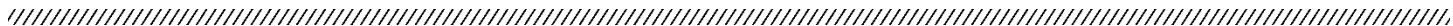


Quarter One 2020 Report to the Oregon Public Utility Commission & Energy Trust Board of Directors



ENERGY TRUST OF OREGON
May 15, 2020

TABLE OF CONTENTS

From the executive director	2
I Results at a glance	3
II Executive summary	7
III COVID-19 response	9
IV Revenues and expenditures tables	12
V Savings and generation tables	15

A glossary of program descriptions and key terms is available online at www.energytrust.org/reports

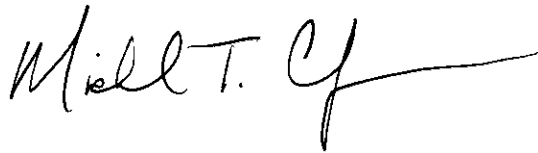
From the executive director

I hope this letter finds you in good spirits and in good health. As Oregonians continue to confront the widespread effects of the COVID-19 pandemic that hit our region in March, we want to share with you how we are responding at Energy Trust. In place of quarterly program highlights of key activities and achievements, we have included in this report information on how our programs and organization are adapting to meet the needs of our customers and partners. We expect to return with standard program highlights in the quarter two report.

We understand many customers are focused right now on keeping their families safe, paying their bills and sustaining their businesses. As we assemble this first quarter report, it is too early to know the impact of the pandemic on energy-related projects customers have planned for 2020. Here's what we do know: Saving energy is smart in good economic times and even smarter when the economy experiences a downturn. Money saved on utility bills can go toward other priorities for families and businesses. With so many facing lost or reduced income, our programs provide great value to customers by reducing utility costs, while our cash incentives serve as immediate stimulus for the state's economy.

As this quarter closed, we continued to process incentives for completed energy efficiency and renewable energy projects at similar volumes to what we would normally see this time of year. From mid-March to mid-April, we quickly revised our processes and offers to make them relevant to customers during this challenging time. By the end of quarter two, we will begin to understand how customers are responding. In the meantime, we will continue to work with our network of trade ally contractors, retailers, local businesses, community organizations and affiliated utilities to reach and serve customers with incentive offers and promotional support for energy efficiency and renewable energy improvements. Together we are helping customers make changes that will save energy and money in the months and years ahead.



Michael Colgrove

A handwritten signature in black ink, appearing to read "Michael T. Colgrove". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Executive Director

I Results at a glance^{1,2}

Savings

 = Year-to-date goal  = Annual goal

⚡ Total electric savings

4.9 aMW (11%) saved

  **45.4 aMW goal**

⚡ PGE

2.6 aMW (9%) saved

  **27.4 aMW goal**

⚡ Pacific Power

2.3 aMW (13%) saved

  **18.0 aMW goal**

🔥 Total gas savings

1.2 MMTh (18%) saved

  **6.5 MMTh goal**

🔥 NW Natural

1.1 MMTh (19%) saved

  **5.6 MMTh goal**

🔥 Cascade Natural Gas

0.09 MMTh (17%) saved

  **0.55 MMTh goal**

🔥 Avista



0.04 MMTh (10%) saved

  **0.39 MMTh goal**

¹ This document reports gross savings.

² Note that aMW indicates average megawatts, MMTh indicates million annual therms.

