|
| Incentives | 7,211,554 | 702,317 | 2,747,691 | | 8,349,755 | | 8,344,366 | | 27,355,683 |
| Program Delivery Subcontracts | 5,415,889 | 1,063,058 | 1,627,184 | 1,304,719 | 5,210,335 | 49,557 | 3,901,572 | 1,539,876 | 20,112,190 |
| Employee Salaries and Fringe Benefit | 203,332 | 71,750 | 77,011 | | 491,224 | | 348,338 | | 1,191,655 |
| Agency Contractor Services | 55,365 | 4,220 | 3,856 | | 65,271 | | 17,956 | | 146,668 |
| Planning and Evaluation Services | 145,710 | 43,164 | 69,920 | 9,506 | 119,801 | 4,498 | 183,710 | 9,999 | 586,308 |
| Advertising and Marketing Services | 125,080 | 13,431 | 37,629 | | 130,801 | | 248,547 | | 555,488 |
| Other Professional Services | 114,998 | 22,764 | 27,078 | | 69,491 | | 217,324 | | 451,655 |
| Travel, Meetings, Trainings and Confe | 6,804 | 1,366 | 1,017 | | 10,934 | | 14,742 | | 34,863 |
| Dues, Licenses and fees | 15,017 | | | | 607 | | 1,032 | | 16,656 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 928 | | | | 1,620 | | | | 2,548 |
| Shared Office Space | 26,076 | 8,303 | 10,709 | | 70,039 | | 44,422 | | 159,549 |
| Shared Information Technology | 108,247 | 46,516 | 70,874 | | 118,291 | | 251,011 | | 594,939 |
| Customer Service Management | 22,572 | 4,452 | 5,883 | | 11,078 | | 33,128 | | 77,113 |
| Trade Ally Management | 3,618 | 4,650 | 570 | | 1,780 | | 79,268 | | 89,886 |
| Planning and Evaluation Management | 226,734 | 26,436 | 98,062 | | 323,260 | | 303,776 | | 978,268 |
| TOTAL PROGRAM EXPENSES | 13,681,924 | 2,012,427 | 4,777,484 | 1,314,225 | 14,974,287 | 54,055 | 13,989,192 | 1,549,875 | 52,353,469 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 382,649 | 56,283 | 133,614 | 36,756 | 418,793 | 1,512 | 391,243 | 43,346 | 1,464,196 |
| Communications & Customer Svc | 313,423 | 46,100 | 109,442 | 30,106 | 343,028 | 1,238 | 320,462 | 35,504 | 1,199,303 |
| Total Administrative Costs | 696,072 | 102,383 | 243,056 | 66,862 | 761,821 | 2,750 | 711,705 | 78,850 | 2,663,499 |
| Total Program & Admin Expenses | 14,377,996 | 2,114,810 | 5,020,540 | 1,381,087 | 15,736,108 | 56,805 | 14,700,897 | 1,628,725 | 55,016,968 |
| Energy Savings (kwh) | 45,339,452 | 3,855,558 | 16,514,341 | 6,223,660 | 70,236,732 | 3,057,166 | 26,351,517 | 10,537,132 | 182,115,559 |

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Forecast

ENERGY EFFICIENCY

NW Natural Industrial

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|-------------------------|-------------------------|
| Incentives | 950,970 | | 114,660 | | 1,172,309 | | | 2,237,939 |
| Program Delivery Subcontracts | 215,972 | | 6,800 | | 839,252 | | | 1,062,024 |
| Employee Salaries and Fringe Benefit | 18,755 | | 2,133 | | 72,749 | | | 93,637 |
| Agency Contractor Services | 5,107 | | 107 | | 9,666 | | | 14,880 |
| Planning and Evaluation Services | 11,686 | | 1,674 | | 15,865 | | | 29,225 |
| Advertising and Marketing Services | 11,537 | | 1,042 | | 19,371 | | | 31,950 |
| Other Professional Services | 10,607 | | 750 | | 10,291 | | | 21,648 |
| Travel, Meetings, Trainings and Confe | 628 | | 28 | | 1,619 | | | 2,275 |
| Dues, Licenses and fees | 1,385 | | | | 90 | | | 1,475 |
| Software and Hardware | | | | | | | | - |
| Materials Postage and Telephone | 86 | | | | 240 | | | 326 |
| Shared Office Space | 2,405 | | 297 | | 10,372 | | | 13,074 |
| Shared Information Technology | 9,984 | | 1,963 | | 17,518 | | | 29,465 |
| Customer Service Management | 2,082 | | 163 | | 1,641 | | | 3,886 |
| Trade Ally Management | 334 | | 16 | | 264 | | | 614 |
| Planning and Evaluation Management | 11,570 | | 2,110 | | 43,074 | | | 56,754 |
| TOTAL PROGRAM EXPENSES | 1,253,108 | - | 131,743 | - | 2,214,321 | - | - | 3,599,172 |
| ADMINISTRATIVE COSTS | | | | | | | | |
| Management & General | 35,046 | | 3,685 | | 61,929 | | | 100,660 |
| Communications & Customer Svc | 28,706 | | 3,018 | | 50,725 | | | 82,449 |
| Total Administrative Costs | 63,752 | - | 6,703 | - | 112,654 | - | - | 183,109 |
| Total Program & Admin Expenses | 1,316,860 | - | 138,446 | - | 2,326,975 | - | - | 3,782,281 |
| Energy Savings (therms) | 631,876 | - | 107,324 | - | 717,720 | - | - | 1,456,920 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Forecast**

ENERGY EFFICIENCY

NW Natural Gas

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|--------------------|-------------------------|-------------------------|
| Incentives | 1,598,024 | 417,830 | 910,956 | | 249,678 | | 7,846,881 | | 11,023,369 |
| Program Delivery Subcontracts | 1,200,118 | 632,446 | 539,469 | 291,800 | 181,168 | | 3,399,828 | 804,727 | 7,049,556 |
| Employee Salaries and Fringe Benefit | 45,066 | 42,686 | 25,554 | | 15,726 | | 320,934 | | 449,966 |
| Agency Contractor Services | 12,271 | 2,511 | 1,279 | | 2,090 | | 16,543 | | 34,694 |
| Planning and Evaluation Services | 29,978 | 25,680 | 24,473 | | 3,430 | | 205,724 | | 289,285 |
| Advertising and Marketing Services | 27,722 | 7,990 | 12,486 | | 4,188 | | 228,995 | | 281,381 |
| Other Professional Services | 25,488 | 13,543 | 8,985 | | 2,225 | | 200,228 | | 250,469 |
| Travel, Meetings, Trainings and Confe | 1,508 | 813 | 337 | | 350 | | 13,582 | | 16,590 |
| Dues, Licenses and fees | 3,328 | | | | 19 | | 951 | | 4,298 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 206 | | | | 52 | | | | 258 |
| Shared Office Space | 5,779 | 4,940 | 3,554 | | 2,242 | | 40,927 | | 57,442 |
| Shared Information Technology | 23,992 | 27,674 | 23,518 | | 3,787 | | 231,264 | | 310,235 |
| Customer Service Management | 5,003 | 2,649 | 1,952 | | 355 | | 30,522 | | 40,481 |
| Trade Ally Management | 802 | 2,767 | 189 | | 57 | | 73,032 | | 76,847 |
| Planning and Evaluation Management | 31,802 | 14,827 | 25,274 | | 13,311 | | 58,814 | | 144,028 |
| TOTAL PROGRAM EXPENSES | 3,011,087 | 1,196,356 | 1,578,026 | 291,800 | 478,678 | - | 12,668,225 | 804,727 | 20,028,899 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 84,213 | 33,459 | 44,133 | 8,161 | 13,387 | | 354,298 | 22,506 | 560,157 |
| Communications & Customer Svc | 68,977 | 27,406 | 36,149 | 6,684 | 10,965 | | 290,201 | 18,435 | 458,817 |
| Total Administrative Costs | 153,190 | 60,865 | 80,282 | 14,845 | 24,352 | - | 644,499 | 40,941 | 1,018,974 |
| Total Program & Admin Expenses | 3,164,277 | 1,257,221 | 1,658,308 | 306,645 | 503,030 | - | 13,312,724 | 845,668 | 21,047,873 |
| Energy Savings (therms) | 714,884 | 203,527 | 530,695 | - | 245,362 | - | 2,121,776 | - | 3,816,245 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Forecast**

