



Energy Trust of Oregon

2015 Annual Budget and 2015-2016 Action Plan

FINAL PROPOSED

**Presented to the Board of Directors
December 12, 2014**

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MEMO

Date: December 4, 2014
To: Board of Directors
From: Margie Harris, Executive Director
Subject: Final Proposed 2015 Annual Budget and 2015-2016 Action Plan

I am pleased to present Energy Trust of Oregon's final proposed 2015 annual budget and 2015-2016 action plan for your consideration and discussion at the December 12 board meeting.

The enclosed information provides an update on the draft budget and action plan presented to the board on November 5, 2014. It also includes revisions based on feedback and comments received through December 3. Specifically, the binder includes a table of contents, an overview of the budget components in handout and slide presentation form, a summary of comments received with staff responses, copies of actual comments received and additional details of the budget components.

In developing this final proposed budget and action plan, draft annual goals and activities were presented to and reviewed by the board of directors, Oregon Public Utility Commission, Conservation Advisory Council, Renewable Energy Advisory Council, Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas, representatives of the Citizens' Utility Board of Oregon and members of the public.

Presentation slides summarize the changes made to the draft budget and action plan as a result of this outreach and also highlight final proposed revenue, expenditures, savings, generation and program activities. In addition, the staffing memo has been revised to include further detail about the positions and corresponding benefits to ratepayers.

Combined, the final proposed annual budget and two-year action plan guide Energy Trust's investment of \$169.9 million to acquire 56.6 average megawatts and 5.8 million annual therms of the lowest-cost and cleanest energy available to utilities and their customers. This budget will further benefit customers by focusing investments in emerging technologies, expanding participation and improving internal operations—three key strategies for meeting our 2015 savings and generation goals as well as our ambitious new 2015-2019 Strategic Plan goals.

After board consideration on December 12, 2014, a final 2015 annual budget and 2015-2016 action plan will be submitted to the OPUC by year end and posted online at www.energytrust.org.

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

Thank you.

Final Proposed 2015 Annual Budget and 2015-16 Action Plan Highlights

Each year, Energy Trust of Oregon develops annual budgets and two-year action plans through an open, transparent process. Annual goals and activities are reviewed by the board of directors, advisory councils, utilities and the public and submitted to the Oregon Public Utility Commission.

The 2015 budget and 2015-2016 action plan will guide Energy Trust in the delivering the lowest-cost energy resource for customers of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas. The budget will also diversify Oregon’s energy resource mix through small-scale renewable resource project development in PGE and Pacific Power territories. Projects and actions resulting from our plans save money on participant utility bills, reduce carbon emissions and improve local economies.

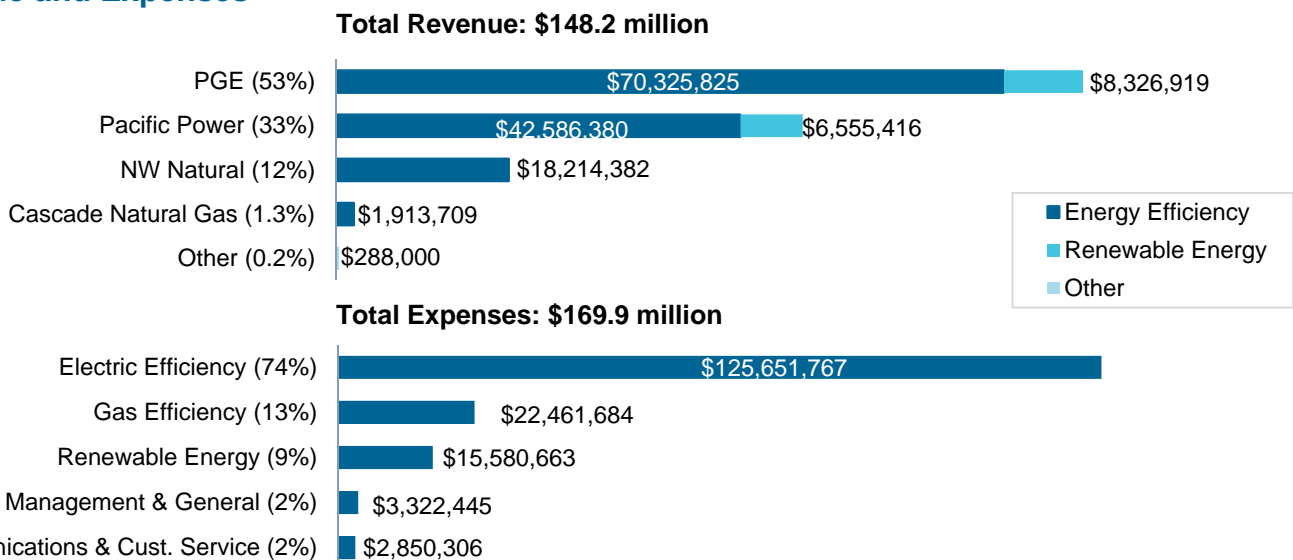
Areas of Emphasis

Emerging technologies—Continue pilots to test new program delivery approaches and capitalize on past years’ investments before bringing innovations to scale. Invest in Northwest Energy Efficiency Alliance activities benefiting Oregon customers, including a pilot gas market transformation initiative. Expand project support for renewable energy technologies.

Expanding participation—Use data, research and targeting to efficiently reach customers while increasing visibility, access and participation statewide. Further invest in relationships to reach and serve all customers, including rural and small business customers.

Improving operations—Develop systems and continuous improvement processes supporting operational and program efficiencies, positive customer experiences, transparency and accountability. Continue low staffing costs, realizing savings from active benefit management and related expense reductions.

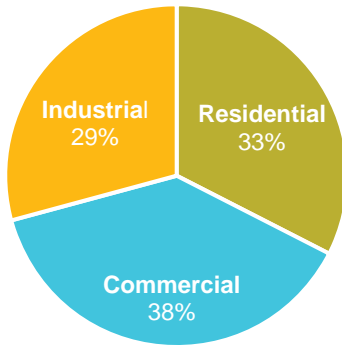
Revenue and Expenses



In agreement with our affiliated utilities, the budget draws down reserves in 2015 to cover planned expenses in excess of anticipated revenue.

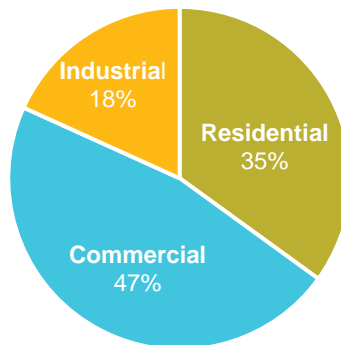
Savings, Generation and Levelized Costs

Electric savings 53.1 aMW



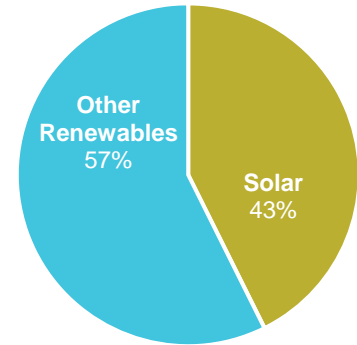
Residential
17.3 aMW; 3.1 cents/kWh
Commercial
20.3 aMW; 3.4 cents/kWh
Industrial
15.5 aMW; 2.6 cents/kWh

Natural gas savings 5.8 million annual therms



Residential
2.04 million annual therms; 35 cents/therm
Commercial
2.73 million annual therms; 33 cents/therm
Industrial
1.07 million annual therms; 28 cents/therm

Renewable energy generation 3.47 aMW



Solar
1.48 aMW; 6.8 cents/kWh
Other Renewables
1.99 aMW; 2.1 cents/kWh

Summary of Planned Activities by Customer Type

Homeowners and renters: online Home Energy Reviews; referrals to qualified trade ally contractors; incentives for equipment, weatherization, lighting, appliances and solar; EPS™, an energy performance score for new and existing homes; on-bill repayment through Savings Within Reach and Clean Energy Works

Commercial businesses, public and private institutions and multifamily properties: Energy modeling, design and technical assistance; equipment incentives; Strategic Energy Management; Path to Net Zero; on-bill repayment through MPower; “Pay for Performance” pilot for existing buildings

Industrial and agricultural businesses: Technical assistance, scoping studies and analyses; customized solutions for industrial processes; equipment incentives for industrial and agricultural applications; Strategic Energy Management; expanded outreach to small industries

For renewable energy project developers: Project development assistance and incentives for solar, biopower, wind, small hydropower and geothermal; lowering “soft” costs for solar

View detailed 2015-2016 action plans at www.energytrust.org/about/budget.

Energy Trust Investment of \$169.9 Million to Buy These Benefits

- Future utility bill savings of \$534 million for 2015 participants
- Affordable energy at 3.1 cents/kWh and 33.2 cents/therm, the lowest cost energy utilities can buy
- Increased visibility, access and participation throughout Oregon and southwest Washington to support improvements at homes and businesses
- Jobs, wages and business income from bill savings recirculating in our local economy
- Enough clean energy to power 43,900 homes and heat 11,000 homes with natural gas for a year
- Improved air quality by avoiding 221,000 tons of carbon dioxide—equivalent to removing 39,000 cars from our roads for a year
- Continued high customer satisfaction rates and continued public accountability
- Training and support for 2,700 local businesses, many of them small companies employing 14,400 people to work on Energy Trust projects (self reported)

FINAL PROPOSED 2015 Annual Budget & 2015-2016 Action Plan

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Final Proposed 2015 Annual Budget & 2015-2016 Action Plan

Board of Directors, December 12, 2014



Today's presentation

Brief Recap: Draft
Budget and Action Plan

Outreach and comment
summary

Summary of
Final Proposed 2015
Budget and 2015-2016
Action Plan

2016 Budget Projection

Discussion and action



Recap: draft 2015 budget summary

1. Invest **\$167.8 million**
2. Deliver **52.9 aMW** and **5.8 million annual therms** of savings and **3.46 aMW** of renewable energy generation
3. Deliver least-cost energy at **3.1 cents/kWh** and **34.4 cents/therm**
4. **Reduce spending by 4.8%** compared to current year budget
5. **Modestly reduce savings and generation**
6. **Lower revenue** collections by **12%** from 2014 forecast
7. **Reduce** utility program **reserves**
8. Invest in ongoing **operational efficiencies**
9. Keep total **staffing costs flat** – up less than 2%
10. Maintain **low administrative and program support costs**

Recap: Action Plan focus areas

Emerging technologies

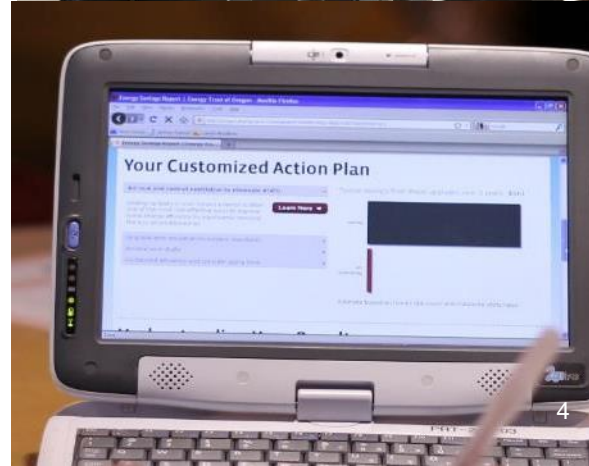
- Northwest Energy Efficiency Alliance investment
- Pilot programs and test bed/demonstrations
- More renewable project development support

Expanding participation

- Data, research and targeting
- Utility collaboration and other partnerships
- Moderate and low income, including renters
- Small businesses, industrial and commercial
- Engagement in rural and outlying areas

Improving operations

- Cost management and efficiency gains
- Continuous improvement pilots
- Benchmarking
- Plan for the future



Outreach & Comment Summary

Outreach activities completed

Presentations by Audience	Date
Renewable & Conservation Advisory Councils	Oct. 22
Board of Directors	Nov. 5
Cascade Natural Gas	Oct. 29
Pacific Power	Nov. 6
NW Natural	Nov. 11
Live public webinar	Nov. 12
Oregon Public Utility Commission workshop	Nov. 12
PGE	Nov. 17
Renewable & Conservation Advisory Councils	Nov. 21
Citizens Utility Board	Nov. 24
Oregon Public Utility Commission public hearing	Dec. 3

Comments received

- Overall, support for draft budget and action plan as presented
- Representative sample of written comments:
 - Utility appreciation for refined budget process, including more accurate 2014 savings and 2015 carryover forecasts
 - Support for reducing revenue collections and drawing down reserves
 - Clearer understanding of expenditures and savings
 - Utility willingness to work together to reach and serve more customers
 - Amount of instant savings measures expected in 2015 for Existing Homes and Multifamily noted
 - Timing of some Existing Homes measure transitions identified by Conservation Advisory Council
 - Interest in customer messages once gas weatherization measures are discontinued
 - Support for NEEA gas market transformation activities and other joint efforts to introduce new gas measures to the market
 - Recommendation to maintain staffing flexibility and limit growth
 - Suggestion to include customer investment in our result summaries

OPUC Comments

- Summarized status of last year's comments, noting comments addressed and activities underway
- Supported 2015 budget and 2015-16 action plan
- Supported 4 new staff positions included in draft budget
 - Requested documentation of staff workload and reassignments
 - Requested completion of administrative support staffing levels needs assessment
 - Requested quantification of incremental benefits of new hires
- Requested development and presentation of 3-4 administratively focused productivity metrics
- Established new performance measure for total staffing costs as percent of total expenditures
 - 7.75% over a three-year rolling average with option to revisit
- Requested reports on NEEA activities

Summary of final
proposed 2015 budget
& 2015-2016 action plan

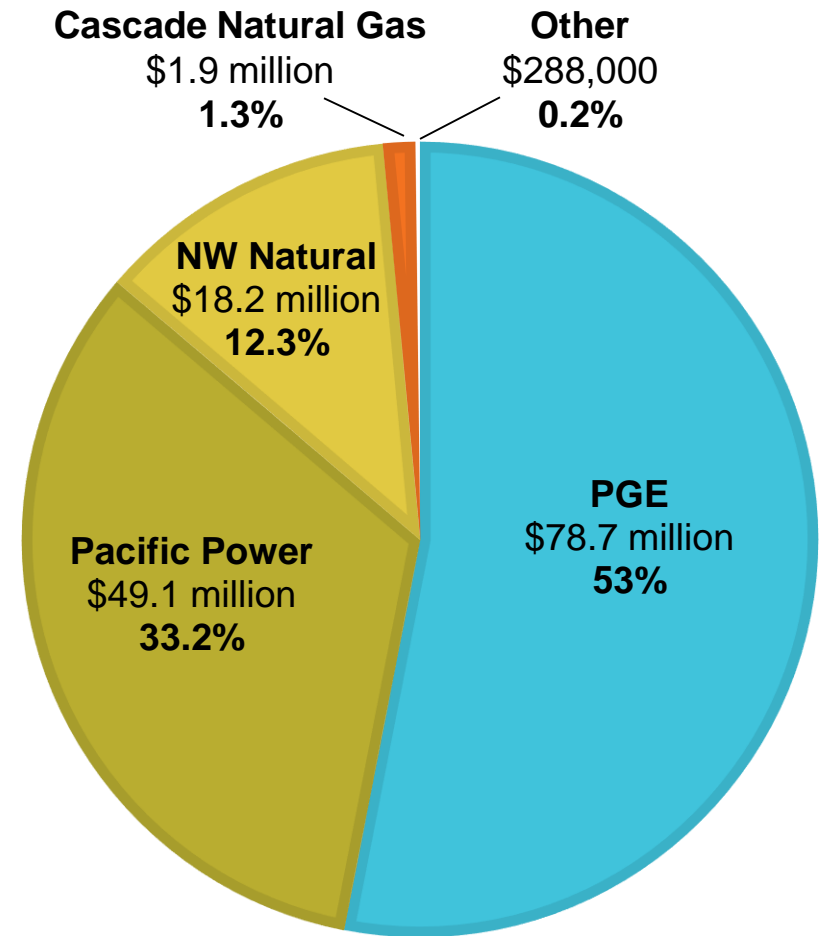
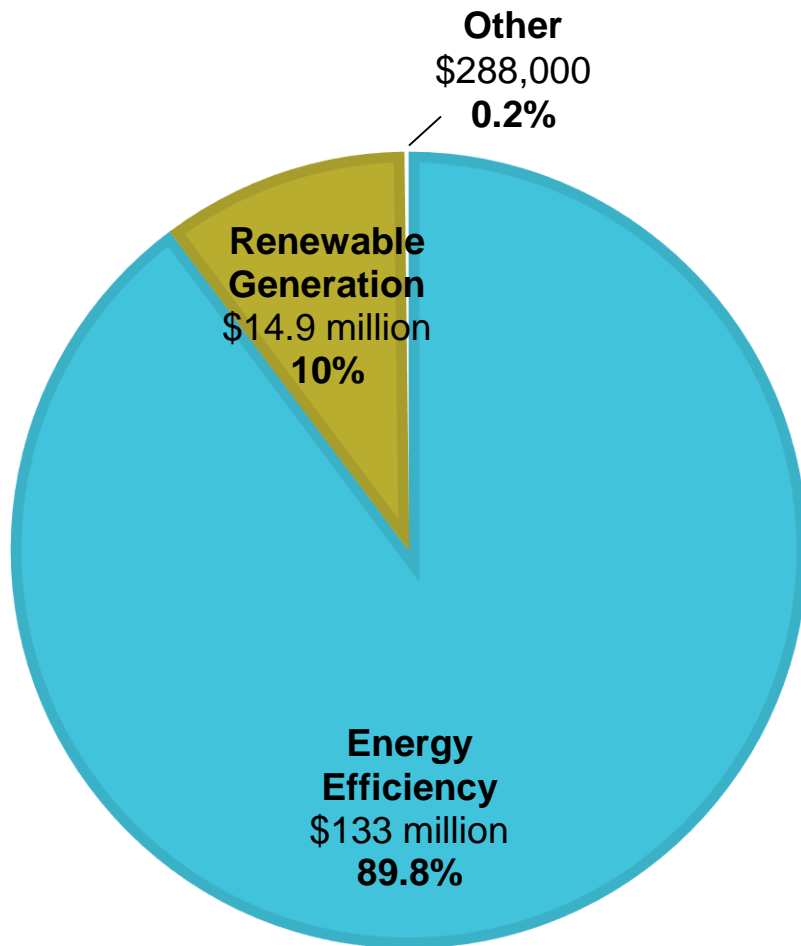
Minor changes between draft and final budgets

- Expenditures increased \$2.1 million = +1.3%

Efficiency	+\$1.9 million
Renewable Generation	+\$0.2 million
- Reduction in budgeted revenues remains the same:
-\$20.4 million or 12% below 2014 forecast
- Very minor changes in total utility electric and gas savings:

Electric Savings	+0.24 aMW = +0.46%
Gas Savings	+ 19,000 therms = +0.33%
Renewable Generation	+33,000 kWh = +0.1%

2015 budgeted revenues

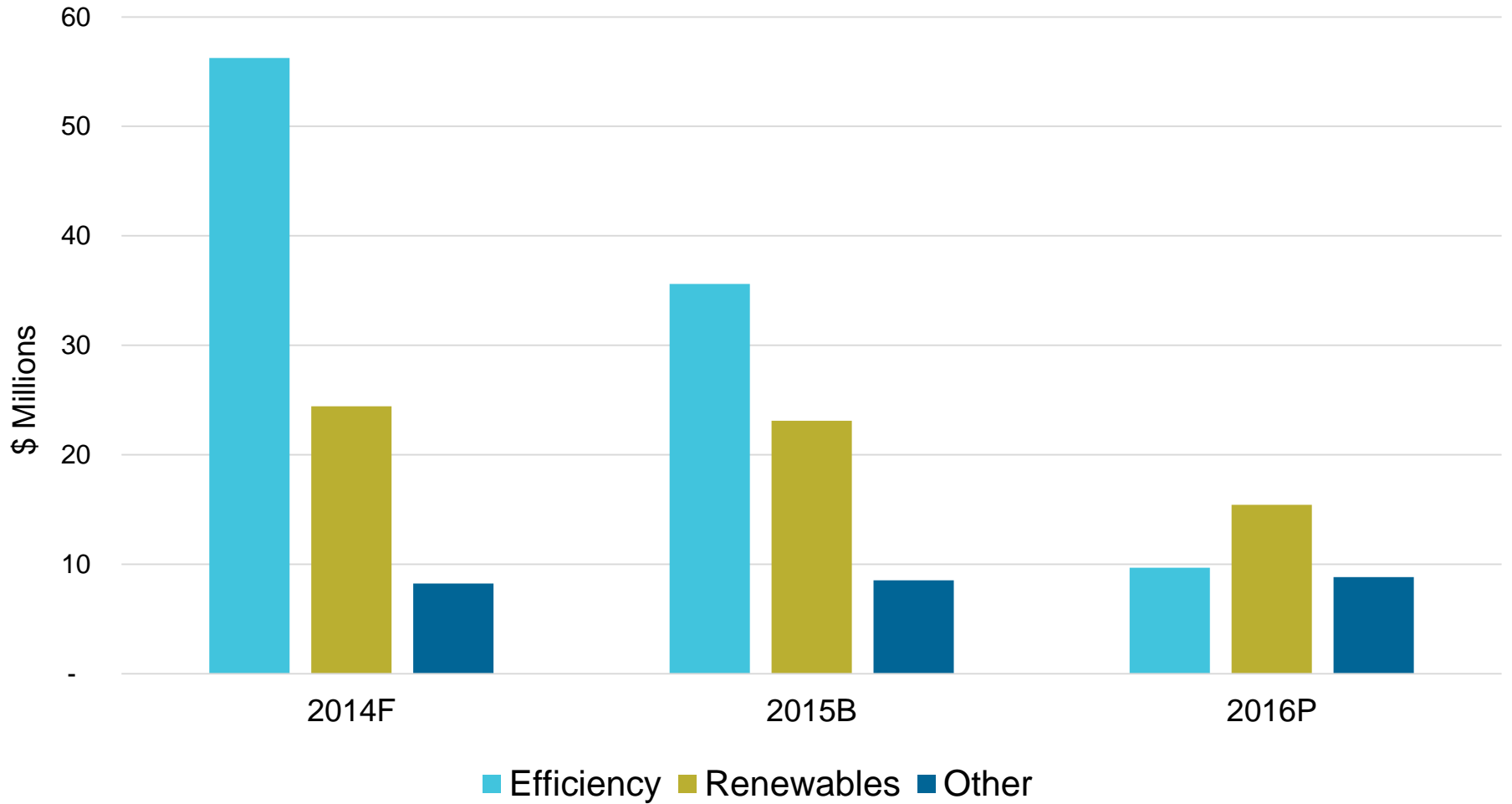


Total 2015 revenue \$148.2 million
Decrease of **\$20 million** (-12%) from 2014 Forecast

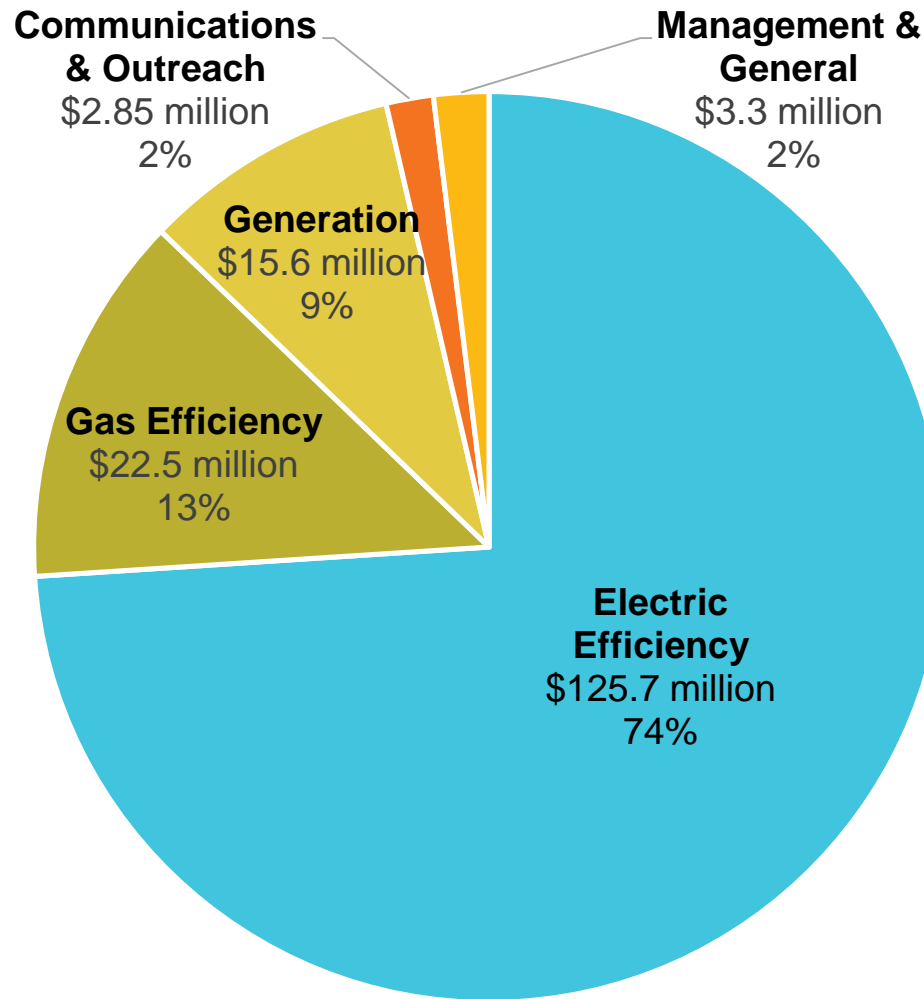
Utility rate filing information

	PGE	Pacific Power	NW Natural	Cascade Natural Gas
File Date	November 10	November 21	November 17	N/A
Estimated incremental ratepayer adjustment	-0.2%	-0.3%	-0.8%	N/A
Estimated Energy Efficiency ratepayer percentage <i>(Energy Trust only)</i>	4.4%	3.7%	2.2%	2.2%
Estimated total ratepayer charge <i>(Energy Trust only)</i>	4.9%	4.2%	2.2%	2.2%
Anticipated effective date, pending OPUC action	January 1	January 1	January 1	N/A

Projected reserves

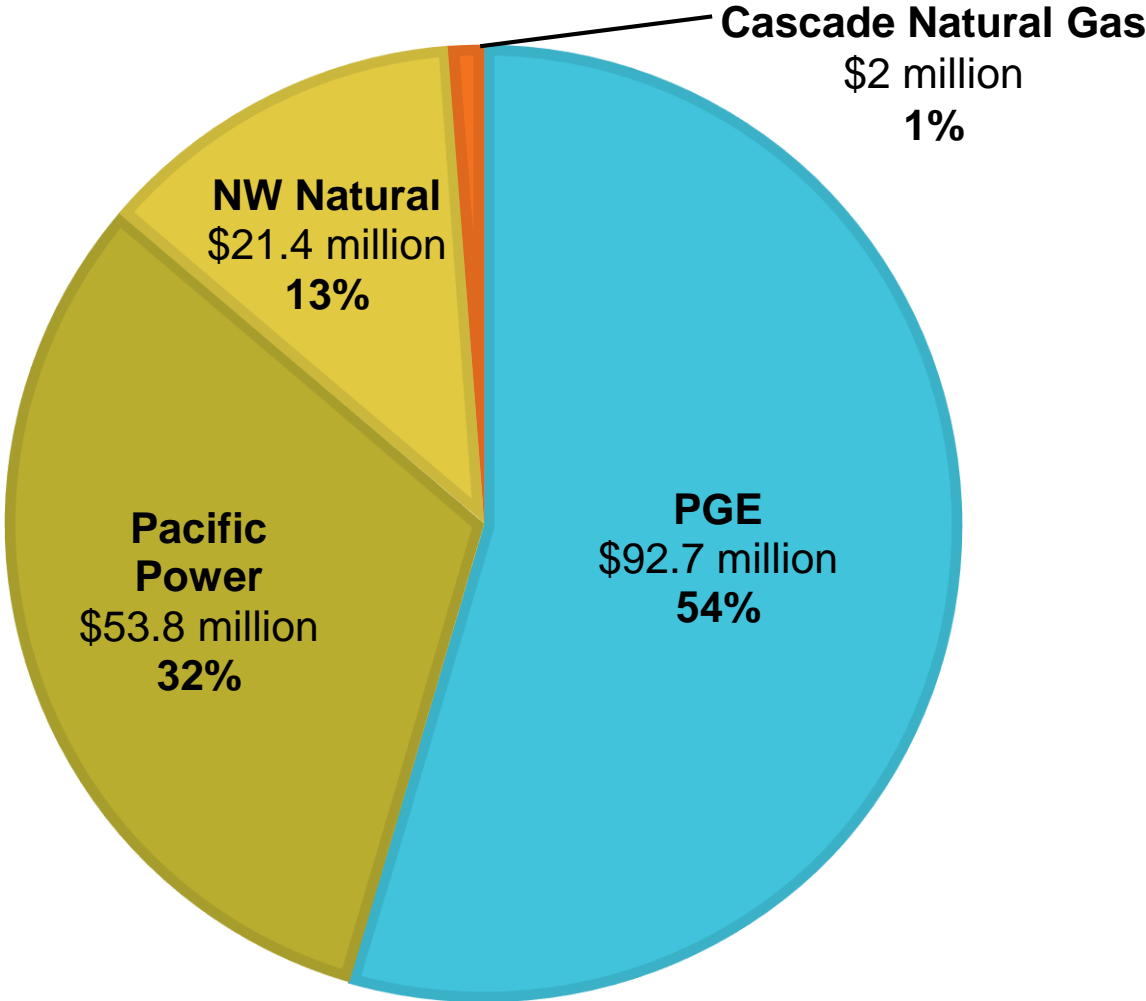


2015 budgeted expenditures



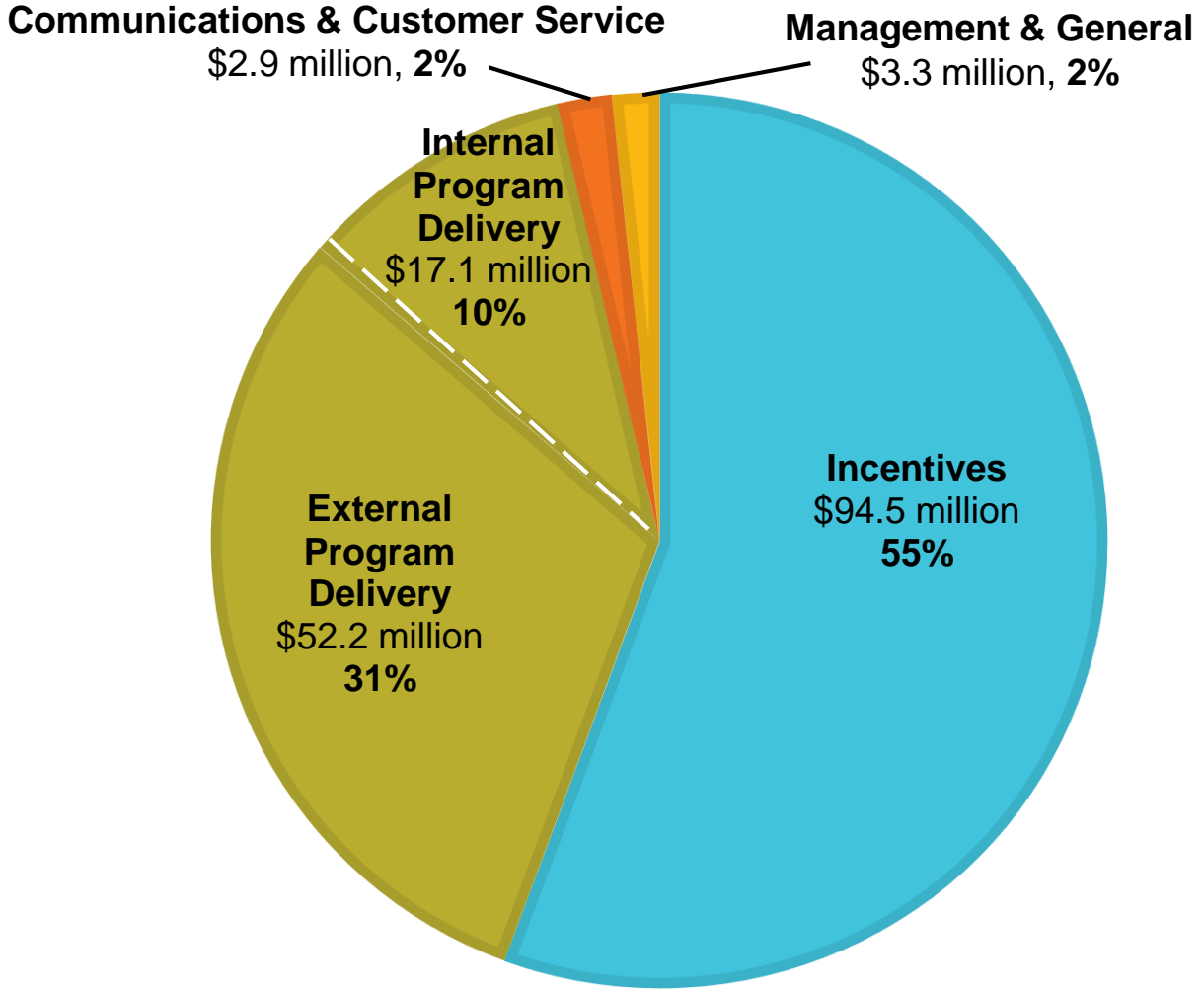
Final proposed budgeted expenditures of \$169.9 million, down 3.6% from 2014 budget
Planned drawdown of reserves to cover expenses in excess of anticipated revenue

2015 budgeted expenditures by utility



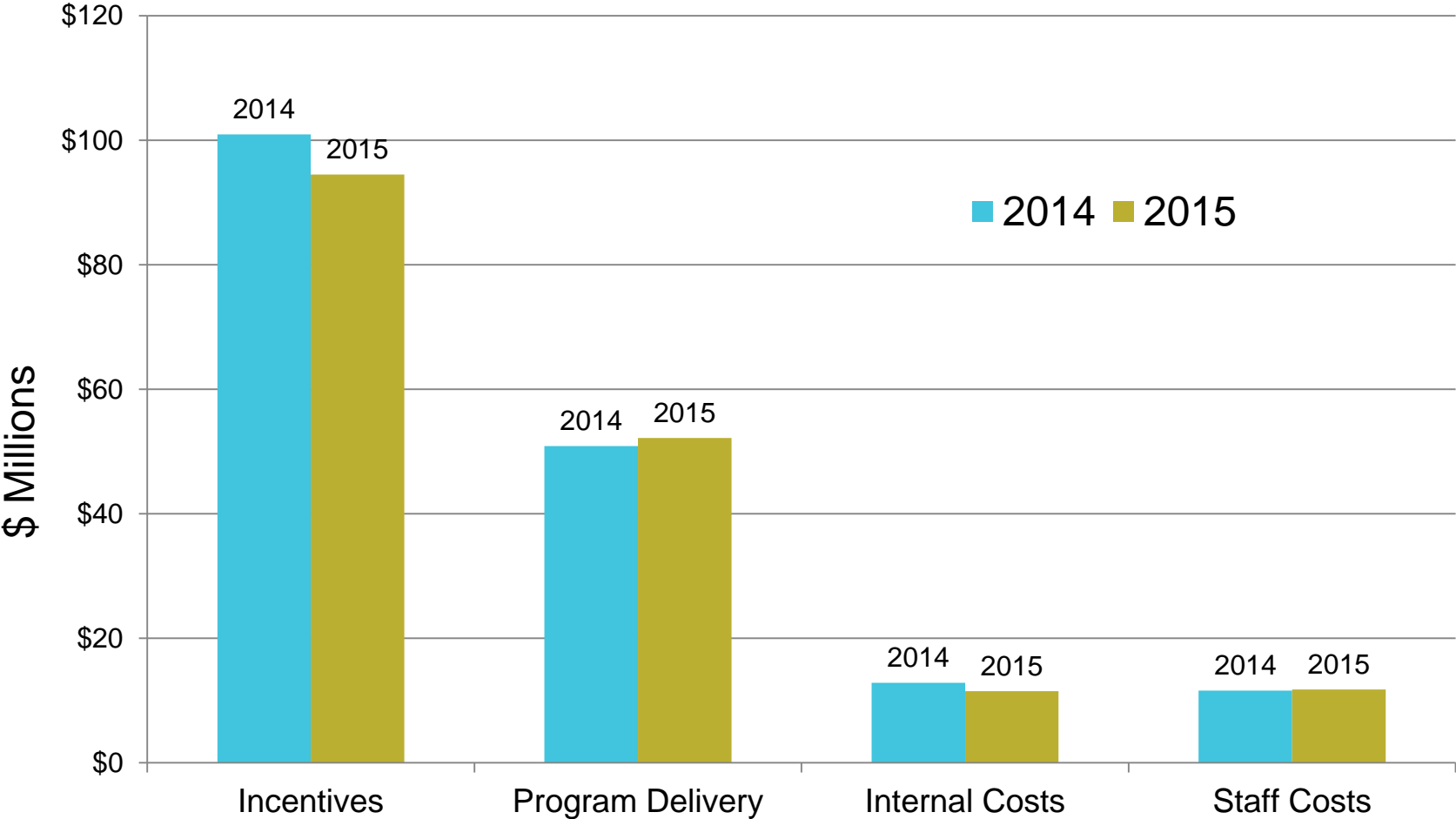
Expenses by Utility
Total \$169.9 million