Generation

 = Year-to-date goal  = Annual goal

Total renewable electric generation



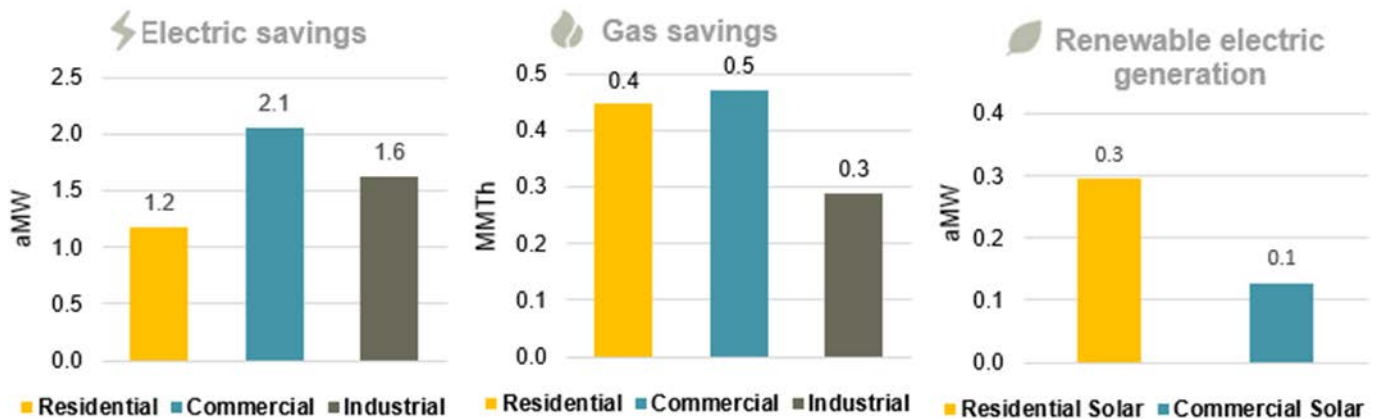
PGE



Pacific Power



Savings and generation by sector year-to-date³



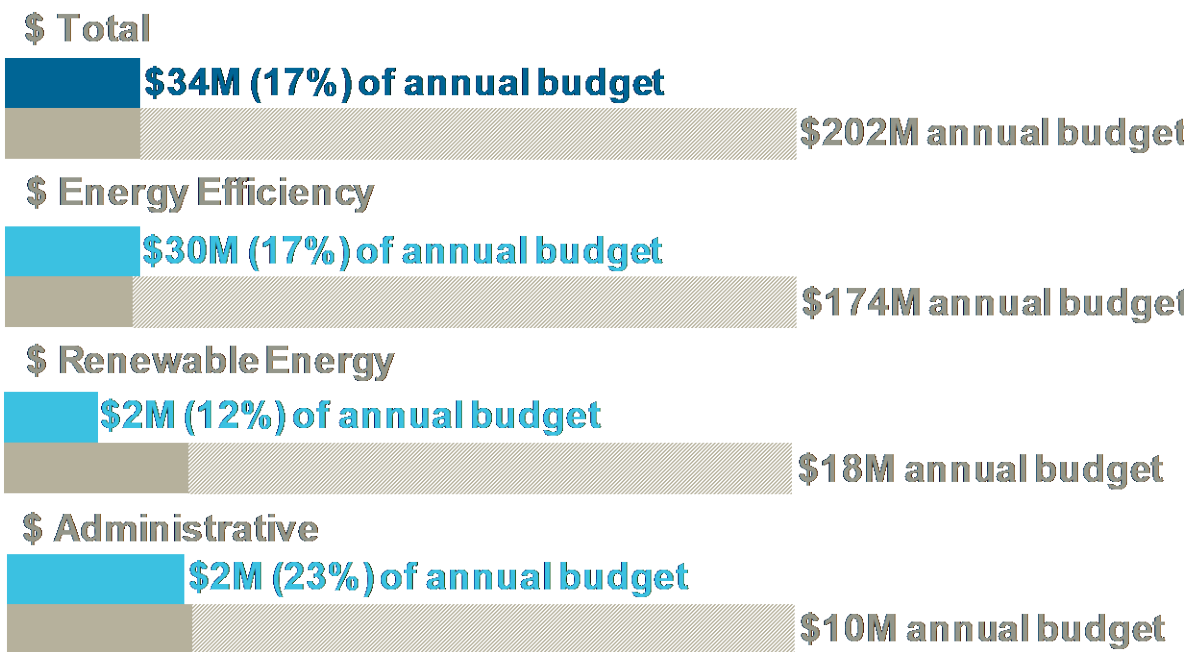
³ Charts may not total due to rounding.