ENERGY EFFICIENCY

Cascade Natural Gas

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Efficiency Total |
|---|-------------------------------|----------------------------------|--------------------------|----------------------------|----------------------------------|----------------------------|--------------------|-----------------------------|-----------------------------|
| Incentives | 604,725 | 13,558 | 114,262 | | 96,250 | | 710,385 | | 1,539,180 |
| Program Delivery Subcontracts | 454,150 | 20,523 | 67,666 | 36,475 | 75,255 | | 216,767 | 100,591 | 971,427 |
| Employee Salaries and Fringe Benefit | 17,018 | 1,385 | 3,196 | | 6,203 | | 26,315 | | 54,117 |
| Agency Contractor Services | 4,634 | 81 | 160 | | 824 | | 1,356 | | 7,055 |
| Planning and Evaluation Services | 10,604 | 833 | 2,507 | | 1,353 | | 12,203 | | 27,500 |
| Advertising and Marketing Services | 10,469 | 259 | 1,561 | | 1,652 | | 18,776 | | 32,717 |
| Other Professional Services | 9,625 | 439 | 1,124 | | 877 | | 16,417 | | 28,482 |
| Travel, Meetings, Trainings and Confe | 569 | 26 | 42 | | 138 | | 1,114 | | 1,889 |
| Dues, Licenses and fees | 1,257 | | | | 8 | | 78 | | 1,343 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 78 | | | | 20 | | | | 98 |
| Shared Office Space | 2,182 | 160 | 444 | | 884 | | 3,356 | | 7,026 |
| Shared Information Technology | 9,060 | 898 | 2,941 | | 1,494 | | 18,962 | | 33,355 |
| Customer Service Management | 1,889 | 86 | 244 | | 140 | | 2,503 | | 4,862 |
| Trade Ally Management | 303 | 90 | 24 | | 22 | | 5,988 | | 6,427 |
| Planning and Evaluation Management | 10,499 | 481 | 3,160 | | 3,672 | | 4,494 | | 22,306 |
| TOTAL PROGRAM EXPENSES | 1,137,062 | 38,819 | 197,331 | 36,475 | 188,792 | - | 1,038,714 | 100,591 | 2,737,784 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 31,801 | 1,086 | 5,519 | 1,020 | 5,280 | | 29,050 | 2,813 | 76,569 |
| Communications & Customer Svc | 26,048 | 889 | 4,520 | 836 | 4,325 | | 23,795 | 2,304 | 62,717 |
| Total Administrative Costs | 57,849 | 1,975 | 10,039 | 1,856 | 9,605 | - | 52,845 | 5,117 | 139,286 |
| Total Program & Admin Expenses | 1,194,911 | 40,794 | 207,370 | 38,331 | 198,397 | - | 1,091,559 | 105,708 | 2,877,070 |
| Energy Savings (therms) | 211,083 | 5,643 | 79,225 | - | 57,658 | - | 178,482 | - | 532,091 |

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Forecast

ENERGY EFFICIENCY

Avista

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|--------------------|-------------------------|-------------------------|
| Incentives | 314,039 | 52,704 | 67,498 | | 38,472 | | 553,369 | | 1,026,082 |
| Program Delivery Subcontracts | 235,844 | 79,774 | 39,972 | 36,475 | 11,600 | | 251,629 | 100,591 | 755,885 |
| Employee Salaries and Fringe Benefit: | 8,838 | 5,384 | 1,888 | | 1,811 | | 22,848 | | 40,769 |
| Agency Contractor Services | 2,406 | 317 | 95 | | 241 | | 1,178 | | 4,237 |
| Planning and Evaluation Services | 5,507 | 3,239 | 1,481 | | 395 | | 10,595 | | 21,217 |
| Advertising and Marketing Services | 5,436 | 1,008 | 922 | | 482 | | 16,302 | | 24,150 |
| Other Professional Services | 4,998 | 1,708 | 664 | | 256 | | 14,254 | | 21,880 |
| Travel, Meetings, Trainings and Confe | 296 | 102 | 25 | | 40 | | 967 | | 1,430 |
| Dues, Licenses and fees | 653 | | | | 2 | | 68 | | 723 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 40 | | | | 6 | | | | 46 |
| Shared Office Space | 1,133 | 623 | 263 | | 258 | | 2,914 | | 5,191 |
| Shared Information Technology | 4,705 | 3,491 | 1,737 | | 436 | | 16,464 | | 26,833 |
| Customer Service Management | 981 | 334 | 144 | | 41 | | 2,173 | | 3,673 |
| Trade Ally Management | 157 | 349 | 14 | | 7 | | 5,199 | | 5,726 |
| Planning and Evaluation Management | 5,452 | 1,870 | 1,867 | | 1,072 | | 3,902 | | 14,163 |
| TOTAL PROGRAM EXPENSES | 590,485 | 150,903 | 116,570 | 36,475 | 55,119 | - | 901,862 | 100,591 | 1,952,005 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 16,514 | 4,220 | 3,260 | 1,020 | 1,542 | | 25,223 | 2,813 | 54,592 |
| Communications & Customer Svc | 13,527 | 3,457 | 2,670 | 836 | 1,263 | | 20,660 | 2,304 | 44,717 |
| Total Administrative Costs | 30,041 | 7,677 | 5,930 | 1,856 | 2,805 | - | 45,883 | 5,117 | 99,309 |
| Total Program & Admin Expenses | 620,526 | 158,580 | 122,500 | 38,331 | 57,924 | - | 947,745 | 105,708 | 2,051,314 |
| Energy Savings (therms) | 128,568 | 25,600 | 44,828 | - | 24,161 | - | 176,239 | - | 399,397 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Forecast**

ENERGY EFFICIENCY

NW Natural Washington

| EXPENSES | Existing Buildings | NEEA Commercial | Residential | NEEA Residential | Efficiency Total |
|---|-------------------------------|----------------------------|--------------------|-----------------------------|-----------------------------|
| Incentives | 509,482 | | 854,540 | | 1,364,022 |
| Program Delivery Subcontracts | 270,876 | | 347,264 | | 618,140 |
| Employee Salaries and Fringe Benefit | 45,186 | | 58,875 | | 104,061 |
| Agency Contractor Services | | | | | - |
| Planning and Evaluation Services | 38,624 | | 46,823 | | 85,447 |
| Advertising and Marketing Services | 10,000 | | 31,000 | | 41,000 |
| Other Professional Services | 1,000 | | 20,550 | | 21,550 |
| Travel, Meetings, Trainings and Confe | 1,750 | | 3,500 | | 5,250 |
| Dues, Licenses and fees | 10,636 | | 25,828 | | 36,464 |
| Software and Hardware | | | | | - |
| Materials Postage and Telephone | | | | | - |
| Shared Office Space | 7,554 | | 9,047 | | 16,601 |
| Shared Information Technology | 25,734 | | 28,256 | | 53,990 |
| Customer Service Management | 19,685 | | 19,046 | | 38,731 |
| Trade Ally Management | | | | | - |
| Planning and Evaluation Management | | | | | - |
| TOTAL PROGRAM EXPENSES | 940,527 | - | 1,444,729 | - | 2,385,256 |
| ADMINISTRATIVE COSTS | | | | | |
| Management & General | 26,304 | | 40,405 | | 66,709 |
| Communications & Customer Svc | 21,545 | | 33,096 | | 54,641 |
| Total Administrative Costs | 47,849 | - | 73,501 | - | 121,350 |
| Total Program & Admin Expenses | 988,376 | - | 1,518,230 | - | 2,506,606 |
| Energy Savings (therms) | 165,365 | - | 239,668 | | 405,033 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Forecast**

RENEWABLE PROGRAMS

PGE Renewables

| EXPENSES | Standard Solar | Custom Projects | Renewable Total |
|---|---------------------------|----------------------------|----------------------------|
| Incentives | 3,576,000 | 377,795 | 3,953,795 |
| Program Delivery Subcontracts | 210,160 | | 210,160 |
| Employee Salaries and Fringe Benefit | 396,038 | 120,914 | 516,952 |
| Agency Contractor Services | 142,372 | 1,232 | 143,604 |
| Planning and Evaluation Services | 38,985 | 5,722 | 44,707 |
| Advertising and Marketing Services | 140,164 | 7,336 | 147,500 |
| Other Professional Services | 184,256 | 398,000 | 582,256 |
| Travel, Meetings, Trainings and Confe | 7,674 | 10,750 | 18,424 |
| Dues, Licenses and fees | 4,722 | 4,400 | 9,122 |
| Software and Hardware | 95,759 | | 95,759 |
| Materials Postage and Telephone | | 350 | 350 |
| Shared Office Space | 57,950 | 20,045 | 77,995 |
| Shared Information Technology | 97,873 | 33,855 | 131,728 |
| Customer Service Management | 8,300 | | 8,300 |
| Trade Ally Management | 21,095 | 22 | 21,117 |
| Planning and Evaluation Management | 33,648 | | 33,648 |
| TOTAL PROGRAM EXPENSES | 5,014,996 | 980,421 | 5,995,417 |
| ADMINISTRATIVE COSTS | | | |
| Management & General | 140,257 | 27,420 | 167,677 |
| Communications & Customer Svc | 114,883 | 22,459 | 137,342 |
| Total Administrative Costs | 255,140 | 49,879 | 305,019 |
| Total Program & Admin Expenses | 5,270,136 | 1,030,300 | 6,300,436 |
| Energy Generation (kwh) | 12,224,300 | - | 12,224,300 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Forecast**