2015 total incentives, delivery & other expenditures



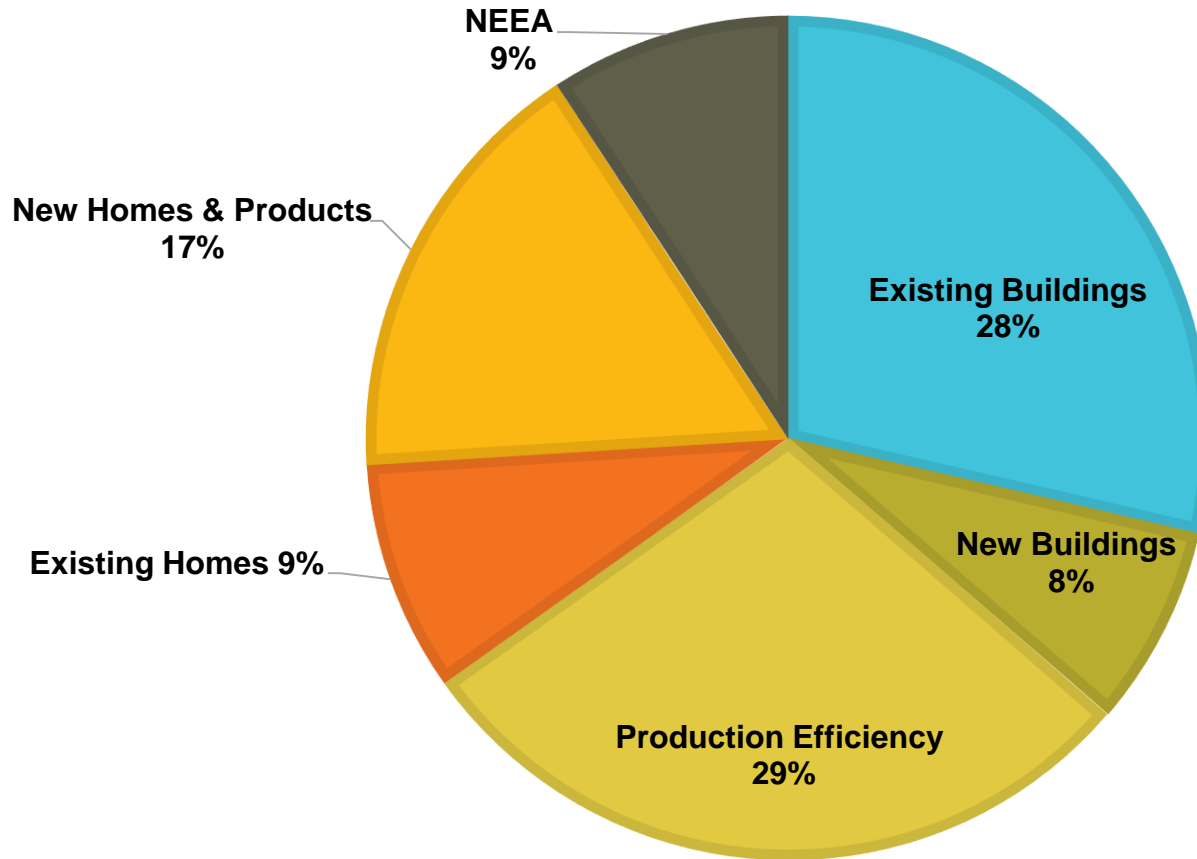
Expenses by Category
Total \$169.9 million

2014 budget compared to final proposed 2015



2015 electric savings by program

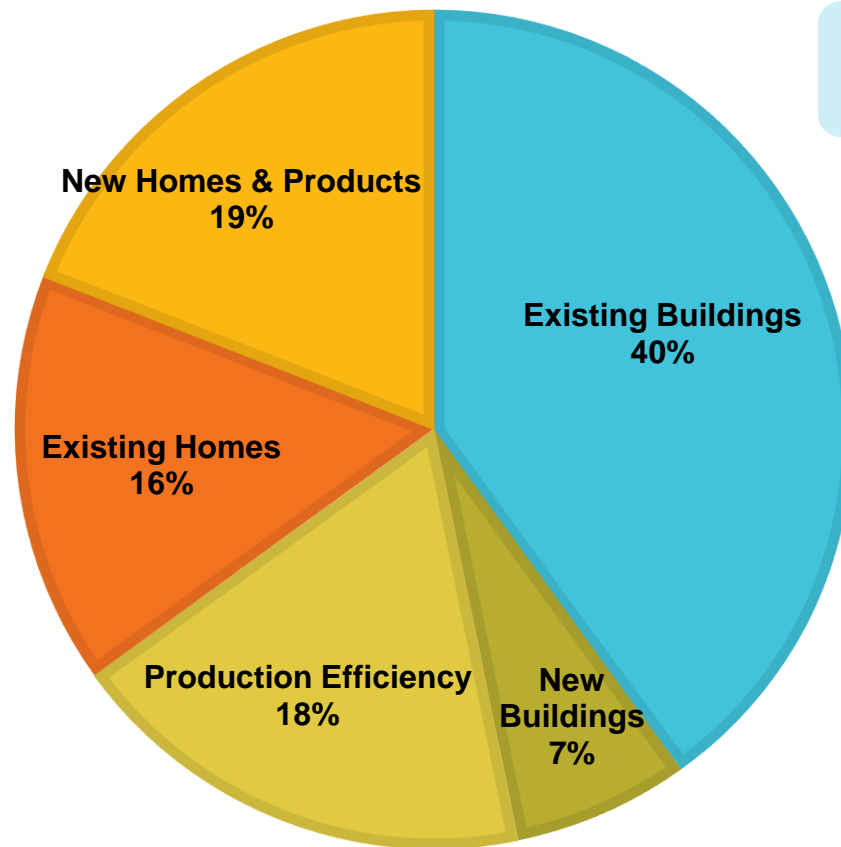
53.1 aMW goal
3.1 cents/kWh levelized



An 8% decrease in electric savings over 2014 budget

Investing approximately \$130 million in incentives, services and program delivery for residential, commercial, industrial, agricultural and public sector customers

2015 total natural gas savings by program

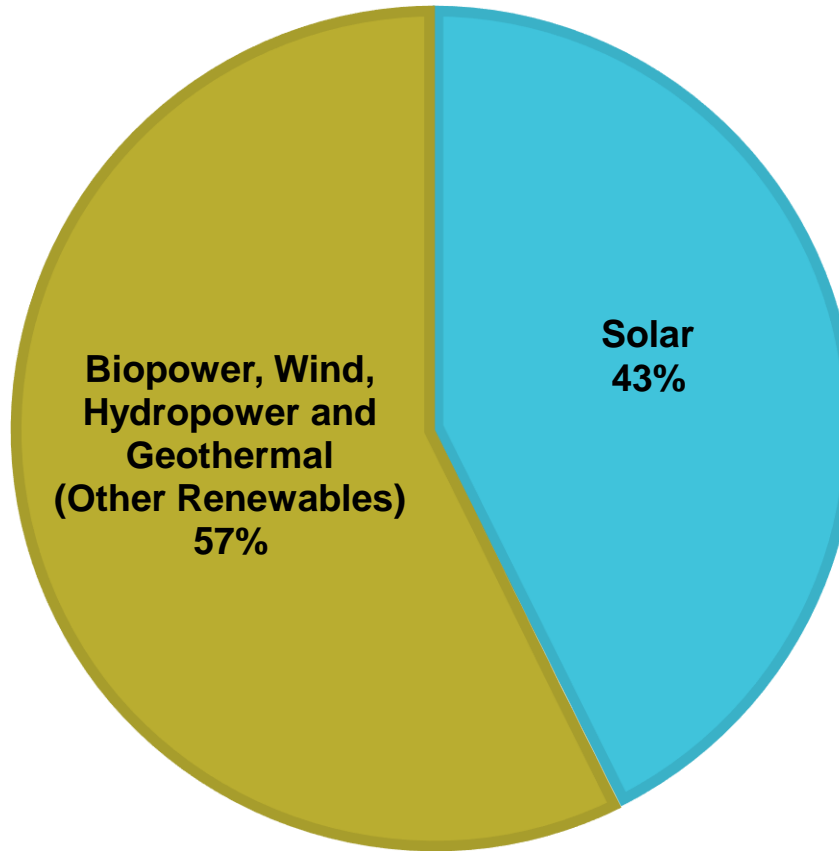


5.8 million annual therm goal
33.2 cents/therm levelized

A 3.6% decrease in natural gas savings over 2014 budget

Investing \$29 million in incentives, services and program delivery for residential, commercial, industrial, agricultural and public sector customers

2015 renewable energy programs



3.47 aMW goal
4.1 cents/kWh levelized

23% less generation than 2014 budget of 4.49 aMW

Investing \$16 million in incentives, services and program delivery for clean, renewable power

2015 final proposed utility summary

	2014 Budgeted Savings (Net)	2015 Goal (Net)	2015 IRP target (Net)	2015 Budget (\$ Million)	2015 Budget (Levelized Cost)
PGE (Efficiency)	37.62 aMW	33.19 aMW	33.78 aMW	\$81.7	3.1¢/kWh
Pacific Power (Efficiency)	20.08 aMW	19.93 aMW	14.62 aMW*	\$48.6	3.1¢/kWh
NW Natural (Oregon)	5.33 MMTh	5.15 MMTh	4.62 MMTh	\$19.8	32.2¢/therm
NW Natural (Washington)	0.26 MMTh	0.26 MMTh	0.26 MMTh	\$1.6	47.0¢/therm
Cascade Natural Gas	0.47 MMTh	0.43 MMTh	0.42 MMTh	\$2.0	35.6¢/therm
PGE (Renewable Energy)	0.85 aMW	2.72 aMW	N/A	\$11.0	3.6¢/kWh
Pacific Power (Renewable Energy)	3.64 aMW	0.75 aMW	N/A	\$5.2	6.1¢/kWh

*MMTh: million annual therms
aMW: average megawatts*

** Pacific Power's IRP target is from 2013, will be updated for 2015*

Long-term savings and generation trends

Total Savings & Generation	2005 – 2009	2010 – 2014*	2015- 2019**
Electric Efficiency (aMW)	145.6	265.6	240
Natural Gas Efficiency (therms)	11.5 million	26.1 million	24 million
Renewable Generation (aMW)	85.4	15.0	10.0

Average Savings & Generation	2005 – 2009	2010 – 2014*	2015- 2019**
Electric Efficiency (aMW)	29.1	53.1	48
Natural Gas Efficiency (therms)	2.3 million	5.2 million	4.8 million
Renewable Generation (aMW)	17.1	3.0	2.0

*2014 results are projected and final results may vary

** 2015-2019 savings and generation are Energy Trust's 5-Year Strategic Plan goals

Staffing Detail

2015 staffing costs

- Total staffing budget increases under 2%
- Total staffing costs remain under 7% of total budgeted expenditures
- 2015 cost savings:
 - Medical expenses reduced by 14% through prudent plan utilization and competitive bidding
 - About \$50,000 expected savings for unemployment insurance
 - Significant reduction in agency staffing costs with conversion of two contractors to full time staff
- Cost reductions offset cost of new planned positions and compensation for existing staff to large degree
- Total full time staffing of 104 positions



Proposed staffing

Add two new full-time positions

- Planning Engineering Manager
- Technical Manager – Industrial

Convert two existing agency contractors to full time staff

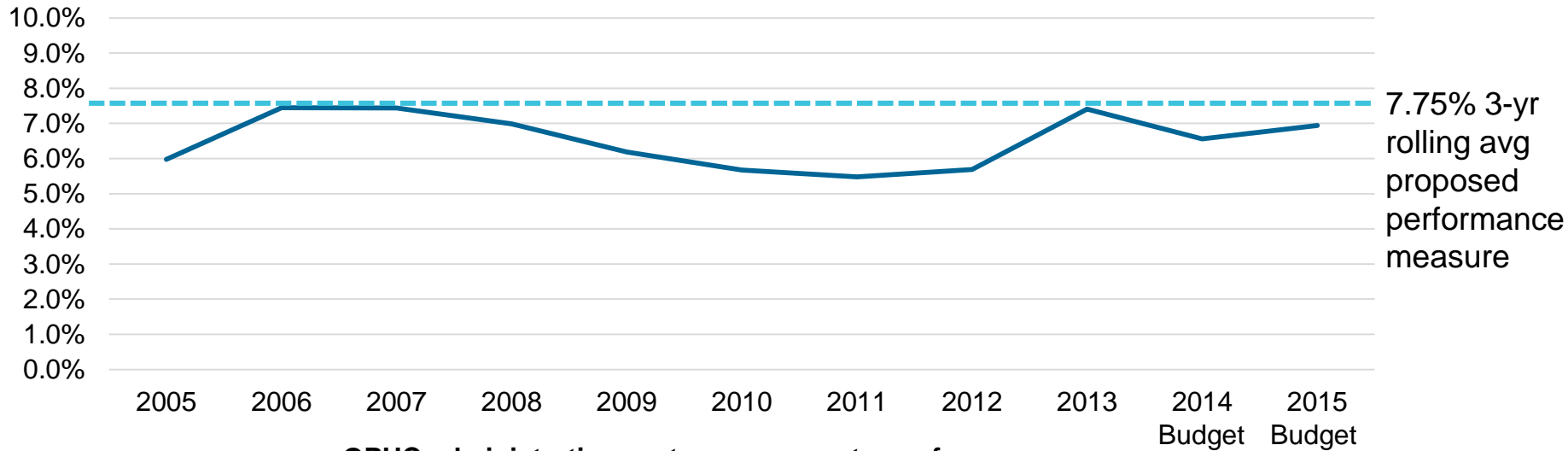
- Industrial Program Coordinator
- Communications and Customer Service Coordinator / Analyst

Outcomes:

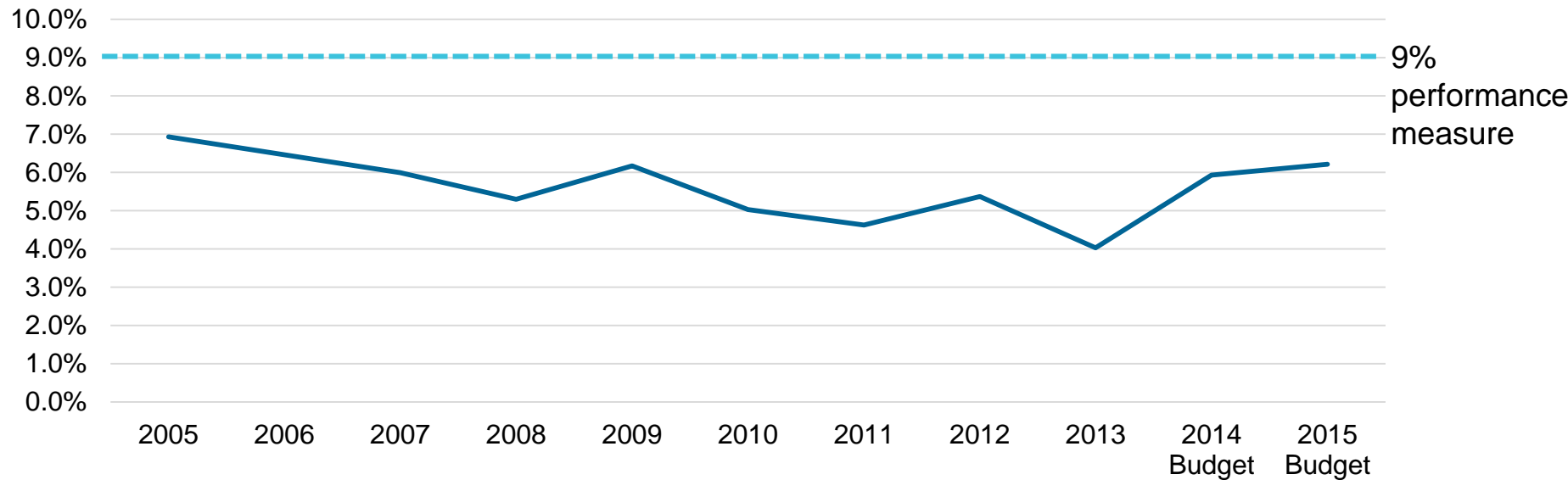
- Expanded engineering resource needed to identify new technology
- Increased regional coordination for emerging technology issues
- Support for increased industrial project volume
- Manage growth in web forms development and maintenance
- Support expanded outreach with data; enable program ops analyst resource to focus on program and system needs
- Maintain excellent customer service

Overall staffing costs remain stable

Staffing costs as a percentage of total expenditures



OPUC administrative costs as a percentage of revenue



Re-cap and 2016 Budget Projection

Recap: Final proposed 2015 budget summary

1. Invest **\$169.9 million**
2. Deliver **53.1 aMW** and **5.8 million annual therms** through efficiency, and **3.47 aMW** through renewable generation
3. Deliver all cost-effective energy efficiency at **3.1 cents/kWh** and **33.2 cents/therm**
4. **Reduce spending by 3.6%** compared to current year budget
5. **Modestly reduce savings and generation**
6. **Lower revenue** collections by **12%** from 2014 forecast
7. **Reduce** utility program **reserves**
8. Invest in ongoing **operational efficiencies**
9. Keep total **staffing costs flat** – up less than 2%
10. Maintain **low administrative and program support costs**

2016 annual budget projection

- Expenditures projected to go up approximately 7.5%
- Electric Savings projected to increase about 8.6%
- Gas Savings projected to increase about 3.8%
- Levelized costs
 - Electric 2.9¢/kWh in 2016 vs. 3.1 ¢/kWh in 2015
 - Gas 34.4¢/therm in 2016 vs. 33.2 ¢/therm in 2015

Discussion and Action

Discussion and Action

Questions/discussion?

Staff recommends the Board of Directors adopt:

- 1) The Final Proposed 2015 Annual Budget and 2016 Projection and,
- 2) The 2015-2016 Action Plan



Thank you!



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www.energytrust.org


EnergyTrust
of Oregon

Supplemental

Projected 2014 results

	<u>Budgeted</u> 2014 Savings Goal (Net)	<u>Budgeted</u> 2014 Levelized Cost	<u>Projected</u> 2014 Savings (Net)	<u>Projected</u> % of 2014 Savings Goal (Net)	<u>Projected</u> 2014 Levelized Cost
PGE (Efficiency)	37.62 aMW	2.8¢	35.92 aMW	96%	2.6¢/kWh
Pacific Power (Efficiency)	20.08 aMW	3.2¢	19.86 aMW	99%	3.0¢/kWh
NW Natural (Oregon)	5.33 MMTh	39.7¢	5.23 MMth	98%	33.1¢/therm
NW Natural (Washington)	0.26 MMTh	40.4¢	0.25 MMTh	95%	37.2¢/therm
Cascade Natural Gas	0.47 MMTh	45.2¢	0.53 MMTh	113%	34.3¢/therm
PGE (Renewable Energy)	0.85 aMW	9.2¢	0.73 aMW	86%	9.0¢/kWh
Pacific Power (Renewable Energy)	3.64 aMW	2.2¢	1.65 aMW	45%	4.0¢/kWh

MMTh: million annual therms

aMW: average megawatts

Utility changes between draft and final budget

Net changes to savings by utility

PGE	+0.5%
Pacific Power	+0.4%
NW Natural-Oregon	+0.08%
NW Natural-WA	-1.09%
Cascade Natural Gas	+4.3%

Net changes to expenses by utility

PGE	+ 2.3%
Pacific Power	+ 1.7%
NW Natural-Oregon	+ 3.5%
NW Natural-WA	+ 4.6%
Cascade Natural Gas	- 4.0%

2015 electric savings, budget by program

	2014 aMW Savings Forecast (Net)	2015 aMW Savings (Net)	2015 Electric Cost (\$ Million)	2015 Levelized Cost
Production Efficiency (29%*)	15.9	15.3	\$ 29.3	2.6¢
Existing Buildings (29%)	15.6	15.2	\$ 43.1	3.5¢
New Homes & Products (16%)	8.6	8.9	\$ 21.9	3.4¢
NEEA—combined (9%)	5.5	4.8	\$ 7.1	1.9¢
Existing Homes (9%)	5.0	4.7	\$ 17.7	3.9¢
New Buildings (8%)	5.1	4.1	\$ 11.3	3.0¢
TOTAL**	55.8	53.1	\$ 130.4	3.1¢

* % of total 2015 electric savings

** Columns may not total due to rounding

aMW: average megawatts

2015 natural gas savings, budget by program

	2014 Forecast MMTh Savings	2015 Budget MMTh Savings	2015 Gas Cost (\$ Million)	2015 Levelized Cost
Existing Buildings (40%*)	2.2	2.3	\$ 8.1	33.3¢
New Homes and Products (19%)	1.1	1.1	\$ 4.9	29.4¢
Production Efficiency (18%)	0.9	1.1	\$ 3.0	27.6¢
Existing Homes (16%)	1.1	0.9	\$ 5.4	43.5¢
New Buildings (7%)	0.7	0.4	\$ 1.3	26.1¢
NEEA—combined (--%)	--	--	\$ 0.6	--
TOTAL **	6.0	5.8	\$ 23.3	33.2¢

* % of total 2015 gas savings

** Columns may not total due to rounding

MMTh: million annual therms

2015: RE budget and generation (P&L Basis)

	Total Budget 2015 P&L Basis	
	\$Million	aMW
Other Renewables	\$4.7	1.99
Solar	\$11.5	1.48
Total	\$16.2	3.47

Northwest Energy Efficiency Alliance (NEEA)

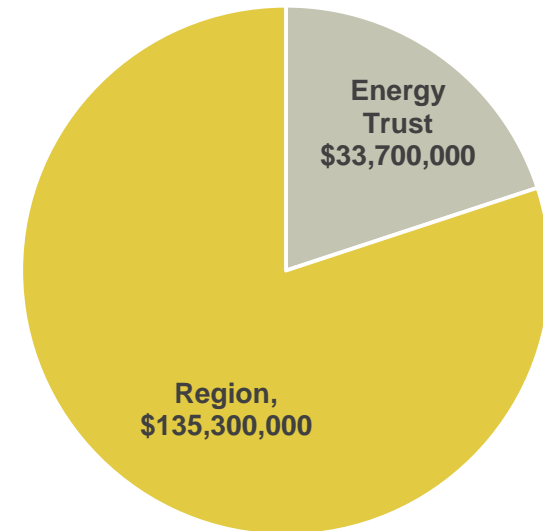
Electric Funding and Savings

Energy Trust 2015 Budget	2015 Savings	Total Resource Cost
\$6.5 million	4.84aMW	< 3.5 cents/ kWh

NEEA Savings



NEEA 5-year Budget: \$169 million



Northwest Energy Efficiency Alliance (NEEA)

Gas Funding and Savings

Energy Trust 2015 Budget		\$585,039
Utility breakout	NW Natural Oregon	\$479,675
	NW Natural Washington	\$54,010
	Cascade Natural Gas Oregon	\$51,354

Regional:

- \$18.3 million spread over five years
- Start smaller, ramp up
- 280 million annual therms over 20 years
- \$0.28/therm
- Energy Trust share about 35%

Summary of Outreach Activities and Comments Received on the Energy Trust Draft 2015 Annual Budget and 2015-2016 Action Plan

Outreach Activities: Every year, Energy Trust initiates development of its annual budget and two-year action plan in the summer. Early program concepts are presented to Energy Trust's Conservation Advisory Council, Renewable Energy Advisory Council and each utility. Feedback from these early meetings is referenced by programs and support groups as the draft budget and action plan are assembled.

Outreach activities resume again in October and continue through November. A summary of completed outreach activities is provided below. Outreach presentations were consolidated during this budget and action plan development cycle given the extensive public outreach conducted in summer 2014 related to the draft 2015-2019 Strategic Plan.

July Presented energy-efficiency program concepts in meetings with PGE, Pacific Power, NW Natural and Cascade Natural Gas.
7/23: Presented energy-efficiency program concepts to the Conservation Advisory Council.

August 9/3: Presented renewable energy program concepts to the Renewable Energy Advisory Council.

September Received detailed written comments, suggestions and requests from utilities on 2015 energy-efficiency program concepts. Program staff incorporated this feedback and adjusted program plans, and clarified information provided in written responses. Informal discussion continued with utilities throughout preparation of the draft annual budget and action plan.

October 10/22: Presented the draft budget and action plan to the Conservation and Renewable Energy Advisory Councils.

November 10/29–11/17: Presented draft budget and action plan during individual meetings with each utility.

11/5: Presented the draft budget and action plan to the Energy Trust Board of Directors.

11/11: Program staff sought input on potential 2015 Existing Homes incentive changes from a trade ally stakeholder group including Clean Energy Works representatives, Home Performance Guild representatives and Home Performance trade allies.

11/12: Presented the draft budget and action plan during a live webinar open to the public. Presented the draft budget and action plan to the Oregon Public Utility Commission staff at an informal public work session.

11/21: Presented updates to the draft budget and action plan to the Conservation and Renewable Energy Advisory Councils.

11/24: Presented the draft budget and action plan to the Citizens' Utility Board of Oregon.

December 12/3: Presented the draft budget and action plan at an OPUC public hearing.

Public Comments: The draft budget and action plan are on the website at www.energytrust.org/about/budget and public comment invited. Budget presentations and action plan documents are also included in the public meeting packets posted online for the Conservation Advisory Council and Renewable Energy Advisory Council meetings, and for the board of directors meetings at www.energytrust.org/about/public-meetings/. Public comments on the draft budget and action plan were accepted from October 31 to November 19, 2014. 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) Comment topics	Energy Trust staff responses
<p>Commission adopted OPUC staff comments on Energy Trust’s proposed budget and action plans, with comments and recommendations summarized below.</p>	<p>Energy Trust appreciates the time and effort of OPUC staff and Commissioners to provide detailed review and comments on our draft budget and action plan. We acknowledge OPUC staff member and liaison Juliet Johnson for her work to question, understand and thoughtfully comment on the detailed content of our draft budget and action plan.</p>
<p>Summarized Energy Trust follow-up actions on OPUC recommendations provided on the 2014 (current year) budget:</p> <ul style="list-style-type: none"> • Attendance of recently hired Senior Community Relations Manager at regular Energy Trust-OPUC management coordination meetings (complete) • Continued budgeting enhancements to reduce carryover to 10 percent for each utility (in progress) • Planned communications regarding staffing adjustments and work reassignments made in Energy Trust’s 2014 annual report (in progress) • Review of staffing needs evaluation practices through the 2014 Management Review and resulting actions (in progress) • Establishment of a 5-year operations goal and strategies in the 2015-2019 Strategic Plan to ensure alignment of the business model with savings opportunities (complete) • Regular reporting on action items related to the cost-effectiveness docket (UM 1622) and electric avoided costs updates (complete) • Work with OPUC staff to establish a benchmark for salary expenses (in progress) • Examination of benchmarks and performance measures that will gauge efficiency and operation of non-program functions through the 2014 Management Review and resulting planned actions (in progress) • Quantify incremental benefits of new hires (in progress) 	<p>We appreciate OPUC staff acknowledgement of our completed and in-progress activity in responding to budget comments received on the current budget and action plan cycle.</p> <p>As the OPUC staff notes several activities originating from comments on the 2014 budget are still underway, with the intention to report on their status in the Q4 and/or annual report.</p> <p>Staff has a formal proposal in place to address carryover levels by lowering revenue collections and drawing down reserves over the next three years. We anticipate achieving reduction of uncommitted carryover to less than 10 percent over this three-year timeframe.</p> <p>Much of the work related to staffing levels, justifications and establishing benchmarks and performance measures was associated with the 2014 Management Review, accepted by the board on October 1 of this year. Action plans are in development for next steps related to Management Review recommendations.</p> <p>Some work in progress was further addressed in OPUC comments on the 2015 budget and action plan, and we have addressed those comments below.</p>
<p>Supported 4 staff positions included in the budget, including 2 new staff positions and 2 staff positions as conversions from current contractor positions.</p>	<p>We acknowledge the OPUC’s support for these specific positions and also its recommendations related to evaluating current and future staffing needs.</p>

<p>Requested documentation of 2014 and 2015 staff workload reductions and reassignments be provided with the 2014 annual report and the draft 2016 budget, respectively.</p>	<p>Staff is committed to reporting workload reductions and reassignments in the Q4 2014 Report and 2014 Annual Report. We propose coordinating with the OPUC on how best to incorporate this documentation into our routine communications and reporting going forward.</p>
<p>Requested completion, and communication to the OPUC, of an administrative support staffing level needs assessment for contemplation in the draft 2016 budget review process. Referenced recommendation 15 in the 2014 Management Review.</p>	<p>The 2015 budget includes support to complete an administrative staffing assessment next year, in time to consider any recommendations as part of the 2016 budget process. We will share the assessment in its entirety with the OPUC.</p>
<p>Requested three to four administratively focused productivity metrics be developed and presented to OPUC staff and Commissioners prior to next year's budget cycle.</p>	<p>We plan to identify, develop and present to the OPUC three to four administratively focused productivity metrics in 2015, specifically to help guide us in evaluating the overall level and trend of certain internal costs. We expect to engage a consultant to help with metric development, and welcome the OPUC's involvement in this process.</p>
<p>Requested quantification of the incremental benefits to ratepayers of the new 2014 hires in the 2014 annual report, and information on the incremental quantitative benefits of the four new staff positions proposed for 2015 in Spring 2015. Going forward for new proposed staff, requested justification in advance demonstrating incremental savings or cost reductions to ratepayers.</p>	<p>The incremental ratepayer benefits of new staff added, including acquisition of savings or generation, cost reductions or customer service enhancements, will be documented in the appropriate quarterly and annual reports. We will also highlight these same benefits in the presentations we make on draft budget and action plans.</p>
<p>Recommends establishment of a new performance measure of employee cost, including contract staff and benefits, as a percent of total expenses, proposed at 7.75 percent on a three-year rolling average basis, with an evaluation of the performance measure every three years or sooner if needed due to shifts in Energy Trust's program delivery model or other market conditions.</p>	<p>We have worked collaboratively with OPUC staff to develop this measurement as a percentage of total staffing related expenditures. We remain committed to securing all cost-effective energy efficiency and will work with OPUC staff in the future to share information about staffing costs and achievement of this metric.</p>
<p>Requested annual reports on Oregon-specific and Northwest results from each of the Northwest Energy Efficiency Alliance core and opt-in market transformation programs.</p>	<p>We will incorporate requested information on NEEA core and opt-in market transformation programs in the annual report. In addition, we will highlight information about NEEA activities in our reporting when available and relevant to this request.</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 on November 6. Recognized Energy Trust work in 2014 to complete a five-year strategic plan, conduct a management review, identify cost efficiencies and coordinate with Pacific Power on its new resource assessments.</p>	<p>Energy Trust appreciates the time and effort of Pacific Power staff to carefully review and discuss our draft budget and action plan throughout the late summer and fall, and the thoughtful feedback provided during our November 6 presentation to Pacific Power officers.</p>

	We especially value the ongoing contributions from Kari Greer and Don Jones.
Acknowledged the refined budget process this year, which provided a more accurate 2014 savings and spending forecast, as well as projected carryover into 2015, for Pacific Power to reference during its review of the budget and determination of rate adjustments.	Thank you for this feedback and for your collaboration in determining revenue needs and rate adjustments associated with our plan to draw down reserves in 2015 and 2016.
Recommended including the cumulative utility customer investment when providing the benefits of energy efficiency and renewable energy investments to Oregon’s economy during budget presentations. Suggested including the aggregate value of the non-energy benefits included in the cost-effectiveness assessment of the annual results.	We appreciate this comment and will work with Pacific Power staff on how best to incorporate this suggestion into our communications about energy efficiency and renewable energy investments and benefits.
Supported the budget focus areas, noting they position Energy Trust to meet evolving customer needs and expectations. Highlighted the operations focus area, especially the focus on pursuing and maintaining utility partnerships, as well-positioned to enhance the reach and effectiveness of Energy Trust programs.	We appreciate our ongoing collaboration with Pacific Power to reach and serve customers through joint outreach and marketing activities. We are particularly interested in working with Pacific Power to identify and reach customers who have not yet been served with targeted promotions such as our Small Business Energy Savings initiative..