Customer satisfaction⁴



Expenditures⁵

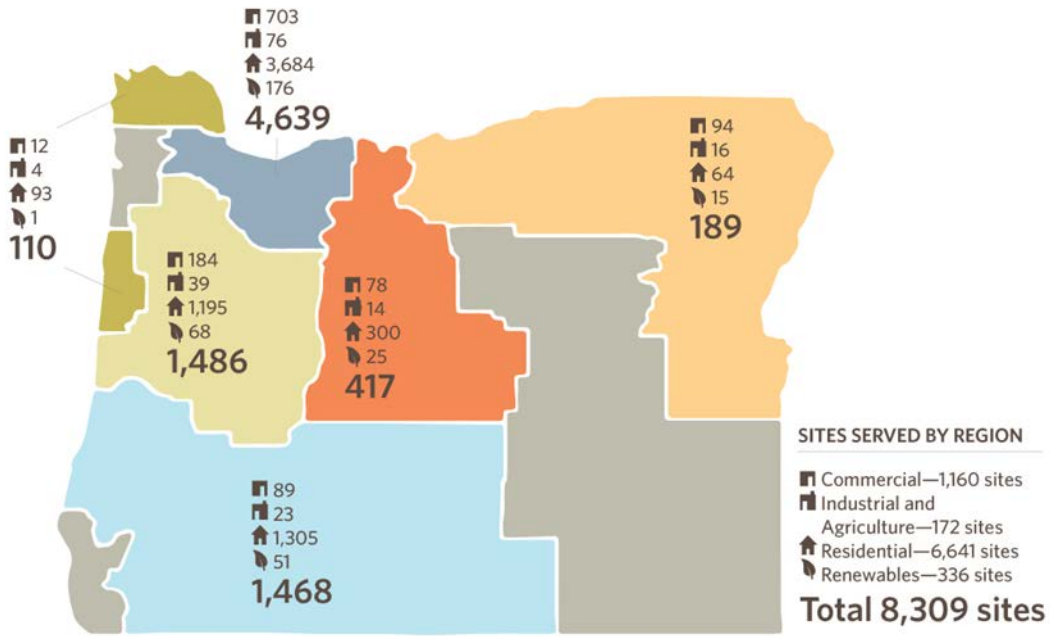
■ = Year-to-date budget ▨ = Annual budget



⁴ From December 2019 through March 2020, Energy Trust delivered a short web and phone survey to 389 randomly selected participants in five Oregon programs who completed projects between October and December 2019 and received an incentive or discount from Energy Trust. New Buildings participants are surveyed every other year, with the most recent survey in Q2 2018.

⁵ Total expenditures include public purpose funds, expenditures for Energy Trust's subcontract to deliver the Oregon Community Solar Program and expenditures for Energy Trust's grant from the U.S. Department of Energy to increase access to solar energy for low- and moderate-income communities.

Sites served by region⁶



⁶ This document reports on Energy Trust services to Oregon customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista. Areas in gray are not served by these utilities. Sites served excludes products purchased from distributors and retailers.