RENEWABLE PROGRAMS

Pacific Power Renewables

| EXPENSES | Standard Solar | Custom Projects | Renewable Total |
|---|---------------------------|----------------------------|----------------------------|
| Incentives | 2,429,100 | 2,031,167 | 4,460,267 |
| Program Delivery Subcontracts | 145,703 | | 145,703 |
| Employee Salaries and Fringe Benefit | 274,855 | 373,557 | 648,412 |
| Agency Contractor Services | 98,810 | 3,808 | 102,618 |
| Planning and Evaluation Services | 26,373 | 17,679 | 44,052 |
| Advertising and Marketing Services | 90,336 | 22,664 | 113,000 |
| Other Professional Services | 185,378 | 398,000 | 583,378 |
| Travel, Meetings, Trainings and Confe | 5,326 | 10,750 | 16,076 |
| Dues, Licenses and fees | 3,278 | 4,400 | 7,678 |
| Software and Hardware | 66,459 | | 66,459 |
| Materials Postage and Telephone | | 350 | 350 |
| Shared Office Space | 40,218 | 61,929 | 102,147 |
| Shared Information Technology | 67,926 | 104,595 | 172,521 |
| Customer Service Management | 5,761 | | 5,761 |
| Trade Ally Management | 14,641 | 69 | 14,710 |
| Planning and Evaluation Management | 26,352 | | 26,352 |
| TOTAL PROGRAM EXPENSES | 3,480,516 | 3,028,968 | 6,509,484 |
| ADMINISTRATIVE COSTS | | | |
| Management & General | 97,341 | 84,713 | 182,054 |
| Communications & Customer Svc | 79,731 | 69,387 | 149,118 |
| Total Administrative Costs | 177,072 | 154,100 | 331,172 |
| Total Program & Admin Expenses | 3,657,588 | 3,183,068 | 6,840,656 |
| Energy Generation (kwh) | 10,857,000 | 1,152,040 | 12,009,040 |

2021 Approved Projection - Recap Spending and Savings

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 | 40.4 | 9.0 | 49.4 | 11.20 | 3.9 | 1,811,584 | 42.06 |
| Business Energy Solutions – Multifamily | 7.5 | 1.6 | 9.2 | 1.26 | 5.6 | 217,868 | 56.53 |
| Business Energy Solutions – New Buildings | 15.6 | 1.9 | 17.5 | 4.04 | 4.0 | 537,656 | 30.26 |
| Mkt Transformation (Alliance) | 2.9 | 1.0 | 3.9 | 0.76 | 7.3 | 456 | |
| Total Commercial | 66.4 | 13.5 | 79.9 | 17.27 | 4.2 | 2,567,563 | 44.38 |
| Industrial | | | | | | | |
| Production Efficiency | 37.9 | 3.6 | 41.5 | 17.25 | 2.4 | 1,478,433 | 23.81 |
| Mkt Transformation (Alliance) | 0.5 | 0.0 | 0.5 | 0.77 | 1.2 | | |
| Total Industrial | 38.5 | 3.6 | 42.0 | 18.02 | 2.4 | 1,478,433 | 23.81 |
| Residential | | | | | | | |
| Home Energy Solutions – Residential | 29.9 | 13.7 | 43.6 | 4.13 | 6.9 | 2,806,800 | 34.59 |
| Mkt Transformation (Alliance) | 3.6 | 0.4 | 3.9 | 2.21 | 1.9 | 6,961 | |
| Total Residential | 33.5 | 14.0 | 47.5 | 6.35 | 5.4 | 2,813,761 | 35.38 |
| Washington | | | | | | | |
| Business Energy Solutions – Existing Buildings | | 0.9 | 0.9 | | | 105,344 | 65.47 |
| Home Energy Solutions – Residential | | 1.6 | 1.6 | | | 236,529 | 48.99 |
| Total Washington | | 2.5 | 2.5 | | | 341,873 | 53.97 |
| Total Energy Efficiency | \$138.3 | \$33.7 | \$172.0 | 41.63 | 3.6 | 7,201,630 | 37.05 |

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 | 6.3 | | 7.3 | 0.40 | 15.70 | 0.52 | 13.91 |
| Solar Electric | 10.4 | | 10.5 | 1.74 | 5.98 | 2.22 | 4.74 |
| Total Renewable Resources | \$16.7 | | \$17.8 | 2.14 | 7.79 | 2.75 | 6.48 |

TOTAL BUDGET - ALL

\$189.8

Some columns may not add due to rounding

ENERGY TRUST OF OREGON
 Projection Income Statement by Service Territory
 2021 Approved Projection

| | ENERGY EFFICIENCY | | | | | | | RENEWABLE ENERGY | | | OPUC Grant Funded Programs |
|---|--------------------|-------------------|------------------|-------------------|------------------|------------------|--------------------|--------------------|------------------|--------------------|----------------------------|
| | PGE | PacifiCorp | NWN Industrial | NW Natural | Cascade | Avista | Total | PGE | PacifiCorp | Total | |
| REVENUES | | | | | | | | | | | |
| Public Purpose Funding | 30,143,000 | 21,610,638 | | 20,358,144 | 3,043,738 | 1,823,292 | 76,978,812 | 8,818,842 | 6,427,824 | 15,246,666 | 92,225,478 |
| Incremental Funding | 48,674,804 | 32,300,550 | 4,804,314 | | | | 85,779,668 | | | | 85,779,668 |
| Grant Revenue | | | | | | | | | | | |
| Community Solar Revenue | | | | | | | | | | | |
| Contributions | | | | | | | | | | | |
| Revenue from Investments | | | | | | | | | | | |
| Gain or Loss on Investments | | | | | | | | | | | |
| TOTAL PROGRAM REVENUE | 78,817,804 | 53,911,188 | 4,804,314 | 20,358,144 | 3,043,738 | 1,823,292 | 162,758,480 | 8,818,842 | 6,427,824 | 15,246,666 | 178,005,146 |
| EXPENSES | | | | | | | | | | | |
| Incentives | 43,724,941 | 27,939,445 | 3,079,243 | 10,613,227 | 1,727,389 | 882,301 | 87,966,547 | 8,510,000 | 3,710,000 | 12,220,000 | 100,186,547 |
| Program Delivery Subcontracts | 28,051,355 | 17,940,840 | 1,078,834 | 7,152,322 | 1,078,131 | 685,348 | 55,986,830 | 205,174 | 145,217 | 350,391 | 56,337,221 |
| Employee Salaries and Fringe Benefits | 1,999,344 | 1,292,141 | 112,338 | 544,787 | 66,671 | 37,913 | 4,053,194 | 1,029,328 | 483,529 | 1,512,858 | 5,566,052 |
| Agency Contractor Services | 200,327 | 128,804 | 13,546 | 53,960 | 10,083 | 5,247 | 411,965 | 106,702 | 61,213 | 167,915 | 579,880 |
| Planning and Evaluation Services | 1,242,637 | 779,483 | 65,688 | 235,218 | 45,815 | 14,085 | 2,382,929 | 12,709 | 13,291 | 26,000 | 2,408,929 |
| Advertising and Marketing Services | 845,184 | 546,907 | 41,725 | 285,236 | 36,129 | 19,319 | 1,774,500 | 158,457 | 84,543 | 243,000 | 2,017,500 |
| Other Professional Services | 1,070,284 | 669,772 | 37,876 | 356,610 | 41,460 | 25,099 | 2,201,100 | 605,060 | 526,439 | 1,131,499 | 3,332,599 |
| Travel, Meetings, Trainings and Conference | 64,925 | 42,274 | 3,534 | 19,809 | 2,582 | 1,374 | 134,500 | 26,636 | 19,864 | 46,500 | 181,000 |
| Dues, Licenses and fees | 30,402 | 18,435 | 2,566 | 5,728 | 1,936 | 990 | 60,057 | 9,960 | 7,590 | 17,550 | 77,607 |
| Software and Hardware | - | - | - | - | - | - | - | 151,933 | 87,162 | 239,095 | 239,095 |
| Materials Postage and Telephone | 4,307 | 2,969 | 444 | 500 | 192 | 89 | 8,500 | 3,210 | 1,990 | 5,200 | 13,700 |
| Shared Office Space | 279,686 | 177,576 | 15,523 | 75,509 | 9,936 | 5,643 | 563,873 | 120,195 | 58,288 | 178,484 | 742,357 |
| Shared Information Technology | 1,178,263 | 726,473 | 52,808 | 360,958 | 43,151 | 25,173 | 2,386,827 | 406,476 | 190,867 | 597,343 | 2,984,170 |
| Customer Service Management | 148,897 | 91,498 | 6,015 | 53,713 | 6,848 | 3,858 | 310,831 | 11,357 | 6,515 | 17,872 | 328,703 |
| Trade Ally Management | 132,790 | 86,839 | 824 | 81,119 | 6,927 | 3,966 | 312,464 | 23,134 | 13,257 | 36,391 | 348,855 |
| Planning & Evaluation Management | 1,089,192 | 664,807 | 45,213 | 320,093 | 38,114 | 22,685 | 2,180,105 | 68,707 | 32,102 | 100,808 | 2,280,913 |
| TOTAL PROGRAM EXPENSES | 80,062,534 | 51,108,263 | 4,556,177 | 20,158,789 | 3,115,364 | 1,733,090 | 160,734,222 | 11,449,038 | 5,441,867 | 16,890,906 | 177,625,128 |
| ADMINISTRATIVE COSTS | | | | | | | | | | | |
| Management & General (Notes 1 & 2) | 2,547,923 | 1,626,476 | 144,996 | 641,536 | 99,144 | 55,155 | 5,115,231 | 364,356 | 173,183 | 537,538 | 5,652,769 |
| Communications & Customer Svc (Notes 1 & 2) | 1,812,459 | 1,156,990 | 103,143 | 456,356 | 70,527 | 39,234 | 3,638,705 | 259,183 | 123,193 | 382,377 | 4,021,082 |
| Total Administrative Costs | 4,360,382 | 2,783,466 | 248,139 | 1,097,892 | 169,671 | 94,389 | 8,753,936 | 623,539 | 296,376 | 919,915 | 9,673,851 |
| TOTAL PROG & ADMIN EXPENSES | 84,422,916 | 53,891,729 | 4,804,316 | 21,256,681 | 3,285,035 | 1,827,479 | 169,488,158 | 12,072,577 | 5,738,243 | 17,810,821 | 187,298,979 |
| TOTAL REVENUE LESS EXPENSES | (5,605,112) | 19,459 | - | (898,537) | (241,297) | (4,187) | (6,729,678) | (3,253,735) | 689,581 | (2,564,155) | (9,293,833) |
| NET ASSETS - RESERVES | | | | | | | | | | | |
| Rollforward from beginning of year | | | | | | | | | | | |
| Beginning Total Net Assets at 1/1/2021 | 7,821,964 | 1,145,991 | 231,242 | 2,370,869 | 606,533 | 245,838 | 12,422,427 | 10,911,814 | 4,408,639 | 15,320,455 | 27,742,882 |
| Current Year Revenue Less Expenses | (5,605,112) | 19,459 | - | (898,537) | (241,297) | (4,187) | (6,729,678) | (3,253,735) | 689,581 | (2,564,155) | (9,293,833) |
| Attribution of Investment income (est) | 138,067 | 31,790 | 6,361 | 52,857 | 13,365 | 6,705 | 249,145 | 255,398 | 130,751 | 386,150 | 635,294 |
| Ending Net Assets | 2,354,919 | 1,197,240 | 237,603 | 1,525,189 | 378,601 | 248,356 | 5,941,893 | 7,913,477 | 5,228,971 | 13,142,450 | 19,084,344 |
| Ending Reserve by Category | | | | | | | | | | | |
| Efficiency Program Reserves by Utility | 2,354,919 | 1,197,240 | 237,603 | 1,525,189 | 378,601 | 248,356 | 5,941,893 | | | | 5,941,893 |
| Renewable Reserves by Utility | | | | | | | | 7,913,477 | 5,228,971 | 13,142,450 | 13,142,450 |
| Net Assets by Other Funding Source | | | | | | | | | | | |
| Net Assets Loaned through Craft3 Progra | | | | | | | | | | | |
| Operational Contingency Reserve | | | | | | | | | | | |
| Emergency Contingency Reserve | | | | | | | | | | | |
| TOTAL NET ASSETS CUMULATIVE | 2,354,919 | 1,197,240 | 237,603 | 1,525,189 | 378,601 | 248,356 | 5,941,893 | 7,913,477 | 5,228,971 | 13,142,450 | 19,084,344 |

