



Proposed Amended 2021 Budget and 2021-2022 Action Plan

May 19, 2021



Presentation Outline

- Stakeholder engagement process
- Background
- Amended 2021 Budget
- Summary of changes
- Funding strategies
- Budget Resolution 940

Stakeholder Engagement Process

- ✓ **Jan-March:** Met with OPUC, PGE, Pacific Power to develop funding levels for amended budget
- ✓ **March 30:** Briefed Board Finance Committee
- ✓ **April 7:** Briefed board of directors
- ✓ **April 27:** Presented amended budget income statement detail to Board Finance Committee
- ✓ **May 3-14:** Amended budget available, public comment invited
- ✓ **May 14:** Presented to Conservation Advisory Council on business incentives and management approach, with background on amended budget
- **May 19:** Present amended budget for board consideration



Background on Factors Contributing to Amended Budget

March 2020

COVID disrupted market, businesses and forecasted projects

Q2 - Q3 2020

Deployed bonuses to stimulate market, encourage participation; low-to-moderate bonus participation

Late Q3 - Early Q4

Developed 2021 budget expecting some 2020 funds to carry into 2021

Late Q4 2020

After 2021 budget creation, increase in bonus participation led to higher project pipelines, fewer 2020 funds to carry into 2021

Amended 2021 Budget Summary

- **Investing \$211.6 million** of utility customer funds to deliver highly cost-effective energy
- **Saving 47.4 aMW and 6.5 MMTh**
- **Generating 3.54 aMW**
- **Distributing \$120.8 million in incentives, 57% of total expenditures**
- **Administrative costs at 7.6%**
- **Saving participants \$707 million on energy bills**
- **Avoiding 4 million tons of CO2**

Notes:

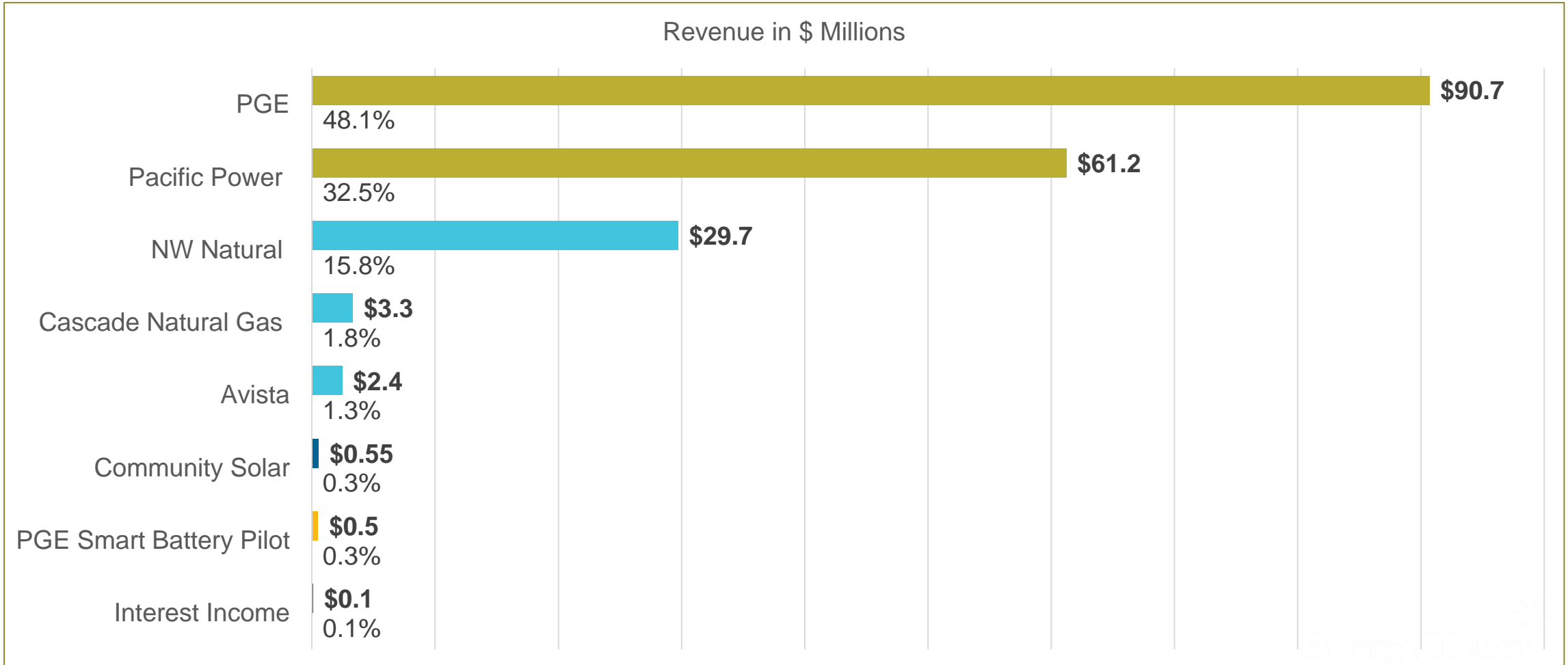
aMW: average megawatts of electricity

MMTh: million annual therms of natural gas

Administrative costs are for Management and General, Communications and Outreach

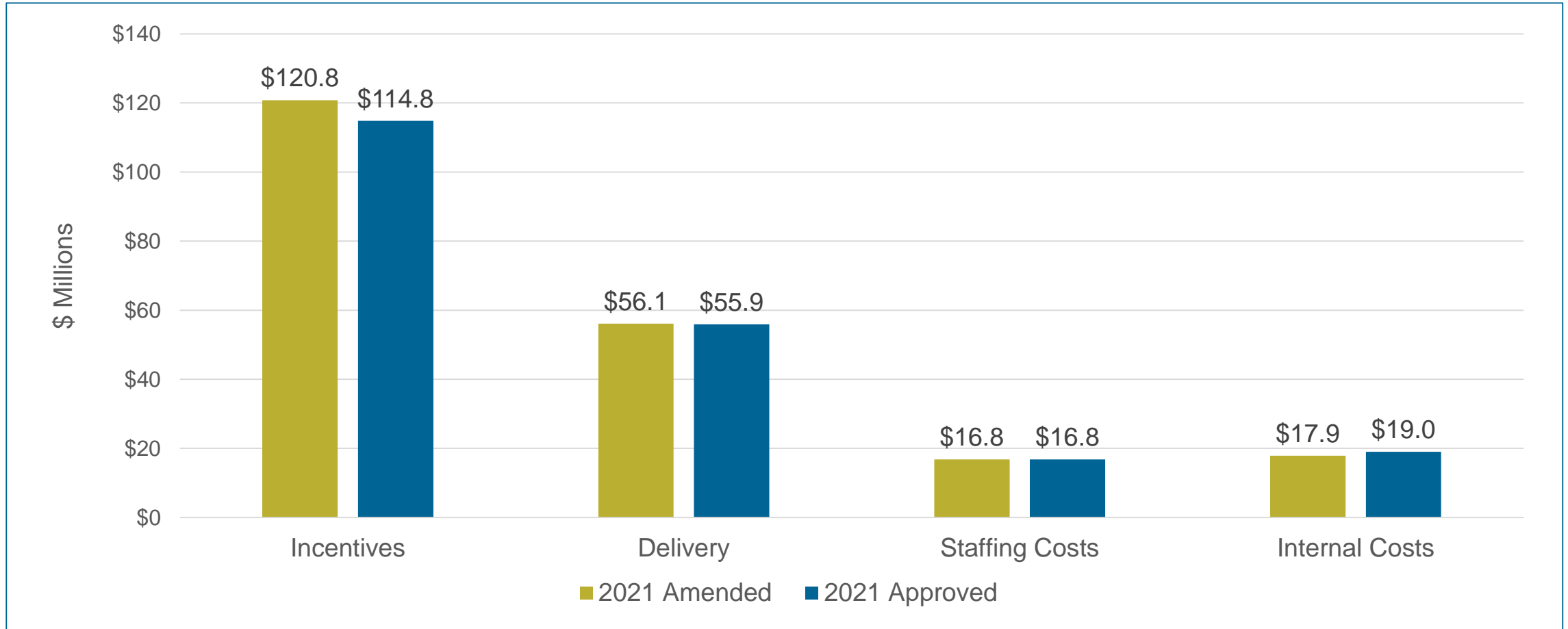
2021 Amended Budget Revenues by Source

\$188.5 million, up 2.1% from 2021 approved budget



2021 Amended Budget Expenses by Category

\$211.6 million in total expenditures, up 2.5% from approved budget



2021 Electric Savings, Expenditures by Program

	Approved 2021 Budget Savings Goal	Amended 2021 Budget Savings Goal	% Change Savings Goal	Approved 2021 Budget Expenditures	Amended 2021 Budget Expenditures	% Change Expenditures
Residential	5.5 aMW	5.5 aMW	0%	\$34.7M	\$34.5M	-1%
Existing Buildings (including multifamily)	15.6 aMW	16.7 aMW	7%	\$49.9M	\$52.1M	4%
New Buildings	4.4 aMW	4.4 aMW	0%	\$15.8M	\$15.6M	-1%
Production Efficiency	15.5 aMW	16.8 aMW	9%	\$36.7M	\$40.3M	10%