II Executive summary

A. Progress to energy efficiency and renewable energy goals^{7,8}

- In place of quarterly program and operations activity, notable activities and trends, **this report focuses on Energy Trust's response to the COVID-19 pandemic** and resulting market changes.
- **Savings are typically lower in the first half of the year** when more studies and assessments are completed compared to the second half of the year when more projects close.
- **Electric efficiency improvements completed in quarter one saved 4.9 average megawatts** of electricity. Savings accounted for 11% of the 2020 goal of 45.4 aMW, comparable to the goal savings achieved in quarter one 2019.
- **Gas efficiency improvements completed during quarter one saved approximately 1.2 million therms** of natural gas.⁹ Savings accounted for 18% of the 2020 goal of 6.5 million therms, more than the goal savings achieved in quarter one 2019.
- **Renewable energy systems installed during quarter one will generate 0.42 aMW** of electricity, 13% of the 2020 goal of 3.27 aMW, down from the goal savings achieved in quarter one 2019. The shortfall in generation and expenditures is due to a large biopower project that was delayed due to restrictions related to COVID-19. It is now expected to reach commercial operation in quarter two.
- **Savings and generation achieved in quarter one represent about 32,000 tons of carbon dioxide** kept out of the atmosphere, the equivalent of removing 6,900 cars from Oregon roads.
- Previous quarterly and annual reports had results in net savings.¹⁰ In this report and going forward, **Energy Trust will provide energy savings in gross savings**, which are energy savings that result from Energy Trust programs, regardless of why customers participated.¹¹ This is the best representation of Energy Trust's influence because its long-standing presence in the marketplace has become normalized and increasingly programs are designed to account for influence using market baselines.

4.9

AVERAGE
MEGAWATTS
SAVED

1.2

MILLION ANNUAL
THERMS SAVED

0.42

AVERAGE
MEGAWATTS
GENERATED

32,000

TONS OF CARBON
DIOXIDE AVOIDED

⁷ This report includes the best available energy savings data as of the date of submission. Energy savings reported here for periods prior to January 1, 2018, may be different than previously reported as a result of applying updated evaluation factors to Energy Trust savings and generation in Oregon through the annual true up process. The full True Up 2018 Report is available online at www.energytrust.org/reports.

⁸ Each report serves a specific purpose for communicating activities. Quarter one typically reflects efforts to build a pipeline of projects through analyses, studies and outreach to achieve annual savings and generation goals, however this quarter one report focuses on Energy Trust's response to the COVID-19 pandemic and resulting market changes. Quarter two highlights the organization's mid-year savings and generation, previewing expected achievement of year-end goals based on early indicators such as pipelines and forecasts and reflecting changes in order to reach year-end goals. Quarter three identifies savings and generation and previews expected achievement to year-end goals with more accuracy than the quarter two report as more information is available. Quarter four reflects Energy Trust's final accomplishments and is delivered as an appendix to the annual report in April of the following year.

⁹ The gas savings do not include results for NW Natural in Washington. These results are available at www.energytrust.org/reports.

¹⁰ Net savings do not include savings from participants who would have completed an energy-saving action even in the absence of the program (also known as free riders) and do include estimates of savings from participants who completed an energy-saving action because of awareness of the program but didn't receive a program incentive (known as the participant spillover effect).

¹¹ Energy Trust's gross energy generation is equal to net renewable energy generation. since projects are unlikely to move forward without Energy Trust incentives and therefore are not free riders. Based on these factors, Energy Trust claims 100% of generation for all renewable energy projects that receive incentives.

B. Updates requested by the OPUC

This section typically provides information requested by the OPUC in comments on Energy Trust's 2020 Budget and 2020-2021 Action Plan. These standard updates will be provided in quarter two. The update below was requested specifically for the quarter one report in UM 1696 Order No. 19-301 and Order No. 20-105.

Residential ductless heat pump cost effectiveness exceptions:

Updates on progress on a market survey for suitable ductless heat pump controllers and field test in collaboration with Portland General Electric.

- Staff **reduced incentives and introduced a new requirement** that at least one indoor unit be located in the home's primary living space following an evaluation that showed this configuration resulted in more energy savings.
- Staff **completed a market technology review** of advanced controls of ductless heat pumps and is **moving forward on a pilot** with PGE to jointly investigate energy efficiency and demand response potential of wireless smart controls for ductless heat pumps in order to improve savings, cost effectiveness and customer satisfaction.

III COVID-19 response

Due to the widespread and ongoing effects of the pandemic, this report provides information on actions and plans to provide relevant and timely services to customers during the pandemic as the state shifts into recovery mode in the coming months.