Respondent: Cascade Natural Gas	Energy Trust staff responses
Comment topics	

Reviewed and supported the draft 2015 budget and 2015-2016 action plan; in particular, its reflection of the economic circumstances facing Cascade Natural Gas customers and the recent OPUC gas cost-effectiveness decision. Noted participation in multiple meetings where Energy Trust staff presented budget details.	Energy Trust appreciates the time and effort of Cascade Natural Gas staff to review and discuss our early budget concepts throughout the summer and fall, including the October 29 Cascade Natural Gas-specific presentation. Cascade Natural Gas provided written comments early in the budget process, and we responded, inviting further conversation on many topics and concepts. The result of this exchange was better refinement of program plans early in our budget and action plan process.
Noted the draft 2015 budget for Cascade Natural Gas is 20 percent lower than the 2014 budget. Described the reduction occurs at the same time Cascade Natural Gas’s overall NEEA budget increases from \$7,500 in 2014 to \$54,977 in 2015. Highlighted this detail to demonstrate the size of the budget reduction.	We acknowledge that the overall budget for Cascade Natural Gas in 2015 is a decrease over 2014. This is a result of program budgets more accurately reflecting savings potential in this territory. Investing in the new NEEA gas market transformation initiative is projected to result in additional savings in the coming years as products and services are developed for the market.
Noted the amount of savings that gas instant-savings measures (faucet aerators, showerheads and shower wands) are projected to provide in 2015, including through Existing Homes Energy Saver Kits and direct installation of products in multifamily units. Cited the Energy Trust Quarter 3 2014 report, which indicated such measures accounted for 60	Instant-saving measures remain a viable, low-cost option for many customers. In multifamily settings, direct installation efforts allow Energy Trust to quickly serve customers with one of the most cost-effective measures available while also establishing relationships with property owners. The actions appeal to customers with limited incomes

<p>percent of Existing Homes gas savings and 84 percent of multifamily gas savings.</p>	<p>because they provide significant savings at very low or no customer cost. While instant-savings measures are a large share of two programs, overall we expect them to be less than 16 percent of total savings for Cascade Natural Gas in 2014.</p>
<p>Committed to continued collaboration with Energy Trust staff throughout 2015 to refine the analysis leading into development of the next budget cycle.</p>	<p>Thank you. We appreciate our partnership with Cascade Natural Gas and particularly the time and attention of Jim Abrahamson throughout our budget process. We look forward to working with Jim and the Cascade Natural Gas team in 2015.</p>

<p>Respondent: Portland General Electric (PGE) Comment topics</p>	<p>Energy Trust staff responses</p>
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<p>Reviewed the draft 2015 budget and 2015-2016 action plan. Acknowledged Energy Trust’s presentation of the materials to PGE staff on November 17. Recognized Energy Trust work in 2014 to complete a five-year strategic plan and conduct a management review.</p>	<p>Energy Trust appreciates the time and effort of PGE staff to review and discuss our draft budget and action plan throughout the late summer and fall, and into our November 17 presentation to PGE officers. We value and appreciate the work of Lauren Shapton and Jim Cox. PGE provided written comments early during the budget development process, and we responded, inviting further conversation on many topics and concepts. The result of this exchange was better refinement of program plans early in our budget and action plan process.</p>
<p>Supported the reduction in energy efficiency funding from PGE customers in 2015 and the use of reserves over the next few years.</p>	<p>The collegial interaction with PGE staff is highly appreciated, and we appreciate your collaboration in determining revenue needs and rate adjustments associated with our plan to draw down reserves in 2015 and 2016.</p>
<p>Supported the 33 aMW goal, which is lower than the 2014 goal and PGE’s 2015 IRP target. Noted industrial mega-projects are forecast to bring in PGE savings in 2016 and 2017.</p>	<p>We recognize that IRP processes can lag the need for annual goal setting, and appreciate PGE’s flexibility. The mega project is indeed a key to achieving goals in 2016 and 2017.</p>
<p>Noted willingness to collaborate with Energy Trust in serving harder-to-reach customers, including leveraging PGE’s customer relationships.</p>	<p>We agree the collaboration with PGE in serving hard-to-reach customers will be critical to our ability to expand participation. We value our current collaboration with PGE and look forward to more strategic coordination in 2015.</p>
<p>Urged Energy Trust to keep staffing growth to a minimum and seek more flexible staffing solutions as opportunities in energy efficiency and renewable energy become “lumpier” in the coming years. Noted Energy Trust has added full-time staff over the past few years and 2015 administration expenses as a percent of revenue are projected to be at the highest level since 2006.</p>	<p>We believe our 2015 budget strikes a balance between providing the necessary staff resources to allow us to secure additional "harder to reach" savings while minimizing related cost growth and maintaining flexibility. Within this budget our overall staffing costs will increase by less than 2 percent. We also participated in developing a staffing cost performance measure with the OPUC to help monitor and guide these costs going forward. We are committed to close management of administrative costs, which are budgeted to decline approximately 5</p>

	<p>percent in 2015 However, because revenues were lowered by an even larger percentage, the calculation of such costs divided by revenue increased slightly from 5.93 percent to 6.22 percent. Note that these percentages remain below the OPUC benchmark of 9 percent.</p>
<p>Offered to share its recent experiences in pursuing operational efficiencies to help Energy Trust implement internal operations improvements per the 2014 Management Review recommendation.</p>	<p>Thank you for the comment. We look forward to engaging with you as we identify and implement operational efficiency strategies.</p>

<p>Respondent: NW Natural Comment topics</p>	<p>Energy Trust staff responses</p>
<p>Acknowledged the iterative nature of the budget process and the focus on themes [in the early program concepts], which led to a common foundation and smoother process. Also noted NW Natural provided detailed comments to Energy Trust on the program concept themes and appreciated Energy Trust’s detailed responses.</p>	<p>NW Natural provided written comments early in the budget development process, and Energy Trust responded, inviting further conversation on many topics. The result of this exchange was refinement of program plans early in our budget and action plan process. We especially appreciate Holly Meyer and her time and attention in reviewing our program concepts and draft budget.</p>
<p>Described sensitivity to customer/public perception given loss of gas weatherization measures, and concern regarding potential for customers to be dissuaded from weatherization or to consider electricity the only “fuel worth using efficiently”. Requested review of Energy Trust’s customer facing messaging. Also requested Energy Trust maintain a thoughtful, comprehensive approach to all aspects of program promotion and customer communication to ensure customers are not dissuaded from weatherization or using natural gas efficiently.</p>	<p>We understand NW Natural’s concerns and will share our proposed core customer messages for review as soon as they are available. We understand customers will continue to seek information from Energy Trust regarding gas-saving opportunities in the home even after some incentives sunset. We are committed to providing general information on the benefits of gas weatherization measures and will refer customers to other resources such as tax credits and utility promotions, when available. We are also open to NW Natural’s ideas regarding these communications.</p>
<p>Stated support for Energy Trust’s approach to working upstream with NEEA on gas market transformation activities, collaboration on the incentive cap idea [for bundling non-cost effective gas weatherization measures as allowed by the OPUC], and exploring opportunities enabled by carbon policy, financing models, innovative program design and co-promotion with NW Natural.</p>	<p>Thank you. We will look forward to ongoing engagement and partnership on these and other approaches to acquiring gas savings in the future. In particular, we are hopeful about new opportunities to capture gas savings related to carbon reduction efforts, and hope to work jointly with NW Natural on the implementation of key SB 844 strategies and the benefits associated with energy efficiency program offerings we can potentially provide.</p>
<p>Noted focus on NW Natural comments on the residential sector given strong performance and less volatility in the commercial and industrial programs. Supportive of Energy Trust’s action plan focus areas aimed at ensuring a strong overall gas portfolio. Sees promise in our joint work to support multi-family high efficiency gas heating units in the market. NW Natural will continue to promote this product once locally available.</p>	<p>Thank you. We share your desire to serve the multi-family housing market with efficiency solutions of interest to customers and are pleased to work with you in this area.</p>

Respondent: Green Energy Solutions Comment topics	Energy Trust staff responses
<p>Requested information on the public purpose charge rates customers will see on their utility bills starting in 2015. Asked whether the rates would be eliminated due to select gas efficiency measures being discontinued in 2015, and what the overall funding level would be for Energy Trust.</p>	<p>Thank you for your comment. The percent of PGE, Pacific Power, NW Natural or Cascade Natural Gas utility bills that Energy Trust receives varies year by year. We work every fall with each utility to identify available cost-effective energy efficiency to save in the following year. Once that level of efficiency is determined and the cost for Energy Trust to deliver it is estimated, the utilities may file a rate adjustment for consideration by the OPUC if warranted. Annual funding levels support delivery of savings for residential, commercial and industrial customers and also for renewable energy project development.</p> <p>Gas measures to be eliminated in 2015 represent a very small portion of the overall gas portfolio, and some of those measures will not be eliminated until April 30. The corresponding budget reduction is small relative to the overall 2015 gas budget.</p> <p>The proposed final 2015 Energy Trust budget includes a total 12 percent reduction in anticipated utility revenue collections when compared to 2014. This translates to decreases in the utility bill percentages collected by PGE, Pacific Power and NW Natural for Energy Trust, with the percentage staying approximately the same for Cascade Natural Gas at this time. The downward revenue adjustment stems from a combination of factors including the very low costs at which Energy Trust has acquired energy efficiency over the past few years. We also rely on revenue forecasts from the utilities when establishing budgets in the fall and the amount actually collected last spring and summer was higher than forecasted due to the abnormal weather. Third, we match our budgeting for each program based on market trends, savings potential and costs. Once the 2015 annual budget and savings goals are approved by the board, utilities will file associated rate changes, which determines the percentage shown on the bill. The OPUC will review the utility rate filings and act on the</p>

	requested rate changes associated with Energy Trust’s budget and planned expenditures.
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Respondent: Attic Access Comment topics	Energy Trust staff responses
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<p>Reviewed the draft 2015 budget and 2015-2016 action plan and stated it should not be approved by the board. Commented on a lack of Existing Homes weatherization measures and stated that without those measures, Energy Trust should no longer be in operation.</p>	<p>Related to the OPUC’s gas cost-effectiveness decision, we recognize the challenges program changes present to weatherization contractors/trade allies. In recognition of this and to support customers as much as possible, weatherization measures will continue to be offered and supported until the end of April 2015, after the current heating season has ended.</p> <p>During the OPUC’s public process and evaluation of whether Energy Trust should continue support for measures operating under cost-effectiveness exceptions, Energy Trust provided information to the OPUC on the benefits and costs of those measures. The OPUC decided Energy Trust could no longer incent a portion of gas energy-efficiency measures that were being offered through the cost-effectiveness exception. Gas measures being eliminated represent a small portion of the overall gas savings portfolio provided for residential, commercial and industrial customers, approximately 4 percent in 2014. Even so, Energy Trust is no longer able to support them given requirements that guide investment of public purpose funds to acquire only energy conservation and efficiency that is cost effective. The low cost of natural gas and other factors also contributed to this OPUC decision. The OPUC order on Docket 1622, Order 13-256 contains the full details of the OPUC action.</p>
<p>Noted the ceiling insulation measure requirements are not adequate in terms of capturing the full energy savings potential.</p>	<p>Under Oregon cost-effectiveness rules, Energy Trust captures the maximum possible savings within cost-effectiveness requirements. Evaluations have shown that the existing ceiling insulation measure produces significant savings, but for gas-heated homes, they do not meet the Total Resource Cost test. We have received an exception from the OPUC for ceiling insulation, and have been instructed to identify ways to further reduce both the total invoiced cost of the measure and the cost of program support for the measure. . We also have shown that additional increments of insulation beyond that</p>

	<p>specified in our program have an even lower Total Resource Cost test value. We welcome ideas to increase savings from ceiling insulation that both increase savings and reduce cost per kWh or therm.</p>
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The following comment was expressed by the Conservation Advisory Council at its October 21 meeting. Program staff convened a meeting with stakeholders on November 11 and presented the following staff response at the November 21 Conservation Advisory Council meeting. See the council meeting notes at www.energytrust.org/About/public-meetings/CACMeetings.aspx.

**Respondent: Conservation Advisory Council
Comment topics**

Energy Trust staff responses

Commented on the gap in timing between the discontinuation of the Home Performance assessment incentive and when a new EPS incentive and multiple-measure incentive will become available. Stated discomfort with the gap and subsequent training and sales implications for trade allies. Asked staff to revisit the timing of the measures.

Thank you for your participation and comment. We value the input of council members, particularly as we implement program changes to meet gas cost-effectiveness requirements. Based on your input and feedback provided by a group of industry stakeholders, the EPS and multiple-measure incentives will launch immediately after the discontinuation of the Home Performance assessment incentive. This will remove the timing gap between incentive availability and maintain program incentive continuity for trade allies.



Oregon

John A. Kitzhaber, MD, Governor

Public Utility Commission

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December 3, 2014

Margie Harris, Director
Energy Trust of Oregon
421 SW Oak, Suite 300
Portland, Oregon 97204

Dear Margie,

We appreciate the opportunity to comment on your 2015 Budget and 2015-2016 Action Plan. We adopt the recommendations of the OPUC Staff, summarized in more detail in the attached memo, with the date corrected to recommendation #2 and changes made to recommendations #3 and #4 as shown below and discussed at today's public meeting.

1. Document staff and workload reductions and reassignments that occurred in 2014 in the 2014 annual report. For 2015 document staff and workload reductions and reassignments that occurred during 2015 in the annual budget document.
2. Follow through and report back to the Commission at the end of 2015 on the status of Coraggio Group's recommendation #15 which says:

We recommend Energy Trust conduct the administrative support staffing level needs assessment that was recommended in the 2010 Management Review.

3. Develop and present to PUC Staff and the Commissioners prior to next year's budget cycle, 3-4 administratively-focused productivity and efficiency metrics as recommended in the 2014 Management Review.
4. Quantify the incremental benefits to ratepayers of each of the new 2014 hires in the 2014 annual report. For the four new hires proposed in 2015, provide information about the incremental quantitative benefits in Spring 2015, including savings achieved and costs reduced. Going forward for each new proposed FTE, provide justification in advance in terms of benefits to ratepayers from additional savings achieved and/or reduced costs.
5. A new Energy Trust Performance Measure be established for the ratio of total employee costs (including contract staff and benefits) to Energy Trust's total expenditures. Staff recommends this metric be set at 7.75 percent as a three-year rolling average and the metric be revisited every three years, or sooner if

necessitated by a significant shift in Energy Trust's program delivery or other notable market condition or opportunity.

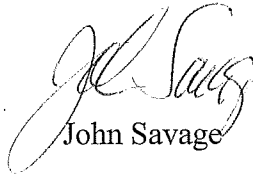
6. Energy Trust Staff should provide annual reports on Oregon-specific and Northwest results from each of the NEEA core and opt-in programs. Assessments should set forth goals, targets, results and other salient information and commentary for each of the efforts.
7. As part of Energy Trust's annual report on NEEA activities, Energy Trust should provide information on:
 - a. In addition to previously identified emerging and promising technologies, what new opportunities have surfaced in the previous 12 months and what has NEEA done in response to those opportunities?
 - b. What project ideas have been rejected by NEEA's Regional Portfolio Advisory Committee (RPAC) and how many votes were for and against the rejected measures?
 - c. What is the uptake on identified emerging, promising technologies?
 - d. What are the results of the take-stock analysis of the budget and the opt-in programs?
 - e. What mid-course corrections have occurred in any of the NEEA programs?

We applaud the Energy Trust for results achieved for customers in 2014 and look forward to working with the Trust and stakeholders to achieve the targets in the budget.

OREGON PUBLIC UTILITY COMMISSION



Susan Ackerman – Chair



John Savage



Stephen Bloom

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 3, 2014**

REGULAR X **CONSENT** **EFFECTIVE DATE** N/A

DATE: November 18, 2014

TO: Public Utility Commission

FROM: Juliet Johnson

THROUGH: Jason Eisdorfer and Aster Adams

SUBJECT: ENERGY TRUST OF OREGON: Presentation of 2015 Draft Budget and 2015-16 Action Plan.

STAFF RECOMMENDATION:

Staff recommends that the Commission adopt Staff's comments as Commission comments on the Draft 2015 Budget and Draft 2015-2016 Action Plan for the Energy Trust of Oregon.

DISCUSSION:

The Oregon Public Utility Commission (PUC or Commission) oversees the Energy Trust of Oregon (Energy Trust or ETO) to ensure that it achieves high levels of conservation savings and renewable resource generation, keeps its administrative costs down, and provides a high level of customer satisfaction. As part of the oversight, the Commission reviews and provides comments on the Energy Trust's action plan and annual budget.

Energy Trust presented the Draft 2015 Budget (Budget) and Draft 2015-2016 Action Plan (Action Plan) to the Conservation and Renewable Energy Advisory Councils (CAC and RAC) on October 22, 2014, for initial review. The same Action Plan and Budget were presented to the Energy Trust Board on November 5, 2014, and to PUC Staff on November 12, 2014. The public meeting scheduled for December 3, 2014, is the opportunity for the public and the Commission to consider and comment on Staff's assessment of the Budget and Action Plan. A final review of the Action Plan and Budget will be made by the CAC and RAC on November 21, 2014. The Energy Trust Board will adopt the final Action Plan and Budget on December 12, 2014.

Summary

There are no major changes in direction or strategy in this Budget and Action Plan. The following are key points about the 2015 budget:

- Total revenue is projected to be \$148.2 million, which is projected to be \$20 million less than last year.
- Total expenditures are projected to be \$167.8 million, down 5 percent from 2014.
- Total electric savings are projected to be 52.9 aMW, a decrease of 8.4 percent from 2014.
- Electric savings levelized cost is projected to increase from a forecasted 2.8 cents/kWh in 2014 to a projected 3.1 cents/kWh in 2015. (Note: the original projection for 2014 as of the start of the year was 2.9 cents/kWh)
- Total gas savings are projected to be 5.8 million annual therms, a decrease of 3.9 percent from last year.
- Cost of gas savings is projected to increase from a forecasted 33.28 cents/therm in 2014 to a projected 34.4 cents/therm in 2015. (Note: the original projection for 2014 was much higher at 40.02 cents/therm)
- Renewables generation target in 2015 is budgeted to be 23 percent less than 2014 at 3.46 aMW. The cost of acquiring renewables is budgeted to be \$4.61 mils/aMW compared to a forecast of \$5.91 mils/aMW in 2014.

The table below shows the projected savings targets for Portland General Electric (PGE), PacifiCorp, NW Natural and Cascade Natural Gas (Cascade), along with the most recent approved Integrated Resource Plan (IRP) numbers. Savings targets are different than IRP numbers where more recent market projections were available and the utilities agreed to those updated targets. Savings targets for PacifiCorp and NW Natural increased significantly over the latest approved IRP numbers.

	<i>2015 IRP Number</i>	<i>2015 Goal</i>
PGE (aMW)	33.8	33
PacifiCorp (aMW)	14.6	19.9
NW Natural (MMTh)	4.6	5.2
Cascade (MMTh)	0.4	0.4

Energy Trust's budget includes 2 new full-time equivalent employees (FTEs) and two contractors converted to full-time staff. Energy Trust's total staff count is 104. Energy Trust staff and PUC Staff worked together on a potential metric that might be

implemented to track Energy Trust total staffing costs as a percent of expenditures. These staffing issues are described in more detail further in this memo.

Consistent with prior years, administrative and program support is budgeted to be around six percent of program revenue.¹

The 2015-2016 Action Plan lists the following focus areas for the next two years:

- Emerging Technologies
- Expanding Participation – low/moderate income, renters, small businesses, and rural
- Operational cost management and efficiency gains

Status of Last Year's Recommendations

Below is a summary of last year's Staff recommendations that were adopted by the Commission for the 2014 Budget and 2014-2015 Action Plan. Also below are Staff comments on each recommendation.

Recommendation: Relative to the Senior Stakeholder and Community Relations Manager, Staff asks that the person in this position attend the regularly scheduled ETO/PUC management coordination meetings in order to ensure that the message communicated with the public is consistent with the Commission policies and requirements related to ETO and the programs it implements.

Comment: *A Senior Stakeholder and Community Relations Manager was hired and attended ETO/PUC management coordination meetings. He should continue to do so.*

Recommendation: Energy Trust work to reduce carryover for energy efficiency and renewable energy programs to less than 10 percent for each utility.

Comment: *Carryover was not reduced to less than 10 percent, but Energy Trust indicates they are addressing this issue and will be lowering revenue and budgeting more accurately to reduce carryover in the coming three years. See additional discussion below in the Carryover section of this memo.*

¹ In 2014 administrative and program support costs were budgeted to be 5.9 percent of expenses, whereas in 2015 they are budgeted to be 6.2 percent.

Recommendation: Going forward, Energy Trust should clearly document and communicate when positions are adjusted and/or work reassigned based on staffing and workload assessments. Total FTE should be critically evaluated each year. Where positions can be eliminated or transitioned and total FTE reduced, that should be a priority.

Comment: *This information was not clearly documented and communicated in this year's budget document. However, separately Energy Trust provided some of this information to Staff and assured Staff that the information will be included in Energy Trust's fourth quarter report and annual report for 2014. Staff will look for this information in the Energy Trust's 2014 annual report. Going forward, Staff would like to see this information as part of the budget submittal, not the annual report. See Recommendation #1 in the final section of this memo.*

Recommendation: As part of Energy Trust's management audit this year, Energy Trust's current practices for evaluating staffing needs should be examined and any recommended improvements be implemented.

Comment: *The Management Review conducted for Energy Trust in 2014 by the Coraggio Group addressed this issue and offered two related recommendations:*

- *Recommendation #14: Energy Trust should establish clear staffing justification criteria to give guidance to the organization when proposing or considering staffing additions or reductions and to ensure a more transparent process for staff budgeting.*
- *Recommendation #15: We recommend Energy Trust conduct the administrative support staffing level needs assessment that was recommended in the 2010 Management Review.*

In Energy Trust's Preliminary Responses to Coraggio Group Management Review as presented at the November 5, 2014 Energy Trust Board Meeting, Energy Trust indicated they will follow through on both the Management Review recommendations outlined above. Energy Trust has informed Staff that they have already modified staffing justification forms for use when proposing or considering new staff. Staff has reviewed the new and old forms and is satisfied that the Coraggio Group recommendation #14 has been satisfied. Recommendation #2 in the final section of this memo is related to the administrative support staffing level needs assessment and Coraggio Group recommendation #15.

Recommendation: As part of Energy Trust's strategic planning process that starts next year, Energy Trust should clearly identify a strategy for how staffing levels and Energy Trust's overall business model will be evaluated and reset given projected declining efficiency potential in coming years.

Comment: *Energy Trust did not address the recommendation directly, but did so indirectly in the following five-year operations goal:*

- *Align internal operations and management to efficiently support Energy Trust's strategic goals and objectives, optimizing resources and systems and maintaining an effective, open, transparent and accountable business.*

The concept of aligning business models and staffing levels with savings opportunities is also addressed in the Strategic Plan strategies described below:

- *Capture opportunities for program delivery efficiency gains through automation and ongoing Information Technology systems development and support.*
- *Employ and improve efficient business practices and systems to free up resources to achieve strategic energy efficiency and renewable energy goals.*
- *Where possible, establish benchmarks and measurement tools to evaluate business and operations efficiency and productivity gains and reflect these in annual budgets and two-year action plans.*

Staff is satisfied with this approach and believes that it sufficiently addresses our recommendation above.

Recommendation: Energy Trust should report regularly on a) progress on action items in the cost effectiveness Docket No. UM 1622, and b) progress of updating electric avoided costs and implications of those new avoided costs.

Comment: *Both of these items were accomplished in 2014.*

Recommendation: Before next year's budget review cycle, work with Staff to create a draft benchmark or guideline for total salary expenses as a percentage of total ETO expenditures to present for the Commission's consideration.

Comment: *Energy Trust Staff and PUC Staff worked together on this and a recommendation is made later in this document.*

Recommendation: As part of the 2014 management audit / performance review and working with Staff and utilities, examine specific metrics and benchmarks that could be used to gauge efficient execution and operation of non-direct program functions including information technology functions, budget and accounting systems, database management, call center and other communications operations, and any other general administrative functions.

Comment: *The Management Review conducted for Energy Trust in 2014 by the Coraggio Group addressed this issue and offered the following recommendation:*

- *Identify, set goals, and track progress on 3-4 administrative-focused productivity metrics in the context of a continuous improvement process.*

In Energy Trust's Preliminary Responses to Coraggio Group Management Review as presented at the November 5, 2014, Energy Trust Board Meeting, Energy Trust indicated that in 2015 Energy Trust Staff will identify specific areas where productivity improvements are needed and where metrics can be established to measure continuous improvements. Energy Trust plans to engage with a consultant whose expertise can assist in quantifying results. Energy Trust indicates they plan to have an approach in place by mid-2015 and will share progress with Energy Trust Staff, Energy Trust board and PUC. See Recommendation #3 in the final section of this memo.

Recommendation: Quantify, to the extent possible, the incremental benefits of each of the new hires and report the assessment as part of the next budget.

Comment: *This information was not provided in Energy Trust's original budget document. In response to inquiry by Staff, Energy Trust did provide information about the incremental benefits of some of the new hires in 2014 and pointed to language in previously submitted quarterly reports that refer to achievements of new staff. Energy Trust also points out that some of the new staff were hired relatively recently, so it is difficult to fully define incremental benefit. Energy Trust has committed to provide additional information about the benefits of new hires in the fourth quarter and annual report. Staff recommends that incremental benefits of new hires in 2015 (not converted contract Staff) be documented in terms of additional achieved savings or reduced delivery costs and reported as part of the 2016 budget. See Recommendation #4 at the end of this memo.*

Carryover

The percentages in the table below represent the efficiency revenues that were carried over compared to the total yearly revenues plus previous year's carryover, for 2011 to 2012, 2012 to 2013, 2013 to 2014 and projected from 2014 to 2015:

	Carryover from 2011 to 2012	Carryover from 2012 to 2013	Carryover from 2013 to 2014	Projected carryover from 2014 to 2015
PGE	15%	16%	28%	29%
PacifiCorp	0%	7%	24%	23%
NW Natural	28%	12%	34%	35%
NW Natural Industrial	46%	37%	13%	25%
Cascade	6%	0%	33%	42%

The table below shows the percent of renewable energy funds that were not committed to projects and so carried over from 2011 to 2012, 2012 to 2013, 2013 to 2014 and projections for 2014 to 2015:

	Activity Carryover 2011-12	Activity Carryover 2012-13	Activity Carryover 2013-14	Projected Activity Carryover 2014-15
PGE	23%	6%	35%	19%
PacifiCorp	4%	31%	16%	29%

Energy Trust provided the following reasons for the large carryover in 2014:

- Energy Trust started 2014 with higher than forecasted carryover for all of the funding utilities due primarily to program underspending but also a failure to meet goal in a relatively expensive program, the existing homes program. Energy Trust still forecasts exceeding its conservation goal through over-achievement in some business programs and products, the combination of which results in a low leveled cost.

- Several renewable energy projects were pushed to 2015 and beyond due to business decisions made by project the developers or owners. Energy Trust has no control over these types of delays.
- Efficiency revenues remain strong in spite of the modest downward rate adjustment by PAC, PGE and NWN at the beginning of 2014. This was weather driven due to a warm summer and a cold winter.

Energy Trust indicates that another reason carryover is so high in 2014 is that up until now, general program reserves were not used as a backup to individual program budgets. Instead Energy Trust Staff were expected to ensure that all spending fell within the amounts budgeted. As a result, program staff had a tendency to over-budget spending in order to provide a margin for error. In 2015, Energy Trust Staff were instructed to develop a 2015 budget with minimal cushion and instead rely on a system wide reserve to cover unforeseen circumstances and acquisition opportunities. Therefore, Energy Trust is confident it is on a good path to significantly reduce carryover in 2015 and 2016. Energy Trust also emphasizes that although expenses in 2014 are lower than expected, Energy Trust is still coming in near the program goals.

Staffing

Energy Trust is proposing to add two new FTEs and convert two current contractor positions to FTEs. This would bring the total Energy Trust FTE count to 104. The two new positions being budgeted for are:

- Engineering Manager, Planning and Evaluation – focus on regional and national emerging technology opportunities, on coordination with Northwest Energy Efficiency Alliance (NEEA) and others to increase the amount of cost effective energy efficiency available to customers going forward.
- Industry Technical Manager, Production Efficiency Program – increase Energy Trust’s capacity to deal with the increasing volume of projects from the industrial sector.

The two contract staff that Energy Trust is proposing to convert to FTEs are:

- Industrial Coordinator, Production Efficiency Program – facilitates communication between Energy Trust and industrial customers and helps to coordinate industrial program.
- Communications and Customer Service Coordinator/Analyst – helps with communication and customers support

Overall Energy Trust staffing costs in 2015 are projected to increase from \$11.56 million to \$11.64 million, less than a one percent increase. The incremental costs related to new positions and routine salary adjustments for existing staff are largely offset by other efficiency gains, including:

- Medical expenses will be reduced by 14 percent through prudent plan utilization and competitive bidding.
- Unemployment insurance costs are expected to go down by approximately \$50,000.
- Significant reductions in agency staffing costs will occur by converting two current contractors to full time staff.

Staff has reviewed the new positions and converted contractor positions and supports including them in the 2015 budget.

One of the Commission's recommendations from last year's budget stated:

Before next year's budget review cycle, work with Staff to create a draft benchmark or guideline for total salary expenses as a percentage of total ETO expenditures to present for the Commission's consideration.

The following table shows the total salary expenses, including contract staff and benefits, as a percentage of total ETO expenditures since 2005. The table also contains the three year rolling average.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Employee cost*, as a percent of total expenses	6.0	7.5	7.4	7.0	6.2	5.7	5.5	5.7	7.4	6.4
Three year rolling average	---	---	7.0	7.3	6.9	6.3	5.8	5.6	6.2	6.5

* includes salaries and contract staff. For Energy Trust employees, this includes payroll taxes, benefits, 401k, vacation expense, hiring expenses, SERP, etc.

The highest employee cost as a percent of total expenses has reached was 7.5 in 2006; it was 7.4 in 2007 and 2013. The highest the three year rolling average has reached was 7.3 in 2008.

Although Staff is satisfied with Energy Trust's current staffing levels and program support costs, Staff believes a new metric related to staffing as a percent of total expenditures would be useful to incentivize Energy Trust to maximize staffing

efficiencies and look closely at the need for new positions going forward. Staff also believes the metric should be set high enough to allow for variances in total expenditures from year to year. Total expenditures impact the percentage, but there are many instances where large lumpy expenses are outside the control of Energy Trust, such as when a business owner or renewable energy developer cancels or defers a large project.

Staff recommends a new metric of employee cost as a percent of total expenses be set at 7.75 percent on a three-year rolling average basis. Staff recommends this metric be revisited every three years, or sooner if needed due to a shift in the program delivery model used by Energy Trust or other market condition and opportunity.

NEEA

This year PUC Staff, Energy Trust and multiple stakeholders throughout the region worked with NEEA on a new five-year strategic plan. The Commissioners sent a letter to the NEEA Board with recommendations on NEEA's strategic plan. NEEA did not adopt many of the Commissioners' recommendations. Energy Trust signed a new five year contract with NEEA to continue to fund market transformation activities from 2015-2019. Oregon ratepayers, through Energy Trust are the second largest funder of NEEA. As such, Staff recommends the following:

1. Energy Trust Staff should provide annual reports on Oregon-specific and Northwest results from each of the NEEA core and opt-in programs. Assessments should set forth goals, targets, results and other salient information and commentary for each of the efforts.
2. As part of annual reports, Energy Trust should provide information on:
 - a. In addition to previously identified emerging and promising technologies, what new opportunities have surfaced in the previous 12 months and what has NEEA done in response to those opportunities?
 - b. What project ideas have been rejected by NEEA's Regional Portfolio Advisory Committee (RPAC) and how many votes were for and against the rejected measures?
 - c. What is the uptake on identified emerging, promising technologies?
 - d. What are the results of the take-stock analysis of the budget and the opt-in programs?
 - e. What mid-course corrections have occurred in any of the NEEA programs?

Recommendations

Overall, PUC Staff supports Energy Trust's draft 2015 Budget and 2015-16 Action Plan and commends Energy Trust for its efforts in 2014. Staff recommends the Commission support the budget and action plan subject to the following conditions:

1. *Document staff and workload reductions and reassignments that occurred in 2014 in the 2014 annual report. For 2015 document staff and workload reductions and reassignments that occurred during 2015 in the annual budget document.*
2. *Follow through and report back to the Commission at the end of 2014 on the status of Coraggio Group's recommendation #15 which says:*

We recommend Energy Trust conduct the administrative support staffing level needs assessment that was recommended in the 2010 Management Review.

3. *Share with PUC Staff and the Commissioners prior to next year's budget cycle the results of Energy Trust's efforts to identify and develop an approach for 3-4 administratively-focused productivity metrics as identified in the 2014 Management Review.*
4. *Quantify the incremental benefits of each of the new 2014 hires in the 2014 annual report. For the two new hires proposed in 2015, provide information about the incremental benefit of those positions, including savings achieved and costs reduced, in the 2016 budget document.*
5. *A new Energy Trust Performance Measure be established for the ratio of total employee costs (including contract staff and benefits) to Energy Trust's total expenditures. Staff recommends this metric be set at 7.75 percent as a three-year rolling average and the metric be revisited every three years, or sooner if necessitated by a significant shift in Energy Trust's program delivery or other notable market condition or opportunity.*
6. *Energy Trust Staff should provide annual reports on Oregon-specific and Northwest results from each of the NEEA core and opt-in programs. Assessments should set forth goals, targets, results and other salient information and commentary for each of the efforts.*

7. *As part of Energy Trust's annual report on NEEA activities, Energy Trust should provide information on:*
- a. *In addition to previously identified emerging and promising technologies, what new opportunities have surfaced in the previous 12 months and what has NEEA done in response to those opportunities?*
 - b. *What project ideas have been rejected by NEEA's Regional Portfolio Advisory Committee (RPAC) and how many votes were for and against the rejected measures?*
 - c. *What is the uptake on identified emerging, promising technologies?*
 - d. *What are the results of the take-stock analysis of the budget and the opt-in programs?*
 - e. *What mid-course corrections have occurred in any of the NEEA programs?*

PROPOSED COMMISSION MOTION:

Staff's comments be adopted as Commission comments on the Draft 2015 Budget and Draft 2015-16 Action Plan for the Energy Trust of Oregon.



Portland General Electric Company

121 SW Salmon Street • 1WTC1706 • Portland, Oregon 97204
(503) 464-8536 • Facsimile (503) 464-2222

Carol Dillin

*Vice President
Customer Strategies &
Business Development*

November 24, 2014

Dear Margie,

Thank you and your team for presenting Energy Trust's 2015 budget plans on November 17. PGE is gratified to be coming so close to meeting our 2014 savings goal at better than hoped for cost/kwh. We are also pleased to work with you to keep our Schedule 109 (energy efficiency funding through SB838) rates stable over the next few years, having decreased them slightly in July, by spending down carryover funds through 2015 and 2016.

We congratulate Energy Trust for completing its 2015-2019 strategic plan, which we have supported in other correspondence, as well as an Energy Trust management audit. We look forward to sharing some of our work on LEAN management and other methods PGE is using to achieve operational efficiencies as you seek to gain the efficiencies recommended in your audit. Thank you for seeking our input.

PGE notes that Energy Trust's 2015 goal, at 33 aMW, is below its 2014 goal and PGE's 2015 IRP goal. We acknowledge that the IRP goal is somewhat dated at this point, and support 33aMW goal level as appropriate. We also note that industrial mega-projects are forecast to bring up PGE's energy efficiency savings in 2016 and 2017.

Energy Trust is at an interesting crossroads, as opportunities in energy efficiency and renewables become more challenging to meet. PGE is very supportive of Energy Trust plans to seek out harder-to-reach customers and we stand ready to leverage our customer relationships to help you in these efforts. At the same time, we urge Energy Trust to remain flexible in its mechanisms for achieving goals. It seems likely that opportunities in both efficiency and renewables will become "lumpier" in the coming years, as technology and market changes lead to more niche projects of all sizes. In the past few years Energy Trust has added a number of full time staff, and the proposed 2015 budget includes an additional 4FTE. PGE urges Energy Trust to keep FTE growth at a minimum, and seek more flexible staffing to meet the ups and projected downs of the coming years. We note that while still below performance metrics, projected administration expenses as a percent of revenue are at the highest level since 2006 in the 2015 budget.

Our work together over the past years has served our customers and our state well. We look forward to continuing successful partnerships and developing new ways to work together in the year ahead.

Sincerely,

A handwritten signature in black ink that reads "Carol Dillin". The signature is written in a cursive, flowing style.

Carol Dillin
Vice President, Customer Strategies & Business Development

November 19, 2014

Margie Harris
Executive Director
Energy Trust of Oregon
421 SW Oak St., Suite 300
Portland, OR 97204

Dear Margie,

Thank you to you and your team for presenting Energy Trust's 2015 draft action plan and budget on November 6, 2014. We also recognize the work Energy Trust has done to complete a five year strategic plan, conduct a management review and identify cost efficiencies. We look forward to our continued work together and believe we both have significant shared contributions to make in informing customers of the opportunities presented by Energy Trust.

A few comments and requests for the coming year:

- We note Energy Trust projects it will come extremely close (99.7%) to achieving Pacific Power's 2014 IRP goal while spending only 95.4% of the forecasted budget. We appreciate the timely forecast to assist Pacific Power with year-end reporting and Energy Trust's focus on cost management while achieving results within the constraints of evolving customer schedules and plans.
- Pacific Power appreciates the Energy Trust's revised budget process which helped provide a more accurate assessment of the increasing carry-over balance. Pacific Power is using this information to support an adjustment (in addition to the one effective on July 1, 2014) intended to reduce excess Pacific Power program reserve over three years
- Following from Pacific Power's comments on the 2015 - 2019 Strategic Plan, Pacific Power recommends Energy Trust also display customer investments when providing the benefits of efficiency and renewable investments to Oregon's economy in budget presentations. A similar suggestion would be to include the aggregate value of the non-energy benefits included in the cost effectiveness assessment of the annual results.
- The area of emphasis identified for energy efficiency programs are appropriate and broadly embodies our customer's expectations that programs "be easy to do business with" and meet evolving needs.
- The focus on operations improvements is well positioned and articulated, especially the focus on pursuing and maintaining utility partnerships to enhance the reach and effectiveness of Energy Trust programs.

We would also like to extend our appreciation to Energy Trust's planning team for their close coordination with our energy efficiency planning team as new resource assessments and conservation potential assessments were developed this year. Thorough understanding and alignment of key assumptions improves the transparency of Pacific Power's integrated resource plan (IRP) and helps reinforce the connection between Energy Trust and the utility IRP process.

Pacific Power values the resource acquisitions and customer benefits delivered by Energy Trust on behalf of Pacific Power customers. Speaking on behalf our team, we're here to help Energy Trust meet and exceed their goals for 2015.

Sincerely,

A handwritten signature in black ink that reads "Scott D. Bolton". The signature is written in a cursive, flowing style.

Scott Bolton
Vice President, Community and Government Relations
Pacific Power

Email Comments Received on the Draft Budget Materials

From: Abrahamson, Jim

Sent: Wednesday, November 19, 2014 3:29 PM

To: Margie Harris; Steve Lacey; Peter West; Courtney Wilton; Debbie Goldberg Menashe

Cc: Parvinen, Michael; Cowlshaw, Monica

Subject: Cascade Natural Gas' Comments on ETO's 2015-16 Budget

Margie,

Cascade Natural Gas Corporation appreciates this opportunity to comment on the Energy Trust of Oregon's Draft 2015 and Projected 2016 budgets of energy efficiency programs for Cascade's Oregon service area. As we know from past budget exercises a lot can change from year to year in the field of capturing natural gas energy efficiency and program budgeting. Therefore, these brief comments will be focused primarily upon the Draft 2015 budget.