NEEA combined	4.0 aMW	4.0 aMW	0%	\$7.4M	\$7.4M	0%
TOTAL	45.0 aMW	47.4 aMW	5%	\$144.6M	\$150.0M	4%

aMW: average megawatts; columns may not total due to rounding; gross savings

Summary of Changes to 2021 Amended Budget

	Approved 2021 Budget	Amended 2021 Budget	Change	% Change
Revenues	\$184.7 million	\$188.5 million	\$3.8 million	2.1%
Expenditures	\$206.5 million	\$211.6 million	\$5.1 million	2.5%
Incentives	\$114.8 million	\$120.8 million	\$6.0 million	5.2%
Electric Savings	45.0 aMW	47.4 aMW	2.47 aMW	5.5%
Gas Savings	6.5 MMTh	6.5 MMTh	0.0 MMTh	0.0%
Electric Levelized Costs	3.65 cents/kWh	3.58 cents/kWh	-0.067 cents/kWh	-1.8%
Gas Levelized Costs (OR)	44.0 cents/thm	43.8 cents/thm	-0.2 cents/thm	-0.55%
Generation	3.54 aMW	3.54 aMW	0.0 aMW	0.0%
Staffing Costs	\$16.8 million	\$16.8 million	\$0.0	0.0%
Administrative Costs	\$10.3 million	\$10.2 million	-\$0.2 million	-1.6%

Notes: aMW: average megawatts of electricity; MMTh: million annual therms of natural gas