A. Program highlights

- Energy Trust **continues to distribute incentives** for energy-efficiency upgrades and renewable energy systems while **supporting customers and contractors** in accordance with social distancing guidelines.
- Energy Trust **remains active in essential markets**—including agriculture, manufacturing, grocery stores and some large retailers—where work can be completed safely.
- Because regions and sectors have been impacted differently, Energy Trust is **tailoring its response to align with customer needs**.
- All changes are done under **cost-effectiveness requirements**.
- **For residential customers**, near-term response efforts focused on low- and no-cost offers that help lower utility bills, including:
 - Ramping up **promotions of free Energy Saver Kits** in coordination with utilities and community-based organizations and expanding eligibility requirements for residential and multifamily customers.
 - Increasing **outreach to community-based organizations** to distribute tips to their members to save energy and improve indoor air quality.
 - Increasing incentives for **LEDs purchased at grocery stores**, especially in discount retailers.
 - Rolling out a **free online LED offer for low-income households** and coordinating with community-based organizations and community action agencies.
 - **Expanding pilots to serve more low-income customers** in coordination with community action agencies.
 - Significantly increasing **discounts for smart thermostats** purchased online.
- **For multifamily, commercial and industrial customers**, near-term response efforts include:
 - **Pausing all direct installation** offers in multifamily properties.
 - Offering a **project completion bonus** for small businesses.
 - **Expanding LED incentives to distributors and retailers** that are passed on to small businesses in rural areas.
 - **Increasing incentives and offering bonuses** for commercial and industrial prescriptive and custom lighting upgrades and a **lighting bonus for schools** statewide.
 - **Increasing incentives for operations and maintenance, select standard measures and for custom projects** in existing commercial buildings.
 - **Expanding direct installation offers** for pipe insulation and municipal water leak fixes.



EXPANDING
PILOTS THAT
SERVE LOW-
INCOME
HOUSEHOLDS



PROMOTING FREE
ENERGY SAVER
KITS WITH
PARTNERS

- In-person trainings and events including commercial and industrial Strategic Energy Management have been **moved to webinars and video conferencing**. Staff is offering SEM incentive increases and bonuses to keep participants engaged along with bonuses for operations and maintenance.
- **Longer-term response efforts under consideration** include:
 - **For residential customers**, a water heater promotion and increased incentive; revised Savings Within Reach income requirements so that more people qualify; low- and no-cost ceiling insulation offers; and a smart thermostat optimization offer.
 - **For multifamily property owners**, developing offers that can be installed at night or by tenants with assistance from the property manager and/or maintenance personnel.
 - **For existing commercial building owners**, targeted bonuses for businesses most impacted by the pandemic.
 - A **smart thermostat offer** for multifamily and existing commercial customers.
- Staff has **revised procedures to facilitate remote inspections and verifications** for the commercial, industrial and renewables sectors. Photos, video recordings and video conferencing walk-throughs have replaced most on-site inspections. If these options pose a hardship (e.g., if a customer or contractor is ill), staff may move forward with processing and payment.
 - Some programs have temporarily raised post-installation verification thresholds **to limit the number of customers subject to post-installation verification**.
 - For projects that typically require formal vendor quotes to generate an incentive offer, **this requirement may be waived** since vendor site visits are limited. Vendor estimates by phone may suffice if the source of the cost estimate is provided.
 - Limited field staff continue to inspect new construction to enforce quality standards while **maintaining social distancing guidelines**.
- Marketing efforts have been revised to **promote low- and no-cost upgrades and energy-saving tips**. Promotions emphasizing capital upgrades are now on hold and staff is partnering with trade allies on promotions to emphasize emergency equipment replacements and/or repairs.
- Staff sent a **survey to more than 1,500 trade ally contractors** to understand how the crisis is affecting their business and how Energy Trust might support them going forward.
 - The survey asked about their interest in being promoted on a list of contractors who can provide emergency equipment replacement services and in enhanced training from Energy Trust. Survey results are still being analyzed and will be released in quarter two.
- Staff is working to include funding for personal protective equipment in business development funds for trade allies starting in June that can be applied retroactively to March 1.
- Energy Trust issued a **request for proposals** for management and delivery of Existing Building services and commercial and industrial lighting offers in March. The deadline for receiving proposals was **extended by four weeks** to May 15.