- We have been involved in all phases of the budget preparation and communication process over the past few months. In particular, we directly participated in discussions at the October 22, 2014 meeting of the Conservation Advisory Council, the 'Utility Presentation' to Cascade on October 29, 2014, and attended the Board of Directors meeting on November 5, 2014 where the Draft budget was presented and discussed.
- The draft 2015 energy efficiency budget for Cascade is \$2,047,883 including administrative costs. This budget supports a 2015 IRP savings goal 415,149 therms which includes 45,736 therms from market transformation.
- We note that the Draft 2015 budget is substantially lower than the final 2014 budget across all five programs. The Draft 2015 budget is 20 percent lower than the final 2014 budget (\$2,047,883 vs. \$2,458,899). This decrease occurs despite the significant increase in Cascade's NEEA budget. In the 2014 budget, Cascade's total NEEA expense (residential and commercial) was projected to be \$7,500. In the 2015 budget, Cascade's total NEEA expense is projected to be \$54,977. We mention this to demonstrate how dramatically the overall 2015 energy efficiency program budgets have fallen.
- It is also important to note the extent to which Instant Savings Measures (ISM), Energy Saver Kits (Kits) in the Existing Homes program, and direct installs of ISMs in the Multifamily sector of the Commercial Existing Buildings program, drive the estimates of 2015 therm savings in those programs. Recently, Kits and ISMs have been accounting for 60 percent of gas savings in the Existing Homes program while the direct installs of ISMs have accounted for 84 percent of gas savings in the Multifamily program.
- Cascade Natural Gas is supportive of ETO's, Round 1, 2015 and 2016 budgets. This budget reflects the changing economic circumstances faced by Cascade's Oregon customers and the changes brought about by the Oregon Public Utility Commission's recent ruling in UM-1622. There are some specific program issues that we will explore jointly with ETO staff over the course of the next year to help us jointly refine our analysis leading into development of next year's 2015-16 budgets.

Thank you for this opportunity to comment on the Draft 2015 and Projected 2016 budgets for Cascade Natural Gas. We look forward to the opportunity to provide any final comments, if necessary, on these budgets at the December 12, 2014 Board meeting.

Jim Abrahamson
Manager, Conservation Policy
Cascade Natural Gas Corporation
<http://www.cngc.com>

From: Meyer, Holly
Sent: Wednesday, November 26, 2014 2:54 PM
To: Hannah Hacker
Cc: Steve Lacey; Edmonds, Bill; Amber Cole
Subject: RE: budget comments

Hello Hannah,

Thank you for the opportunity to participate in an iterative budget process. Starting this effort with a focus on “themes” enables us to make our way to the same foundation and thereby making the more granular actual budget process smoother. We provided detailed comments on themes and appreciated the responses, also at a detailed level.

With the loss of so many “bread and butter” weatherization measures for gas heated homes, we are sensitive to the optics this creates for customers. Amber offered for NWN to review Energy Trust’s call center script to understand how you are handling that. We appreciate this and would also like the Trust to consider *all* aspects of program and promotion customer interface to make certain customers are not dissuaded from weatherization or led to believe electricity is the only fuel worth of using efficiently. We all understand the policy reasons the programs will be disbanded but customers likely do not – we ask the Trust to be very thoughtful on all aspects of communication in this regard.

Though these measures are dropping, we believe the Trust’s direction is right: working upstream with NEEA to “accelerate the development and market adoption of efficient natural gas products, practices and services;” working collaboratively to understand the possibilities of an “incentive cap;” and reassessing what may be possible in a new world where carbon solutions and premise charges are key tools/components of the efficiency landscape. We, like Energy Trust, are hopeful that on-bill repayment tools, focus on EPS, smart thermostats, co-promotion of Aclara and programs for the rental market will all work to dramatically advance efficiency of natural gas use in our service territory in the residential sector.

There is less uncertainty and programmatic volatility in the commercial and industrial programs, which continue to run strong, so our comments are focused residentially. That said, the Trust’s overall action plan focus areas help ensure a strong overall portfolio and we are very supportive of those aims. Additionally, we are hopeful for the efficiency improvements that may arise from a multi-family high efficiency gas heating (and electrically cooling) unit. The joint effort of NW Natural to get such a unit into this market, and the Trust’s to incent it, is a promising combination. You can count on NW Natural to promote this product through the appropriate channels once locally available.

Working in partnership with the Energy Trust, and indirectly with NEEA, we are hopeful solutions will emerge that will continue to position Oregon as a national leader in energy efficiency. Efficiency provides our customers with the cleanest, most affordable energy and we are proud to work with Energy Trust in this noble endeavor. Thank you for your expertise and dedication to this end.

Holly J. Meyer | Energy Policy & Sustainability Manager | NW Natural 220 NW Second Avenue | Portland, Oregon 97209 |

From: Jeffrey Van Dyke
Sent: Wednesday, November 12, 2014 6:54 AM
To: Energy Trust of Oregon Info
Subject: Energy Bills

Hi,

I was wondering with all the Incentives going away will the 3 plus per cent still be coming off everyone's gas bill. What percent will you be at? Does the Energy Trust still get the same funding?

Thank You,

Jeff Van Dyke
Green Energy Solutions Inc.

From: Phillip Norman

Sent: Friday, November 07, 2014 5:11 AM

To: Energy Trust of Oregon Info

Subject: Energy Trust invites public comment on draft 2015 annual budget

I have downloaded and have scanned your 147 page budget document. I see nothing for existing home weatherization, and without that there is no reason for continued existence of Energy Trust. You sponsor only the ruin of attic floors by encouraging creeps to blow and go, barring two thirds of potential energy savings, doing more harm than good. How shall an abused home owner then be compensated for your stuck-on-stupid crimes?

There should be no approved budget for Energy Trust.

Phillip Norman

Attic Access

Bonded and Insured, CCB #165715

<http://sites.google.com/site/phillipnormanatticaccess/>

<http://sites.google.com/a/r5portals.com/www/home>

<http://energyconservationhowto.blogspot.com/>

<http://plasterrepairhowto.blogspot.com/>

2015 Budget Recap Spending and Savings - R2: FINAL PROPOSED

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	43.1	7.4	50.5	15.22	3.5	2,187,762	33.03
Business Energy Solutions – New Buildings	11.3	1.2	12.5	4.14	3.0	396,086	26.14
Mkt Transformation (Alliance)	2.6	0.3	2.9	0.97	5.3		
Total Commercial	57.0	8.9	65.9	20.33	3.4	2,583,847	32.69
Industrial							
Production Efficiency	29.3	3.0	32.3	15.34	2.6	1,065,576	27.64
Mkt Transformation (Alliance)	0.2	0.0	0.2	0.17	1.7		
Total Industrial	29.4	3.0	32.4	15.51	2.6	1,065,576	27.64
Residential							
Home Energy Solutions – Existing Homes	17.7	4.9	22.7	4.67	3.9	878,334	42.38
Home Energy Solutions – New Homes & Products	21.9	4.6	26.5	8.90	3.4	1,058,457	28.52
Mkt Transformation (Alliance)	4.3	0.3	4.6	3.70	1.4		
Total Residential	43.9	9.8	53.8	17.27	3.1	1,936,791	35.36
Washington							
Business Energy Solutions – Existing Buildings		0.7	0.7			150,000	37.13
Home Energy Solutions – Existing Homes		0.5	0.5			51,148	61.58
Home Energy Solutions – New Homes & Products		0.4	0.4			55,915	50.73
Total Washington		1.5	1.5			257,063	47.02
Total Energy Efficiency	\$130.4	\$23.3	\$153.6	53.12	3.1	5,843,277	33.17

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	12.4		4.7	1.95	6.35	1.99	2.36
Solar Electric	11.6		11.5	1.36	8.55	1.48	7.78
Total Renewable Resources	\$24.0		\$16.2	3.31	7.26	3.47	4.67

TOTAL BUDGET - ALL

\$169.8

¹ some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2015 Final Proposed Annual Budget

	ENERGY EFFICIENCY							RENEWABLE ENERGY			Other	TOTAL		
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Oregon Total	NWN WA	ETO Total	PGE		PacifiCorp	Total	All Programs
REVENUES														
Public Purpose Funding	\$28,325,825	\$21,736,380	\$50,062,205		\$13,805,611	\$1,913,709	\$65,781,525		\$65,781,525	\$8,326,919	\$6,555,416	\$14,882,335	\$80,663,860	
Incremental Funding	42,000,000	20,850,000	62,850,000	2,997,419			65,847,419	1,411,352	67,258,771				67,258,771	
Consumer Owned Electric Funding Contributions														
Special Projects														
Revenue from Investments													288,000	
Gain or Loss on Investments													288,000	
TOTAL PROGRAM REVENUE	70,325,825	42,586,380	112,912,205	2,997,419	13,805,611	1,913,709	131,628,944	1,411,352	133,040,296	8,326,919	6,555,416	14,882,335	148,210,631	
EXPENSES														
Program Management (Note 3)	3,235,638	2,055,209	5,290,846	148,998	719,354	116,243	6,275,440	239,227	6,514,667	650,926	374,142	1,025,068	7,539,735	
Program Delivery	23,866,803	14,647,964	38,514,768	939,986	4,579,453	547,924	44,582,129	371,242	44,953,371	196,700	93,300	290,000	45,243,371	
Incentives	44,100,925	25,352,949	69,453,875	2,216,161	8,307,021	1,045,193	81,022,249	628,225	81,650,474	8,862,063	3,974,110	12,836,173	94,486,647	
Program Eval & Planning Svcs.	2,503,193	1,529,847	4,033,039	92,870	461,319	52,033	4,639,261	69,232	4,708,493	125,106	62,333	187,437	4,895,930	
Program Marketing/Outreach	2,626,997	1,689,484	4,316,481	40,097	779,602	72,959	5,209,139	80,152	5,289,291	170,501	71,999	242,500	5,531,791	
Program Quality Assurance	32,134	26,548	58,682	0	15,544	773	75,000	0	75,000	0	0	0	75,000	
Outsourced Services	756,730	489,176	1,245,907	48,414	207,350	15,831	1,517,500	550	1,518,050	208,832	221,168	430,000	1,948,050	
Trade Allies & Cust. Svc. Mgmt.	404,044	281,418	685,463	6,307	137,533	11,341	840,643	38,389	879,032	46,760	18,178	64,938	943,970	
IT Services	908,406	602,518	1,510,923	26,142	243,904	23,962	1,804,930	42,444	1,847,374	157,722	85,976	243,699	2,091,073	
Other Program Expenses - all	339,398	202,384	541,783	16,861	67,696	7,694	634,034	43,658	677,692	175,842	85,006	260,848	938,540	
TOTAL PROGRAM EXPENSES	78,774,268	46,877,497	125,651,767	3,535,836	15,518,776	1,893,953	146,600,325	1,513,119	148,113,444	10,594,452	4,986,212	15,580,663	163,694,107	
ADMINISTRATIVE COSTS														
Management & General (Notes 1 & 2)	1,582,646	952,106	2,534,752	66,564	322,044	38,807	2,962,167	33,066	2,995,233	219,167	108,046	327,212	3,322,445	
Communications & Customer Svc (Notes 1 & 2)	1,356,532	816,145	2,172,679	56,952	275,937	33,288	2,538,856	28,445	2,567,301	189,302	93,703	283,005	2,850,306	
Total Administrative Costs	2,939,178	1,768,251	4,707,431	123,516	597,981	72,095	5,501,023	61,511	5,562,534	408,469	201,749	610,217	6,172,751	
TOTAL PROG & ADMIN EXPENSES	81,713,446	48,645,748	130,359,198	3,659,352	16,116,757	1,966,048	152,101,348	1,574,630	153,675,978	11,002,921	5,187,961	16,190,880	169,866,858	
TOTAL REVENUE LESS EXPENSES	(11,387,621)	(6,059,368)	(17,446,989)	(661,933)	(2,311,146)	(52,339)	(20,472,404)	(163,278)	(20,635,682)	(2,676,002)	1,367,455	(1,308,545)	288,000	(21,656,227)
NET ASSETS - RESERVES														
Cumulative Carryover at 12/31/14 (Forecasted)	30,661,293	13,844,477	44,505,770	849,487	9,314,102	1,385,620	56,054,979	194,534	56,249,513	13,445,003	10,978,418	24,423,421	8,239,453	
Change in net assets this year	(11,387,621)	(6,059,368)	(17,446,989)	(661,933)	(2,311,146)	(52,339)	(20,472,404)	(163,278)	(20,635,682)	(2,676,002)	1,367,455	(1,308,545)	288,000	
Ending Net Assets - Reserves	19,273,672	7,785,109	27,058,781	187,554	7,002,956	1,333,281	35,582,575	31,256	35,613,831	10,769,001	12,345,873	23,114,876	8,527,453	
Ending Reserve by Category														
Program Reserves (Efficiency and Renewables)	19,273,672	7,785,109	27,058,781	187,554	7,002,956	1,333,281	35,582,575	31,256	35,613,831	10,769,001	12,345,873	23,114,876	3,527,453	
Assets Released for General Purpose													5,000,000	
Emergency Contingency Pool													5,000,000	
TOTAL NET ASSETS CUMULATIVE	19,273,672	7,785,109	27,058,781	187,554	7,002,956	1,333,281	35,582,575	31,256	35,613,831	10,769,001	12,345,873	23,114,876	67,256,160	

Note 1) Mgmt & General and Communications & Customer Service Exp (Admin) have been allocated on total exper
Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not allow allocation of adr
Note 3) Program Management costs include both outsourced and internal staff.

Note 1) Mgmt & General and Communications & Customer Service E
Note 2) Admin costs are allocated for mgmt reporting only. GAAP fo
Note 3) Program Management costs include both outsourced and int

Energy Trust of Oregon
Statement of Functional Expenses
2015 Final Proposed Budget

	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total
Program Expenses							
Incentives/ Program Management & Delivery	\$133,495,677	\$13,146,173	\$146,641,850				\$146,641,850
Payroll and Related Expenses	3,339,232	1,005,068	4,344,300	2,100,756	1,331,543	3,432,300	7,776,600
Outsourced Services	5,574,844	783,500	6,358,344	414,688	1,052,500	1,467,188	7,825,532
Planning and Evaluation	2,299,593	76,438	2,376,030	1,699		1,699	2,377,729
Customer Service Management	503,093	39,351	542,444				542,444
Trade Allies Network	375,938	25,586	401,524				401,524
Total Program Expenses	145,588,377	15,076,117	160,664,493	2,517,143	2,384,043	4,901,187	165,565,680
Program Support Costs							
Supplies	11,855	3,608	15,463	10,453	5,235	15,688	31,151
Postage and Shipping Expenses	3,541	1,177	4,718	2,007	1,382	3,389	8,107
Telephone	4,483	2,158	6,641	1,974	1,359	3,333	9,974
Printing and Publications	106,887	13,127	120,014	1,419	5,736	7,155	127,169
Occupancy Expenses	214,262	71,216	285,478	121,452	83,599	205,051	490,530
Insurance	31,926	10,612	42,538	18,097	12,457	30,554	73,092
Equipment	13,009	109,324	122,333	7,374	5,076	12,450	134,783
Travel	68,250	18,000	86,250	49,550	25,000	74,550	160,800
Meetings, Trainings & Conferences	95,580	12,193	107,773	143,369	14,226	157,596	265,369
Interest Expense and Bank Fees				2,500		2,500	2,500
Depreciation & Amortization	45,157	15,009	60,166	25,597	17,619	43,215	103,381
Dues, Licenses and Fees	82,740	4,425	87,165	5,905	8,500	14,405	101,570
IT Services	1,847,373	243,698	2,091,071	415,604	286,073	701,677	2,792,748
Total Program Support Costs	2,525,064	504,546	3,029,610	805,301	466,262	1,271,564	4,301,174
TOTAL EXPENSES	148,113,440	15,580,663	163,694,103	3,322,445	2,850,306	6,172,750	169,866,853

OPUC Measure vs. 9%

6.2%

Energy Trust of Oregon
Program Expense by Service Territory
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	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency										
Commercial										
Existing Buildings OR	\$28,397,176	\$14,673,721	\$43,070,897	\$1,445,834	\$5,154,947	\$809,711	\$7,410,492	\$50,481,389		\$50,481,389
Existing Buildings WA									691,669	691,669
Existing Buildings	28,397,176	14,673,721	43,070,897	1,445,834	5,154,947	809,711	7,410,492	50,481,389	691,669	51,173,058
New Buildings	6,650,102	4,624,187	11,274,289	64,491	906,561	276,298	1,247,349	12,521,638		12,521,638
NEEA	1,557,954	1,082,646	2,640,601		227,560	25,285	252,845	2,893,446	23,928	2,917,374
Total Commercial	36,605,232	20,380,555	56,985,786	1,510,325	6,289,068	1,111,293	8,910,686	65,896,473	715,597	66,612,070
Industrial										
Production Efficiency	19,322,299	9,941,348	29,263,647	2,149,026	752,384	106,524	3,007,934	32,271,581		32,271,581
NEEA	98,875	68,710	167,585					167,585		167,585
Total Industrial	19,421,174	10,010,058	29,431,232	2,149,026	752,384	106,524	3,007,934	32,439,166		32,439,166
Residential										
Existing Homes OR	9,708,820	8,021,224	17,730,044		4,694,858	233,590	4,928,449	22,658,493		22,658,493
Existing Homes WA									471,112	471,112
Existing Homes	9,708,820	8,021,224	17,730,044		4,694,858	233,590	4,928,449	22,658,493	471,112	23,129,605
New Homes/Products OR	13,434,456	8,466,215	21,900,670		4,092,331	482,628	4,574,959	26,475,629		26,475,629
New Homes/Products WA									357,628	357,628
New Homes/Products	13,434,456	8,466,215	21,900,670		4,092,331	482,628	4,574,959	26,475,629	357,628	26,833,257
NEEA	2,543,758	1,767,697	4,311,455		288,112	32,013	320,125	4,631,580	30,295	4,661,875
Total Residential	25,687,034	18,255,136	43,942,170		9,075,301	748,231	9,823,532	53,765,702	859,035	54,624,737
Energy Efficiency Program Costs	81,713,440	48,645,749	130,359,188	3,659,351	16,116,754	1,966,048	21,742,153	152,101,341	1,574,632	153,675,973
Renewables										
Solar Electric (Photovoltaic)	8,512,748	2,977,980	11,490,728					11,490,728		11,490,728
Other Renewable	2,490,172	2,209,980	4,700,152					4,700,152		4,700,152
Renewables Program Costs	11,002,920	5,187,960	16,190,880					16,190,880		16,190,880
Cost Grand Total	92,716,360	53,833,708	146,550,068	3,659,351	16,116,754	1,966,048	21,742,153	168,292,221	1,574,632	169,866,853

Energy Trust of Oregon, Inc
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COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	New											ETO Total
	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	Homes & Products	NEEA Residential	Washington (with NEEA)	Solar Renewables	Custom Renewables	
Program Management	1,801,919	666,435	42,859	1,415,455	6,031	1,068,789	1,228,875	45,077	239,227	523,409	501,659	7,539,735
Program Delivery:	13,523,171	4,262,395	2,659,217	9,513,155	138,553	5,312,690	4,836,449	4,336,499	371,242	290,000		45,243,371
Incentives:	29,643,312	5,608,266		18,348,595		11,158,110	16,263,966		628,225	9,304,000	3,532,173	94,486,647
Program Eval & Planning Svcs.:	1,312,941	595,782	63,071	980,106	14,627	904,010	714,887	53,837	69,232	125,363	62,074	4,895,930
Program Marketing/Outreach:	1,366,580	456,745		237,000		1,757,721	1,391,093		80,152	204,500	38,000	5,531,791
Program Quality Assurance:						75,000			-			75,000
Outsourced Services:	515,000	113,500		245,000		295,000	349,000		550	253,000	177,000	1,948,050
Trade Allies & Cust. Svc. Mgmt.:	128,600	45,653		35,502		427,238	203,650		38,389	58,548	6,390	943,970
IT Services:	296,437	248,439	8,108	244,491	1,159	673,379	322,492	10,425	42,444	135,570	108,129	2,091,073
Other Program Expenses	181,972	43,060	3,591	170,774	513	120,384	109,123	4,617	43,658	192,738	68,110	938,540
TOTAL PROGRAM EXPENSES	48,769,932	12,040,275	2,776,846	31,190,078	160,883	21,792,321	25,419,535	4,450,455	1,513,119	11,087,128	4,493,535	163,694,107
ADMINISTRATIVE COSTS												
Management & General	921,433	258,563	62,539	583,274	3,591	467,215	568,469	97,083	33,066	217,066	110,146	3,322,445
Communications & Customer Svc	790,024	222,800	54,063	498,229	3,111	398,958	487,626	84,045	28,445	186,534	96,471	2,850,306
Total Administrative Costs	1,711,457	481,363	116,602	1,081,503	6,702	866,173	1,056,095	181,128	61,511	403,600	206,617	6,172,751
Total Program & Admin Expenses	50,481,389	12,521,638	2,893,448	32,271,581	167,585	22,658,494	26,475,630	4,631,583	1,574,630	11,490,728	4,700,152	169,866,858
Energy Savings (kwh)	133,355,503	36,254,120	8,479,680	134,419,978	1,485,696	40,894,093	77,979,748	32,453,859				465,322,677
Energy Savings (therms)	2,187,762	396,086		1,065,576		878,334	1,058,457		257,063			5,843,278
Energy Generation (kwh)										12,942,600	17,441,610	30,384,210

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
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ENERGY EFFICIENCY

PGE

EXPENSES	Existing	New	NEEA	Production	NEEA	Existing	New	NEEA	ETO Total
	Buildings	Buildings	Commercial	Efficiency	Industrial	Homes	Homes & Products	Residential	
Program Management	1,024,431	355,104	25,287	742,974	3,559	426,056	631,632	26,595	3,235,638
Program Delivery:	7,519,820	2,276,399	1,425,771	5,580,618	81,746	2,269,806	2,335,596	2,377,047	23,866,803
Incentives:	16,761,472	2,965,153		11,192,910		4,830,295	8,351,095		44,100,925
Program Eval & Planning Svcs.:	757,860	314,864	37,212	599,930	8,630	377,341	375,592	31,764	2,503,193
Program Marketing/Outreach:	783,085	243,810		141,862		752,514	705,726		2,626,997
Program Quality Assurance:						32,134			32,134
Outsourced Services:	246,553	60,226		146,650		126,393	176,908		756,730
Trade Allies & Cust. Svc. Mgmt.:	72,289	24,224		21,250		183,051	103,230		404,044
IT Services:	166,634	131,827	4,784	146,345	684	288,510	163,471	6,151	908,406
Other Program Expenses	102,290	22,849	2,118	102,221	303	51,579	55,314	2,724	339,398
TOTAL PROGRAM EXPENSES	27,434,434	6,394,456	1,495,172	18,674,760	94,922	9,337,679	12,898,564	2,444,281	78,774,268
ADMINISTRATIVE COSTS									
Management & General	518,332	137,320	33,674	349,230	2,119	200,194	288,457	53,320	1,582,646
Communications & Customer Svc	444,410	118,326	29,110	298,310	1,835	170,947	247,435	46,159	1,356,532
Total Administrative Costs	962,742	255,646	62,784	647,540	3,954	371,141	535,892	99,479	2,939,178
Total Program & Admin Expenses	28,397,176	6,650,102	1,557,956	19,322,300	98,876	9,708,820	13,434,456	2,543,760	81,713,446
Energy Savings (kwh)	88,256,303	19,136,437	5,003,011	89,200,691	876,561	23,230,932	45,859,292	19,147,777	290,711,003

**Energy Trust of Oregon, Inc
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ENERGY EFFICIENCY

Pacific Power

EXPENSES	Existing	New	NEEA	Production	NEEA	Existing	New	NEEA	ETO Total
	Buildings	Buildings	Commercial	Efficiency	Industrial	Homes	Homes & Products	Residential	
Program Management	530,803	246,141	17,572	456,034	2,473	380,681	403,024	18,481	2,055,209
Program Delivery:	4,053,714	1,572,892	990,790	3,049,529	56,807	1,875,206	1,397,179	1,651,847	14,647,964
Incentives:	8,468,216	2,060,402		5,516,990		3,982,328	5,325,013		25,352,949
Program Eval & Planning Svcs.:	391,610	231,942	25,859	298,374	5,997	311,751	242,241	22,073	1,529,847
Program Marketing/Outreach:	399,645	168,767		72,988		601,451	446,633		1,689,484
Program Quality Assurance:						26,548			26,548
Outsourced Services:	155,938	41,878		75,452		104,423	111,485		489,176
Trade Allies & Cust. Svc. Mgmt.:	37,354	16,844		10,933		151,233	65,054		281,418
IT Services:	86,105	91,667	3,324	75,295	475	238,361	103,017	4,274	602,518
Other Program Expenses	52,857	15,888	1,472	52,593	210	42,613	34,858	1,893	202,384
TOTAL PROGRAM EXPENSES	14,176,242	4,446,421	1,039,017	9,608,188	65,962	7,714,595	8,128,504	1,698,568	46,877,497
ADMINISTRATIVE COSTS									
Management & General	267,838	95,486	23,400	179,679	1,472	165,396	181,782	37,053	952,106
Communications & Customer Svc	229,641	82,279	20,229	153,481	1,275	141,233	155,930	32,077	816,145
Total Administrative Costs	497,479	177,765	43,629	333,160	2,747	306,629	337,712	69,130	1,768,251
Total Program & Admin Expenses	14,673,721	4,624,186	1,082,646	9,941,348	68,709	8,021,224	8,466,216	1,767,698	48,645,748
Energy Savings (kwh)	45,099,200	17,117,683	3,476,669	45,219,287	609,135	17,663,161	32,120,456	13,306,082	174,611,674

**Energy Trust of Oregon, Inc
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ENERGY EFFICIENCY

Northwest Natural Industrial

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	35,035	1,733		112,230					148,998
Program Delivery:	259,354	8,000		672,632					939,986
Incentives:	998,015	46,729		1,171,417					2,216,161
Program Eval & Planning Svcs.:	31,894	2,532		58,444					92,870
Program Marketing/Outreach:	23,595	677		15,825					40,097
Program Quality Assurance:									-
Outsourced Services:	31,465	589		16,360					48,414
Trade Allies & Cust. Svc. Mgmt.:	3,699	237		2,371					6,307
IT Services:	8,526	1,290		16,326					26,142
Other Program Expenses	5,234	224		11,403					16,861
TOTAL PROGRAM EXPENSES	1,396,817	62,011	-	2,077,008	-	-	-	-	3,535,836
ADMINISTRATIVE COSTS									
Management & General	26,391	1,332		38,841					66,564
Communications & Customer Svc	22,627	1,147		33,178					56,952
Total Administrative Costs	49,018	2,479	-	72,019	-	-	-	-	123,516
Total Program & Admin Expenses	1,445,835	64,490	-	2,149,027	-	-	-	-	3,659,352
Energy Savings (therms)	531,135	11,180	-	741,504	-	-	-	-	1,283,820

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ENERGY EFFICIENCY

Northwest Natural Gas

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	185,262	48,522		97,625		214,108	173,837		719,354
Program Delivery:	1,492,410	309,039	218,390	172,810		1,124,433	985,526	276,845	4,579,453
Incentives:	2,910,272	412,446		414,467		2,253,904	2,315,932		8,307,021
Program Eval & Planning Svcs.:	113,715	35,595		20,461		204,732	86,816		461,319
Program Marketing/Outreach:	138,293	33,222		5,541		388,461	214,085		779,602
Program Quality Assurance:						15,544			15,544
Outsourced Services:	77,984	8,283		5,728		61,141	54,214		207,350
Trade Allies & Cust. Svc. Mgmt.:	13,187	3,332		830		88,549	31,635		137,533
IT Services:	30,398	18,130		5,716		139,564	50,096		243,904
Other Program Expenses	18,660	3,142		3,992		24,951	16,951		67,696
TOTAL PROGRAM EXPENSES	4,980,181	871,711	218,390	727,170	-	4,515,387	3,929,092	276,845	15,518,776
ADMINISTRATIVE COSTS									
Management & General	94,093	18,720	4,918	13,599		96,807	87,868	6,039	322,044
Communications & Customer Svc	80,674	16,131	4,252	11,616		82,664	75,372	5,228	275,937
Total Administrative Costs	174,767	34,851	9,170	25,215	-	179,471	163,240	11,267	597,981
Total Program & Admin Expenses	5,154,948	906,562	227,560	752,385	-	4,694,858	4,092,332	288,112	16,116,757
Energy Savings (therms)	1,465,970	314,741	-	289,057	-	840,081	959,527	-	3,869,375

**Energy Trust of Oregon, Inc
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ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing	New	NEEA	Production	NEEA	Existing	New	NEEA	ETO Total
	Buildings	Buildings	Commercial	Efficiency	Industrial	Homes	Homes & Products	Residential	
Program Management	26,388	14,935		6,593		47,945	20,382		116,243
Program Delivery:	197,873	96,064	24,266	37,566		43,245	118,149	30,761	547,924
Incentives:	505,337	123,536		52,811		91,583	271,926		1,045,193
Program Eval & Planning Svcs.:	17,862	10,849		2,897		10,186	10,239		52,033
Program Marketing/Outreach:	21,962	10,269		784		15,295	24,649		72,959
Program Quality Assurance:						773			773
Outsourced Services:	3,060	2,524		811		3,042	6,394		15,831
Trade Allies & Cust. Svc. Mgmt.:	2,071	1,015		118		4,406	3,731		11,341
IT Services:	4,775	5,526		809		6,944	5,908		23,962
Other Program Expenses	2,931	958		565		1,241	1,999		7,694
TOTAL PROGRAM EXPENSES	782,259	265,676	24,266	102,954	-	224,660	463,377	30,761	1,893,953
ADMINISTRATIVE COSTS									
Management & General	14,780	5,705	546	1,925		4,817	10,363	671	38,807
Communications & Customer Svc	12,672	4,916	472	1,645		4,113	8,889	581	33,288
Total Administrative Costs	27,452	10,621	1,018	3,570	-	8,930	19,252	1,252	72,095
Total Program & Admin Expenses	809,711	276,297	25,284	106,524	-	233,590	482,629	32,013	1,966,048
Energy Savings (therms)	190,657	70,165	-	35,015	-	38,253	98,930	-	433,020

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
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ENERGY EFFICIENCY

Northwest Natural Washington

EXPENSES	Existing	NEEA	Existing	New	NEEA	ETO Total
	Buildings	Commercial	Homes	Homes & Products	Residential	
Program Management	77,924		85,778	75,525		239,227
Program Delivery:	141,464	22,964	84,822	92,882	29,110	371,242
Incentives:	321,000		123,195	184,030		628,225
Program Eval & Planning Svcs.:	22,727		19,078	27,427		69,232
Program Marketing/Outreach:	44,070		3,400	32,682		80,152
Program Quality Assurance Outsourced Services:			550			550
Trade Allies & Cust. Svc. Mgmt.:	14,663		6,560	17,166		38,389
IT Services:	23,028		9,129	10,287		42,444
Other Program Expenses	18,791		11,595	13,272		43,658
TOTAL PROGRAM EXPENSES	663,667	22,964	344,107	453,271	29,110	1,513,119
ADMINISTRATIVE COSTS						
Management & General	15,040	516	7,272	9,604	634	33,066
Communications & Customer Svc	12,963	446	6,250	8,237	549	28,445
Total Administrative Costs	28,003	962	13,522	17,841	1,183	61,511
Total Program & Admin Expenses	691,670	23,926	357,629	471,112	30,293	1,574,630
Energy Savings (therms)	150,000	-	51,148	-	55,915	257,063

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2015 Final Proposed Annual Budget**

RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	385,144	265,782	650,926
Program Delivery:	196,700		196,700
Incentives:	6,913,500	1,948,563	8,862,063
Program Eval & Planning Svcs.:	92,874	32,232	125,106
Program Marketing/Outreach:	151,501	19,000	170,501
Program Quality Assurance:			-
Outsourced Services:	187,432	21,400	208,832
Trade Allies & Cust. Svc. Mgmt.:	43,374	3,386	46,760
IT Services:	100,435	57,287	157,722
Other Program Expenses	142,787	33,055	175,842
TOTAL PROGRAM EXPENSES	8,213,747	2,380,705	10,594,452
ADMINISTRATIVE COSTS			
Management & General	160,811	58,356	219,167
Communications & Customer Svc	138,191	51,111	189,302
Total Administrative Costs	299,002	109,467	408,469
Total Program & Admin Expenses	8,512,749	2,490,172	11,002,921
Energy Generation (kwh)	8,487,600	15,333,960	23,821,560

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2015 Final Proposed Annual Budget**

RENEWABLE PROGRAMS

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	138,265	235,877	374,142
Program Delivery:	93,300		93,300
Incentives:	2,390,500	1,583,610	3,974,110
Program Eval & Planning Svcs.:	32,490	29,843	62,333
Program Marketing/Outreach:	52,999	19,000	71,999
Program Quality Assurance:			-
Outsourced Services:	65,568	155,600	221,168
Trade Allies & Cust. Svc. Mgmt.:	15,173	3,005	18,178
IT Services:	35,135	50,841	85,976
Other Program Expenses	49,951	35,055	85,006
TOTAL PROGRAM EXPENSES	2,873,381	2,112,831	4,986,212
ADMINISTRATIVE COSTS			
Management & General	56,256	51,790	108,046
Communications & Customer Svc	48,343	45,360	93,703
Total Administrative Costs	104,599	97,150	201,749
Total Program & Admin Expenses	2,977,980	2,209,981	5,187,961
Energy Generation (kwh)	2,107,650	4,455,000	6,562,650

MEMO



Date: December 4, 2014
To: Board of Directors
From: Margie Harris
Subject: Staffing for the Final Proposed 2015 Budget and 2015-2016 Action Plan

Through a combination of reduced expenses and management improvements, Energy Trust will hold the line on staffing costs in 2015. Total staffing costs are budgeted to increase from \$11.56m to \$11.64m, or less than two percent. Staffing costs as a percent of total budgeted expenditures remain under seven percent. Full time staffing is budgeted to increase from 100 to 104 to address ongoing needs, increased project volume and to align with strategic priorities and direction. However, the incremental costs related to new positions and routine salary adjustments for existing staff are largely offset by other efficiency gains, as follows:

- Medical expenses will be reduced by 14 percent through prudent plan utilization and competitive bidding
- Costs related to unemployment insurance are expected to be reduced by approximately \$50,000, the result of switching to a self-insured approach to managing this risk instead of paying a more expensive standard insurance rate
- Significant reductions in agency staffing costs will occur by converting two current contractors to full time staff who will address increased project volume related to savings acquisition and other ongoing needs.

In addition to the recommended conversion of two current contractor positions to regular full-time employees, the final proposed 2015 budget and final proposed 2015-2016 action plan include funding for two new staff positions who will:

- Focus critical attention on regional and national emerging technology opportunities as a key element of the strategic plan and also address and improve management of an increased engineering workload.
- Bolster Production Efficiency program capability to capture increased savings acquisition stemming from significant growth in project volume while supporting the overall, internally-managed Production Efficiency program.

In the interest of full transparency, the following section summarizes staff analysis and thought process for each of the positions and describes corresponding justifications and benefits.

1. Engineering Manager, Planning and Evaluation (new)

POSITION SUMMARY: The Engineering Manager will work with the planning manager and together assume lead responsibility for Energy Trust program portfolio action planning, cost and savings forecasting, review of emerging technologies, and planning for pilot programs. This staff position incorporates evaluation findings and programmatic and engineering lessons learned into forecasts and reports of efficiency program savings and renewable generation. The forecasts, plans and reports developed under this manager's supervision determine Energy Trust budgets and business plans, which are the major elements of how Energy Trust estimates funding levels and sets individual utility goals. The position will be responsible for defining, prioritizing,

coordinating, and assuring quality for a wide array of plans, studies, and reports that set a successful strategic direction for the Energy Trust, and meets Energy Trust obligations and requirements as set forth by the Oregon Public Utilities Commission and state legislative mandates. While difficult to precisely quantify impacts, planning staff estimate that over a number of years the combined effect of filling the position, and thereby providing adequate and responsive engineering support to programs, could influence Energy Trust efficiency acquisition by 5-10 percent, or 2.5 to 5 aMW and 290,000 to 580,000 annual therms per program year.