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.

ENERGY TRUST OF OREGON
Projection Income Statement by Service Territory
2021 Approved Projection

| | OTHER FUNDING SOURCES | | | | TOTAL |
|--|-----------------------|------------------|--------------------|-------------------|--------------------|
| | NWN WA | Fund Development | Community Solar Op | Investment Income | ORGANIZATION |
| REVENUES | | | | | |
| Public Purpose Funding | | | | | 92,225,478 |
| Incremental Funding | 2,508,555 | | | | 88,288,223 |
| Grant Revenue | | | | | |
| Community Solar Revenue | | | 552,000 | | 552,000 |
| Contributions | | | | | |
| Revenue from Investments | | | | 900,000 | 900,000 |
| Gain or Loss on Investments | | | | | |
| TOTAL PROGRAM REVENUE | 2,508,555 | 552,000 | 900,000 | | 181,965,701 |
| EXPENSES | | | | | |
| Incentives | 1,246,679 | - | - | - | 101,433,226 |
| Program Delivery Subcontracts | 688,463 | - | - | - | 57,025,684 |
| Employee Salaries and Fringe Benefits | 132,270 | - | 259,118 | - | 5,957,440 |
| Agency Contractor Services | - | - | - | - | 579,880 |
| Planning and Evaluation Services | - | - | - | - | 2,408,929 |
| Advertising and Marketing Services | - | - | - | - | 2,017,500 |
| Other Professional Services | 21,550 | - | 35,291 | - | 3,389,440 |
| Travel, Meetings, Trainings and Conference | 5,250 | - | 4,790 | - | 191,040 |
| Dues, Licenses and fees | 36,423 | - | - | - | 114,030 |
| Software and Hardware | - | - | - | - | 239,095 |
| Materials Postage and Telephone | - | - | - | - | 13,700 |
| Shared Office Space | 21,532 | - | 23,752 | - | 787,641 |
| Shared Information Technology | 70,622 | - | 33,603 | - | 3,088,395 |
| Customer Service Management | 48,336 | - | - | - | 377,039 |
| Trade Ally Management | - | - | - | - | 348,855 |
| Planning & Evaluation Management | 107,863 | - | - | - | 2,388,776 |
| TOTAL PROGRAM EXPENSES | 2,378,988 | - | 356,554 | - | 180,360,670 |
| ADMINISTRATIVE COSTS | | | | | |
| Management & General (Notes 1 & 2) | 75,709 | - | 11,347 | - | 5,739,825 |
| Communications & Customer Svc (Notes 1 | 53,855 | - | 8,072 | - | 4,083,009 |
| Total Administrative Costs | 129,564 | - | 19,419 | - | 9,822,834 |
| TOTAL PROG & ADMIN EXPENSES | 2,508,552 | - | 375,973 | - | 190,183,506 |
| TOTAL REVENUE LESS EXPENSES | - | - | 176,027 | 900,000 | (8,217,805) |
| NET ASSETS - RESERVES | | | | | |
| Rollforward from beginning of year | | | | | |
| Beginning Total Net Assets at 1/1/2021 | 215,561 | 19,759 | 358,522 | 10,291,465 | 38,628,187 |
| Current Year Revenue Less Expenses | - | | 176,027 | 900,000 | (8,217,805) |
| Attribution of Investment income (est) | 5,929 | 544 | 12,283 | (654,050) | - |
| Ending Net Assets | 221,490 | 20,303 | 546,832 | 10,537,415 | 30,410,382 |
| Ending Reserve by Category | | | | | |
| Efficiency Program Reserves by Utility | | | | | 5,941,893 |
| Renewable Reserves by Utility | | | | | 13,142,450 |
| Net Assets by Other Funding Source | 221,490 | 20,303 | 546,832 | | 788,625 |
| Net Assets Loaned through Craft3 Progra | | | | 1,800,000 | 1,800,000 |
| Operational Contingency Reserve | | | | 3,737,415 | 3,737,415 |
| Emergency Contingency Reserve | | | | 5,000,000 | 5,000,000 |
| TOTAL NET ASSETS CUMULATIVE | 221,490 | 20,303 | 546,832 | 10,537,415 | 30,410,382 |

Energy Trust of Oregon
Statement of Administrative Expenses subject to OPUC Performance Measure
2021 Approved Projection

| | PUC Grant Funded Expenditure | | |
|--|------------------------------|--------------------|---------------------------------------|
| | PUC Grant Funded Total | Program Costs | Program Support and Administrative |
| Incentives | \$100,186,546 | \$100,186,546 | |
| Program Delivery Subcontracts | 56,337,220 | 56,337,220 | |
| Employee Salaries & Fringe Benefits | 15,981,875 | 7,873,826 | 8,108,048 |
| Agency Contractor Services | 1,405,395 | 579,880 | 825,515 |
| Planning and Evaluation Services | 2,739,739 | 2,627,665 | 112,074 |
| Advertising and Marketing Services | 3,014,790 | 2,024,344 | 990,446 |
| Other Professional Services | 4,703,198 | 3,602,178 | 1,101,020 |
| Travel, Meetings, Trainings & Conference | 537,534 | | 537,534 |
| Dues, Licenses and Fees | 234,218 | | 234,218 |
| Software and Hardware | 703,545 | | 703,545 |
| Depreciation & Amortization | 274,222 | | 274,222 |
| Office Rent and Equipment | 1,020,926 | | 1,020,926 |
| Materials Postage and Telephone | 154,294 | | 154,294 |
| Miscellaneous Expenses | 5,478 | | 5,478 |
| TOTAL FUNCTIONAL EXPENSE | 187,298,979 | 173,231,659 | 14,067,320 |