OFFERING REMOTE
INSPECTIONS AND
VERIFICATIONS



PLANNING NEAR-
AND LONG-TERM
RESPONSE
EFFORTS

B. Organization highlights

- **Customer services have continued uninterrupted** via remote telecommunications.
- Trade ally and vendor payments were **transitioned to direct deposit** to streamline the payment process and improve vendor cash flow.
- Staff **expanded the use of DocuSign** online forms, which were launched in 2019 and allow customers to electronically sign and submit program applications. This allows forms to be filled out more easily during the crisis, with long-term benefits of reducing the time and cost associated with managing forms.
- Energy Trust is **exploring how to accelerate** collaboration with community-based organizations.
 - Over the past 18 months, Energy Trust has **strengthened relationships with community-based organizations** that work with low-income customers, rural customers and communities of color.
 - To help these partners build capacity for working with Energy Trust to serve underserved customers, staff is exploring offering **training on the energy efficiency and renewable energy sectors in exchange for capacity-building funding**.
- Staff is monitoring cash flow, incentives and revenues to understand the financial impact of virus-related market conditions on Energy Trust and is coordinating closely with utilities to understand the effect on their revenues. As of April, there was **no significant downturn in the volume of incentives processed**.
- Public meetings of Energy Trust's board of directors and all three advisory councils in April were **transitioned to videoconferencing platforms** that are accessible to the public. Public meetings will continue via teleconferencing until further notice.
- Staff has **adjusted outreach efforts to use remote tools** and moved event commitments to virtual engagements where possible.
- **Work continues to plan a rural-focused workshop** in fall 2020 to discuss how to better serve rural customers and drive funding to rural communities for direct local benefit.
- Staff provided **regular communications to customers and stakeholders** regarding immediate changes and sustained operations.
- An internal response team established office procedures, staff communications and IT support to enable **a rapid transition to remote working** to protect staff health and comply with public health directives. A team has begun planning for the eventual reopening of Energy Trust's office.



**TRANSITIONED
VENDOR
PAYMENTS TO
DIRECT DEPOSIT**



**NO CHANGE IN
INCENTIVES
PROCESSED AS OF
APRIL**

IV Revenues and expenditures tables^{12,13}

A. Revenues and expenditures summary¹⁴

- Overall revenues totaled \$54.7 million for Q1 2020, 2% below what was budgeted.
- Q1 expenditures totaled \$34.4 million; of which, \$14.0 million was for incentives.
- Q1 electric efficiency expenditures were 1% over budget.
- Q1 gas efficiency expenditures were 25% over budget due to delayed projects from 2019 that were completed in Q1.
- Q1 renewable energy expenditures were 48% below budget, largely due to a single delayed project.
- Q1 administrative costs were \$2.2 million, 5% below what was budgeted.

B. Revenues^{15,16}

Source	Q1 actual revenues	Q1 budgeted revenues
Portland General Electric	\$ 11,043,073	\$ 11,001,973
PGE Incremental	\$ 14,060,081	\$ 15,202,776
Pacific Power	\$ 7,818,587	\$ 7,879,070
Pacific Power Incremental	\$ 9,438,384	\$ 9,645,416
NW Natural	\$ 9,156,539	\$ 8,970,627
NW Natural Industrial DSM	\$ 1,393,862	\$ 1,395,195
Cascade Natural Gas	\$ 1,070,843	\$ 1,216,114
Avista	\$ 518,323	\$ 518,323
Oregon Community Solar Program	\$ 144,114	\$ 133,751
Low- and moderate-income grant	\$ 13,922	\$ -
Total	\$ 54,657,729	\$ 55,963,244

¹² Columns may not total due to rounding.