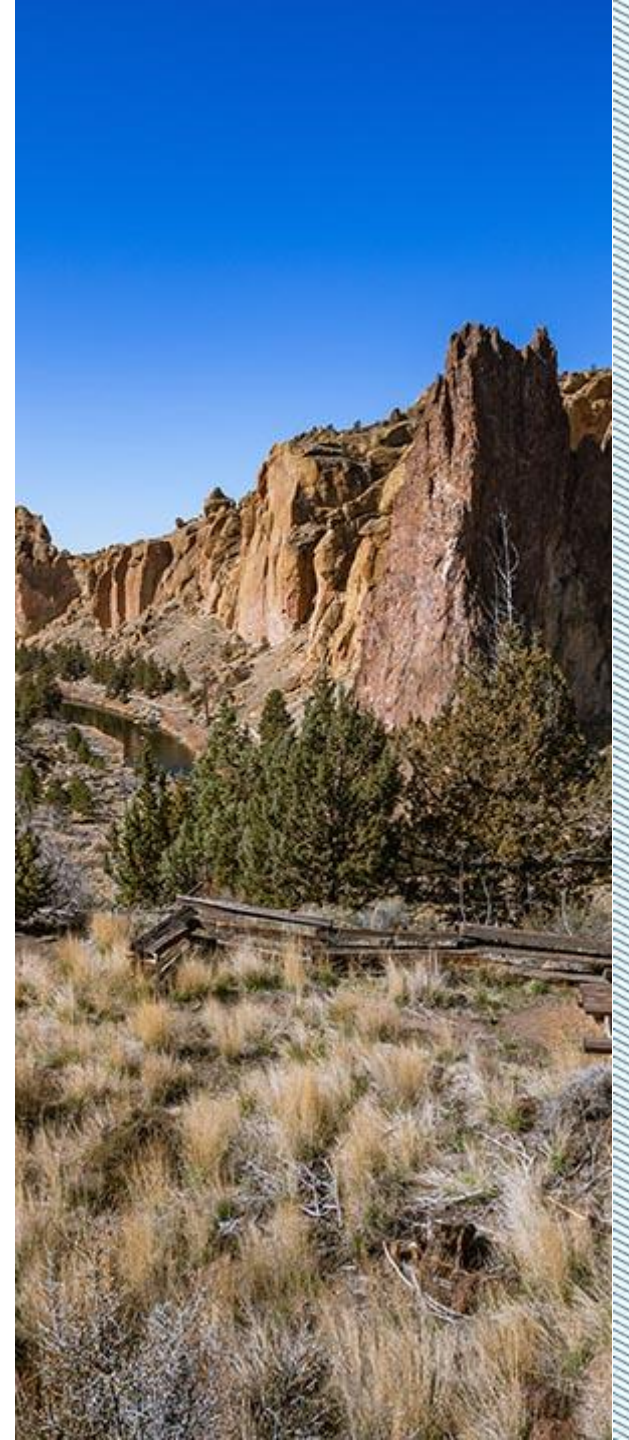
Amended 2021 Budget Funding Strategies

PGE	2021	2022	2023	2024
Tariff adjustment	\$2.0M	\$1.0M	\$0	\$0
Program reserves drawdown	\$1.1M	\$1.7M	\$1.2M	-\$0.04M
Program reserves balance after drawdown	\$0.6M	\$0.07M	\$0.5M	\$1.7M
Operational and emergency contingency reserves drawdown for PGE projects	\$0M	\$1.4M	\$0	\$0
Pacific Power	2021	2022	2023	2024
Tariff adjustment	\$1.5M	\$0	\$2.3M	\$0.5M
Program reserves drawdown	\$1.7M	\$1.1M	\$0.6M	\$0.04
Program reserves balance after drawdown	\$0.08M	\$0.6M	\$1.0M	\$1.7M
Operational and emergency contingency reserves drawdown for PAC projects	\$2.4M	\$4.4M	\$1.5M	\$0M
Operational and Emergency Contingency	2021	2022	2023	2024
Total drawdown for PGE and PAC	\$2.4M	\$5.8M	\$1.5M	\$0
Replenishment	\$0	\$2.4M	\$5.8M	\$1.5M
Balance	\$5.5M	\$2.1M	\$6.4M	\$7.9M

Public Comments

PGE

- Acknowledged early engagement to develop amended budget
- Suggested the amended budget include more detail on factors contributing to amended budget; impacts on operations, programs, market; and how the budget was negotiated
- Recommended a public workshop to address management of available budget





Questions and Discussion

Resolution 940

- Adopt Amended 2021 Budget, 2022 Projection and 2021-2022 Action Plan