OPUC Grant / Utility Funded Revenue

178,005,146

Performance against OPUC Measure

Program support and administrative cost may not exceed 8% of Revenue

| | | |
|---|------|------------|
| Maximum allowed under the performance mea | 8.0% | 14,240,412 |
| Actual program support and administrative cos | 7.9% | 14,067,320 |
| Unspent below the maximum allowed | | 173,092 |

Energy Trust of Oregon
Summary by Service Territory and Program
2021 Approved 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 | 30,428,488 | 17,453,106 | 47,881,594 | 2,262,438 | 5,661,404 | 1,738,989 | 978,277 | 10,641,109 | 58,522,703 | 920,794 | 59,443,497 |
| New Buildings | 11,202,806 | 4,398,190 | 15,600,996 | 33,561 | 1,513,042 | 183,127 | 135,303 | 1,865,033 | 17,466,029 | | 17,466,029 |
| NEEA | 1,649,911 | 1,231,007 | 2,880,918 | | 823,739 | 102,967 | 102,967 | 1,029,674 | 3,910,592 | | 3,910,592 |
| Total Commercial | 43,281,205 | 23,082,303 | 66,363,508 | 2,295,999 | 7,998,186 | 2,025,084 | 1,216,547 | 13,535,816 | 79,899,324 | 920,794 | 80,820,118 |
| Industrial | | | | | | | | | | | |
| Production Efficiency | 21,014,251 | 16,905,198 | 37,919,449 | 2,508,315 | 836,823 | 212,870 | 31,169 | 3,589,178 | 41,508,627 | | 41,508,627 |
| NEEA | 309,247 | 230,732 | 539,979 | | | | | | 539,979 | | 539,979 |
| Total Industrial | 21,323,499 | 17,135,930 | 38,459,428 | 2,508,315 | 836,823 | 212,870 | 31,169 | 3,589,178 | 42,048,606 | | 42,048,606 |
| Residential | | | | | | | | | | | |
| Residential Combined | 17,770,757 | 12,145,879 | 29,916,636 | | 12,137,796 | 1,011,596 | 544,282 | 13,693,674 | 43,610,310 | 1,587,760 | 45,198,070 |
| NEEA | 2,047,455 | 1,527,619 | 3,575,074 | | 283,875 | 35,485 | 35,485 | 354,844 | 3,929,918 | | 3,929,918 |
| Total Residential | 19,818,212 | 13,673,498 | 33,491,710 | | 12,421,671 | 1,047,080 | 579,767 | 14,048,518 | 47,540,228 | 1,587,760 | 49,127,988 |
| Energy Efficiency Program Costs | 84,422,916 | 53,891,729 | 138,314,646 | 4,804,316 | 21,256,681 | 3,285,035 | 1,827,479 | 31,173,512 | 169,488,158 | 2,508,552 | 171,996,712 |
| Renewables | | | | | | | | | | | |
| Solar Electric (Photovoltaic) | 6,691,734 | 3,838,938 | 10,530,672 | | | | | | 10,530,672 | | 10,530,672 |
| Other Renewable | 5,380,843 | 1,899,304 | 7,280,147 | | | | | | 7,280,147 | | 7,280,147 |
| Renewables Program Costs | 12,072,577 | 5,738,243 | 17,810,821 | | | | | | 17,810,821 | | 17,810,819 |
| Community Solar | | | | | | | | | | | 375,973 |
| Cost Grand Total | 96,495,493 | 59,629,972 | 156,125,467 | 4,804,316 | 21,256,681 | 3,285,035 | 1,827,479 | 31,173,512 | 187,298,979 | 2,508,552 | 190,183,506 |

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Approved Projection

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Washington | Solar Renewables | Custom Renewables | ETO Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|--------------------|-------------------------|-------------------|-------------------------|--------------------------|--------------------|
| Incentives | 27,369,400 | 3,275,565 | 9,130,045 | - | 25,166,430 | - | 23,025,106 | - | 1,246,679 | 7,120,000 | 5,100,000 | 101,433,225 |
| Program Delivery Subcontracts | 15,470,677 | 4,017,560 | 5,710,000 | 3,684,099 | 10,423,000 | 500,649 | 12,480,053 | 3,700,792 | 688,463 | 350,391 | - | 57,025,684 |
| Employee Salaries and Fringe Benefits | 693,416 | 395,695 | 348,793 | - | 1,311,075 | - | 1,304,215 | - | 132,270 | 857,058 | 655,799 | 5,698,321 |
| Agency Contractor Services | 198,654 | 19,125 | 10,126 | - | 71,531 | - | 112,531 | - | - | 167,915 | - | 579,882 |
| Planning and Evaluation Services | 515,241 | 236,799 | 328,040 | 24,514 | 362,121 | 11,440 | 675,801 | 26,148 | 107,863 | 71,391 | 29,418 | 2,388,776 |
| Advertising and Marketing Services | 409,499 | 75,001 | 139,000 | - | 371,000 | - | 780,000 | - | - | 204,000 | 39,000 | 2,017,500 |
| Other Professional Services | 477,001 | 300,000 | 115,101 | - | 406,999 | - | 902,000 | - | 21,550 | 407,499 | 724,000 | 3,354,150 |
| Travel, Meetings, Trainings and Conferences | 30,000 | 6,000 | 11,499 | - | 34,999 | - | 52,000 | - | 5,250 | 25,000 | 21,500 | 186,248 |
| Dues, Licenses and fees | 53,557 | 2,501 | - | - | 1,500 | - | 2,499 | - | 36,423 | 8,750 | 8,800 | 114,030 |
| Software and Hardware | - | - | - | - | - | - | - | - | - | 239,095 | - | 239,095 |
| Materials Postage and Telephone | 5,000 | - | - | - | 3,501 | - | - | - | - | 4,500 | 700 | 13,701 |
| Shared Office Space | 123,526 | 54,855 | 53,141 | - | 159,905 | - | 172,446 | - | 21,532 | 113,102 | 65,381 | 763,888 |
| Shared Information Technology | 453,196 | 242,598 | 291,744 | - | 515,418 | - | 883,870 | - | 70,622 | 337,900 | 259,443 | 3,054,791 |
| Customer Service Management | 86,870 | 24,696 | 26,732 | - | 32,085 | - | 140,446 | - | 48,336 | 17,872 | - | 377,037 |
| Trade Ally Management | 11,885 | 20,751 | 2,278 | - | 4,463 | - | 273,088 | - | - | 36,299 | 92 | 348,856 |
| Planning and Evaluation Management | 910,985 | 19,999 | 397,418 | - | 500,711 | - | 553,813 | - | - | 26,000 | - | 2,408,926 |
| TOTAL PROGRAM EXPENSES | 46,808,907 | 8,691,145 | 16,563,917 | 3,708,613 | 39,364,738 | 512,089 | 41,357,868 | 3,726,940 | 2,378,988 | 9,986,772 | 6,904,133 | 180,004,110 |
| ADMINISTRATIVE COSTS | | | | | | | | | | | | |
| Management & General | 1,489,653 | 276,587 | 527,133 | 118,024 | 1,252,751 | 16,297 | 1,316,179 | 118,606 | 75,709 | 317,821 | 219,718 | 5,728,478 |
| Communications & Customer Svc | 1,059,661 | 196,751 | 374,976 | 83,957 | 891,140 | 11,593 | 936,261 | 84,370 | 53,855 | 226,080 | 156,296 | 4,074,940 |
| Total Administrative Costs | 2,549,314 | 473,338 | 902,109 | 201,981 | 2,143,891 | 27,890 | 2,252,440 | 202,976 | 129,564 | 543,901 | 376,014 | 9,803,418 |
| Total Program & Admin Expenses | 49,358,221 | 9,164,483 | 17,466,026 | 3,910,594 | 41,508,629 | 539,979 | 43,610,308 | 3,929,916 | 2,508,552 | 10,530,673 | 7,280,147 | 189,807,528 |
| Energy Savings (kwh) | 98,071,227 | 11,072,561 | 35,407,009 | 6,693,780 | 151,068,243 | 6,756,741 | 36,205,207 | 19,386,571 | | | | 364,661,339 |
| Energy Savings (therms) | 1,811,584 | 217,868 | 537,656 | 456 | 1,478,433 | - | 2,806,800 | 6,961 | 341,873 | | | 7,201,630 |
| Energy Generation (kwh) | | | | | | | | | | 19,480,640 | 4,583,440 | 24,064,080 |