¹³ The gas savings do not include results for NW Natural in Washington. These results are available at www.energytrust.org/reports.

¹⁴ Revenues and expenditures in Section A include public purpose funds, funds for a subcontract to deliver the Oregon Community Solar Program and funds for low- and moderate-income solar innovation grants. Revenues and expenses for the Oregon Community Solar Program and low- and moderate-income solar innovation grants are included in the tables.

¹⁵ Revenues in Table B include public purpose revenue, incremental electric revenue from SB 838 and revenue from the low- and moderate-income solar grant and the Oregon Community Solar Program. Incremental revenues are those authorized under SB 838 to support capturing additional cost-effective electric efficiency savings above the amount supported by funding through SB 1149.

¹⁶ Revenues in Table B exclude revenue from investments and activity in Washington.

C. Expenditures^{17,18}

Source	Q1 actual expenditures	Q1 budgeted expenditures
Portland General Electric \$	15,917,948 \$	17,162,599
Pacific Power \$	11,778,935 \$	12,383,365
NW Natural \$	4,701,566 \$	3,726,287
NW Natural Industrial DSM \$	1,009,504 \$	629,130
Cascade Natural Gas \$	574,016 \$	561,932
Avista \$	272,096 \$	314,388
Oregon Community Solar Program \$	84,180 \$	69,598
Low- and moderate-income grant \$	14,182 \$	-
Business development \$	258 \$	-
Total \$	34,352,686 \$	34,847,298

D. Expenditures by sector and program^{17,18}

	Q1 actual expenditures	Q1 budgeted expenditures
Commercial	Existing Buildings \$	7,425,565
	Existing Multifamily \$	1,880,165
	New Buildings \$	2,633,069
	NEEA Commercial \$	841,750
Commercial total \$	13,443,856 \$	12,780,549
Industrial	Production Efficiency \$	5,828,059
	NEEA Industrial \$	107,264
Industrial total \$	5,604,635 \$	5,935,323
Residential	Residential \$	8,648,439
	NEEA Residential \$	990,208
Residential total \$	10,933,579 \$	9,638,647
Energy efficiency total \$	29,982,069 \$	28,354,519
Renewables	Solar \$	1,892,481
	Other Renewables \$	2,261,965
Renewable generation total \$	2,120,598 \$	4,154,445
Administration	Administration \$	2,272,719
Administration total \$	2,157,590 \$	2,272,719
Other	Oregon Community Solar Program \$	65,614
	Low- and moderate-income grant \$	-
	Business development \$	-
Total expenditures \$	34,352,686 \$	34,847,298

¹⁷ Energy Trust received a grant from the U.S. Department of Energy to collaborate with the Oregon Department of Energy to increase access to solar energy for low- and moderate-income communities. Low- and moderate-income solar grant and Oregon Community Solar Program expenditures do not match grant expenditures in Table C. This is because a portion of the expenditures in Table D are under administration expenditures.

¹⁸ In quarter one 2020, Energy Trust invested business development funds to explore new business opportunities. These funds are unrestricted donations and consulting fees and are independent from ratepayer funds.

E. Incentives paid

Qtr	PGE efficiency	Pacific Power efficiency	NW Natural efficiency	Cascade Natural Gas efficiency	Avista efficiency	PGE generation	Pacific Power generation	Total
Q1	\$ 5,580,213	\$ 4,103,630	\$ 2,880,466	\$ 193,953	\$ 71,170	\$ 523,516	\$ 669,645	\$14,022,593
Total	\$ 5,580,213	\$ 4,103,630	\$ 2,880,466	\$ 193,953	\$ 71,170	\$ 523,516	\$ 669,645	\$14,022,593