POSITION JUSTIFICATION (What has changed to create the need for this position?):

1. Increased engineering workload due to expanded emphasis on new technology. Includes five new NEEA gas projects, two BPA coordinated field tests and an increased portfolio of NEEA and regional emerging tech work; an increased pace of technology changes in the field and related volume increases of measure changes; new and more complex program approaches; and, increased program engagement in cost/benefit analysis.
2. Increased needs for regional and national coordination on emerging technology as the needs exceed our current capabilities, and there are now more active and useful players to coordinate with. NEEA is a fine hub, and we need to be a more active spoke.
3. Decreased tolerances for cost-effectiveness are forcing more detailed analysis and more sensitivity analysis as part of measure analyses. The frequency of measure updates needs to increase as well.
4. Planning engineers currently only have time to respond reactively to PMCs and program managers, without time for professional development and full engagement that comes with offering new ideas and approaches. Additional engineering staff will help spread the workload and provide opportunities and benefits associated with cross-training and back-up capabilities.
5. Span of control for the planning manager has proven over several years and two managers to be problematic for staff development and inter-group coordination and planning.
6. Current system where Director provides technical oversight and planning manager provides supervision for engineering staff is creating issues for workflow, quality of review, staff development, and staff supervision.
7. Interface with Program Management needs more manager time to efficiently create the processes and keep them working smoothly.

BENEFITS TO UTILITY CUSTOMERS:

1. Increased engineering labor hours for measure analysis to serve program development needs and address work load will enable continued ability to capture all-cost effective energy efficiency resource in the future.
2. Improved development of engineering and planning staff through more management focus on each individual than provided currently is expected to improve retention and deepen expertise that can be tapped by programs as they seek new savings opportunities.
3. Better coordination with Energy Trust program staff and also with NEEA, BPA and other regional emerging technology efforts will support and enable exchange of information and Energy Trust's ability to leverage this information for the benefit of customers.
4. More detailed quality control of the engineering analyses in internal "blessing" (approval) memos, leading to a lower correction rate and more efficient program management.
5. Improved documentation and selective sensitivity analysis in blessing memos.

2. Industry Technical Manager, Production Efficiency Program (new)

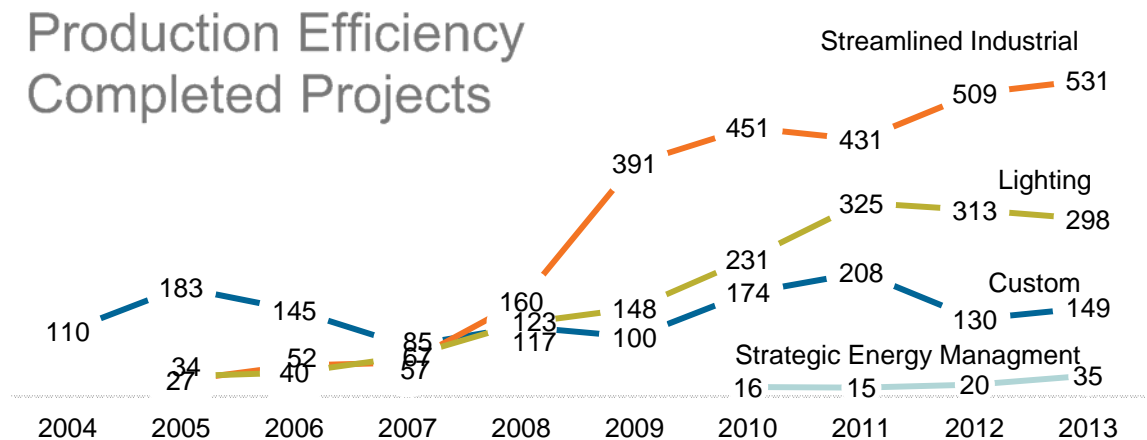
POSITION SUMMARY: This position will work on all technical aspects of Energy Trust's Production Efficiency program offered for industrial customers throughout state. Program savings estimation analyses show the position will directly influence more than 7 aMW of savings per year and would protect against potential loss of 2-3 aMW per year.

Major responsibilities include:

1. Work directly with industrial participants as needed to address issues and facilitate successful implementation of projects.
2. Oversee program financial and service incentive budget.
3. Oversee contract conformance of program delivery contractors.
4. Facilitate energy studies and negotiate work orders with technical analysis contractors (ATACs).
5. Develop and implement quality control procedures for the industrial custom track including technical requirements, standardized process flows and program policy guidelines.
6. Monitor project progress and operate program tracking system as required to process incentive payments and to generate program tracking reports.
7. Maintain close working relationships with program delivery contractors (PDCs), ATACs, vendors, and other program stakeholders.
8. Maintain high realization of savings by helping to develop and improve technical capabilities of PDC field engineers, ATACs and others.

POSITION JUSTIFICATION (What has changed to create the need for this position?):

Project volume has tripled in the sector since taking the program in house in 2008, growing from 300 to over 1,000 projects per year. See chart below:



BENEFITS TO UTILITY CUSTOMERS:

1. Accurate and timely technical management of streamlined track projects (ie, calculated and prescriptive measures) for contractors and, ultimately, customers. Includes review of proposed projects, approval of incentive offers, review of completed projects and authorization to begin payment approval process.
2. Accurate and timely technical management of custom projects. Includes all items named above, plus contracting with ATACs for studies, coordinating PDC and ATAC interactions during studies, providing detailed technical review and approval of scoping studies, detailed technical analysis, and verification reports.
3. Maintain impeccable technical management processes and ensure that all projects, incentives, and other elements are in compliance with organizational and program policies, procedures and standard practices.
4. Interact with customers, ATACs and PDC field engineers to clear issues both proactively and reactively. Promote greater adoption of energy efficiency by creating a seamless, positive customer experience during studies or other technical services.
5. Apply and leverage broad experience to a high volume of projects, provide value-added energy engineering input to PDC and ATAC work, inquire and help them to recognize and identify possibilities in the scoping stages and address issues with analysis.

3. Industrial Coordinator, Production Efficiency Program (conversion from contractor to FTE)

POSITION SUMMARY:

The Coordinator position fulfills key, ongoing program and internal functions including:

1. Serving as the call center and communications hub for the internally-managed Production Efficiency program
2. Leading the sector's SharePoint usage for key processes and electronic documentation and serving as site owner
3. Championing the sector's continuous improvement efforts and leading team compliance/administrative processes, including identifying forms changes, updating the implementation manual, and otherwise ensuring good record-keeping practices
4. Planning and coordinating PDC Quarterly meetings
5. Facilitating and maintaining effective communications among and between the sector staff, dozens of contractors, and internal and external stakeholders who comprise the Production Efficiency program, enabling smooth operation and excellent customer service.

POSITION JUSTIFICATION (What has changed to create the need for this position?):

The position need was created when the prior coordinator was shifted to project lead in order to meet greatly increasing strategic energy management (SEM) program demands. All duties of the coordinator role are required, not optional, with the possible exception of the continuous improvement work. If the position is not filled, program managers will need to do

this work. These same program managers are currently fully loaded, so any increase in administrative work will reduce the time they have available for more strategic efforts that lead directly to acquiring more savings.

BENEFITS TO UTILITY CUSTOMERS:

1. Maintain customer service in the form of accurate, timely and value-added responses to customers, contractors and staff requests for information.
 2. Maintain communications that contribute to the efficient functioning of the industrial sector; develop SharePoint as functioning communications framework for the sector and promote usage/adoption.
 3. Perform compliance/ administration activities that contribute to the efficient functioning of the industrial sector, such as coordinating regular updates of forms and the implementation manual.
 4. Host events and facilitate conversations critical to the work of the industrial sector; plan and coordinate PDC Quarterlies and similar meetings.
 5. Champion the Sector's continuous improvement efforts, including leading regular updates to the "Big Things" Calendar and Opportunity Register.
- 4. Communications and Customer Service Coordinator/Analyst, Communications and Customer Service (conversion from contractor to FTE; eliminates temporary position and intern)**

POSITION SUMMARY:

This coordinator/analyst position provides increased capacity to manage expanded customer forms development and maintenance processes in the Communications and Customer Service (CCS) Group as programs increasingly seek to reduce costs related to incentive application processing through web forms development, and will serve as a process coordinator for customer service call monitoring procedures implemented across programs for continuous improvement purposes. It also consolidates analytical skills needed to produce reports and provide data needed for outreach to different audiences on a regular and ongoing basis within CCS, where the work is completed.

With regard to web forms development and forms process management, CCS workload grew significantly in volume and complexity in 2014 as the group absorbed responsibility for process management of web forms development and maintenance. This added workload has required ongoing temporary staffing support to meet program deadlines for forms changes and to support completion and enhancement of new program web forms. As programs increasingly seek web forms, tools and calculators to manage delivery costs and improve customer experience, the additional staffing support engaged throughout 2014 is now an ongoing need.

Additionally, as a result of program transitions and continuous improvement efforts, programs expanded customer service call monitoring processes last year for program management contractors (PMCs) handling customer calls and contracted call centers. CCS and programs collaboratively manage these efforts to ensure improvements are identified, feedback is provided, and service levels and expectations are met. This position will replace temporary support engaged for this effort to ensure this work continues.

Finally, CCS currently depends upon 4 program operations analysts, IT and other staff to provide the data, analysis, and information necessary to support communications and outreach functions. This approach and process is time consuming and inefficient, especially as public interest in Energy Trust and energy topics has grown. Housing this capability within CCS is a far more direct and efficient way to collect and analyze data to produce these documents. This approach has the added benefits of preserving limited program staff time for trend and other data analyses needed for program implementation and management and for helping support follow-up actions stemming from increased outreach activities. It will enable CCS staff to fully utilize IT systems and capabilities to independently produce information, and to support and contribute to ongoing IT systems improvements to meet outreach, communications and reporting needs.

POSITION JUSTIFICATION (What has changed to create the need for this position?):

1. Web forms growth and new management responsibility for web forms development process is requiring ongoing temporary support in CCS for forms manager. Going forward, programs are prioritizing web forms for all high-volume offers to minimize program delivery costs associated with incentive processing. While web forms are more significantly more complex to develop than paper forms, given the IT integrations, and require additional resourcing in CCS, they deliver savings at a lower cost for programs.
2. Program management contractor and subcontractor transitions, along with a faster pace of program changes that is expected to continue, have resulted in an ongoing need to ensure customer service representatives at program and contracted call centers are able to convey accurate knowledge of offers, support customer needs, and meet expectations for customer call handling. CCS and programs developed a call monitoring process to support this needed continuous improvement work, relying on temporary staffing to meet the immediate need for improvement while assessing long term need and resourcing strategies. There remains a need for call center monitoring coordination to continue, and CCS is unable to absorb it with current staff.
3. Program operations analysts and IT staff have limited time to serve current CCS needs for extracting and compiling information, data and results needed for reporting, communication and outreach needs; their own workloads have increased and their capability to support CCS requirements has diminished.
4. Just as programs are looking to devote more operations analyst time for program needs, IT is also looking to diminish the resource dedicated to extracting Business Intelligence data for OPUC reports given high priority IT projects.
5. Energy Trust has expanded general outreach activity significantly over the past year, with two new outreach positions, and outreach managers are seeking data to inform their efforts. Additionally, ad hoc information requests are increasing as media, legislator and public interest in Energy Trust and energy topics continues to grow.
6. CCS has had to take a piecemeal approach to identifying the staff most suited to represent reporting, customer service, and outreach needs in IT development work.

BENEFITS TO UTILITY CUSTOMERS:

1. Supports development and maintenance of web/electronic forms for customers, and tools and calculators for trade allies, minimizing program delivery costs for incentive processing and improving the customer experience.
2. Supports process and project management for all forms development, including forms stakeholder communication, testing and quality control, to ensure forms meet Energy

Trust requirements for data and systems integration, and meet customer needs for ease of use.

3. Ensures call center monitoring process and supports quality assurance across all programs and call centers so that customers continue to find Energy Trust responsive and helpful.
4. Improved responsiveness to requests including pulling data for communications, reporting and outreach needs.
5. Efficiently aligns data, reporting and outreach tasks within CCS, relieving workload pressure for program operations analysts and preserving their time for essential program related trend and data analyses needed for program management purposes.
6. Strengthens understanding and use of technology by serving as a Business Intelligence power user and system specialist for CCS, supporting data linked in all standard reports and creating new reports to directly fulfill communications, customer service and outreach needs.
7. Provides system and process improvement project support by serving as a contributor to IT systems development projects for stakeholder management and outreach tracking and other CCS needs, and by identifying enhancements needed for Customer Relationship Management and project tracking systems.

**Energy Trust of Oregon
Capital Purchase Budget
Final Proposed Budget 2015 - 2016**

2015 Capital Acquisitions

	Q1	Q2	Q3	Q4	budget
Capital Items - infrastructure					
Servers	30,000	30,000	30,000	-	90,000
					-
	30,000	30,000	30,000	-	90,000
Capital Items - Software Development					
Business Intelligence 2.0	-	350,000	-	-	350,000
ISI (Fastrack Replacement), phase 1-2	400,000	1,200,000	-	-	1,600,000
Procurement & AP automation project	-	-	50,000	-	50,000
	400,000	1,550,000	50,000	-	2,000,000
Total capital purchases - 2015 budget	430,000	1,580,000	80,000	-	2,090,000
<u>Depreciation in 2015:</u>					
Depreciation on assets in service 2013 and prior	36,356	35,440	31,879	6,427	110,103
Depreciation on assets in service 2014	22,658	22,658	22,658	22,658	90,633
Depreciation on assets in service 2015	2,500	38,333	174,167	174,167	389,167
Total Depreciation	61,514	96,432	228,704	203,252	589,902

Commercial Existing Buildings

Program Purpose: Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency equipment and energy-efficient operating practices in existing commercial facilities.

2015 Strategies & Activities

1. Deliver program to commercial entities through Program Management Contractor (ICF), subcontractors and a statewide comprehensive network of trade allies.
2. Continue to focus on delivering tailored program services to the entire value chain of target markets from business owners, property owners, tenants, property management companies, service providers, electrical/mechanical contractors, distributors, manufacturer representatives and manufacturers.
3. Provide offerings and services that appeal to a wide-range of participants.
4. Maintain statewide program reach, while looking for opportunities to reach customers in under-participating areas.
5. Continue approach to increase non-lighting trade ally project activity in addition to historical lighting focus. Develop approaches for trade allies to sell lighting and non-lighting measures concurrently.
6. Evolve lighting program offerings to adapt to changing lighting baselines associated with market transformation effects and federal lighting standards.
7. Adapt to reduced gas and electric avoided costs to provide cost-effective measures, providing more services as necessary to aid the customer's decision making and redefining recommendations to limit marginally cost-effective measures.
8. Increase operations-based savings and low-cost/no-cost approaches to saving energy as a means to expand opportunities for customer engagement and to provide energy savings options for the capital constrained customer.
9. Build and leverage long-term relationships to help customers implement energy savings strategies over time.
10. Explore options to streamline certain program requirements including compressing processes and paperwork in order to speed participation and provide more direct access to program experts via a dedicated call center.
11. Increase awareness and visibility throughout the state by expanding geographic presence with statewide field staff to promote program with customers and trade allies.
12. Develop marketing strategies to address key barriers to action, including customer success stories and demonstration of the business case for energy efficiency. A cross-sector marketing campaign will promote advanced lighting solutions, including LEDs and controls, and other services for commercial and industrial businesses.

2015 New Initiatives & Focus Areas

Initiatives and focus areas for 2015 incorporate elements of the Strategic Plan including; expanding customer participation, replenishing energy efficiency resources through development of new measures and approaches, and continuously improving program design and services.

1. Continue to provide direct outreach and technical services to help key customers maximize their energy savings.
2. Evolve Comprehensive Lighting Pilot offering to continue to educate the market on better lighting design and, if appropriate, incorporate into steady-state program offerings.
3. Provide incentives for technically sound and cost-effective LED lighting applications.
4. Develop and roll-out an offering to provide streamlined measure installation services for small commercial customers.
5. Expand market education on the pending Federal 2014 lighting ballast standard and provide incentives to encourage participants to convert remaining T12s to low wattage T8s or other energy-efficient lighting options.
6. Serve small commercial customers through a direct install approach for lighting and possibly other measures.
7. Expand Strategic Energy Management (SEM): 1) Enrolling more participants in the SEM Cohort approach; 2) Offering a continuation of SEM services to select participants; 3) Expanding contractor base and standardizing market approach through development of training materials; and 4) Finding ways to deliver to customer subsets categorized by market, size, geography, etc.
8. Work with other efficiency organizations to achieve regional economies to reduce product costs and ensure supply.
9. Use incentives, services and sales techniques to encourage customers to install more measures in a shorter time frame.
10. Continue to coordinate with Oregon Department of Energy to identify and study schools projects in Energy Trust service territory.
11. Coordinate with NEEA and other NEEA utility funders to leverage regional lighting coordination opportunities like upstream buy-downs and contractor training.
12. Continue to promote Building Operator Certification by providing incentives for customers to enroll in the course.
13. Coordinate with electric utility field and outreach representatives and marketing efforts to recruit and screen new leads.
14. Support Pay for Performance pilot to determine viability of paying incentives over time.

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.



**Commercial
Existing Buildings**

15. Multifamily Strategies and Activities and New Initiatives and Focus Areas presented in a separate Action Plan.

2016 Planned Activities

1. Continue to expand program reach by doing more with existing customers and serving new customers.
2. Continue to expand the emphasis on operations and strategic energy planning.

Targets

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2014 Forecast	\$37.4	\$6.3	\$43.8	15.6	3.1	2,095,274	36.0
2015 Budget	\$43.1	\$7.4	\$50.5	15.2	3.5	2,187,762	33.0
2016 Projection	\$43.6	\$8.3	\$51.9	15.2	4.2	2,184,762	41.2

	2014 Budget	2014 Forecast	2015 Budget	2016 R1 Projection	2016 Projection
Incentives	\$33,407,178	\$26,273,192	\$29,643,312	\$30,843,922	\$30,843,922
Delivery Costs					
Program Management	729,288	611,758	702,000	713,642	713,642
Program Delivery	10,529,452	11,144,731	13,523,171	13,824,928	13,824,928
Marketing-PMC	936,166	936,166	944,936	1,016,076	1,016,076
Performance Comp	355,000	175,000	420,000	407,350	407,350
Total Delivery Costs	12,549,905	12,867,655	15,590,107	15,961,996	15,961,996
ETO expenses					
Staffing	738,221	652,093	679,919	710,496	645,800
Marketing	246,500	266,000	370,644	322,200	322,200
Other Services	1,359,447	1,078,747	1,300,012	1,147,762	1,147,762
General	116,500	93,500	122,500	122,123	122,123
Allocations	1,348,450	1,099,051	1,063,437	1,178,694	1,160,485
Sub-Total before Admin Costs	49,766,202	42,330,237	48,769,931	50,287,192	50,204,287
Administrative Costs	1,776,708	1,431,238	1,711,457	1,688,230	1,667,652
TOTAL EXPENSE	51,542,910	43,761,475	50,481,388	51,975,422	51,871,939

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

**Commercial
Existing Multifamily**

Program Purpose: Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency equipment and energy efficient operating practices in existing multifamily (2+ attached units, retirement and campus living) and condominium and townhome buildings.

2015 Strategies & Activities

1. Deliver program to multifamily entities through Program Management Contractor (Lockheed Martin, Inc.), subcontractors and a statewide network of trade allies specializing in this market.
2. Develop and include offerings and initiatives that will involve multifamily tenants in the savings decision and overcome the split incentive dilemma.
3. Continue to focus on delivering tailored program services to the entire value chain of target markets from property owners, tenants, property management companies, service providers, electrical/mechanical contractors, distributors, manufacturer representatives and manufacturers.
4. Provide offerings and services that appeal to a broad mix of multifamily owners and managers.
5. Expand program throughout the state to reach new customers and go deeper with existing customers in all four utility service territories.
6. Collaborate across New Buildings, Existing Homes, Existing Buildings and Renewables to maximize program effectiveness in the marketplace.
7. Build and develop an affordable housing project pipeline that can utilize either the on-bill financing option through the MPower Oregon pilot or through normal program tracks.
8. Continue to leverage learnings and redesign efforts for custom track projects and audits to launch refined services and offerings to better fit the needs, budgets and timelines of multifamily owners and managers.
9. Expand the distributor buy-downs focused on suppliers of energy efficient appliances and equipment in order to competitively place efficient equipment in replacement applications.
10. Enhance outreach focus to promote project activity including selling lighting and non-lighting measures concurrently.
11. Launch seasonal and special "limited time only" bonuses for specific technologies to increase penetration and introduce successful, yet-to-be-adopted technologies.
12. Increase operations-based savings and low-cost/no-cost approaches to save energy in a capital constrained market.
13. Build and leverage long-term relationships to help established customers implement energy savings strategies over time and across multiple capital budget cycles.
14. Develop marketing approaches that use customer success stories to demonstrate the strong business case for energy efficiency as a means to help spur action from more property managers. A cross-sector marketing campaign will promote advanced lighting solutions, including LEDs and controls, and other services for commercial and industrial businesses.

2015 New Initiatives & Focus Areas

1. Initiatives and focus areas for 2015 incorporate elements of the Strategic Plan including; expanding customer participation, replenishing energy efficiency resources through development of new measures and approaches, and continuously improving program design and services.
2. Extend the program offerings and the "single point of contact" outreach approach to multifamily customers and trade allies in Central, East and Southern Oregon.
3. Complete work with the affordable housing community to innovate how the program can serve their tenants through partnership in a financing pilot, behavioral opportunities and capital investments.
4. Convert to LED Direct Install in place of compact fluorescents that were used by the program for the past decade.
5. Continue to produce and refine an email newsletter specific to multifamily owners and decision makers in order to foster meaningful engagement with the program and its staff.
6. Expand and integrate enhanced sales approach through tablet-based walkthrough survey, project analysis and benchmarking tools in order to provide comprehensive and actionable information on opportunities within customer portfolios.
7. Collaborate with other energy efficiency implementation organizations to achieve economies in supporting pilot initiatives, reducing project costs and gaining organizational efficiencies.
8. Coordinate with electric utility and water utility field and outreach representatives on marketing and outreach efforts to recruit and screen new leads and promote energy efficiency.
9. Research, develop and test new measure opportunities for upgrades to electrically heated units, including pilots related to high efficient zonal heating alternatives and water sub-metering opportunities.

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.



Commercial Existing Multifamily

2016 Planned Activities

1. Evaluate progress and lessons learned from MPower Oregon Pilot and move forward next stages of pilot if appropriate.
2. Testing and integration of new ISM opportunities utilizing emerging technologies in order to supplement existing offerings that will be phased out due to changes in Federal Standards.
3. Continue to expand the emphasis on affordable housing and within the general multifamily market for operations and strategic energy planning opportunities.

Targets - Multi-family program costs and energy savings tables are included in the Existing Buildings summary

Commercial New Buildings

Program Purpose: Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency design and equipment in commercial and industrial new construction and major renovation projects.

2015 Strategies & Activities

1. Deliver program through Program Management Contractor (CLEAResult) and a statewide comprehensive network of program allies.
2. New Buildings will continue to drive significant changes to how buildings are designed and constructed, resulting in sustained market practices that promote high-performance buildings.
 - a. Position as a technical and educational resource in the market, provide trainings.
 - b. Continue support of early design meetings with project teams to identify energy saving strategies and make the business case for achieving efficiency goals directly to owners.
3. Deploy a robust regional outreach strategy serving six regions statewide: North Coast and Columbia River Corridor, Eastern Oregon, Central Oregon, Southern Oregon and Southern Oregon Coast, Willamette Valley and Central Coast, and Portland Metro areas.
 - a. Allies will receive enhanced regional support with project reviews for design-build projects and trainings on tools and workbooks with support from an Energy Analyst.
 - b. Lighting design support for allies will be expanded and a local resource in Eastern Oregon will be provided.
 - c. Over 125 regional owner accounts will be leveraged along with over 100 regional architecture, engineering and design-build accounts.
4. Target the small commercial market with simple solutions.
 - a. Market new offers launched under the 'Hey Building' campaign to six market sectors, and develop two new packages to further reach and measure saturation. Packages are building type-specific and offer projects simpler, pre-calculate, packaged options to drive quick decision making. Add two new packages for office tenant improvement, and high-rise multifamily. Continue providing standard measures, and identifying new gas saving technologies. A cross-sector marketing campaign focused on lighting and other measures will also be launched.
5. Continue to build a market position for New Building Allies that actively support efficiency and are critical to New Buildings' success in transforming the market.
 - a. Focus on the allies' influence on practical elements of integrated design, system selection and critical decisions that affect the efficiency of a project.
 - b. Provide trainings in collaboration with AIA Portland and Cascadia Chapters.
6. Launch Net Zero solutions by creating an approachable concept for early design and getting net zero on the drawing board for owners and design teams to consider, and begin to prepare for future changes in energy codes expected to ratchet up baselines quickly. Continue innovation through collaboration among stakeholders and the market.
 - a. Implement changes from the most recent code update that took effect Q3-2014 and will phase in stepped increases in HVAC, impacting standard measures, in addition to some lighting power density reductions.
 - b. Collaborate with stakeholders to develop a strategy to address future codes and standards.
7. Increase the number of Solar Ready buildings eligible to receive incentives for solar PV installations by leveraging early design in New Buildings to include solar
 - a. Promote Solar Ready design options and build a pipeline of future solar projects.
 - b. Strengthen the Solar Design Ally network through training and education.

2015 New Initiatives & Focus Areas

1. Initiatives and focus areas for 2015 incorporate elements of the Strategic Plan including; expanding customer participation, replenishing energy efficiency resources through development of new measures and approaches, and continuously improving program design and services
2. Drive small commercial market opportunities – target business owners, allies and designers.
3. Position New Buildings to capture additional market transformation savings and adjust to the 2014 code. Engage trade allies to improve code compliance in advance of the 2017 code. Expand regional outreach and ally focused delivery statewide.
4. Continue to engage potential net zero and net zero ready projects through targeted outreach and goal-setting by building on the success with Net Zero.
 - a. Fine tune program design to remove barriers experienced by far-reaching projects.

2016 Planned Activities

1. Continue building the pipeline and support for 2014 Oregon Energy Efficiency Specialty Code in addition to adoption of the Reach code.
2. Offer incentives and engineering support to reward increasing energy efficiency in excess of the energy code.
3. Leverage our emerging delivery network of New Buildings Program Allies to drive projects that exceed code.

(See budget detail on reverse side)

2015-2016 FINAL BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

**Commercial
New Buildings**

Targets

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2014 Forecast	\$12.5	\$1.7	\$14.2	5.1	2.8	657,639	21.8
2015 Budget	\$11.3	\$1.2	\$12.5	4.1	3.0	396,086	26.1
2016 Projection	\$14.2	\$1.5	\$15.7	5.9	2.2	540,441	27.1

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
Incentives	\$7,922,707	\$7,507,011	\$5,608,266	\$8,621,966
Delivery Costs				
Program Management	205,000	205,000	212,540	225,000
Program Delivery	4,123,000	4,123,000	4,262,395	4,165,000
Marketing-PMC	252,000	252,000	326,245	325,000
Performance Comp	125,000	125,000	120,000	110,000
Total Delivery Costs	4,705,000	4,705,000	4,921,180	4,825,000
ETO expenses				
Staffing	275,251	305,134	333,895	356,016
Marketing	118,000	106,000	129,500	112,000
Other Services	546,947	497,947	412,512	529,512
General	18,000	18,000	11,000	5,000
Allocations	661,875	532,906	623,921	681,406
Sub-Total before Admin Costs	14,247,780	13,671,997	12,040,275	15,130,900
Administrative Costs	593,081	488,996	481,363	568,754
TOTAL EXPENSE	14,840,860	14,160,993	12,521,638	15,699,654

Commercial
Market Transformation Northwest Energy Efficiency Alliance (NEEA)

Program Purpose: NEEA invests in northwest market transformation programs across commercial, industrial and residential sectors, working in coordination with Energy Trust programs. NEEA focuses on products, services and practices that, while technically promising and cost-effective, are not taking hold in the market. To realize the promise and energy savings potential of these emerging opportunities, NEEA facilitates the development of coordinated regional strategies to permanently remove market barriers and executes components of those regional strategies for which a regional approach brings greater value than would individual action by utilities. NEEA's role varies by market transformation program and is characterized by activities with market participants who are "upstream" from Energy Trust and utility customers. NEEA's commercial sector programs are designed to create the market conditions that will accelerate and sustain market adoption of energy efficient products, services and practices in the commercial real estate, lighting and new construction markets, resulting in cost-effective energy savings for Energy Trust and the region.

2015 Strategies & Activities

1. Commercial Real Estate (CRE): Establish and execute to a regionally supported program roadmap of tools and best practices that deliver value to utility and CRE market partners.
 - a. Develop a program roadmap and deliver at least three additional market resources in support of adopting energy efficiency best practices.
 - b. Launch pilot of building renewal business case tool with utility and market partners.
 - c. Leverage market research to support broadening program interventions in warehouse and big-box retail.
2. Building Operator Certification (BOC): Accelerate market adoption of high performance operations and maintenance of commercial buildings by building market demand for certified building operators while continuing to increase market knowledge and capabilities.
 - a. Target market demand creation in government, commercial office building and healthcare market sectors
 - b. Further remove cost and time barrier by offering blended online courses.
 - c. Transition BOC initiative to market by ensuring BOC providers are on a path to self-sufficiency at a higher market penetration
3. Commercial Lighting Upstream: Build an upstream platform by expanding strategic relationships, tools, and infrastructure for the region and shift the market share towards low-wattage lamps in maintenance market through this platform
 - a. Maintain and expand relationships with electrical distributors and lamp manufacturers.
 - b. Continue with broader annual data collection activities and sales data to inform the region on their energy efficiency decision making
 - c. Develop a process with Utility partners for targeting another technology through this platform
4. Top Tier Trade Ally (TTTA) and Commercial Lighting Infrastructure: Foster an advanced commercial lighting retrofit community that generates projects with deep energy savings for NEEA's partner utility programs.
 - a. Engage stakeholders to incorporate basic lighting e-learning training into trade ally network requirements
 - b. Launch a market test pilot of the Top Tier Trade Ally training with a few partner utilities
5. Luminaire Level Lighting Controls (LLLC): Accelerate adoption of embedded LLLCs
 - a. Identify a utility-accepted savings method for Luminaires with embedded controls.
 - b. Document non-energy benefits for each key market segment to build compelling business case for these advanced lighting controls.
6. New Construction: Innovate and advance the practices of integrated design to create opportunities for further energy reduction in the future.
7. Gas Initiatives: Begin the groundwork for market transformation of gas-fired heat pump water heaters, gas-fired heat pumps for combined space and water heat, efficient rooftop HVAC, as well as codes and standards work and scanning for other market transformation activities.

2015 New Initiatives & Focus Areas

1. Introduce a regional knowledge center of Commercial Strategic Energy Management tools and resources to enable the regional utilities and market actors to further expand their SEM offerings.
2. Introduce new initiatives identified in 2014 scanning review process, as appropriate per NEEA's Initiative Lifecycle stage-gate process
3. Build upon the strategic market work to leverage and maximize common market intervention points across initiatives.

2016 Planned Activities

1. Support the New Construction Strategic market by launching a new Market transformation New Construction program.
2. Continue refining and enhancing current portfolio of market transformation programs.

2015-2016 FINAL BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.



**Commercial
Market Transformation Northwest Energy Efficiency Alliance (NEEA)**

Targets

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (\$ / therm)
2014 Forecast	\$2.7	\$0.1	\$2.8	1.3	2.4		
2015 Budget	\$2.6	\$0.3	\$2.9	1.0	5.3		
2016 Projection	\$2.8	\$0.3	\$3.0	1.2	4.7		

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
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Incentives

Delivery Costs

Program Management				
Program Delivery	2,680,448	2,641,687	2,682,181	2,832,345
Marketing-PMC				
Performance Comp				
Total Delivery Costs	2,680,448	2,641,687	2,682,181	2,832,345

ETO expenses

Staffing	19,062	6,926	42,859	45,675
Marketing				
Other Services				
General				
Allocations	54,404	47,617	74,770	82,326

Sub-Total before Admin Costs	2,753,915	2,696,230	2,799,809	2,960,346
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Administrative Costs	120,256	105,067	117,565	115,263
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TOTAL EXPENSE	2,874,170	2,801,297	2,917,374	3,075,609
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2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

Industry and Agriculture Production Efficiency (PE)

Program Purpose: Acquire cost-effective electric and gas savings through technical assistance and financial incentives for high-efficiency design, equipment and operations in existing and new industrial and agricultural processes and facilities. Promote innovative technological and behavioral approaches to industrial energy efficiency; provide technical expertise, training and project funding to help companies plan, manage and improve their energy efficiency.

2015 Strategies & Activities

1. Custom track allows for a comprehensive approach to process efficiency projects, retrofits, operations & maintenance (O&M).
 - a. Custom Program Delivery Contractor (PDC) delivery funds dedicated industrial efficiency engineers to work with industrial customers in assigned geographic territories. Custom PDCs facilitate program participation, encourage customer commitment and act as a key technical resource to plant staff over multiple years. They achieve goals through developing and delivering Custom projects, which represent the majority of industrial energy savings.
2. Streamlined tracks focus on simpler or more standardized projects delivered by Energy Trust Trade Allies. The streamlined tracks are delivered by specialized PDCs, who focus on trade ally outreach and training, project verification and delivery of savings from streamlined measures, and new measure and tool development. Streamlined measures rely on prescriptive and calculated savings analysis tools developed for mass deployment, rather than relying on custom technical studies to determine savings and incentives for each project. This simplified analysis and use of trade ally vendors for delivery of these projects provides a shorter and simpler project development cycle for participants and their vendors, and includes:
 - a. The Lighting Trade Ally Network delivers all types of lighting projects at industrial sites.
 - b. The Streamlined Industrial and Agricultural Initiative delivers savings from irrigation measures, small compressed air, VFDs and other prescriptive and calculated measures.
3. Increase depth and persistence of savings and respond to customer demand by providing training, tools, technical support and public recognition to establish or improve an energy management culture in the workplace.
4. Drive customer adoption of industrial strategic energy management (SEM) and support their continuous improvement.

2015 New Initiatives & Focus Areas

- Broaden Participation by Underserved Customers
 - Increase PDC outreach and provide custom services to small industries in all areas of Energy Trust service territory.
 - Expand the trade ally and vendor network for effective delivery of irrigation, compressed air and other streamlined industrial measures, especially in rural areas.
- Develop new measures and approaches to save energy
 - Promote and support trade ally and vendor deployment of newer streamlined measures/technologies including LEDs, Performance Plus Lighting, and direct install of small compressed air leak reduction through a variety of channels, including a cross-sector marketing campaign focused on lighting and other measures.
 - Bring Industrial Strategic Energy Management (SEM) to scale in the market. Optimize and standardize offerings for all sizes of industries, expand the number of participants enrolled in SEM offerings, and develop approaches to help participants harvest even more savings from their SEM program, long term.
- Continuously improve program design and services
 - Leverage and cross-promote within all Production Efficiency delivery channels to increase savings, provide additional value to Trade Allies and create seamless customer experience.
 - Work with PDCs to develop tools and approaches that reduce the cost of providing Custom services to small industries around the state.

2016 Planned Activities

1. Launch Continuous SEM offering targeted at > 100 industries that have completed introductory SEM offerings.
2. Re-compete Streamlined Track Delivery contracts.