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Approved Projection

ENERGY EFFICIENCY

PGE

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|--------------------|-------------------------|-------------------------|
| Incentives | 13,644,944 | 1,909,417 | 5,862,280 | | 12,945,905 | | 9,362,395 | | 43,724,941 |
| Program Delivery Subcontracts | 8,106,319 | 2,341,946 | 3,670,529 | 1,550,655 | 5,073,782 | 286,723 | 5,094,671 | 1,926,730 | 28,051,355 |
| Employee Salaries and Fringe Benefit | 351,758 | 230,694 | 223,608 | | 663,441 | | 529,843 | | 1,999,344 |
| Agency Contractor Services | 100,774 | 11,150 | 6,491 | | 36,196 | | 45,716 | | 200,327 |
| Planning and Evaluation Services | 260,800 | 138,666 | 207,230 | 14,039 | 180,285 | 6,552 | 266,645 | 14,975 | 1,089,192 |
| Advertising and Marketing Services | 207,732 | 43,726 | 89,112 | | 187,736 | | 316,878 | | 845,184 |
| Other Professional Services | 241,974 | 174,903 | 73,790 | | 213,176 | | 366,441 | | 1,070,284 |
| Travel, Meetings, Trainings and Confe | 15,218 | 3,498 | 7,373 | | 17,711 | | 21,125 | | 64,925 |
| Dues, Licenses and fees | 27,169 | 1,458 | | | 759 | | 1,016 | | 30,402 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 2,536 | | | | 1,771 | | | | 4,307 |
| Shared Office Space | 62,662 | 31,981 | 34,069 | | 80,917 | | 70,057 | | 279,686 |
| Shared Information Technology | 229,899 | 141,437 | 187,035 | | 260,816 | | 359,076 | | 1,178,263 |
| Customer Service Management | 44,068 | 14,398 | 17,138 | | 16,236 | | 57,057 | | 148,897 |
| Trade Ally Management | 6,029 | 12,098 | 1,461 | | 2,259 | | 110,943 | | 132,790 |
| Planning and Evaluation Management | 487,966 | 11,660 | 244,075 | | 247,889 | | 251,047 | | 1,242,637 |
| TOTAL PROGRAM EXPENSES | 23,789,848 | 5,067,032 | 10,624,191 | 1,564,694 | 19,928,879 | 293,275 | 16,852,910 | 1,941,705 | 80,062,534 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 757,092 | 161,254 | 338,106 | 49,795 | 634,220 | 9,333 | 536,330 | 61,793 | 2,547,923 |
| Communications & Customer Svc | 538,555 | 114,708 | 240,511 | 35,422 | 451,151 | 6,639 | 381,517 | 43,956 | 1,812,459 |
| Total Administrative Costs | 1,295,647 | 275,962 | 578,617 | 85,217 | 1,085,371 | 15,972 | 917,847 | 105,749 | 4,360,382 |
| Total Program & Admin Expenses | 25,085,495 | 5,342,994 | 11,202,808 | 1,649,911 | 21,014,250 | 309,247 | 17,770,757 | 2,047,454 | 84,422,916 |
| Energy Savings (kwh) | 60,458,353 | 7,987,986 | 23,207,103 | 3,815,454 | 70,779,566 | 3,851,343 | 20,781,845 | 11,050,346 | 201,931,996 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Approved Projection**

ENERGY EFFICIENCY

Pacific Power

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Efficiency Total |
|---|-------------------------------|----------------------------------|--------------------------|----------------------------|----------------------------------|----------------------------|--------------------|-----------------------------|-----------------------------|
| Incentives | 8,297,715 | 781,950 | 2,299,523 | | 10,249,395 | | 6,310,862 | | 27,939,445 |
| Program Delivery Subcontracts | 4,929,586 | 959,080 | 1,439,793 | 1,156,952 | 4,242,007 | 213,926 | 3,561,951 | 1,437,545 | 17,940,840 |
| Employee Salaries and Fringe Benefit | 214,062 | 94,442 | 87,788 | | 533,714 | | 362,135 | | 1,292,141 |
| Agency Contractor Services | 61,326 | 4,565 | 2,548 | | 29,119 | | 31,246 | | 128,804 |
| Planning and Evaluation Services | 162,143 | 56,169 | 84,595 | 10,475 | 150,879 | 4,888 | 184,485 | 11,173 | 664,807 |
| Advertising and Marketing Services | 126,415 | 17,901 | 34,985 | | 151,027 | | 216,579 | | 546,907 |
| Other Professional Services | 147,253 | 71,602 | 28,970 | | 171,493 | | 250,454 | | 669,772 |
| Travel, Meetings, Trainings and Confe | 9,261 | 1,432 | 2,894 | | 14,248 | | 14,439 | | 42,274 |
| Dues, Licenses and fees | 16,533 | 597 | | | 611 | | 694 | | 18,435 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 1,544 | | | | 1,425 | | | | 2,969 |
| Shared Office Space | 38,133 | 13,092 | 13,375 | | 65,094 | | 47,882 | | 177,576 |
| Shared Information Technology | 139,905 | 57,902 | 73,429 | | 209,817 | | 245,420 | | 726,473 |
| Customer Service Management | 26,817 | 5,894 | 6,728 | | 13,062 | | 38,997 | | 91,498 |
| Trade Ally Management | 3,669 | 4,953 | 573 | | 1,817 | | 75,827 | | 86,839 |
| Planning and Evaluation Management | 302,952 | 4,773 | 95,823 | | 198,351 | | 177,584 | | 779,483 |
| TOTAL PROGRAM EXPENSES | 14,477,314 | 2,074,352 | 4,171,024 | 1,167,427 | 16,032,059 | 218,814 | 11,518,555 | 1,448,718 | 51,108,263 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 460,728 | 66,014 | 132,739 | 37,152 | 510,207 | 6,964 | 366,568 | 46,104 | 1,626,476 |
| Communications & Customer Svc | 327,738 | 46,959 | 94,424 | 26,428 | 362,934 | 4,954 | 260,757 | 32,796 | 1,156,990 |
| Total Administrative Costs | 788,466 | 112,973 | 227,163 | 63,580 | 873,141 | 11,918 | 627,325 | 78,900 | 2,783,466 |
| Total Program & Admin Expenses | 15,265,780 | 2,187,325 | 4,398,187 | 1,231,007 | 16,905,200 | 230,732 | 12,145,880 | 1,527,618 | 53,891,729 |
| Energy Savings (kwh) | 37,612,874 | 3,084,575 | 12,199,906 | 2,878,325 | 80,288,677 | 2,905,399 | 15,423,361 | 8,336,225 | 162,729,343 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Approved Projection**

ENERGY EFFICIENCY

NW Natural Industrial

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|-------------------------|-------------------------|
| Incentives | 1,733,627 | | 21,344 | | 1,324,272 | | | 3,079,243 |
| Program Delivery Subcontracts | 240,732 | | 6,800 | | 831,302 | | | 1,078,834 |
| Employee Salaries and Fringe Benefit | 32,051 | | 673 | | 79,614 | | | 112,338 |
| Agency Contractor Services | 9,182 | | 20 | | 4,344 | | | 13,546 |
| Planning and Evaluation Services | 22,964 | | 615 | | 21,634 | | | 45,213 |
| Advertising and Marketing Services | 18,928 | | 268 | | 22,529 | | | 41,725 |
| Other Professional Services | 22,048 | | 222 | | 15,606 | | | 37,876 |
| Travel, Meetings, Trainings and Confe | 1,387 | | 22 | | 2,125 | | | 3,534 |
| Dues, Licenses and fees | 2,475 | | | | 91 | | | 2,566 |
| Software and Hardware | | | | | | | | - |
| Materials Postage and Telephone | 231 | | | | 213 | | | 444 |
| Shared Office Space | 5,710 | | 103 | | 9,710 | | | 15,523 |
| Shared Information Technology | 20,947 | | 563 | | 31,298 | | | 52,808 |
| Customer Service Management | 4,015 | | 52 | | 1,948 | | | 6,015 |
| Trade Ally Management | 549 | | 4 | | 271 | | | 824 |
| Planning and Evaluation Management | 30,740 | | 1,142 | | 33,806 | | | 65,688 |
| TOTAL PROGRAM EXPENSES | 2,145,586 | - | 31,828 | - | 2,378,763 | - | - | 4,556,177 |
| ADMINISTRATIVE COSTS | | | | | | | | |
| Management & General | 68,281 | | 1,013 | | 75,702 | | | 144,996 |
| Communications & Customer Svc | 48,572 | | 721 | | 53,850 | | | 103,143 |
| Total Administrative Costs | 116,853 | - | 1,734 | - | 129,552 | - | - | 248,139 |
| Total Program & Admin Expenses | 2,262,439 | - | 33,562 | - | 2,508,315 | - | - | 4,804,316 |
| Energy Savings (therms) | 587,611 | - | 15,306 | - | 1,015,871 | - | - | 1,618,788 |