V Savings and generation tables^{19,20,21,22,23}

A. Savings and generation by fuel

	Q1 savings/generation	Annual goal	Percent achieved YTD
Electric savings	4.9 aMW	45.4 aMW	11%
Natural gas savings	1,206,438 therms	6,526,799 therms	18%
Electric generation	0.42 aMW	3.27 aMW	13%

B. Progress toward annual efficiency goals by utility²⁴

	Q1 savings	Annual goal	Percent achieved YTD	Annual IRP target	Percent achieved YTD
Portland General Electric	2.6 aMW	27.4 aMW	9%	30.5 aMW	8%
Pacific Power	2.3 aMW	18.0 aMW	13%	19.2 aMW	12%
NW Natural	1,076,695 therms	5,591,966 therms	19%	6,018,697 therms	18%
Cascade Natural Gas	92,200 therms	547,244 therms	17%	621,804 therms	15%
Avista	37,543 therms	387,588 therms	10%	313,420 therms	12%

¹⁹ Columns may not total due to rounding.

²⁰ This document reports gross savings.

²¹ Electric savings also include transmission and distribution savings.

²² Gas savings do not include results for NW Natural in Washington. These results are available at www.energytrust.org/reports.

²³ Energy Trust reports 100% of generation and capacity for renewable energy installations supported by Energy Trust's cash incentives. While some of these projects have additional sources of funding, Energy Trust enabled project completion.

²⁴ Integrated Resource Plan for Portland General Electric and Pacific Power are pending acknowledgement by the OPUC.

C. Electric savings by sector and program

		Q1 savings	Annual goal	Percent
		aMW	aMW	achieved YTD
Commercial	Existing Buildings	1.5	13.1	11%
	Existing Multifamily	0.2	1.5	11%
	New Buildings	0.4	4.8	8%
	NEEA Commercial	0.1	0.7	10%
Commercial total		2.1	20.0	10%
Industrial	Production Efficiency	1.5	17.1	9%
	NEEA Industrial	0.08	0.80	10%
Industrial total		1.6	17.9	9%
Residential	Residential	1.0	5.5	18%
	NEEA Residential	0.2	1.9	10%
Residential total		1.2	7.4	16%
Total electric savings		4.9	45.4	11%

D. Natural gas savings by sector and program²⁵

		Q1 savings	Annual goal	Percent
		therms	therms	achieved YTD
Commercial	Existing Buildings	401,707	1,757,530	23%
	Existing Multifamily	42,973	204,919	21%
	New Buildings	27,316	548,061	5%
	NEEA Commercial	0	456	-
Commercial total		471,995	2,510,966	19%
Industrial	Production Efficiency	288,740	1,514,698	19%
	NEEA Industrial	0	0	-
Industrial total		288,740	1,514,698	19%
Residential	Residential	445,702	2,478,903	18%
	NEEA Residential	0	22,232	-
Residential total		445,702	2,501,135	18%
Total natural gas savings		1,206,438	6,526,799	18%

E. Renewable energy generation by utility

		Q1 generation	Annual goal	Percent achieved
		aMW	aMW	YTD
Portland General Electric		0.21	2.25	9%
Pacific Power		0.21	1.02	21%
Total		0.42	3.27	13%

²⁵ Energy Trust allocated budget to NEEA for gas market transformation activities. While there were no associated savings in quarter one, savings are expected later in 2020.

F. Renewable energy generation by program

	Q1 generation aMW	Annual goal aMW	Percent achieved YTD
Solar	0.42	2.24	19%
Other Renewables	0.00	1.03	-
Total generation	0.42	3.27	13%

G. Incremental utility SB 838 expenditures²⁶

Utility	Q1 SB 838 Expenditures
Portland General Electric \$	259,380
Pacific Power \$	96,544
Total \$	355,924

²⁶ Reflects expenditures by PGE and Pacific Power in support of utility activities described in SB 838. Reports detailing these activities are submitted annually to the OPUC.