2015-2016 FINAL BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

**Industry and Agriculture
Production Efficiency (PE)**

Targets

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2014 Forecast	\$27.8	\$2.1	\$30.0	15.9	2.2	900,345	26.9
2015 Budget	\$29.3	\$3.0	\$32.3	15.3	2.6	1,065,576	27.6
2016 Projection	\$30.2	\$3.0	\$33.2	18.1	2.2	1,065,576	26.5

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
Incentives	\$21,085,070	\$17,613,923	\$18,348,595	\$19,246,295
Delivery Costs				
Program Management				
Program Delivery	8,825,161	8,805,161	9,513,155	9,575,505
Marketing-PMC				
Performance Comp	330,000	225,000	330,000	330,000
Total Delivery Costs	9,155,161	9,030,161	9,843,155	9,905,505
ETO expenses				
Staffing	850,843	875,965	1,085,455	1,094,107
Marketing	182,500	132,500	234,000	234,000
Other Services	1,008,213	895,213	952,852	849,852
General	69,560	37,860	62,500	62,500
Allocations	561,560	461,976	663,521	720,028
Sub-Total before Admin Costs	32,912,907	29,047,598	31,190,078	32,112,287
Administrative Costs	1,158,042	924,654	1,081,503	1,052,094
TOTAL EXPENSE	34,070,949	29,972,252	32,271,582	33,164,380

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

**Industrial
Market Transformation Northwest Energy Efficiency Alliance (NEEA)**

Program Purpose: NEEA invests in northwest market transformation programs across commercial, industrial and residential sectors, working in coordination with Energy Trust programs. NEEA focuses on products, services and practices that, while technically promising and cost-effective, are not taking hold in the market. To realize the promise and energy savings potential of these emerging opportunities, NEEA facilitates the development of coordinated regional strategies to permanently remove market barriers and executes components of those regional strategies for which a regional approach brings greater value than would individual action by utilities. NEEA's role varies by market transformation program and is characterized by activities with market participants who are "upstream" from Energy Trust and utility customers. NEEA's industrial and agriculture sector programs are designed to create the market conditions that will accelerate and sustain market adoption of energy efficient products, services and practices in industrial and irrigated agriculture markets, resulting in cost-effective energy savings for Energy Trust and the region.

2015 Strategies & Activities

1. Certified Refrigeration Energy Specialist (CRES): Market *test* and validate CRES *certification*, and build the strategy to expand the capabilities of northwest refrigeration operators through CRES
 - a. Create the business case for CRES.
 - b. Develop and implement a strategy to leverage market partners to enable CRES adoption.

2015 New Initiatives & Focus Areas

1. Introduce new initiatives identified in 2015 scanning review process, as appropriate per NEEA's Initiative Lifecycle stage-gate process.
2. Introduce a regional knowledge center of Industrial Strategic Energy Management tools and resources to enable the regional utilities and market actors to further expand their SEM offerings.

2016 Planned Activities

1. Continue 2015 planned activities
-

2015-2016 FINAL BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.



**Industrial
Market Transformation Northwest Energy Efficiency Alliance (NEEA)**

Targets

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2014 Forecast	\$1.0	\$0.0	\$1.0	0.3	5.4		
2015 Budget	\$0.2	\$0.0	\$0.2	0.2	1.7		
2016 Projection	\$0.2	\$0.0	\$0.2	0.1	4.8		

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
Incentives				
Delivery Costs				
Program Management				
Program Delivery	1,318,082	930,840	138,553	145,851
Marketing-PMC				
Performance Comp				
Total Delivery Costs	1,318,082	930,840	138,553	145,851
ETO expenses				
Staffing	12,306	14,195	6,031	6,447
Marketing				
Other Services				
General				
Allocations	56,045	49,316	16,299	17,977
Sub-Total before Admin Costs	1,386,432	994,351	160,883	170,275
Administrative Costs	59,941	39,564	6,702	6,587
TOTAL EXPENSE	1,446,373	1,033,916	167,585	176,862

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

Residential Existing Homes

Program Purpose: Acquire cost-effective electric and gas savings by providing energy-efficiency products, services and incentives to homeowners of existing single-family and manufactured homes.

2015 Strategies & Activities

1. Deliver program through Program Management Contractor (CLEAResult), subcontractors and a statewide comprehensive network of trade allies.
2. Redesign program elements to further cost effective delivery approaches and maximize returns for individual customers and the utility customer base as a whole.
3. Develop processes and program design strategies with attention to maintaining value to all customers with attention to maintaining services and incentives benefitting all customers while specifically targeting customers with highest savings potential.
4. Improve customer and trade ally experiences through a focus on ease in participation and offering instant incentives.
5. Expand trade ally use of quality installation checklists and streamline program-delivered quality assurance (QA) processes to increase cost effectiveness of quality management delivery.
6. Adapt program measures and savings to respond to outcomes of OPUC Docket UM 1622 and UM 1696, including cessation of wall, floor, and duct insulation in gas heated homes by the end of the 2014-2015 heating season.
7. Manage to established thresholds of portfolio savings achieved through Instant Savings Measures (ISMs).
8. Streamline program touch points and guide customers to relevant resources and support, based on customer disposition, utility consumption, and housing characteristics.
9. Leverage savings opportunities through support or collaboration with NEEA, supply chain, industry stakeholders, and trade allies.
10. Develop program design strategies to accelerate equipment installations (gas water heat, gas hearths, heat pumps, ductless heat pumps, and heat pump water heaters).
11. Grow moderate income participation in installing energy-efficiency improvements through financing options.
12. Explore opportunities to expand financing options to homeowners outside of the moderate income track.
13. Support consumer awareness and education through the LivingWise Kit curriculum in schools.
14. Leverage 2014 IT investments to support efficiencies in program delivery and increased communication and transparency with trade allies.
15. Implement targeted and cross-sector marketing strategies to support equipment installations and promote offerings for residential customers, ensuring that as program design changes eligible customers continue to see incentives and offers available to them.

2015 New Initiatives & Focus Areas

1. Develop and implement pilots that aim to discover cost-effective electric savings in anticipation of reduced savings from compact fluorescent light bulbs (CFLs) and lower electric avoided costs.
2. Implement administrative cost reductions and program design approaches that address program delivery cost effectiveness, as measured by the program utility cost test (UCT).
3. Explore program designs intended to promote specific measures or services to achieve cost-effectiveness and/or drive better costs through competitive solicitation(s), as measured by the total resource cost test (TRC).
4. Drive customer education and awareness around home energy use through supporting market delivery and expansion of EPS, an energy performance score developed by Energy Trust, in alignment with ODOE rules.
5. Develop strategies designed to increase market share of efficient heating and water heating equipment through mid-stream market engagements.
6. Build strategies to claim verifiable savings through new behavior change initiatives.
7. Expand upon 2014 pilot efforts to achieve savings through web-based programmable thermostats.

2016 Planned Activities

1. Plan for updates to gas avoided costs
2. Manage program level cost effectiveness
3. Expand behavior-based savings strategies

2015-2016 FINAL BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

**Residential
Existing Homes**

Targets

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2014 Forecast	\$14.9	\$7.3	\$22.2	5.0	3.1	1,089,040	50.0
2015 Budget	\$17.7	\$4.9	\$22.7	4.7	3.9	878,334	42.4
2016 Projection	\$17.2	\$4.8	\$22.0	4.2	4.1	787,851	44.2

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
Incentives	\$12,666,827	\$9,895,788	\$11,158,110	\$10,758,172
Delivery Costs				
Program Management	446,500	446,500	408,090	408,090
Program Delivery	5,779,089	5,579,089	5,312,690	5,003,598
Marketing-PMC	1,642,895	1,642,895	1,341,471	1,341,471
Performance Comp	200,000	200,000	200,000	200,000
Total Delivery Costs	8,068,484	7,868,484	7,262,251	6,953,159
ETO expenses				
Staffing	618,750	507,755	460,699	491,127
Marketing	537,500	507,500	393,250	393,250
Other Services	1,141,447	778,188	711,512	699,012
General	92,000	77,000	73,500	73,500
Allocations	2,180,318	1,782,014	1,732,999	1,877,831
Sub-Total before Admin Costs	25,305,326	21,416,729	21,792,321	21,246,051
Administrative Costs	998,745	748,693	866,172	793,168
TOTAL EXPENSE	26,304,072	22,165,421	22,658,493	22,039,219

Residential Products

Program Purpose: Acquire cost-effective electric and gas savings by supporting customer selection of energy-efficient home products. Implement program efficiencies, targeted outreach, innovative program offerings and marketing, as well as expand focus on retailers and the retail channel, to engage consumers and deliver cost effective energy savings. Leverage data analytics and flexible incentive levels in tandem with increased retailer and consumer education to maximize uptake of energy efficient products and sustained energy savings. Introduce innovative pilot programs to explore new avenues for energy savings and customer service.

2015 Strategies & Activities

1. Deliver program through a new Program Management Contractor (Ecova) and an expanded, statewide network of retailers.
2. Accelerate transformation of the lighting and showerhead markets with a sophisticated lighting and showerhead promotions strategy.
3. Achieve significant energy savings by removing inefficient refrigerators from the grid and ensuring they are safely decommissioned and recycled.
4. Continue the existing downstream appliance incentive model while testing alternative approaches to improve retailer participation and support.
5. Educate retailers and consumers in the benefits and features of energy efficient lighting, showerheads and appliances to drive uptake of the most energy efficient products.
6. Provide EPS scores on new manufactured homes to drive the customer choice to most efficient models.
7. Pursue potential new savings opportunities to expand program portfolio.
8. Implement delivery improvements which will gain program efficiencies and reduce costs, including transitioning field services to PMC staff, soliciting an increased number of retailers through a competitive RFP, subcontracting with a new recycling vendor and utilizing market data and analytics to drive targeted marketing strategies.
9. Broaden participation by underserved customers through ensuring participation by a wide range of retail types, increased presence in rural communities and customized incentives by region.
10. Continue to foster regional collaboration by partnering with key industry partners such as Northwest Energy Efficiency Alliance (NEEA), Regional Technical Forum (RTF) and Bonneville Power Administration (BPA).
11. Implement targeted and cross-sector marketing strategies to support specific Products offerings and promote incentives and offerings for residential customers, ensuring that as program design changes eligible customers continue to see incentives and offers available to them.

2015 New Initiatives & Focus Areas

1. Implement new lighting and showerhead program design that uses data analytics and incentive amount flexibility to maximize energy savings potential across the entire territory.
2. Implement EPS, Energy Trust's energy performance scoring tool, for new manufactured homes to increase consumer awareness and drive sales of energy efficient models and heat pumps in manufactured homes.
3. Collaborate with NEEA to explore pilots or initiatives in consumer electronics and/or heat pump dryers.
4. Propose a pilot to evaluate the effectiveness of mid-stream incentive model(s).
5. Explore options to improve participation and customer satisfaction with the recycling program through innovative incentive fulfillment options and coordinating point-of-purchase and bulk recycling opportunities.
6. Explore the possibility of expanding appliance recycling to include clothes washers
7. Identify strategies to encourage stocking of low-cost qualifying refrigerators, such as increased incentives for lower price-point models.
8. Use Customer Engagement Mapping to identify opportunities to cross-promote appliance incentives with other Energy Trust programs to increase uptake of energy efficient appliances.
9. Introduce pop-up promotions with a companion online product portal to increase availability of energy efficient products in rural communities.

2016 Planned Activities

1. Explore retailer-subsidized gift cards in place of incentive checks (pilot program)
2. Enhance efficiency of retail point of sale data submission for lighting and showerheads
3. Incorporate new measures into the program portfolio based on 2015 evaluation results

Targets

1. 72,734,895 kWh and 254,935 therms of energy savings in 2015
2. 74,804,758 kWh and 254,934 therms of energy savings in 2016

2015-2016 FINAL BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

Residential Products

New Homes and Products – Combined

Targets

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings	levelized cost	Savings	levelized cost
				aMW	(cents / KWh)	therms	(cents / therm)
2014 Forecast	\$19.1	\$4.5	\$23.6	8.6	3.5	1,020,343	31.2
2015 Budget	\$21.9	\$4.6	\$26.5	8.9	3.4	1,058,457	28.5
2016 Projection	\$22.4	\$4.8	\$27.2	8.9	3.3	1,230,595	25.5

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
Incentives	\$11,699,796	\$12,723,473	\$16,263,966	\$17,346,659
Delivery Costs				
Program Management	256,443	256,443	520,541	614,047
Program Delivery	5,515,989	6,142,080	4,836,449	4,454,621
Marketing-PMC	1,373,040	1,373,040	1,055,593	940,732
Performance Comp	155,000	155,000	155,000	155,000
Total Delivery Costs	7,300,472	7,926,563	6,567,583	6,164,400
ETO expenses				
Staffing	386,585	424,692	553,334	587,356
Marketing	290,000	280,000	320,500	320,500
Other Services	473,447	501,632	697,512	629,012
General	49,000	44,000	53,500	53,500
Allocations	1,001,251	827,880	963,140	1,044,440
Sub-Total before Admin Costs	21,200,552	22,728,239	25,419,535	26,145,867
Administrative Costs	787,435	831,515	1,056,095	1,018,121
TOTAL EXPENSE	21,987,986	23,559,754	26,475,630	27,163,988

Residential New Homes Program

Program Purpose:

The New Homes program focuses on acquiring cost-effective electric and gas savings by engaging builders to build energy efficient homes that extend above code requirements. Through incentives, educational opportunities, trade and program ally support and quality assurance the program offers builders the resources necessary to improve their building practices and increase the energy efficiency of the homes they build. In 2015, the program will focus on expanding program reach by introducing new standalone measures, engaging new market segments and expanding into underserved markets.

2015 Strategies & Activities

1. Deliver program through Program Management Contractor (CLEAResult), subcontractors and a statewide comprehensive network of trade allies.
2. Capture 26 percent of Energy Trust service territory new construction market by completing 2,195 EPS™ new home projects. EPS is Energy Trust's energy performance scoring tool.
3. Expand program reach to capture savings in new product and market segments. This includes: pushing standalone measures, working with affordable housing organizations, targeting accessory dwelling units, small homes and major remodels
4. Expand and diversify engagement with market actors including: developers, real estate allies and multifamily builders
5. Continue to drive builders to the next level of efficiency upwards towards Live Net Zero while also supporting code builders through standalone measures
6. Streamline overall program processes and delivery to support operational efficiencies and positive contractor and customer experience, including support for implementation of House Bill 2801
7. Increase trade and program ally engagement in the field, emphasizing trainings and technical resources
8. Provide continued improvement of the Axis tool to streamline delivery while maintaining data integrity
9. Provide new technical and solar field training to support verifiers and subcontractors
10. Coordinate with regional organizations and other programs, such as NEEA, Oregon Home Builders Association, and Existing Homes, across various program opportunities
11. Implement targeted and cross-sector marketing strategies to increase market share and awareness for EPS homes and promote offerings for residential customers, ensuring that as program design changes eligible customers continue to see incentives and offers available to them.

2015 New Initiatives & Focus Areas

1. Create multifamily incentive structure and recruit new builders into the program
2. Add standalone measures including: furnaces with variable speed motors, ERVs, showerheads and central air conditioners
3. Evaluate Pilot measures including: Home Energy Monitoring Systems (HEMS) and measures that support code and reach code
4. Expand engagement with affordable housing organizations such as Habitat for Humanity and community action programs
5. Create a developer incentive that motivates developers to include EPS as a part of neighborhood developments
6. Partner with Earth Advantage to further engage with the real estate ally community, diving deeper with appraisers and lenders
7. Work with market actors to prepare the market for the upcoming building code change in 2017
8. Expand program reach into rural and underserved markets
9. Launch a five year solar strategy that results in an increase in solar projects and overall solar awareness
10. Maximize cooperative marketing opportunities for events, home tour sponsorships and to highlight EPS and Energy Trust as well as recognize builders to draw attention to the benefits of being an Energy Trust trade or program ally
11. Develop training and education for homeowners and real estate trade allies who are interested in accessory dwelling units and small homes

2016 Planned Activities

1. Continue established activities and implement new opportunities with available funds, employing flexibility to meet savings, funding expectations and customer engagement goals
2. Work with NEEA and other regional players to support advancement and alignment in the new homes market
3. Implement and expand on developer incentives and promote early design assistance to recognize savings and work with new communities
4. Position the program to support allies and builders through the 2017 building code change

The combined New Homes and Products budget and savings can be found in the Products one pager.

**Residential
Market Transformation Northwest Energy Efficiency Alliance (NEEA)**

Program Purpose: NEEA invests in northwest market transformation programs across commercial, industrial and residential sectors, working in coordination with Energy Trust programs. NEEA focuses on products, services and practices that, while technically promising and cost-effective, are not taking hold in the market. To realize the promise and energy savings potential of these emerging opportunities, NEEA facilitates the development of coordinated regional strategies to permanently remove market barriers and executes components of those regional strategies for which a regional approach brings greater value than would individual action by utilities. NEEA's role varies by market transformation program and is characterized by activities with market participants who are "upstream" from Energy Trust and utility customers. NEEA's residential sector programs are designed to create the market conditions that will accelerate and sustain market adoption of energy efficient products, services and practices in the consumer products and new construction markets, resulting in cost-effective energy savings for Energy Trust and the region.

2015 Strategies & Activities

1. Heat Pump Water Heaters (HPWH): Build regional uptake and market demand while accelerating consumer and supply chain adoption of northern climate heat pump water heaters to influence the passage of a federal standard requiring heat pump water heaters for all electric storage tanks greater than 45 gallons by 2025.
 - a. Support the introduction of a new Tier 2 or 3 product into retail and wholesale market.
 - b. Leverage market research to enhance marketing tools.
 - c. Ensure 50 utilities offer incentives that reference the Northern Climate Specification.
 - d. Drive product sales through 6 supply chain partnerships and promotions.
 - e. Laboratory test 4 Heat Pump Water Heaters
2. Residential New Construction: Accelerate market adoption of energy-efficient residential building practices and technologies to pave the way for future code adoption.
 - a. Begin data collection and analysis on Phase II projects to inform savings estimates and best practice pathways.
 - b. Outreach to 5 green building programs to potentially adopt Next Step Home Specification
 - c. Align Northwest performance path homes with national oversight
 - d. Develop Northwest ENERGY STAR specification for states that adopt 2012 IECC (WA completed)
 - e. Establish an RTF-approved performance rating based energy savings methodology
3. Retail Product Portfolio (RPP): Increase the sale and presence of energy-efficient products in the retail channel by leveraging mid-stream incentives to influence retail stocking practices, ultimately driving manufacturing and standards for a portfolio of energy-efficient products sold through the retail channel.
 - a. Develop product roadmap for market transformation portfolio development.
 - b. Launch automated data processing solution.
 - c. Expand extra-regional partnerships to increase initiative scale.
 - d. Manage and strengthen retailer engagement; adding one additional retailer in 2015.
4. Ductless Heat Pumps (DHP): Build and increase market and consumer demand, adoption and availability of ductless heat pump technology to accelerate adoption of inverter-driven ductless heat pumps in electrically heated homes.
 - a. Develop retail channel product road map.
 - b. Leverage market research to enhance marketing tools and activities.
 - c. Partner with manufacturers to develop 3 DHP promotions.
 - d. Complete DIY testing research (includes field testing, research into DIY products and processes).
 - e. Achieve 20% increase in residential ductless heat pumps sold in Northwest region.
5. Super-Efficient Dryers: Validate energy savings and product potential for super-efficient dryers to pave the way for enactment of more stringent federal efficiency standards for clothes dryers.
 - a. Support super-efficient dryer placement in one big-box retailer.
 - b. Support heat pump dryer product launch with 2 major manufacturers.
 - c. Two utilities offer incentives on super-efficient dryers meeting NEEA specification, supporting early manufacturer launch.
 - d. Complete performance baseline, research plan and lab testing results to inform RTF provisional unit energy savings.
6. Standards: Participate in Federal and regional proceedings to create and improve equipment efficiency standards; bring information on NW successes in market adoption of efficient products to that process.
7. Previously Funded Initiatives: Track and report on market transformation savings from previously funded initiatives including

2015-2016 FINAL BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.



**Residential
Market Transformation Northwest Energy Efficiency Alliance (NEEA)**

new homes, compact fluorescent light bulbs, televisions, and consumer appliances.

8. Gas Initiatives: Begin the groundwork for market transformation of gas-fired heat pump water heaters, gas-fired heat pumps for combined space and water heat, hearth products, and efficient dryers as well as codes and standards work and scanning for other market transformation activities.

2015 New Initiatives & Focus Areas

1. Evaluating new initiative opportunities in coordination with NEEA's Emerging Technology Team.

2016 Planned Activities

1. Similar to 2015.

Targets

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2014 Forecast	\$4.7	\$0.1	\$4.7	3.9	2.1		
2015 Budget	\$4.3	\$0.3	\$4.6	3.7	1.4		
2016 Projection	\$4.5	\$0.7	\$5.2	4.2	1.3		

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
Incentives				
Delivery Costs				
Program Management				
Program Delivery	4,351,503	4,502,717	4,365,609	4,930,919
Marketing-PMC				
Performance Comp				
Total Delivery Costs	4,351,503	4,502,717	4,365,609	4,930,919
ETO expenses				
Staffing	22,245	829	45,077	48,037
Marketing				
Other Services				
General				
Allocations	53,516	46,711	68,879	75,690
Sub-Total before Admin Costs	4,427,265	4,550,257	4,479,564	5,054,645
Administrative Costs	187,175	171,222	182,310	191,386
TOTAL EXPENSE	4,614,440	4,721,479	4,661,874	5,246,032

NW Natural Washington

Program Purpose: Sustain, and potentially increase acquisition of cost-effective natural gas savings for residential and commercial Southwest Washington customers of NW Natural. Effectively manage program in an environment of low avoided costs, diminished potential for retrofit measures, and the implementation of the region's most aggressive residential energy code.

2015 Strategies & Activities

Residential (Existing & New Homes):

- Effectively address first-cost barriers for retrofit customers through program-integrated financing
- Enhance coordination with NW Natural's marketing department
- Broaden eligibility requirements for weatherization measures
- Pilot cost effectiveness framework utilizing the Utility Cost Test (UCT) as the primary cost-effectiveness screening tool.
- Leverage UCT first cost effectiveness framework to introduce a tiered, high efficiency furnace incentive
- Streamline program touch points with consumers by simplifying eligibility requirements, utilizing contractor paid incentives, and further deploying online forms
- Collaborate with industry stakeholders, including Clark Public Utilities, Planet Clark, Clark County, NW Natural, Bonneville Power Administration, NEEA, Building Industry Association, the verifier network and other market partners, to promote incentive offerings, leveraging their existing communication channels and events
- Retain and recruit top builders in Southwest Washington into the program
- Expand use of new construction stand-alone incentives for both program and "code" builders

Existing Buildings:

- Drive increased program participation among Southwest Washington commercial customers
- Develop project acquisition strategies for unique market segments, including assisted living facilities and multifamily buildings
- Prioritize recruitment of custom-path projects, recognizing custom-path's larger role
- Ensure strong management of Washington program with dedicated Account Manager and Trade Ally Coordinator

2015 New Initiatives & Focus Areas

Residential (Existing & New Homes):

- Launch of On Bill Repayment financing for all qualifying existing homes residential customers
- Introduction of high-efficiency hearths stand-alone measure for New Homes, which may be used in tandem with builder incentives awarded to projects meeting Northwest Energy STAR Homes performance criteria
- Assess viability of introducing EPS, an energy performance score developed by Energy Trust, to Washington market, developing scalable performance-based incentive structure for new homes
- Increase program performance of "core measures" including water heaters, furnaces and weatherization through broadened eligibility requirements and increased incentives for higher efficiency tiers
- Pilot advanced controls as a gas savings measure for existing homes
- Work with Clean Energy Works to coordinate offerings, and provide support as needed

Existing Buildings:

- Deployment of targeted campaign to assisted living facilities and multifamily housing, both previously underserved segments by both NW Natural and Clark Public Utilities District
- Expanded agricultural prescriptive offerings
- Continue to identify new opportunities for incentive offerings, either from new technologies or successful offerings in the Oregon Existing Buildings program

2016 Planned Activities

- Work with Energy Efficiency Advisory Group to assess impact of changing cost effectiveness standards

(See targets and budget detail on reverse side)

2015-2016 FINAL BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment,
expand participation, continuously improve operations, be accessible, communicate.

NW Natural Washington

Targets

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (\$ / KWh)	Savings therms	levelized cost (cents / therm)
2014 Forecast		\$1.3	\$1.3			246,876	37.2
2015 Budget		\$1.5	\$1.5			257,063	47.0
2016 Projection		\$1.5	\$1.5			257,063	48.4

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
Incentives	\$693,806	\$575,215	\$628,225	\$626,336
Delivery Costs				
Program Management	54,800	67,345	87,264	406,432
Program Delivery	319,338	324,893	319,168	
Marketing-PMC	75,000	56,900	48,152	48,152
Performance Comp	20,000	20,000	20,000	20,000
Total Delivery Costs	469,138	469,138	474,584	474,584
ETO expenses				
Staffing	95,555	71,078	131,963	140,865
Marketing	19,000	16,000	32,000	32,000
Other Services	21,050	12,353	20,550	15,550
General	27,117	27,117	29,990	29,990
Allocations	140,924	115,565	143,732	155,346
Sub-Total before Admin Costs	1,466,590	1,286,466	1,461,043	1,474,671
Administrative Costs	61,491	47,028	59,366	56,325
TOTAL EXPENSE	1,528,082	1,333,495	1,520,409	1,530,996

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

Renewable Energy – Solar Electric (Photovoltaic)

Program Purpose: Develop the solar electric market for all sectors in Oregon by increasing awareness, expanding participation, providing quality standards and ensuring there is a strong, qualified installer base for consumers.

2015 Strategies & Activities

1. Install 1.29 aMW of small and mid-scale residential and commercial solar. *In support of Renewable Energy strategic goals to sustain a vibrant small and mid-scale renewable generation market that produces continual growth in project installations; and between 2015 and 2019, install 10 aMW of renewable energy.*
 - a. Maintain predictable standard incentive levels for residential and business solar projects (up to 250 kW);
 - b. Support a variety of project types and sizes.
 - c. Step down incentives gradually as installation costs come down to allow for growth.
2. Build a pipeline of solar projects in all sectors through education, advertising, promotion and targeted marketing. *In support of Renewable Energy strategic goal to sustain a vibrant small and mid-scale renewable generation market that produces continual growth in project installations*
 - a. Launch a more proactive and stable marketing presence for solar.
 - b. Continue to promote solar-ready for New Homes and New Buildings
3. Collaborate with regional stakeholders to reduce the non-hardware “soft” costs of solar. *In support of Renewable Energy Strategy 2 to emphasize market and project development support for renewable energy projects*
 - a. Build awareness and understanding of “soft” costs in the solar industry
 - b. Publish the results of our soft-cost benchmarking survey, and develop a roadmap for soft-cost reduction in Oregon, noted below.
 - c. Focus early soft-cost reduction efforts on customer acquisition costs.
4. As funds are available, use competitive processes to allocate incentives to larger solar projects. *In support of Renewable Energy Strategy 3 to use competitive approaches for projects receiving non-standard incentives.*
 - a. Evaluate incorporating solar into the Other Renewables competitive processes, and as funds are available, competitively select and support larger solar projects.

2015 New Initiatives & Focus Areas

1. Develop a roadmap for continued soft cost-reduction in Oregon. Building on our soft-cost benchmarking survey and work by the National Renewable Energy Lab and others, develop a five-year plan that prioritizes opportunities for reducing cost drivers in our region.
2. Streamline the solar incentive application process with electronic signatures and document routing and direct integration with Oregon Department of Energy’s Residential Energy Tax Credit application.
3. Support trade allies in developing their individual customer acquisition strategies. Provide tools and training to help solar contractors generate customer interest and increase sales conversion rates.
4. Evaluate the test launch of the Mapdwell online solar resource assessment and lead generation tools. If deemed successful, expand coverage to additional regions in Oregon.
5. Support an impact evaluation of the solar electric program to verify our generation estimation methodology and true-up historic generation reporting.

2016 Planned Activities

1. Continue to emphasize residential and small commercial solar markets, leveraging state and federal credits available through 2016.
2. Continue implementing the soft-cost reduction plan developed in 2015.
3. Lower incentives incrementally as costs decrease to allow fixed budgets to support industry growth.

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

Renewable Energy – Solar Electric (Photovoltaic)**Targets**

	ACTIVITY BASIS			ACCOUNTING BASIS		
	BUDGET	GOAL	COST	BUDGET	GOAL	COST
Year	(\$ millions)	aMW	(\$ mils / aMW)	(\$ millions)	aMW	(\$ mils / aMW)
2014 Forecast	\$14.2	3.28	\$4.3	\$9.0	1.15	\$7.9
2015 Budget	\$11.6	1.36	\$8.6	\$11.5	1.48	\$7.8
2016 Projection	\$8.7	0.97	\$9.0	\$12.5	3.28	\$3.8

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
Incentives	\$8,139,982	\$7,245,253	\$9,304,000	\$10,360,000
Delivery Costs				
Program Management				
Program Delivery	240,000	230,000	290,000	290,000
Marketing-PMC				
Performance Comp	40,000	23,000	20,000	20,000
Total Delivery Costs	280,000	253,000	310,000	310,000
ETO expenses				
Staffing	514,951	452,775	503,409	536,845
Marketing	143,000	148,000	190,500	190,500
Other Services	494,000	343,135	356,000	197,000
General	52,950	42,200	132,700	142,700
Allocations	295,584	237,143	290,518	311,325
Sub-Total before Admin Costs	9,920,467	8,721,506	11,087,127	12,048,370
Administrative Costs	420,846	310,018	403,601	480,719
TOTAL EXPENSE	10,341,314	9,031,523	11,490,728	12,529,089
Plus / Minus Incentives committed for future (timing)	(83,983)	5,197,121	141,000	(3,860,000)
TOTAL EXPENSE, ACTIVITY BASIS	10,257,331	14,228,644	11,631,728	8,669,089

Renewable Energy – Other Renewables

Program Purpose: Expand the market for biopower, wind, hydropower and geothermal electric projects by providing early stage project development assistance, project incentives, and technical assistance.

2015 Strategies & Activities

1. Complete projects currently under contract. *Supports Element 1 of Energy Trust's strategic plan: Support all eligible renewable technologies.*
 - a. Two hydro and two biopower projects are forecast to begin operating in 2015, – a total of 1.99 aMW.
2. Build the pipeline of projects through deployment of project development assistance, collaboration with other organizations, and outreach. *Supports Element 2 in strategic plan: Emphasize market and project development support.*
 - a. Deploy up to \$400K+ in project development assistance incentives.
 - b. Evaluate the utilization of competitive processes in deploying development assistance incentives of \$40K+.
 - c. Perform outreach activities to strategic targets: wastewater treatment plant biogas projects and irrigation district hydro projects.
3. Improve the performance of existing projects and share lessons learned. *In support of Element 2 in Energy Trust's strategic plan: Utilize experience gained and lessons learned from completed projects to help future projects.*
 - a. Gather and analyze operations and maintenance costs for biopower projects to understand cost drivers and best practices for current and future projects.
 - b. Develop new incentive offering to assist previously incentivized projects that have potential to operate more efficiently, improve technical performance, and/or reduce yearly expenses.
4. Continue to use competitive approaches for deploying larger project installation incentives. *In support of Element 3 in strategic plan: Use competitive approaches to fund new projects and market solutions.*
 - a. Continue utilizing two-tiered structure for distributing incentives. Installation incentives under \$150,000 are distributed on a non-competitive first-come, first-served basis. Larger incentives use a competitive approach.
 - b. Evaluate including large-scale solar in at least one of the two planned competitive solicitations to expedite the process of shifting dollars if no non-solar projects are available.
 - c. If funds are not distributed fully following the first competitive solicitation, examine alternatives to the competitive process for the remainder of the year to more quickly deploy funds.
 - d. Coordinate the scheduling of competitive processes with other funders to the extent practical.

2015 New Initiatives & Focus Areas

1. **Execute the first year of a hydropower initiative**
 Work with irrigation districts, irrigators, and collaborating organizations. We anticipate helping irrigation districts develop long-term water management plans identifying water conservation, energy conservation, and energy generation opportunities.
2. **Gather, analyze and share project performance information, including operations and maintenance costs.**
 Enough projects are operating in Oregon to provide useful information about typical costs and best practices. Staff will gather and analyze this information to better understand the drivers of these costs and learn and apply lessons.
3. **Develop a new offering to assist existing projects in optimizing performance.**
 Staff will roll out a new offering to assist previously incentivized commercially operating projects that have the potential to operate more efficiently, improve technical performance, and/or reduce yearly expenses.
4. **Build on existing relationships in the wastewater sector, and develop relationships and market understanding in forest biomass and food processing sectors**
 Continue to develop potential in wastewater sector. Staff will step up outreach and relationship-building in woody biomass and food processing to better understand the market actors, economics, and potential role for Energy Trust.
5. **Implement results of REC study to be completed in 2014**
 Analyze implications of current REC study and make recommendations for program design and potentially, policy changes.

2016 Planned Activities

1. Continue to focus on pipeline-building.
2. Continue outreach initiatives in hydro and bio, using results from 2015 to adjust tactics.
3. Evaluate project applications that result from 2015 pipeline-building efforts.
4. Support a portfolio of technologies with custom incentives and project development assistance.

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN
*Acquire cost-effective energy efficiency, accelerate renewable energy investment,
 expand participation, continuously improve operations, be accessible, communicate.*

Renewable Energy – Other Renewables

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Targets

Year	ACTIVITY BASIS			ACCOUNTING BASIS		
	BUDGET (\$ millions)	GOAL aMW	COST (\$ mils / aMW)	BUDGET (\$ millions)	GOAL aMW	COST (\$ mils / aMW)
2014 Forecast	\$1.3	0.00	\$0.0	\$5.1	1.24	\$4.1
2015 Budget	\$12.4	1.95	\$6.4	\$4.7	1.99	\$2.4
2016 Projection	\$6.3	0.80	\$7.8	\$10.0	1.21	\$8.3

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
Incentives	\$5,335,459	\$4,137,023	\$3,532,173	\$8,759,321
ETO expenses				
Staffing	544,584	496,780	501,659	534,586
Marketing	55,000	7,000	23,000	8,000
Other Services	197,000	83,815	214,000	139,000
General	38,400	13,968	20,225	20,225
Allocations	219,628	172,929	202,479	218,197
Sub-Total before Admin Costs	6,390,071	4,911,515	4,493,536	9,679,329
Administrative Costs	254,779	153,536	206,617	366,506
TOTAL EXPENSE, ACCOUNTING BASIS	6,644,850	5,065,051	4,700,153	10,045,835
Plus / Minus Incentives committed for future (timing)	1,116,540	(3,736,323)	7,717,827	(3,784,321)
TOTAL EXPENSE, ACTIVITY BASIS	7,761,390	1,328,728	12,417,980	6,261,514

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

**Planning and Evaluation (P&E)**

Purpose: Provides strategic and quantitative planning, reporting and evaluation for energy efficiency programs, renewable energy programs and organizational initiatives. Contributes to all Energy Trust strategic goals, including energy savings and generation acquisition and demonstrating organizational transparency and accountability. Supports and enhances accelerated acquisition capabilities for program and support staff. Energy Trust lead for new technology development.

2015 Strategies & Activities

1. Provide reliable estimates of program savings and generation through impact evaluations, and constructive feedback to programs through process evaluations. Major evaluations in 2015 include process and impact evaluations for Production Efficiency, Existing Buildings, Existing Homes and New Homes programs.
2. Continue to work with programs on the development and evaluation of new and existing pilots and program initiatives.
3. Develop a continuous improvement process for energy efficiency resource estimates to keep up with acceleration of codes and standards, market changes and new technology, as well as avoided cost updates.
4. Provide support for annual utility funding level agreements.
5. Continue surveying customers about their satisfaction and investment decision-making process through Fast Feedback survey tool. Continue to field the annual Residential Awareness survey. Residential impact evaluations will continue being done in-house with an outside expert review team.
6. Evaluation will continue to work with programs on developing and evaluating pilots.
7. Continue working with the Northwest Energy Efficiency Alliance (NEEA) on its commercial and industrial stock assessments, and other regional research projects and market data collection.
8. Help business sector programs to develop technically solid and cost-effective bundles of measures and streamlined calculation procedures to reduce transaction costs and encourage deeper savings.
9. Assure reliable, consistent and high-quality reporting of savings and generation through the annual and quarterly reports to the Oregon Public Utility Commission (OPUC) and board, the biennial legislative report, the annual summary of economic impacts and other reports.
10. Work with NEEA, Portland State University and others to encourage and test highest-priority emerging technologies for gas and electric efficiency. Focus is on efficient manufactured homes, efficient dryers, absorption heat pump water heaters, window coverings and rooftop HVAC controls.
11. Refine forecasts and reporting of market transformation savings based on efficient equipment standards and building codes (e.g., commercial lighting). Refine program strategies to support codes and standards.