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Approved Projection

ENERGY EFFICIENCY

NW Natural Gas

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | NEEA Residential | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Incentives | 2,300,290 | 521,078 | 782,366 | | 510,000 | | 6,499,493 | | 10,613,227 |
| Program Delivery Subcontracts | 1,366,578 | 639,115 | 489,860 | 781,194 | 203,150 | | 3,403,212 | 269,213 | 7,152,322 |
| Employee Salaries and Fringe Benefit | 59,553 | 62,935 | 30,339 | | 26,561 | | 365,399 | | 544,787 |
| Agency Contractor Services | 17,061 | 3,042 | 881 | | 1,449 | | 31,527 | | 53,960 |
| Planning and Evaluation Services | 43,546 | 37,430 | 29,766 | | 7,218 | | 202,133 | | 320,093 |
| Advertising and Marketing Services | 35,169 | 11,929 | 12,091 | | 7,516 | | 218,531 | | 285,236 |
| Other Professional Services | 40,966 | 47,715 | 10,012 | | 5,206 | | 252,711 | | 356,610 |
| Travel, Meetings, Trainings and Confe | 2,577 | 954 | 1,000 | | 709 | | 14,569 | | 19,809 |
| Dues, Licenses and fees | 4,600 | 398 | | | 30 | | 700 | | 5,728 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 429 | | | | 71 | | | | 500 |
| Shared Office Space | 10,609 | 8,725 | 4,622 | | 3,239 | | 48,314 | | 75,509 |
| Shared Information Technology | 38,922 | 38,585 | 25,377 | | 10,442 | | 247,632 | | 360,958 |
| Customer Service Management | 7,461 | 3,928 | 2,325 | | 650 | | 39,349 | | 53,713 |
| Trade Ally Management | 1,021 | 3,300 | 198 | | 90 | | 76,510 | | 81,119 |
| Planning and Evaluation Management | 57,902 | 3,181 | 46,057 | | 17,271 | | 110,807 | | 235,218 |
| TOTAL PROGRAM EXPENSES | 3,986,684 | 1,382,315 | 1,434,894 | 781,194 | 793,602 | - | 11,510,887 | 269,213 | 20,158,789 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 126,873 | 43,991 | 45,664 | 24,861 | 25,256 | | 366,324 | 8,567 | 641,536 |
| Communications & Customer Svc | 90,251 | 31,293 | 32,483 | 17,685 | 17,966 | | 260,584 | 6,094 | 456,356 |
| Total Administrative Costs | 217,124 | 75,284 | 78,147 | 42,546 | 43,222 | - | 626,908 | 14,661 | 1,097,892 |
| Total Program & Admin Expenses | 4,203,808 | 1,457,599 | 1,513,041 | 823,740 | 836,824 | - | 12,137,795 | 283,874 | 21,256,681 |
| Energy Savings (therms) | 803,577 | 192,155 | 432,172 | 332 | 397,808 | - | 2,443,282 | 5,069 | 4,274,394 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Approved Projection**

ENERGY EFFICIENCY

Cascade Natural Gas

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|--------------------|-------------------------|-------------------------|
| Incentives | 930,200 | 14,231 | 93,383 | | 119,160 | | 570,415 | | 1,727,389 |
| Program Delivery Subcontracts | 552,622 | 17,455 | 58,470 | 97,649 | 63,564 | | 254,719 | 33,652 | 1,078,131 |
| Employee Salaries and Fringe Benefits | 24,071 | 1,719 | 3,672 | | 6,756 | | 30,453 | | 66,671 |
| Agency Contractor Services | 6,896 | 83 | 107 | | 369 | | 2,628 | | 10,083 |
| Planning and Evaluation Services | 17,247 | 1,022 | 3,355 | | 1,836 | | 14,654 | | 38,114 |
| Advertising and Marketing Services | 14,215 | 326 | 1,463 | | 1,912 | | 18,213 | | 36,129 |
| Other Professional Services | 16,559 | 1,303 | 1,212 | | 1,324 | | 21,062 | | 41,460 |
| Travel, Meetings, Trainings and Conferences | 1,041 | 26 | 121 | | 180 | | 1,214 | | 2,582 |
| Dues, Licenses and fees | 1,859 | 11 | | | 8 | | 58 | | 1,936 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 174 | | | | 18 | | | | 192 |
| Shared Office Space | 4,288 | 238 | 559 | | 824 | | 4,027 | | 9,936 |
| Shared Information Technology | 15,732 | 1,054 | 3,071 | | 2,656 | | 20,638 | | 43,151 |
| Customer Service Management | 3,016 | 107 | 281 | | 165 | | 3,279 | | 6,848 |
| Trade Ally Management | 413 | 90 | 24 | | 23 | | 6,377 | | 6,927 |
| Planning and Evaluation Management | 23,087 | 87 | 7,949 | | 3,081 | | 11,611 | | 45,815 |
| TOTAL PROGRAM EXPENSES | 1,611,420 | 37,752 | 173,667 | 97,649 | 201,876 | - | 959,348 | 33,652 | 3,115,364 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 51,282 | 1,201 | 5,527 | 3,108 | 6,425 | | 30,530 | 1,071 | 99,144 |
| Communications & Customer Svc | 36,479 | 855 | 3,932 | 2,211 | 4,570 | | 21,718 | 762 | 70,527 |
| Total Administrative Costs | 87,761 | 2,056 | 9,459 | 5,319 | 10,995 | - | 52,248 | 1,833 | 169,671 |
| Total Program & Admin Expenses | 1,699,181 | 39,808 | 183,126 | 102,968 | 212,871 | - | 1,011,596 | 35,485 | 3,285,035 |
| Energy Savings (therms) | 270,469 | 5,833 | 51,827 | 85 | 55,338 | - | 178,409 | 1,291 | 563,251 |

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Approved Projection

ENERGY EFFICIENCY

Avista

| EXPENSES | Existing Buildings | Multifamily Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Residential | NEEA Residential | Efficiency Total |
|---|---------------------------|------------------------------|----------------------|------------------------|------------------------------|------------------------|--------------------|-------------------------|-------------------------|
| Incentives | 462,624 | 48,889 | 71,149 | | 17,698 | | 281,941 | | 882,301 |
| Program Delivery Subcontracts | 274,840 | 59,964 | 44,548 | 97,649 | 9,195 | | 165,500 | 33,652 | 685,348 |
| Employee Salaries and Fringe Benefit: | 11,921 | 5,905 | 2,713 | | 989 | | 16,385 | | 37,913 |
| Agency Contractor Services | 3,415 | 285 | 79 | | 54 | | 1,414 | | 5,247 |
| Planning and Evaluation Services | 8,541 | 3,512 | 2,479 | | 269 | | 7,884 | | 22,685 |
| Advertising and Marketing Services | 7,040 | 1,119 | 1,081 | | 280 | | 9,799 | | 19,319 |
| Other Professional Services | 8,201 | 4,477 | 895 | | 194 | | 11,332 | | 25,099 |
| Travel, Meetings, Trainings and Confe | 516 | 90 | 89 | | 26 | | 653 | | 1,374 |
| Dues, Licenses and fees | 921 | 37 | | | 1 | | 31 | | 990 |
| Software and Hardware | | | | | | | | | - |
| Materials Postage and Telephone | 86 | | | | 3 | | | | 89 |
| Shared Office Space | 2,124 | 819 | 413 | | 121 | | 2,166 | | 5,643 |
| Shared Information Technology | 7,791 | 3,620 | 2,269 | | 389 | | 11,104 | | 25,173 |
| Customer Service Management | 1,493 | 369 | 208 | | 24 | | 1,764 | | 3,858 |
| Trade Ally Management | 204 | 310 | 18 | | 3 | | 3,431 | | 3,966 |
| Planning and Evaluation Management | 8,338 | 298 | 2,372 | | 313 | | 2,764 | | 14,085 |
| TOTAL PROGRAM EXPENSES | 798,055 | 129,694 | 128,313 | 97,649 | 29,559 | - | 516,168 | 33,652 | 1,733,090 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 25,397 | 4,127 | 4,084 | 3,108 | 941 | | 16,427 | 1,071 | 55,155 |
| Communications & Customer Svc | 18,066 | 2,936 | 2,905 | 2,211 | 669 | | 11,685 | 762 | 39,234 |
| Total Administrative Costs | 43,463 | 7,063 | 6,989 | 5,319 | 1,610 | - | 28,112 | 1,833 | 94,389 |
| Total Program & Admin Expenses | 841,518 | 136,757 | 135,302 | 102,968 | 31,169 | - | 544,280 | 35,485 | 1,827,479 |
| Energy Savings (therms) | 149,927 | 19,880 | 38,351 | 39 | 9,416 | - | 185,110 | 601 | 403,323 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Approved Projection**

ENERGY EFFICIENCY

NW Natural Washington

| EXPENSES | Existing Buildings | NEEA Commercial | Residential | NEEA Residential | Efficiency Total |
|---|-------------------------------|----------------------------|--------------------|-----------------------------|-----------------------------|
| Incentives | 415,322 | | 831,357 | | 1,246,679 |
| Program Delivery Subcontracts | 277,398 | | 411,065 | | 688,463 |
| Employee Salaries and Fringe Benefit | 56,359 | | 75,911 | | 132,270 |
| Agency Contractor Services | | | | | - |
| Planning and Evaluation Services | 45,760 | | 62,103 | | 107,863 |
| Advertising and Marketing Services | | | | | - |
| Other Professional Services | 1,000 | | 20,550 | | 21,550 |
| Travel, Meetings, Trainings and Confe | 1,750 | | 3,500 | | 5,250 |
| Dues, Licenses and fees | 10,045 | | 26,378 | | 36,423 |
| Software and Hardware | | | | | - |
| Materials Postage and Telephone | | | | | - |
| Shared Office Space | 9,425 | | 12,107 | | 21,532 |
| Shared Information Technology | 32,235 | | 38,387 | | 70,622 |
| Customer Service Management | 23,942 | | 24,394 | | 48,336 |
| Trade Ally Management | | | | | - |
| Planning and Evaluation Management | | | | | - |
| TOTAL PROGRAM EXPENSES | 873,236 | - | 1,505,752 | - | 2,378,988 |
| ADMINISTRATIVE COSTS | | | | | |
| Management & General | 27,790 | | 47,919 | | 75,709 |
| Communications & Customer Svc | 19,768 | | 34,087 | | 53,855 |
| Total Administrative Costs | 47,558 | - | 82,006 | - | 129,564 |
| Total Program & Admin Expenses | 920,794 | - | 1,587,758 | - | 2,508,552 |
| Energy Savings (therms) | 105,344 | - | 236,529 | | 341,873 |

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Approved Projection**

RENEWABLE PROGRAMS

PGE Renewables

| EXPENSES | Standard Solar | Custom Projects | Renewable Total |
|---|---------------------------|----------------------------|----------------------------|
| Incentives | 4,560,000 | 3,950,000 | 8,510,000 |
| Program Delivery Subcontracts | 205,174 | | 205,174 |
| Employee Salaries and Fringe Benefit | 544,619 | 484,709 | 1,029,328 |
| Agency Contractor Services | 106,702 | | 106,702 |
| Planning and Evaluation Services | 46,964 | 21,743 | 68,707 |
| Advertising and Marketing Services | 129,632 | 28,825 | 158,457 |
| Other Professional Services | 243,060 | 362,000 | 605,060 |
| Travel, Meetings, Trainings and Confe | 15,886 | 10,750 | 26,636 |
| Dues, Licenses and fees | 5,560 | 4,400 | 9,960 |
| Software and Hardware | 151,933 | | 151,933 |
| Materials Postage and Telephone | 2,860 | 350 | 3,210 |
| Shared Office Space | 71,871 | 48,324 | 120,195 |
| Shared Information Technology | 214,719 | 191,757 | 406,476 |
| Customer Service Management | 11,357 | | 11,357 |
| Trade Ally Management | 23,066 | 68 | 23,134 |
| Planning and Evaluation Management | 12,709 | | 12,709 |
| TOTAL PROGRAM EXPENSES | 6,346,112 | 5,102,926 | 11,449,038 |
| ADMINISTRATIVE COSTS | | | |
| Management & General | 201,960 | 162,396 | 364,356 |
| Communications & Customer Svc | 143,663 | 115,520 | 259,183 |
| Total Administrative Costs | 345,623 | 277,916 | 623,539 |
| Total Program & Admin Expenses | 6,691,735 | 5,380,842 | 12,072,577 |
| Energy Generation (kwh) | 11,659,440 | 4,583,440 | 16,242,880 |

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2021 Approved Projection

RENEWABLE PROGRAMS

Pacific Power Renewables

| EXPENSES | Standard Solar | Custom Projects | Renewable Total |
|---|---------------------------|----------------------------|----------------------------|
| Incentives | 2,560,000 | 1,150,000 | 3,710,000 |
| Program Delivery Subcontracts | 145,217 | | 145,217 |
| Employee Salaries and Fringe Benefit | 312,439 | 171,090 | 483,529 |
| Agency Contractor Services | 61,213 | | 61,213 |
| Planning and Evaluation Services | 24,427 | 7,675 | 32,102 |
| Advertising and Marketing Services | 74,368 | 10,175 | 84,543 |
| Other Professional Services | 164,439 | 362,000 | 526,439 |
| Travel, Meetings, Trainings and Confe | 9,114 | 10,750 | 19,864 |
| Dues, Licenses and fees | 3,190 | 4,400 | 7,590 |
| Software and Hardware | 87,162 | | 87,162 |
| Materials Postage and Telephone | 1,640 | 350 | 1,990 |
| Shared Office Space | 41,231 | 17,057 | 58,288 |
| Shared Information Technology | 123,181 | 67,686 | 190,867 |
| Customer Service Management | 6,515 | | 6,515 |
| Trade Ally Management | 13,233 | 24 | 13,257 |
| Planning and Evaluation Management | 13,291 | | 13,291 |
| TOTAL PROGRAM EXPENSES | 3,640,660 | 1,801,207 | 5,441,867 |
| ADMINISTRATIVE COSTS | | | |
| Management & General | 115,861 | 57,322 | 173,183 |
| Communications & Customer Svc | 82,417 | 40,776 | 123,193 |
| Total Administrative Costs | 198,278 | 98,098 | 296,376 |
| Total Program & Admin Expenses | 3,838,938 | 1,899,305 | 5,738,243 |
| Energy Generation (kwh) | 7,821,200 | - | 7,821,200 |

Financial Glossary

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. Administrative costs fall in the these two categories:

- 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.

Administrative costs are part of [but not all of] the cost included in an Oregon Public Utility Commission performance measure and the Grant Agreement. The measure is defined alternatively as 'Administrative and Program Support' or its inverse, the Program Delivery Efficiency measure.. See **Program Delivery Efficiency** measure for more detail.

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.
 - Infrastructure
 - Development
 - Reporting and analysis
- 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.

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 or 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 and 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.

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.

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 if paid directly to the participant.

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, water heating and energy control devices through retailer buy down, on line fulfillment and direct installation.

Indirect Costs

- Costs within programs that are not directly associated to delivering to customers or projects, such as travel and supplies.
- 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/generation and incentive tracking software, data tracking support of Program Management or Program Delivery Contractors 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 Efficiency Measure

The program delivery efficiency measure is a maximum threshold for administrative and program support costs as a percentage of total annual revenues.

Administrative costs adhere to generally accepted accounting practices for nonprofit organizations. Program support costs were defined in coordination with the Oregon Public Utility Commission to enable comparison with other recipients of public purpose funding. For the purposes of this measure, program support costs are defined as program costs, except for direct program costs, in the following areas: program management, program delivery, program incentives, program payroll and related expenses, outsourced services, planning and evaluation services, customer service management and Trade Ally Network management. [source: OPUC Docket No. UM 1158]

Program Delivery Expense

- This includes all Program Management Contract labor and direct costs associated with incentive processing, program coordination, program support, trade ally communications and program delivery contractors.
- Includes contract payments to Northwest Energy Efficiency Alliance 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.

Program Marketing/Outreach

- PMC labor and direct costs associated with marketing, outreach and awareness efforts to communicate program opportunities and benefits to utility customers and 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 margin of funds above what is needed to fulfill annual budgeted costs. The reserve percent varies by funder. Management may access up to 50% of annual program reserve without prior board approval (resolution / 800 2017).

Program Support Costs

- Source of information is contained in statement of functional expense report.
- Portion of costs in OPUC performance measure.
 - Includes support 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.

Project Tracking Projects Forecasting

Information in the Project Tracker system 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, this is a project that has received board approval.

- Accepted: Used for renewable energy projects in second 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 Project Tracker. 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.

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 energy efficiency or renewable energy); not tracked by program.

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 line loss factors.
- **Net Savings/Generation:** The estimate of savings/generation that is used for budgeting and reporting through 2019. This includes transmission and distribution line loss factors, and evaluation factors of free riders, spillover and savings realization rates. These values are updated annually and are subject to revision each year during the true-up resulting from new information or identified errors. After 2019, the use of net savings will be retired.
- **Gross Savings/Generation:** The estimate of savings from program participants, irrespective of free riders or spillover. Gross is adopted as the standard method of budgeting and reporting beginning in 2020. Where 2020 is compared to earlier years, those years will likewise be restated from net to gross for comparability. These values are also subject to annual updates during true-up resulting from new information or identified errors.
- **Savings Realization Adjustment Factors (SRAF):** Savings realization adjustment factors are 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 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 and spillover effects (through 2019 only), and savings realization rates; and
 - Published transmission and distribution line loss information resulting from electric measure savings.

Total Program and Administrative 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 and 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 and 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 number of calls into the call center per month.

True Up

- True-up is an annual process where we adjust and correct prior years' energy savings and renewable generation to reflect everything we've learned about how much energy programs actually save or generate. This information is used to update our reports of historic performance and our software tools for forecasting and analyzing future savings.
- Information incorporated includes improved engineering estimates of savings , corrections to identified transaction errors, anticipated results of future evaluations based on what prior evaluations of similar programs have shown (anticipated evaluation factor) applied to future or current years savings, 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.