2015 New Initiatives & Focus Areas

1. Develop an implementation strategy for the Energy Trust 2015-2019 Strategic Plan.
2. Assist programs in adapting to changes in gas and electric avoided costs that take effect for programs January 1, 2015.
3. Assess potential to work with Pacific Power and Portland General Electric to help Bonneville Power Administration address a transmission constraint with a mix of demand-side approaches.
4. Explore possible Energy Trust role to assist natural gas utilities in running programs to reduce carbon emissions.
5. Assist the OPUC in commenting on draft Environmental Protection Agency power plant carbon regulations, which may employ energy efficiency and renewable energy as a tool to mitigate carbon releases from power plants.
6. Help programs develop strategies and measures to improve cost-effectiveness.
7. Improve integration between Energy Trust incentives and state tax credits.
8. Develop and maintain databases that link utility customer information, FastTrack, Customer Relationship Management and third-party databases to facilitate program analysis and evaluation.
9. Develop at least one additional targeted marketing approach utilizing utility billing data for identifying the target market.
10. Incorporate Commercial Buildings Stock Assessment into Energy Trust conservation supply estimates.
11. Assist the Northwest Power and Conservation Council in developing its seventh regional power plan. Leverage the council's analysis to improve and check on Energy Trust plans.
12. Work with the OPUC to develop specific performance measures for NEEA emerging technology work and for Energy Trust pilot programs.

2016 Planned Activities

1. 2016 will see many of the same evaluation, resource planning and reporting activities.
2. By 2016, as new manufacturing standards for lighting, water heating and other equipment take full effect in the market, and as some new technology options mature, focus will increasingly be on technology market introduction.

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

Planning and Evaluation (P&E)**Targets**

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
Program Specific Planning and Evaluation				
Evaluation Services	\$2,071,000	\$1,996,479	\$2,110,000	\$1,660,000
Planning Services	448,001	318,001	409,900	365,900
Total Program Specific P&E	2,519,001	2,314,480	2,519,900	2,025,900
Non Program Specific P&E				
Evaluation Services	71,000	135,000	131,000	191,000
Planning Services	468,000	373,000	109,000	207,300
Staffing	1,468,961	1,333,240	1,571,630	1,669,393
Other Services				
General	101,750	101,750	70,050	32,000
Allocations	548,468	417,490	496,049	531,439
Total General P&E	2,658,179	2,360,480	2,377,729	2,631,133
GRAND TOTAL	5,177,180	4,674,960	4,897,629	4,657,033

General Communications

Purpose: Provides staff, services and resources necessary for organizational communications, general outreach and marketing, utility collaboration and program support activities. Generates awareness of Energy Trust programs and services in all territories; positions Energy Trust as a trusted energy resource for customers and the public; provides website infrastructure and content for program, customer service and organizational functions; communicates the value of Energy Trust investments; demonstrates organizational transparency and accountability; and provides efficiencies through centralized program marketing support services, online customer engagement, and by supporting advancements in Customer Relationship Management and Business Intelligence information systems and capabilities. Program-specific marketing activities and Customer Service and Trade Ally Network activities are reflected in budgets and action plans specific to those activities.

2015 Strategies & Activities

1. Produce and distribute public annual report and results information; quarterly, annual and joint utility marketing reports to the Oregon Public Utility Commission; public presentations, fact sheets, case studies and other general communications.
2. Develop and distribute public relations content and materials, such as press releases, board and committee notes, and Synergy e-newsletter/blog, highlighting customer success stories, results information and collaborations.
3. Respond to media, legislative and stakeholder inquiries about energy issues, Energy Trust programs and associated data.
4. Support communications and public engagement for 2016-2017 budget and action plan development.
5. Ensure consistent Energy Trust representation in all territories through coordination with regional outreach representatives, program-specific outreach and utility outreach efforts, where applicable.
6. Lead outreach initiatives with external groups to engage customers through membership and community organizations.
7. Invest sponsorship dollars in alignment with guidelines, program marketing and general awareness objectives.
8. Develop and maintain energytrust.org, social media pages, email management systems, mobile site and other online properties; provide content, tools, online incentive applications and other functionality to support customer awareness and drive engagement in Energy Trust offers.
9. Provide coordinated media planning, buying and creative services for Energy Trust program and general advertising. Collaborate with utilities on co-branded advertising and marketing efforts, looking for opportunities to expand efforts in this area.
10. Provide coordinated creative and production services for programs and the organization, including writing, graphic design, photography, videography, presentations, on-demand webinars and grant writing, utilizing contracted and in-house resources.
11. Lead cross-sector marketing initiatives and guide program-based marketing activities with systems and tools; ensure alignment with Energy Trust strategic goals, objectives and legal requirements. Reinforce brand, accuracy, consistency and customer-focused tone through brand guidelines reinforcement. Coordinate with utilities.
12. Support the acquisition of deeper knowledge of customers and effective engagement by mining customer activity and feedback sources, analyzing marketing results, conducting market research and synthesizing/sharing learnings.
13. Provide communications and marketing support for Other Renewables program, and for program initiatives with significant new customer or stakeholder engagement elements or reporting requirements.
14. Support continued development of Customer Relationship Management (CRM) and integrated marketing management information systems and advise on program targeted marketing activities.
15. Provide subject matter expertise and project support for ongoing Integrated Solutions Implementation Projects, Business Intelligence reporting and web integration developments.
16. Support effective internal/employee communications through internal newsletter (Pit Stop), SharePoint home page (Staff Net) content development and staff meeting content.

2015 New Initiatives & Focus Areas

1. Leverage expanded general outreach resources hired in 2014 to support customer awareness, develop relationships and to reach and serve customers; support deeper engagement with local business and civic leaders, city, county and state officials, utilities, customers, associations and news-media. Build and reinforce coordination and communication with program-based outreach resources, looking for opportunities to reduce program-specific outreach costs. Support further development of relationship management database to facilitate tracking of leads and opportunities, and stakeholder relations.
2. Continue work to evolve marketing and brand strategy in response to program design changes and strategic plan priorities, new target marketing capabilities and other factors.
3. Continue general program awareness advertising developed in 2014 to support customer awareness of Energy Trust programs and services; collaborate with business programs on a joint campaign to highlight services for businesses.
4. Develop a shared digital strategy and roadmap for Energy Trust's online and interactive activities, informed by program, marketing, communications, customer service, finance/human resources, legal and IT needs, resources and expertise.
5. Complete comprehensive website user experience review to inform future website improvements in alignment with program strategies for expanding participation and cost management. Continue development of priority online tools and web forms to support program delivery cost savings.
6. Develop accessible online educational resources for customers to assist decision making as Energy Trust removes or modifies incentives and support for some measures; refer customers to alternate resources and programs as appropriate.
7. Respond to Management Review suggestion to reduce reporting content for one or more OPUC reports, alleviating reporting workload for program managers, in collaboration with the OPUC.
8. Respond to Management Review suggestion to identify streamlining opportunities in marketing, taking steps to consolidate

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

General Communications

marketing activities that create cost savings and can be supported by existing staff. First steps include centralizing media buying, shifting advertising concept development and strategy from PMCs to in-house marketing managers with support from Energy Trust's contracted advertising agency, and shifting PMC marketing focus to measure-specific tactics.

9. Be accessible and responsive to OPUC, Legislature, Governor's office, state agencies and the public during 2015 legislative session; track on proposed legislation affecting energy efficiency and renewable energy and serve as technical and information resource in coordination with OPUC; provide communications support for Energy Trust input into OPUC large customer funding docket, and for program changes resulting from public policy.

2016 Planned Activities

Continue activities that support Energy Trust goals and meet emerging needs.

Targets

	2014	2014	2015	2016
	Budget	Forecast	Budget	Projection
ETO expenses				
Staffing	1,194,059	979,405	1,331,543	1,420,016
Marketing	703,700	696,700	690,500	720,500
Other Services	357,500	282,500	362,000	377,000
General	73,240	43,240	53,500	53,500
Allocations	421,205	320,613	412,762	442,211
Sub-Total before Admin Costs	2,749,704	2,322,458	2,850,306	3,013,227

Customer Service & Trade Ally Management

Purpose: Ensures a positive customer experience through leadership on customer experience values, customer service protocols and policies; leadership and support for Customer Relationship Management (CRM) systems, customer data and reporting; management of call center services, forms development, online customer access tools and training of Energy Trust representatives; response to customer inquiries; complaint resolution; and process improvement activities.

Provides a network of approved skilled trade contractors and allied professionals to engage customers in all areas of the state through general communication, strategy and systems support. Activities include developing new ally definitions and groups based on program need, managing requirements and benefits, enrolling new allies, verifying insurance requirements are met, guiding programs in improving contractor participation in the network, maintaining a central communication channel for all allies, and helping develop information systems that support network management needs.

2015 Customer Service Strategies & Activities

- Establish and reinforce standards for customer service utilized by general and program-based call centers; perform regular quality assurance activities with each call center.
- Maintain information sharing systems and provide training for customer service representatives so they are prepared to assist customers with current offers and incentives information.
- Work with utility, Oregon Department of Energy, and Oregon Public Utility Commission call centers to share customer triage strategies depending on needs; provide training and materials to support effective routing of calls.
- Respond to customer complaints in a timely manner; share customer feedback to improve programs and processes; report to the OPUC.
- Support ongoing development and use of CRM to ensure customer information tracking needed for program delivery, customer service, marketing and reporting functions, and to inform/enhance future program and outreach strategy.
- Manage customer-friendly paper and web forms development and implementation processes; facilitate communication between IT and programs, vetting and prioritizing forms changes to meet program requirements and support energy savings needs; apply best practices to gain processing efficiencies.

2015 Customer Service New Initiatives & Focus Areas

1. Evolve customer experience strategy in response to cost management efforts; provide the customer perspective as trade-offs in service levels are considered and prioritized; sustain a positive experience for customers.
2. Sustain quality customer service through Products Program Management Contract transition and Existing Homes program redesign and transition; ensure Program Management Contractor representatives are trained and able to support Energy Trust expectations.
3. Streamline service level agreements and program call monitoring processes to establish consistency across programs so metrics can be established to measure program performance in call quality.
4. Identify requirements and priorities for new web forms; work with IT and programs to ensure effective, user-friendly forms.
5. Collaborate with marketing and programs to build strategies that push customers and contractors to web forms.
6. Continue application of customer-friendly paper form template as forms are revised; track on process improvements.
7. Support expanded participation by mapping out traditional and future, technology-based communication channels and cross referencing with program priorities; identify priorities for optimizing existing channels and developing new channels to engage diverse customers and contractors.
8. Prioritize CRM enhancements that offer greater visibility into customers and enhanced usability; champion CRM governance to ensure process efficiency and continuous improvement; develop customer data dashboard to inform customer service, marketing, program design and reporting efforts.

2015 Trade Ally Strategies & Activities

- Maintain network of trade and program allies to reach diverse customer segments and deliver energy savings; oversee enrollment, termination, retention of records and CRM systems; support new ally group development and targeted trade ally strategies as driven by program needs; identify gaps in network and strategies to address; identify and mitigate risks.
- Update trade allies on program offers, changes, and opportunities via the website, online calendars, roundtables, surveys, distance learning and through the Insider e-newsletter.
- Manage the systems supporting enrollment and network management, insurance verification and other requirements. Remove trade allies in violation of agreements. Use escalation procedures and additional reporting capabilities to manage network growth or reductions. Support ongoing CRM and SharePoint development as the foundation for trade ally management activities.
- Support efforts to engage trade allies and customers cost-effectively with online tools; implement online enrollment, further enhance the online trade ally search tool, trade ally web content and online project tracking portal for trade allies.
- Provide training for program- and PMC-based trade ally staff and for trade allies to increase understanding of network requirements; ensure trade allies have knowledge of Energy Trust programs and customer services.
- Support adoption of trade ally rating systems as driven by program strategy; maintain and evaluate systems in existence.
- Track and resolve customer complaints about trade allies and trade ally complaints about program processes; share information with programs to ensure continuous improvement.
- Manage trade ally survey and evaluations; share trade ally feedback and learnings; advise and support program design

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

Customer Service & Trade Ally Management

and continuous improvement efforts based on evaluation and feedback.

- Remain knowledgeable of active trade ally and non-trade ally contractors in the market offering energy services; monitor communication and marketing approaches.

2015 Trade Ally New Initiatives & Focus Areas

1. Implement and improve online enrollment and ally management systems completed in late 2014, track on time savings and process efficiencies; assign staff resources to other system development projects.
2. Adjust roundtables approach based on program design changes; reduce frequency and target according to strategies for expanding participation. Develop key trade ally feedback groups in regional markets.
3. Gather trade ally input to improve usability of the website, online portal, online training and other web-based tools.
4. Develop orientation for program-based trade ally coordinators to equip them with information they need to engage with allies effectively, particularly for new PMCs and call center staff during transitions.
5. Based on trade ally evaluation recommendations, explore changes to Trade Ally Network requirements to reduce barriers for non-trade ally contractors and trade allies; prioritize requirements changes that align with program strategies, appropriately manage risk and reduce administrative work.
6. Support and supplement programs' sales training initiatives to utilize trade allies as a sales force.

2016 Planned Activities

Continue activities that support Energy Trust's ability to meet customer service performance metrics, ensure trade ally engagement in savings acquisition and meet emerging needs.

	2014 Budget	2014 Forecast	2015 Budget	2016 Projection
Staffing	609,734	619,562	537,513	573,680
Marketing	5,000	5,000	3,500	3,500
Website	5,000	5,000	3,000	3,000
Call Center	180,000	140,000	156,000	156,000
Other Services	77,000	67,000	37,000	36,000
General	39,700	23,700	24,800	24,800
Allocations	216,406	164,723	182,154	195,150
GRAND TOTAL	1,132,840	1,024,985	943,967	992,130

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

Management & General

Department Purpose: To provide overall management, direction and resources in support of Energy Trust strategies and operations. Contributes to all strategic goals.

2015 Strategies & Activities

1. Seek continued improvements in program and administrative efficiencies, identifying metrics to measure productivity gains where practical and worthwhile
2. Expand and leverage relationships with utilities, key stakeholders, energy efficiency and renewable energy affiliates and other organizations who can help increase access to geographically and demographically diverse customers
3. Support ongoing program improvements that make it easy for participants to engage with Energy Trust and participate in its programs
4. Manage risk, corporate compliance, human resources, financial reporting, audit, and facilities
5. Support the board of directors

2015 – 2016 New Initiatives & Focus Areas

1. Begin implementation of 2015-2019 Strategic Plan
2. Initiate focus to ensure Energy Trust reaches geographically as well as demographically diverse populations
3. Begin implementation of 2014 Management Review
4. Engage in LEAN process improvements
5. Fully automate procurement process
6. Complete administrative staffing assessment
7. Develop internal operating metrics to better capture, measure and monitor productivity gains
8. Finalize succession strategies for Executive Director and Management Team members while creating clearer pathways for career development for all employees. Implement human resources initiatives to improve workforce efficiency and engagement.
9. Complete the electronic document retention strategy to ensure compliance and security
10. Continue to enhance financial forecasting, budgeting methods and monitoring

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

Acquire cost-effective energy efficiency, accelerate renewable energy investment, expand participation, continuously improve operations, be accessible, communicate.

Management & General

	2014	2014	2015	2016
	Budget	Forecast	Budget	Projection
Staffing	2,120,253	1,901,659	2,100,756	2,236,650
Marketing				
Other Services	679,070	409,200	414,688	219,759
General	244,340	142,152	205,645	202,620
Allocations	625,131	476,062	601,355	644,319
Total	3,668,795	2,929,073	3,322,445	3,303,348

Information Technology

Purpose: Delivers high quality, cost-effective technology and information management solutions and services to support the strategic goals of Energy Trust.

2015 Strategies & Activities

1. Continue building prioritization and work processes involving staff, PMC staff and external stakeholders to ensure that IT is effectively meeting highest value program and support group needs and contributing to continuous improvement initiatives.
2. Strengthen the quality and improve the functionality and usability of applications for financial, project and savings tracking, Customer Relationship Management and Business Intelligence reporting.
3. Enhance data quality and increase accessibility to information.
4. Ensure system stability and performance by building on existing infrastructure architecture.

2015 New Initiatives & Focus Areas**Building prioritization & work processes**

1. Continue work with Business Systems Prioritization team and IT Steering Committee in prioritizing technology solutions to business problems and opportunities.
2. Provide increased availability of IT resources for ongoing systems enhancements in support of increased productivity across the organization.
3. Implement mechanism to track value of systems enhancements to create visibility to return on investment for systems improvements.
4. Enhance engagement with programs and external stakeholders in delivering functionality through the Integrated Solutions Implementation Project (ISIP).
5. Focus on continued high level of responsiveness to immediate, as well as longer-term needs, of users as internal customers of IT.

Strengthen applications

1. Complete systems development and implementation for phase 2 of the ISIP.
2. Continue extending functionality of Microsoft Dynamics Customer Relationship Management application to enhance customer experience and enable execution of marketing campaigns.
3. Assess potential new solutions for planning, budgeting and forecasting.
4. Implement system to automate procurement activities across the organization.

Enhance data quality

1. Create new Business Intelligence platform based on comprehensive data model created as part of ISIP.
2. Continue implementation of data governance processes to enforce the integrity of enterprise data as part of ongoing business process and systems development work.
3. Continue Business Intelligence tools development, targeting increased user self-service for information needs.

Ensure system stability

1. Conduct a broad assessment of systems architecture including web architecture and create improvement plan based on that assessment.
2. Assess cloud-based solution as a platform for some areas of systems functionality and potentially for disaster recovery and implement a subset as a proof of concept.
3. Continue replacement of servers and other backbone hardware as part of regular schedule to ensure availability and performance improvements.

2016 Planned Activities

1. Extend systems functionality utilizing new tools deployed through ISIP.
2. Finalize Business Intelligence tools rollout and transition to maintenance and improvement.
3. Integrate or assimilate point solutions into enterprise solution architecture utilizing standardized toolset.
4. Implement new planning, budgeting and forecasting solution.

2015-2016 FINAL PROPOSED BUDGET & ACTION PLAN

*Acquire cost-effective energy efficiency, accelerate renewable energy investment,
expand participation, continuously improve operations, be accessible, communicate.*

Information Technology**Targets**

	2014	2014	2015	2016
	Budget	Forecast	Budget	Projection
Staffing	2,083,855	1,449,336	1,862,442	1,932,745
Other Services	437,500	214,000	251,000	230,000
General				
Supplies and Equipment	160,440	88,440	89,700	95,000
Software	269,330	188,330	196,340	220,000
Depreciation	335,013	197,816	589,902	798,773
General	163,200	96,200	106,200	105,000
Allocations	172,800	170,988	167,206	172,386
Total General	1,100,783	741,774	1,149,348	1,391,159
GRAND TOTAL	3,622,138	2,405,110	3,262,790	3,553,904

2014 Budget Recap Spending and Savings - R3: Reforecast

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	37.4	6.3	43.8	15.6	3.1	2,095,274	36.01
Business Energy Solutions – New Buildings	12.5	1.7	14.2	5.1	2.8	657,639	21.77
Mkt Transformation (Alliance)	2.7	0.1	2.8	1.3	2.4		
Total Commercial	52.6	8.1	60.7	22.0	3.0	2,752,913	31.48
Industrial							
Production Efficiency	27.8	2.1	30.0	15.9	2.2	900,345	26.87
Mkt Transformation (Alliance)	1.0	0.0	1.0	0.3	5.4		
Total Industrial	28.9	2.1	31.0	16.2	2.3	900,345	26.87
Residential							
Home Energy Solutions – Existing Homes	14.9	7.3	22.2	5.0	3.1	1,089,040	50.00
Home Energy Solutions – New Homes & Products	19.1	4.5	23.6	8.6	3.5	1,020,343	31.24
Mkt Transformation (Alliance)	4.7	0.1	4.7	3.9	2.1		
Total Residential	38.6	11.8	50.4	17.6	3.0	2,109,383	40.92
Washington							
Business Energy Solutions – Existing Buildings		0.6	0.6			137,031	28.59
Home Energy Solutions – Existing Homes		0.4	0.4			57,185	49.97
Home Energy Solutions – New Homes & Products		0.3	0.3			52,660	48.33
Total Washington		1.3	1.3			246,876	37.20
Total Energy Efficiency	\$120.1	\$23.4	\$143.5	55.781	2.8	6,009,518	34.29

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	1.3		5.1	0.00	#DIV/0!	1.24	4.09
Solar Electric	14.2		9.0	3.28	4.33	1.15	7.88
Total Renewable Resources	\$15.6		\$14.1	3.28	4.74	2.38	5.91

TOTAL BUDGET - ALL

\$157.6

1 some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2014 Forecast

	ENERGY EFFICIENCY						Oregon Total	NWN WA	Efficiency Total
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade			
REVENUES									
Public Purpose Funding	\$28,373,279	\$21,746,304	\$50,119,583		\$18,311,245	\$2,660,569	\$71,091,397		\$71,091,397
Incremental Funding	51,647,545	26,791,562	78,439,107	3,073,052			81,512,159	1,054,354	82,566,513
Consumer Owned Electric Funding Contributions									
Special Projects									
Revenue from Investments									
Gain or Loss on Investments									
TOTAL PROGRAM REVENUE	80,020,824	48,537,866	128,558,690	3,073,052	18,311,245	2,660,569	152,603,556	1,054,354	153,657,910
EXPENSES									
Program Management (Note 3)	2,548,657	1,620,236	4,168,893	143,962	750,339	124,093	5,187,291	158,424	5,345,715
Program Delivery	22,524,969	15,265,896	37,790,864	932,318	4,604,163	541,958	43,869,305	324,893	44,194,198
Incentives	39,275,954	23,358,999	62,634,953	1,255,525	9,128,826	994,082	74,013,387	575,216	74,588,603
Program Eval & Planning Svcs.	2,282,779	1,465,070	3,747,850	65,495	596,086	56,519	4,465,946	56,829	4,522,775
Program Marketing/Outreach	2,666,049	1,660,929	4,326,979	44,872	1,084,425	82,827	5,539,101	72,900	5,612,001
Program Quality Assurance	80,602	55,047	135,649	466	45,833	3,052	185,000	0	185,000
Outsourced Services	642,209	403,730	1,045,939	24,007	201,359	21,243	1,292,550	1,050	1,293,600
Trade Allies & Cust. Svc. Mgmt.	421,639	285,026	706,665	4,896	227,946	15,508	955,015	27,826	982,841
IT Services	650,141	417,184	1,067,324	15,899	248,966	20,828	1,353,019	32,277	1,385,296
Other Program Expenses - all	288,208	183,719	471,929	10,312	84,573	8,215	575,028	37,054	612,082
TOTAL PROGRAM EXPENSES	71,381,207	44,715,836	116,097,045	2,497,752	16,972,516	1,868,325	137,435,642	1,286,469	138,722,111
ADMINISTRATIVE COSTS									
Management & General (Notes 1 & 2)	1,372,687	858,011	2,230,697	45,704	331,561	36,182	2,644,144	26,300	2,670,444
Communications & Customer Svc (Notes 1 & 2)	1,088,668	680,357	1,769,025	36,343	262,739	28,700	2,096,807	20,729	2,117,536
Total Administrative Costs	2,461,355	1,538,368	3,999,722	82,047	594,300	64,882	4,740,951	47,029	4,787,980
TOTAL PROG & ADMIN EXPENSES	73,842,562	46,254,204	120,096,767	2,579,799	17,566,816	1,933,207	142,176,593	1,333,498	143,510,091
TOTAL REVENUE LESS EXPENSES	6,178,262	2,283,662	8,461,923	493,253	744,429	727,362	10,426,963	(279,144)	10,147,819
NET ASSETS - RESERVES									
Cumulative Carryover at 12/31/13 (Note 4)	24,483,032	11,560,814	36,043,846	356,235	8,569,670	658,260	45,628,011	473,674	46,101,685
Change in net assets this year	6,178,262	2,283,662	8,461,923	493,253	744,429	727,362	10,426,963	(279,144)	10,147,819
Ending Net Assets - Reserves	30,661,294	13,844,476	44,505,769	849,488	9,314,099	1,385,622	56,054,974	194,530	56,249,504
Ending Reserve by Category									
Program Reserves (Efficiency and Renewables)	30,661,294	13,844,476	44,505,769	849,488	9,314,099	1,385,622	56,054,974	194,530	56,249,504
Assets Released for General Purpose									
Emergency Contingency Pool									
TOTAL NET ASSETS CUMULATIVE	30,661,294	13,844,476	44,505,769	849,488	9,314,099	1,385,622	56,054,974	194,530	56,249,504

Note 1) Management & General and Communications & Customer Service Expenses (Administrative) 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.

Note 4) Cumulative carryover at 12/31/2013 reflects audited results.

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2014 Forecast

	RENEWABLE ENERGY			Other	TOTAL
	PGE	PacifiCorp	Total		All Programs
REVENUES					
Public Purpose Funding	\$8,457,013	\$6,227,804	\$14,684,817		\$85,776,213
Incremental Funding					82,566,513
Consumer Owned Electric Funding Contributions					
Special Projects					
Revenue from Investments				245,743	245,743
Gain or Loss on Investments					
TOTAL PROGRAM REVENUE	8,457,013	6,227,804	14,684,817	245,743	168,588,469
EXPENSES					
Program Management (Note 3)	416,485	556,069	972,554		6,318,269
Program Delivery	130,800	99,200	230,000		44,424,198
Incentives	5,645,076	5,737,200	11,382,276		85,970,879
Program Eval & Planning Svcs.	82,917	67,695	150,612		4,673,387
Program Marketing/Outreach	113,332	57,668	171,000		5,783,001
Program Quality Assurance	0	851	851		185,851
Outsourced Services	231,417	106,682	338,099		1,631,699
Trade Allies & Cust. Svc. Mgmt.	27,748	14,396	42,144		1,024,985
IT Services	79,971	97,069	177,041		1,562,337
Other Program Expenses - all	87,405	81,038	168,444		780,526
TOTAL PROGRAM EXPENSES	6,815,151	6,817,868	13,633,021		152,355,132
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	133,325	125,305	258,630		2,929,074
Communications & Customer Svc (Notes 1 & 2)	104,995	99,929	204,924		2,322,460
Total Administrative Costs	238,320	225,234	463,554		5,251,534
TOTAL PROG & ADMIN EXPENSES	7,053,471	7,043,102	14,096,575		157,606,666
TOTAL REVENUE LESS EXPENSES	1,403,542	(815,298)	588,242	245,743	10,981,803
NET ASSETS - RESERVES					
Cumulative Carryover at 12/31/13 (Note 4)	12,041,462	11,793,715	23,835,177	7,993,710	77,930,572
Change in net assets this year	1,403,542	(815,298)	588,242	245,743	10,981,803
Ending Net Assets - Reserves	13,445,004	10,978,417	24,423,419	8,239,453	88,912,375
Ending Reserve by Category					
Program Reserves (Efficiency and Renewables)	13,445,004	10,978,417	24,423,419	3,239,453	83,912,375
Assets Released for General Purpose					
Emergency Contingency Pool				5,000,000	5,000,000
TOTAL NET ASSETS CUMULATIVE	13,445,004	10,978,417	24,423,419	8,239,453	88,912,375

Note 1) Management & General and Communications & Customer Service Expenses (Administrative) 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.

Note 4) Cumulative carryover at 12/31/2013 reflects audited results.

Energy Trust of Oregon
Statement of Functional Expenses
2014 Forecast

	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total
Program Expenses							
Incentives/ Program Management & Delivery	\$125,530,847	\$11,635,276	\$137,166,122				\$137,166,122
Payroll and Related Expenses	2,858,666	949,554	3,808,220	1,901,659	979,405	2,881,064	6,689,284
Outsourced Services	5,072,080	581,950	5,654,030	409,200	979,200	1,388,400	7,042,430
Planning and Evaluation	2,280,295	78,612	2,358,907	1,574		1,574	2,360,480
Customer Service Management	583,652	24,094	607,746				607,746
Trade Allies Network	399,189	18,050	417,239				417,239
Total Program Expenses	136,724,728	13,287,536	150,012,264	2,312,433	1,958,605	4,271,037	154,283,301
Program Support Costs							
Supplies	10,890	3,530	14,420	10,089	4,872	14,961	29,381
Postage and Shipping Expenses	3,112	1,110	4,222	1,821	1,231	3,052	7,274
Telephone	4,575	1,419	5,994	3,207	2,698	5,905	11,899
Printing and Publications	77,528	16,045	93,573	1,194	4,604	5,799	99,372
Occupancy Expenses	209,559	74,787	284,345	122,658	82,882	205,540	489,886
Insurance	30,560	10,906	41,466	17,887	12,087	29,974	71,440
Equipment	11,238	4,011	15,249	6,578	4,445	11,023	26,272
Travel	67,850	6,000	73,850	48,823	23,000	71,823	145,673
Meetings, Trainings & Conferences	75,617	12,149	87,765	78,084	12,165	90,249	178,014
Interest Expense and Bank Fees				2,500		2,500	2,500
Depreciation & Amortization	44,476	15,873	60,349	26,033	17,591	43,623	103,972
Dues, Licenses and Fees	75,983	22,366	98,349	6,294	1,820	8,114	106,463
Miscellaneous Expenses	695	248	942	1,127	275	1,401	2,344
IT Services	1,385,295	177,040	1,562,335	290,345	196,185	486,530	2,048,865
Total Program Support Costs	1,997,377	345,484	2,342,861	616,640	363,853	980,494	3,323,354
TOTAL EXPENSES	138,722,104	13,633,020	152,355,124	2,929,073	2,322,458	5,251,531	157,606,655

OPUC Measure vs. 9% **4.5%**

Energy Trust of Oregon
Program Expense by Service Territory
2014 Forecast

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency										
Commercial										
Existing Buildings	24,446,313	12,973,807	37,420,120	891,157	4,727,443	722,755	6,341,356	43,761,476	588,806	44,350,282
New Buildings	7,940,989	4,524,389	12,465,378	218,955	1,261,220	215,440	1,695,615	14,160,993		14,160,993
NEEA	1,614,454	1,121,909	2,736,362		61,039	3,896	64,936	2,801,298		2,801,298
Total Commercial	34,001,757	18,620,104	52,621,861	1,110,111	6,049,703	942,092	8,101,906	60,723,767	588,806	61,312,573
Industrial										
Production Efficiency	15,961,159	11,880,590	27,841,749	1,469,688	480,735	180,079	2,130,503	29,972,252		29,972,252
NEEA	610,010	423,905	1,033,915					1,033,915		1,033,915
Total Industrial	16,571,169	12,304,495	28,875,664	1,469,688	480,735	180,079	2,130,503	31,006,167		31,006,167
Residential										
Existing Homes	8,329,210	6,524,935	14,854,145		6,964,665	346,612	7,311,277	22,165,422	405,919	22,571,341
New Homes/Products	12,193,017	6,895,451	19,088,468		4,010,750	460,536	4,471,286	23,559,754	338,770	23,898,524
NEEA	2,747,409	1,909,217	4,656,626		60,961	3,891	64,852	4,721,478		4,721,478
Total Residential	23,269,636	15,329,603	38,599,239		11,036,375	811,039	11,847,415	50,446,654	744,689	51,191,343
Energy Efficiency Program Costs	73,842,562	46,254,202	120,096,765	2,579,800	17,566,814	1,933,210	22,079,823	142,176,588	1,333,495	143,510,083
Renewables										
Solar Electric (Photovoltaic)	6,106,689	2,924,835	9,031,524					9,031,524		9,031,524
Other Renewable	946,783	4,118,267	5,065,050					5,065,050		5,065,050
Renewables Program Costs	7,053,472	7,043,102	14,096,574					14,096,574		14,096,574
Cost Grand Total	80,896,035	53,297,304	134,193,339	2,579,800	17,566,814	1,933,210	22,079,823	156,273,162	1,333,495	157,606,657

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2014 Forecast

COMBINED SERVICE TERRITORIES: Efficiency and Renewable Programs

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	Standard Solar	Custom Projects	ETO Total
Program Management	1,503,884	635,134	6,926	1,100,964	14,195	1,204,975	878,804	829	475,775	496,779	6,318,265
Program Delivery:	11,267,268	4,123,000	2,641,688	8,805,161	930,840	5,689,089	6,234,434	4,502,717	230,000	-	44,424,197
Incentives:	26,543,842	7,507,010	-	17,613,923	-	10,039,698	12,884,129	-	7,245,253	4,137,023	85,970,878
Program Eval & Planning Svcs.:	1,211,304	656,789	43,456	820,146	46,604	1,038,346	664,299	41,834	111,939	38,673	4,673,390
Program Marketing/Outreach:	1,271,167	362,000	-	132,500	-	2,185,195	1,661,140	-	158,000	13,000	5,783,002
Program Quality Assurance:	-	30,000	-	-	-	114,999	40,001	-	-	851	185,851
Outsourced Services:	438,499	82,501	-	285,000	-	279,999	207,599	-	261,135	76,964	1,631,697
Trade Allies & Cust. Svc. Mgmt.:	138,856	54,418	-	29,726	-	576,856	182,985	-	40,617	1,527	1,024,985
IT Services:	336,210	173,240	2,549	136,033	1,659	524,579	208,042	2,983	95,820	81,220	1,562,335
Other Program Expenses	188,183	47,908	1,610	124,144	1,053	154,199	93,090	1,894	102,967	65,476	780,524
TOTAL PROGRAM EXPENSES	42,899,213	13,672,000	2,696,229	29,047,597	994,351	21,807,935	23,054,523	4,550,257	8,721,506	4,911,513	152,355,124
ADMINISTRATIVE COSTS											
Management & General	807,957	272,624	58,907	515,164	22,236	426,192	471,553	95,812	173,703	84,927	2,929,075
Communications & Customer Svc	643,112	216,373	46,162	409,489	17,329	337,213	372,447	75,411	136,315	68,609	2,322,460
Total Administrative Costs	1,451,069	488,997	105,069	924,653	39,565	763,405	844,000	171,223	310,018	153,536	5,251,535
Total Program & Admin Expenses	44,350,282	14,160,997	2,801,298	29,972,250	1,033,916	22,571,340	23,898,523	4,721,480	9,031,524	5,065,049	157,606,659
Energy Savings (kwh)	136,603,783	45,049,490	11,024,002	138,948,861	2,526,218	44,232,677	75,671,255	34,582,184	-	-	488,638,470
Energy Savings (therms)	2,095,274	657,639	-	900,345	-	1,089,040	1,020,343	-	-	-	5,762,642
Energy Generation (kwh)	-	-	-	-	-	-	-	-	10,038,474	10,840,527	20,879,001

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2014 Forecast

ENERGY EFFICIENCY

PGE

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	816,635	361,398	4,086	517,185	8,375	418,472	422,017	489	2,548,657
Program Delivery:	6,222,281	2,374,355	1,521,721	4,027,785	549,196	2,059,454	3,150,449	2,619,728	22,524,969
Incentives:	14,662,035	4,144,886		10,095,902		3,777,793	6,595,338		39,275,954
Program Eval & Planning Svcs.:	667,588	361,635	25,639	451,200	27,496	370,952	353,587	24,682	2,282,779
Program Marketing/Outreach:	691,573	207,045		70,554		815,602	881,275		2,666,049
Program Quality Assurance:		16,811				43,119	20,672		80,602
Outsourced Services:	242,080	46,231		151,757		104,985	97,156		642,209
Trade Allies & Cust. Svc. Mgmt.:	70,898	30,494		15,829		211,551	92,867		421,639
IT Services:	178,672	97,079	1,504	72,435	979	191,973	105,739	1,760	650,141
Other Program Expenses	95,024	26,846	950	66,104	621	53,968	43,578	1,117	288,208
TOTAL PROGRAM EXPENSES	23,646,786	7,666,780	1,553,900	15,468,751	586,667	8,047,869	11,762,678	2,647,776	71,381,207
ADMINISTRATIVE COSTS									
Management & General	445,164	152,878	33,949	274,341	13,119	157,054	240,429	55,753	1,372,687
Communications & Customer Svc	354,364	121,334	26,604	218,066	10,224	124,286	189,909	43,881	1,088,668
Total Administrative Costs	799,528	274,212	60,553	492,407	23,343	281,340	430,338	99,634	2,461,355
Total Program & Admin Expenses	24,446,314	7,940,992	1,614,453	15,961,158	610,010	8,329,209	12,193,016	2,747,410	73,842,562
Energy Savings (kwh)	89,453,496	30,039,980	6,504,161	95,084,300	1,490,469	25,839,806	45,815,669	20,403,489	314,631,369

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2014 Forecast

ENERGY EFFICIENCY

PacificPower

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	412,558	202,295	2,840	426,438	5,820	334,146	235,799	340	1,620,236
Program Delivery:	3,386,855	1,307,747	1,057,467	3,820,115	381,644	1,718,486	1,773,093	1,820,489	15,265,896
Incentives:	7,703,920	2,390,818		6,669,785		2,863,849	3,730,627		23,358,999
Program Eval & Planning Svcs.:	368,372	228,193	17,817	317,353	19,108	290,596	206,479	17,152	1,465,070
Program Marketing/Outreach:	364,996	115,205		52,516		623,051	505,161		1,660,929
Program Quality Assurance:		9,578				33,778	11,691		55,047
Outsourced Services:	129,914	26,340		112,960		82,243	52,273		403,730
Trade Allies & Cust. Svc. Mgmt.:	37,626	17,374		11,782		165,725	52,519		285,026
IT Services:	94,822	55,311	1,045	53,917	680	150,388	59,798	1,223	417,184
Other Program Expenses	50,430	15,295	660	49,204	432	42,277	24,644	777	183,719
TOTAL PROGRAM EXPENSES	12,549,493	4,368,156	1,079,829	11,514,070	407,684	6,304,539	6,652,084	1,839,981	44,715,836
ADMINISTRATIVE COSTS									
Management & General	236,251	87,102	23,592	204,204	9,117	123,033	135,969	38,743	858,011
Communications & Customer Svc	188,063	69,130	18,488	162,316	7,105	97,363	107,398	30,494	680,357
Total Administrative Costs	424,314	156,232	42,080	366,520	16,222	220,396	243,367	69,237	1,538,368
Total Program & Admin Expenses	12,973,807	4,524,388	1,121,909	11,880,590	423,906	6,524,935	6,895,451	1,909,218	46,254,204
Energy Savings (kwh)	47,150,287	15,009,510	4,519,841	43,864,561	1,035,749	18,392,871	29,855,586	14,178,695	174,007,100

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2014 Forecast

ENERGY EFFICIENCY

Northwest Natural Gas DSM

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	36,215	4,742		103,005					143,962
Program Delivery:	305,838	8,000		618,480					932,318
Incentives:	440,718	182,264		632,543					1,255,525
Program Eval & Planning Svcs.:	21,258	8,647		35,590					65,495
Program Marketing/Outreach:	36,657	1,710		6,505					44,872
Program Quality Assurance:		466							466
Outsourced Services:	8,733	1,282		13,992					24,007
Trade Allies & Cust. Svc. Mgmt.:	2,591	846		1,459					4,896
IT Services:	6,529	2,692		6,678					15,899
Other Program Expenses	3,472	745		6,095					10,312
TOTAL PROGRAM EXPENSES	862,011	211,394	-	1,424,347	-	-	-	-	2,497,752
ADMINISTRATIVE COSTS									
Management & General	16,228	4,215		25,261					45,704
Communications & Customer Svc	12,918	3,346		20,079					36,343
Total Administrative Costs	29,146	7,561	-	45,340	-	-	-	-	82,047
Total Program & Admin Expenses	891,157	218,955	-	1,469,687					2,579,799
Energy Savings (therms)	523,368	110,375	-	612,014					1,245,758

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2014 Forecast

ENERGY EFFICIENCY

Northwest Natural Gas

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	151,964	57,149		34,067		347,279	159,880		750,339
Program Delivery:	1,058,387	371,996	58,750	235,000		1,728,560	1,092,720	58,750	4,604,163
Incentives:	3,014,492	671,348		173,836		3,118,779	2,150,371		9,128,826
Program Eval & Planning Svcs.:	112,769	49,806		11,642		338,650	83,219		596,086
Program Marketing/Outreach:	119,024	32,628		2,128		686,374	244,271		1,084,425
Program Quality Assurance:		2,686				36,296	6,851		45,833
Outsourced Services:	49,399	7,386		4,577		88,373	51,624		201,359
Trade Allies & Cust. Svc. Mgmt.:	13,743	4,872		477		178,078	30,776		227,946
IT Services:	34,633	15,509		2,185		161,597	35,042		248,966
Other Program Expenses	18,419	4,289		1,994		45,429	14,442		84,573
TOTAL PROGRAM EXPENSES	4,572,830	1,217,669	58,750	465,906	-	6,729,415	3,869,196	58,750	16,972,516
ADMINISTRATIVE COSTS									
Management & General	86,086	24,281	1,284	8,263		131,324	79,086	1,237	331,561
Communications & Customer Svc	68,527	19,271	1,006	6,568		103,925	62,468	974	262,739
Total Administrative Costs	154,613	43,552	2,290	14,831	-	235,249	141,554	2,211	594,300
Total Program & Admin Expenses	4,727,443	1,261,221	61,040	480,737	-	6,964,664	4,010,750	60,961	17,566,816
Energy Savings (therms)	1,262,577	489,427	-	262,292	-	1,047,925	921,487	-	3,983,708

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2014 Forecast

ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	21,478	9,550		20,269		54,357	18,439		124,093
Program Delivery:	171,369	60,902	3,750	103,781		72,589	125,817	3,750	541,958
Incentives:	452,027	117,694		41,857		135,367	247,137		994,082
Program Eval & Planning Svcs.:	17,241	8,508		4,361		16,853	9,556		56,519
Program Marketing/Outreach:	18,917	5,412		797		30,368	27,333		82,827
Program Quality Assurance:		459				1,806	787		3,052
Outsourced Services:	7,873	1,262		1,714		4,398	5,996		21,243
Trade Allies & Cust. Svc. Mgmt.:	2,101	832		179		8,862	3,534		15,508
IT Services:	5,295	2,649		818		8,042	4,024		20,828
Other Program Expenses	2,816	733		747		2,261	1,658		8,215
TOTAL PROGRAM EXPENSES	699,117	208,001	3,750	174,523	-	334,903	444,281	3,750	1,868,325
ADMINISTRATIVE COSTS									
Management & General	13,161	4,148	82	3,095		6,536	9,081	79	36,182
Communications & Customer Svc	10,477	3,292	64	2,460		5,172	7,173	62	28,700
Total Administrative Costs	23,638	7,440	146	5,555	-	11,708	16,254	141	64,882
Total Program & Admin Expenses	722,755	215,441	3,896	180,078	-	346,611	460,535	3,891	1,933,207
Energy Savings (therms)	309,329	57,837	-	26,039	-	41,115	98,856	-	533,176

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2014 Forecast

ENERGY EFFICIENCY

Northwest Natural Gas WA

EXPENSES	Existing Buildings	Existing Homes	New Homes & Products	ETO Total
Program Management	65,034	50,721	42,669	158,424
Program Delivery:	122,538	110,000	92,355	324,893
Incentives:	270,650	143,910	160,656	575,216
Program Eval & Planning Svcs.:	24,076	21,295	11,458	56,829
Program Marketing/Outreach:	40,000	29,800	3,100	72,900
Outsourced Services:	500		550	1,050
Trade Allies & Cust. Svc. Mgmt.:	11,897	12,640	3,289	27,826
IT Services:	16,259	12,579	3,439	32,277
Other Program Expenses	18,022	10,264	8,768	37,054
TOTAL PROGRAM EXPENSES	568,976	391,209	326,284	1,286,469
ADMINISTRATIVE COSTS				
Management & General	11067	8245	6988	26,300
Communications & Customer Svc	8763	6467	5499	20,729
Total Administrative Costs	19,830	14,712	12,487	47,029
Total Program & Admin Expenses	588,806	405,921	338,771	1,333,498
Savings	137,031	57,185	52,660	246,876
Energy Savings (therms)				

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2014 Forecast

RENEWABLE GENERATION

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	323,625	92,860	416,485
Program Delivery:	130,800	-	130,800
Incentives:	4,908,676	736,400	5,645,076
Program Eval & Planning Svcs.:	75,688	7,229	82,917
Program Marketing/Outreach:	106,832	6,500	113,332
Program Quality Assurance:			-
Outsourced Services:	189,575	41,842	231,417
Trade Allies & Cust. Svc. Mgmt.:	27,463	285	27,748
IT Services:	64,789	15,182	79,971
Other Program Expenses	69,621	17,784	87,405
TOTAL PROGRAM EXPENSES	5,897,069	918,082	6,815,151
ADMINISTRATIVE COSTS			
Management & General	117,450	15,875	133,325
Communications & Customer Svc	92,170	12,825	104,995
Total Administrative Costs	209,620	28,700	238,320
Total Program & Admin Expenses	6,106,689	946,782	7,053,471
Energy Generation (kwh)	6,425,591	-	6,425,591

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2014 Forecast**

RENEWABLE GENERATION

PacificPower Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	152,150	403,919	556,069
Program Delivery:	99,200	-	99,200
Incentives:	2,336,577	3,400,623	5,737,200
Program Eval & Planning Svcs.:	36,251	31,444	67,695
Program Marketing/Outreach:	51,168	6,500	57,668
Program Quality Assurance:		851	851
Outsourced Services:	71,560	35,122	106,682
Trade Allies & Cust. Svc. Mgmt.:	13,154	1,242	14,396
IT Services:	31,031	66,038	97,069
Other Program Expenses	33,346	47,692	81,038
TOTAL PROGRAM EXPENSES	2,824,437	3,993,431	6,817,868
ADMINISTRATIVE COSTS			
Management & General	56,253	69,052	125,305
Communications & Customer Svc	44,145	55,784	99,929
Total Administrative Costs	100,398	124,836	225,234
Total Program & Admin Expenses	2,924,835	4,118,267	7,043,102
Energy Generation (kwh)	3,612,883	10,840,527	14,453,410

2016 Budget Recap Spending and Savings - R2: Proposed Final

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	43.6	8.3	51.9	15.2	4.2	2,184,762	41.2
Business Energy Solutions – New Buildings	14.2	1.5	15.7	5.9	2.2	540,441	27.1
Mkt Transformation (Alliance)	2.8	0.3	3.0	1.2	4.7		
Total Commercial	60.6	10.0	70.6	22.3	3.4	2,725,202	39.1
Industrial							
Production Efficiency	30.2	3.0	33.2	18.1	2.2	1,065,576	26.5
Mkt Transformation (Alliance)	0.2	0.0	0.2	0.1	4.8		
Total Industrial	30.3	3.0	33.3	18.1	2.2	1,065,576	26.5
Residential							
Home Energy Solutions – Existing Homes	17.2	4.8	22.0	4.2	4.1	787,851	44.2
Home Energy Solutions – New Homes & Products	22.4	4.8	27.2	8.9	3.3	1,230,595	25.5
Mkt Transformation (Alliance)	4.5	0.7	5.2	4.2	1.3		
Total Residential	44.1	10.2	54.4	17.3	3.0	2,018,446	34.5
Washington							
Business Energy Solutions – Existing Buildings		0.7	0.7			150,000	37.5
Home Energy Solutions – Existing Homes		0.5	0.5			51,148	61.7
Home Energy Solutions – New Homes & Products		0.4	0.4			55,915	51.1
Total Washington		1.5	1.5			257,063	48.4
Total Energy Efficiency	\$135.1	\$24.8	\$159.9	57.7	2.9	6,066,287	34.7

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		10.0	0.80	7.78	1.21	8.30
Solar Electric	8.7		12.5	0.97	8.98	3.28	3.82
Total Renewable Resources	\$14.9		\$22.6	1.77	8.43	4.49	5.02

TOTAL BUDGET - ALL

\$182.5

1 some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2016 Final Proposed Projection

	ENERGY EFFICIENCY							EFFICIENCY Total	RENEWABLE ENERGY			Other	TOTAL	
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Oregon Total		NWN WA	PGE	PacifiCorp		RENEWABLES Total	All Programs
REVENUES														
Public Purpose Funding	\$28,325,825	\$21,736,380	\$50,062,205		\$13,805,611	\$1,913,709	\$65,781,525		\$65,781,525	\$8,326,919	\$6,555,147	\$14,882,066		\$80,663,591
Incremental Funding	42,000,000	20,850,000	62,850,000	3,707,012			66,557,012	1,686,503	68,243,515					68,243,515
Consumer Owned Electric Funding Contributions Special Projects														
Revenue from Investments Gain or Loss on Investments													288,000	288,000
TOTAL PROGRAM REVENUE	<u>70,325,825</u>	<u>42,586,380</u>	<u>112,912,205</u>	<u>3,707,012</u>	<u>13,805,611</u>	<u>1,913,709</u>	<u>132,338,537</u>	<u>1,686,503</u>	<u>134,025,040</u>	<u>8,326,919</u>	<u>6,555,147</u>	<u>14,882,066</u>	<u>288,000</u>	<u>149,195,106</u>
EXPENSES														
Program Management (Note 3)	3,341,405	2,087,704	5,429,109	144,127	746,563	117,896	6,437,694	567,298	7,004,992	580,331	511,100	1,091,431		8,096,423
Program Delivery	23,905,692	14,516,723	38,422,415	929,052	4,922,575	572,234	44,846,276	86,491	44,932,767	196,700	93,300	290,000		45,222,767
Incentives	47,355,092	26,805,656	74,160,748	2,239,496	9,223,791	1,192,980	86,817,014	626,336	87,443,350	10,405,000	8,714,321	19,119,321		106,562,671
Program Eval & Planning Svcs.	2,411,902	1,467,348	3,879,250	84,414	463,801	53,626	4,481,090	69,478	4,550,568	55,114	49,470	104,584		4,655,152
Program Marketing/Outreach	2,568,898	1,627,855	4,196,752	38,051	789,698	73,728	5,098,229	80,152	5,178,381	144,848	67,652	212,500		5,390,881
Program Quality Assurance	31,045	27,597	58,642	0	15,550	808	75,000	0	75,000	0	0	0		75,000
Outsourced Services	862,333	542,138	1,404,470	54,364	219,290	18,125	1,696,250	550	1,696,800	150,996	151,004	302,000		1,998,800
Trade Allies & Cust. Svc. Mgmt.	418,781	299,171	717,952	6,417	146,654	12,334	883,354	40,546	923,900	44,862	23,367	68,230		992,130
IT Services	989,271	652,497	1,641,765	27,179	270,734	26,289	1,965,969	46,231	2,012,200	145,410	120,032	265,441		2,277,641
Other Program Expenses - all	340,507	201,845	542,352	16,569	70,466	7,904	637,290	44,081	681,371	166,921	107,270	274,192		955,563
TOTAL PROGRAM EXPENSES	<u>82,224,926</u>	<u>48,228,534</u>	<u>130,453,455</u>	<u>3,539,669</u>	<u>16,869,122</u>	<u>2,075,924</u>	<u>152,938,166</u>	<u>1,561,163</u>	<u>154,499,329</u>	<u>11,890,182</u>	<u>9,837,516</u>	<u>21,727,699</u>		<u>176,227,028</u>
ADMINISTRATIVE COSTS														
Management & General (Notes 1 & 2)	1,515,546	897,719	2,413,266	61,259	319,763	38,960	2,833,246	31,175	2,864,421	242,250	196,676	438,927		3,303,348
Communications & Customer Svc (Notes 1 & 2)	1,378,221	816,407	2,194,630	55,575	290,814	35,461	2,576,479	28,450	2,604,929	224,850	183,448	408,298		3,013,227
Total Administrative Costs	2,893,767	1,714,126	4,607,896	116,834	610,577	74,421	5,409,725	59,625	5,469,350	467,100	380,124	847,225		6,316,575
TOTAL PROG & ADMIN EXPENSES	<u>85,118,693</u>	<u>49,942,660</u>	<u>135,061,351</u>	<u>3,656,503</u>	<u>17,479,699</u>	<u>2,150,345</u>	<u>158,347,891</u>	<u>1,620,788</u>	<u>159,968,679</u>	<u>12,357,282</u>	<u>10,217,640</u>	<u>22,574,924</u>		<u>182,543,603</u>
TOTAL REVENUE LESS EXPENSES	<u>(14,792,868)</u>	<u>(7,356,280)</u>	<u>(22,149,146)</u>	<u>50,509</u>	<u>(3,674,088)</u>	<u>(236,636)</u>	<u>(26,009,354)</u>	<u>65,715</u>	<u>(25,943,639)</u>	<u>(4,030,363)</u>	<u>(3,662,493)</u>	<u>(7,692,858)</u>	<u>288,000</u>	<u>(33,348,497)</u>
NET ASSETS - RESERVES														
Cumulative Carryover at 12/31/15 (Budget)	19,273,672	7,785,109	27,058,781	187,554	7,002,956	1,333,281	35,582,573	31,256	35,613,828	10,769,002	12,345,872	23,114,874	8,527,453	67,256,155
Change in net assets this year	(14,792,868)	(7,356,280)	(22,149,146)	50,509	(3,674,088)	(236,636)	(26,009,354)	65,715	(25,943,639)	(4,030,363)	(3,662,493)	(7,692,858)	288,000	(33,348,497)
Ending Net Assets - Reserves	<u>4,480,804</u>	<u>428,829</u>	<u>4,909,635</u>	<u>238,063</u>	<u>3,328,868</u>	<u>1,096,645</u>	<u>9,573,219</u>	<u>96,971</u>	<u>9,670,189</u>	<u>6,738,639</u>	<u>8,683,379</u>	<u>15,422,016</u>	<u>8,815,453</u>	<u>33,907,658</u>
Ending Reserve by Category														
Program Reserves (Efficiency and Renewables)	4,480,804	428,829	4,909,635	238,063	3,328,868	1,096,645	9,573,219	96,971	9,670,189	6,738,639	8,683,379	15,422,016	3,815,453	28,907,658
Assets Released for General Purpose														
Emergency Contingency Pool													5,000,000	5,000,000
TOTAL NET ASSETS CUMULATIVE	<u>4,480,804</u>	<u>428,829</u>	<u>4,909,635</u>	<u>238,063</u>	<u>3,328,868</u>	<u>1,096,645</u>	<u>9,573,219</u>	<u>96,971</u>	<u>9,670,189</u>	<u>6,738,639</u>	<u>8,683,379</u>	<u>15,422,016</u>	<u>8,815,453</u>	<u>33,907,658</u>

Note 1) Management & General and Communications & Customer Service (Admin) are allocated based on total exp
Note 2) Admin costs are allocated for management reporting only. GAAP for Not for Profit organizations does not a
Note 3) Program Management costs include both outsourced and internal staff.

Note 1) Management & General and Communicatio
Note 2) Admin costs are allocated for management
Note 3) Program Management costs include both o

Energy Trust of Oregon
Statement of Functional Expenses
2016 Final Proposed Projection

	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total
Program Expenses							
Incentives/ Program Management & Delivery	\$139,637,109	\$19,429,321	\$159,066,430				\$159,066,430
Payroll and Related Expenses	3,415,430	1,071,431	4,486,861	2,236,650	1,420,016	3,656,666	8,143,527
Outsourced Services	5,284,650	534,500	5,819,150	219,759	1,097,500	1,317,259	7,136,409
Planning and Evaluation	2,544,669	84,584	2,629,253	1,880		1,880	2,631,133
Customer Service Management	526,539	41,185	567,724				567,724
Trade Allies Network	397,362	27,045	424,406				424,406
Total Program Expenses	151,805,757	21,188,066	172,993,823	2,458,289	2,517,516	4,975,805	177,969,629
Program Support Costs							
Supplies	12,610	3,859	16,468	10,881	5,530	16,411	32,879
Postage and Shipping Expenses	3,612	1,200	4,812	2,047	1,409	3,456	8,269
Telephone	3,483	2,158	5,640	1,974	1,359	3,333	8,974
Printing and Publications	107,177	13,224	120,400	1,593	5,849	7,443	127,843
Occupancy Expenses	221,327	73,564	294,891	125,457	86,356	211,813	506,704
Insurance	36,280	12,059	48,339	20,565	14,155	34,720	83,059
Equipment	10,533	118,501	129,034	5,971	4,110	10,081	139,115
Travel	65,400	18,500	83,900	49,115	25,000	74,115	158,015
Meetings, Trainings & Conferences	95,718	12,193	107,911	140,769	20,226	160,996	268,907
Interest Expense and Bank Fees				2,500		2,500	2,500
Depreciation & Amortization	45,157	15,009	60,166	25,597	17,619	43,215	103,381
Dues, Licenses and Fees	80,075	3,925	84,000	5,905	2,500	8,405	92,405
IT Services	2,012,200	265,441	2,277,641	452,685	311,597	764,282	3,041,923
Total Program Support Costs	2,693,571	539,633	3,233,204	845,059	495,711	1,340,770	4,573,973
TOTAL EXPENSES	154,499,328	21,727,699	176,227,027	3,303,348	3,013,227	6,316,575	182,543,602

OPUC Measure vs. 9%

6.4%

Energy Trust of Oregon
Program Expense by Service Territory
2016 Final Proposed Projection

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency										
Commercial										
Existing Buildings	28,746,575	14,869,891	43,616,467	1,469,019	5,891,652	894,801	8,255,472	51,871,939	698,604	52,570,543
New Buildings	9,065,991	5,113,944	14,179,935	46,846	1,172,876	299,998	1,519,720	15,699,655		15,699,655
NEEA	1,637,755	1,138,101	2,775,856		245,929	27,325	273,254	3,049,110	26,499	3,075,609
Total Commercial	39,450,321	21,121,937	60,572,258	1,515,865	7,310,456	1,222,125	10,048,446	70,620,704	725,103	71,345,807
Industrial										
Production Efficiency	20,078,686	10,089,507	30,168,193	2,140,634	749,446	106,108	2,996,188	33,164,381		33,164,381
NEEA	104,348	72,514	176,862					176,862		176,862
Total Industrial	20,183,034	10,162,021	30,345,055	2,140,634	749,446	106,108	2,996,188	33,341,243		33,341,243
Residential										
Existing Homes	9,131,981	8,117,595	17,249,576		4,553,013	236,629	4,789,643	22,039,219	472,108	22,511,327
New Homes/Products	13,680,621	8,683,779	22,364,400		4,279,376	520,213	4,799,589	27,163,989	360,284	27,524,273
NEEA	2,672,735	1,857,325	4,530,060		587,409	65,268	652,677	5,182,737	63,294	5,246,031
Total Residential	25,485,337	18,658,699	44,144,036		9,419,799	822,110	10,241,909	54,385,945	895,686	55,281,631
Energy Efficiency Program Costs	85,118,692	49,942,657	135,061,349	3,656,499	17,479,701	2,150,343	23,286,543	158,347,892	1,620,789	159,968,681
Renewables										
Solar Electric (Photovoltaic)	8,629,337	3,899,752	12,529,089					12,529,089		12,529,089
Other Renewable	3,727,947	6,317,889	10,045,836					10,045,836		10,045,836
Renewables Program Costs	12,357,284	10,217,641	22,574,925					22,574,925		22,574,925
Cost Grand Total	97,475,976	60,160,298	157,636,274	3,656,499	17,479,701	2,150,343	23,286,543	180,922,817	1,620,789	182,543,606

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2016 Final Proposed Projection

TOTAL COMPANY: Energy Efficiency & Renewables

EXPENSES	New											ETO Total
	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	Homes & Products	NEEA Residential	Washington (with NEEA)	Solar Renewables	Custom Renewables	
Program Management	1,766,792	691,016	45,675	1,424,107	6,447	1,099,217	1,356,403	48,037	567,298	556,845	534,586	8,096,423
Program Delivery:	13,824,928	4,165,000	2,806,839	9,575,505	145,851	5,003,598	4,454,621	4,869,934	86,491	290,000		45,222,767
Incentives:	30,843,922	8,621,966		19,246,295		10,758,172	17,346,659		626,336	10,360,000	8,759,321	106,562,671
Program Eval & Planning Svcs.:	1,181,639	645,516	69,793	831,441	16,186	953,908	723,032	59,575	69,478	45,239	59,345	4,655,152
Program Marketing/Outreach:	1,389,276	438,000		237,000		1,757,721	1,276,232		80,152	204,500	8,000	5,390,881
Program Quality Assurance:						75,000			-			75,000
Outsourced Services:	555,750	212,500		320,000		295,000	313,000		550	178,000	124,000	1,998,800
Trade Allies & Cust. Svc. Mgmt.:	135,658	48,243		37,505		448,140	213,808		40,546	61,523	6,707	992,130
IT Services	322,886	270,605	8,831	266,305	1,262	733,459	351,266	11,355	46,231	147,665	117,776	2,277,641
Other Program Expenses	183,436	38,053	3,702	174,128	529	121,836	110,846	4,760	44,081	204,598	69,594	955,563
TOTAL PROGRAM EXPENSES	50,204,287	15,130,899	2,934,840	32,112,286	170,275	21,246,051	26,145,867	4,993,661	1,561,163	12,048,370	9,679,329	176,227,028
ADMINISTRATIVE COSTS												
Management & General	873,485	297,082	59,624	552,096	3,434	416,017	532,904	98,604	31,175	249,858	189,069	3,303,348
Communications & Customer Svc	794,167	271,671	54,647	499,998	3,153	377,152	485,216	90,475	28,450	230,861	177,437	3,013,227
Total Administrative Costs	1,667,652	568,753	114,271	1,052,094	6,587	793,169	1,018,120	189,079	59,625	480,719	366,506	6,316,575
Total Program & Admin Expenses	51,871,939	15,699,652	3,049,111	33,164,380	176,862	22,039,220	27,163,987	5,182,740	1,620,788	12,529,089	10,045,835	182,543,603
Energy Savings (kwh)	133,355,503	51,812,076	10,117,800	158,263,318	557,136	37,097,798	77,842,605	36,404,619				505,450,855
Energy Savings (therms)	2,184,762	540,441	-	1,065,576	-	787,851	1,230,595	-	257,063			6,066,287
Energy Generation (kwh)										28,755,000	10,604,599	39,359,599

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2016 Final Proposed Projection**

ENERGY EFFICIENCY

PGE

EXPENSES	New								ETO Total
	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	Homes & Products	NEEA Residential	
Program Management	995,750	399,403	26,948	755,579	3,804	431,965	699,614	28,342	3,341,405
Program Delivery:	7,587,801	2,411,077	1,500,857	5,561,178	86,052	2,126,868	2,129,629	2,502,230	23,905,692
Incentives:	17,168,273	4,967,798		11,992,910		4,401,255	8,824,856		47,355,092
Program Eval & Planning Svcs.:	662,642	377,289	41,178	505,540	9,550	403,636	376,918	35,149	2,411,902
Program Marketing/Outreach:	785,870	253,357		143,470		746,909	639,292		2,568,898
Program Quality Assurance:						31,045			31,045
Outsourced Services:	266,382	122,645		193,715		122,112	157,479		862,333
IT Services	75,158	27,844		22,704		185,502	107,573		418,781
IT Services:	178,887	156,180	5,210	161,210	745	303,607	176,732	6,700	989,271
Other Program Expenses	101,628	21,963	2,184	105,410	312	50,432	55,770	2,808	340,507
TOTAL PROGRAM EXPENSES	27,822,391	8,737,556	1,576,377	19,441,716	100,463	8,803,331	13,167,863	2,575,229	82,224,926
ADMINISTRATIVE COSTS									
Management & General	484,071	171,554	32,026	334,255	2,026	172,377	268,387	50,850	1,515,546
Communications & Customer Svc	440,114	156,881	29,352	302,713	1,860	156,273	244,370	46,658	1,378,221
Total Administrative Costs	924,185	328,435	61,378	636,968	3,886	328,650	512,757	97,508	2,893,767
Total Program & Admin Expenses	28,746,576	9,065,991	1,637,755	20,078,684	104,349	9,131,981	13,680,620	2,672,737	85,118,693
Energy Generation (kwh)	88,256,303	33,273,739	5,969,502	111,200,691	328,710	20,479,779	45,689,836	21,478,725	326,677,285

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
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ENERGY EFFICIENCY

Pacific Power

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	512,519	225,295	18,727	454,569	2,643	398,317	455,939	19,695	2,087,704
Program Delivery:	4,114,434	1,360,039	1,042,969	3,131,319	59,799	1,795,268	1,274,057	1,738,838	14,516,723
Incentives:	8,670,547	2,802,236		5,614,690		4,050,464	5,667,719		26,805,656
Program Eval & Planning Svcs.:	342,768	212,821	28,615	254,033	6,636	358,800	239,249	24,426	1,467,348
Program Marketing/Outreach:	400,477	142,914		72,094		606,850	405,520		1,627,855
Program Quality Assurance:						27,597			27,597
Outsourced Services:	167,107	69,181		97,342		108,548	99,960		542,138
IT Services	38,877	15,706		11,409		164,897	68,282		299,171
IT Services:	92,534	88,098	3,621	81,008	517	269,882	112,181	4,656	652,497
Other Program Expenses	52,570	12,389	1,518	52,969	217	44,830	35,400	1,952	201,845
TOTAL PROGRAM EXPENSES	14,391,833	4,928,679	1,095,450	9,769,433	69,812	7,825,453	8,358,307	1,789,567	48,228,534
ADMINISTRATIVE COSTS									
Management & General	250,398	96,770	22,255	167,963	1,408	153,229	170,359	35,337	897,719
Communications & Customer Svc	227,660	88,493	20,397	152,113	1,293	138,914	155,114	32,423	816,407
Total Administrative Costs	478,058	185,263	42,652	320,076	2,701	292,143	325,473	67,760	1,714,126
Total Program & Admin Expenses	14,869,891	5,113,942	1,138,102	10,089,509	72,513	8,117,596	8,683,780	1,857,327	49,942,660
Energy Generation (kwh)	45,099,200	18,538,337	4,148,298	47,062,627	228,426	16,618,019	32,152,769	14,925,893	178,773,570

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
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ENERGY EFFICIENCY

Northwest Natural Industrial

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	32,607	1,068		110,452					144,127
Program Delivery:	256,420			672,632					929,052
Incentives:	1,027,752	40,327		1,171,417					2,239,496
Program Eval & Planning Svcs.:	31,359	1,708		51,347					84,414
Program Marketing/Outreach:	22,397	339		15,315					38,051
Program Quality Assurance:									-
Outsourced Services:	33,048	637		20,679					54,364
IT Services	3,848	145		2,424					6,417
IT Services:	9,158	812		17,209					27,179
Other Program Expenses	5,203	114		11,252					16,569
TOTAL PROGRAM EXPENSES	1,421,792	45,150	-	2,072,727	-	-	-	-	3,539,669
ADMINISTRATIVE COSTS									
Management & General	24,737	886		35,636					61,259
Communications & Customer Svc	22,491	811		32,273					55,575
Total Administrative Costs	47,228	1,697	-	67,909	-	-	-	-	116,834
Total Program & Admin Expenses	1,469,020	46,847	-	2,140,636	-	-	-	-	3,656,503
Energy Savings (therms)	530,145	6,755	-	741,504					1,278,404

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2016 Final Proposed Projection

ENERGY EFFICIENCY

Northwest Natural Gas

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	197,814	51,960		97,003		220,448	179,338		746,563
Program Delivery:	1,658,243	313,666	236,712	172,810		1,040,022	935,143	565,979	4,922,575
Incentives:	3,405,958	646,285		414,467		2,211,232	2,545,849		9,223,791
Program Eval & Planning Svcs.:	125,768	42,761		17,977		182,013	95,282		463,801
Program Marketing/Outreach:	156,035	32,960		5,362		388,488	206,853		789,698
Program Quality Assurance:						15,550			15,550
Outsourced Services:	85,394	15,955		7,240		61,162	49,539		219,290
IT Services	15,431	3,622		849		92,912	33,840		146,654
IT Services:	36,729	20,318		6,025		152,067	55,595		270,734
Other Program Expenses	20,866	2,857		3,939		25,260	17,544		70,466
TOTAL PROGRAM EXPENSES	5,702,238	1,130,384	236,712	725,672	-	4,389,154	4,118,983	565,979	16,869,122
ADMINISTRATIVE COSTS									
Management & General	99,211	22,194	4,809	12,476		85,944	83,953	11,176	319,763
Communications & Customer Svc	90,202	20,296	4,408	11,299		77,915	76,440	10,254	290,814
Total Administrative Costs	189,413	42,490	9,217	23,775	-	163,859	160,393	21,430	610,577
Total Program & Admin Expenses	5,891,651	1,172,874	245,929	749,447	-	4,553,013	4,279,376	587,409	17,479,699
Energy Savings (therms)	1,480,940	447,584	-	289,057	-	752,492	1,113,678	-	4,083,749

**Energy Trust of Oregon, Inc
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ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	28,103	13,289		6,505		48,487	21,512		117,896
Program Delivery:	208,031	80,218	26,301	37,566		41,440	115,791	62,887	572,234
Incentives:	571,392	165,320		52,811		95,222	308,235		1,192,980
Program Eval & Planning Svcs.:	19,101	10,937		2,545		9,460	11,583		53,626
Program Marketing/Outreach:	24,498	8,430		759		15,474	24,567		73,728
Program Quality Assurance:						808			808
Outsourced Services:	3,818	4,081		1,025		3,179	6,022		18,125
IT Services	2,344	927		120		4,829	4,114		12,334
IT Services:	5,578	5,197		853		7,903	6,758		26,289
Other Program Expenses	3,169	731		558		1,313	2,133		7,904
TOTAL PROGRAM EXPENSES	866,034	289,130	26,301	102,742	-	228,115	500,715	62,887	2,075,924
ADMINISTRATIVE COSTS									
Management & General	15,068	5,677	534	1,766		4,467	10,206	1,242	38,960
Communications & Customer Svc	13,700	5,191	490	1,600		4,049	9,292	1,139	35,461
Total Administrative Costs	28,768	10,868	1,024	3,366	-	8,516	19,498	2,381	74,421
Total Program & Admin Expenses	894,802	299,998	27,325	106,108	-	236,631	520,213	65,268	2,150,345
Energy Savings (therms)	173,677	86,102	-	35,015	-	35,359	116,917		447,071

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ENERGY EFFICIENCY

Northwest Natural Washington

EXPENSES	Existing	NEEA	Existing	New	NEEA	ETO Total
	Buildings	Commercial	Homes	Homes & Products	Residential	
Program Management	222,926		172,947	171,425		567,298
Program Delivery:		25,506			60,985	86,491
Incentives:	321,000		121,306	184,030		626,336
Program Eval & Planning Svcs.:	24,616		20,578	24,284		69,478
Program Marketing/Outreach:	44,070		3,400	32,682		80,152
Program Quality Assurance						
Outsourced Services:			550			550
IT Services	15,494		6,932	18,120		40,546
IT Services:	25,083		9,943	11,205		46,231
Other Program Expenses	18,948		11,720	13,413		44,081
TOTAL PROGRAM EXPENSES	672,137		347,376		60,985	1,561,163
ADMINISTRATIVE COSTS						
Management & General	13,828	518	6,752	8,874	1,203	31,175
Communications & Customer Svc	12,640	475	6,156	8,075	1,104	28,450
Total Administrative Costs	26,468	993	12,908	16,949	2,307	59,625
Total Program & Admin Expenses	698,605	993	360,284	16,949	63,292	1,620,788
Energy Savings (therms)	150,000	-	51,148	55,915	-	257,063

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RENEWABLE Programs

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	381,949	198,382	580,331
Program Delivery:	196,700		196,700
Incentives:	7,140,000	3,265,000	10,405,000
Program Eval & Planning Svcs.:	31,158	23,956	55,114
Program Marketing/Outreach:	140,848	4,000	144,848
Program Quality Assurance:			-
Outsourced Services:	122,596	28,400	150,996
IT Services	42,373	2,489	44,862
IT Services:	101,704	43,706	145,410
Other Program Expenses	140,915	26,006	166,921
TOTAL PROGRAM EXPENSES	8,298,243	3,591,939	11,890,182
ADMINISTRATIVE COSTS			
Management & General	172,088	70,162	242,250
Communications & Customer Svc	159,004	65,846	224,850
Total Administrative Costs	331,092	136,008	467,100
Total Program & Admin Expenses	8,629,335	3,727,947	12,357,282
Energy Generation (kwh)	9,903,000	2,147,541	12,050,541

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RENEWABLE Programs

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	174,896	336,204	511,100
Program Delivery:	93,300		93,300
Incentives:	3,220,000	5,494,321	8,714,321
Program Eval & Planning Svcs.:	14,081	35,389	49,470
Program Marketing/Outreach:	63,652	4,000	67,652
Program Quality Assurance:			-
Outsourced Services:	55,404	95,600	151,004
IT Services	19,149	4,218	23,367
IT Services:	45,962	74,070	120,032
Other Program Expenses	63,682	43,588	107,270
TOTAL PROGRAM EXPENSES	3,750,126	6,087,390	9,837,516
ADMINISTRATIVE COSTS			
Management & General	77,770	118,906	196,676
Communications & Customer Svc	71,857	111,591	183,448
Total Administrative Costs	149,627	230,497	380,124
Total Program & Admin Expenses	3,899,753	6,317,887	10,217,640
Energy Generation (kwh)	18,852,000	8,457,058	27,309,058