



# Clean, affordable energy for everyone

*Photo: Wallowa County*

Final Proposed 2025 Budget and Action Plan

December 13, 2024







## Agenda

- 2024 year-end forecast
- 2025 organizational goals
- Final proposed budget summary
- Changes from draft to final proposed budget
- Public comments

*Photo: Newburgundian Bristro, Newberg, OR*

# 2024 Year-End Forecast

## Energy goals

- 124% of electric savings goal
- 109% of natural gas savings goal
- 120% of generation goal

## Expected revenues and expenditures

- Revenues forecast 5% under budget
- Expenditures forecast 2% under budget
- Incentives forecast 3% over budget
- Staffing, admin costs forecast under budget

*Photo: Success High School,  
Woodburn, OR*



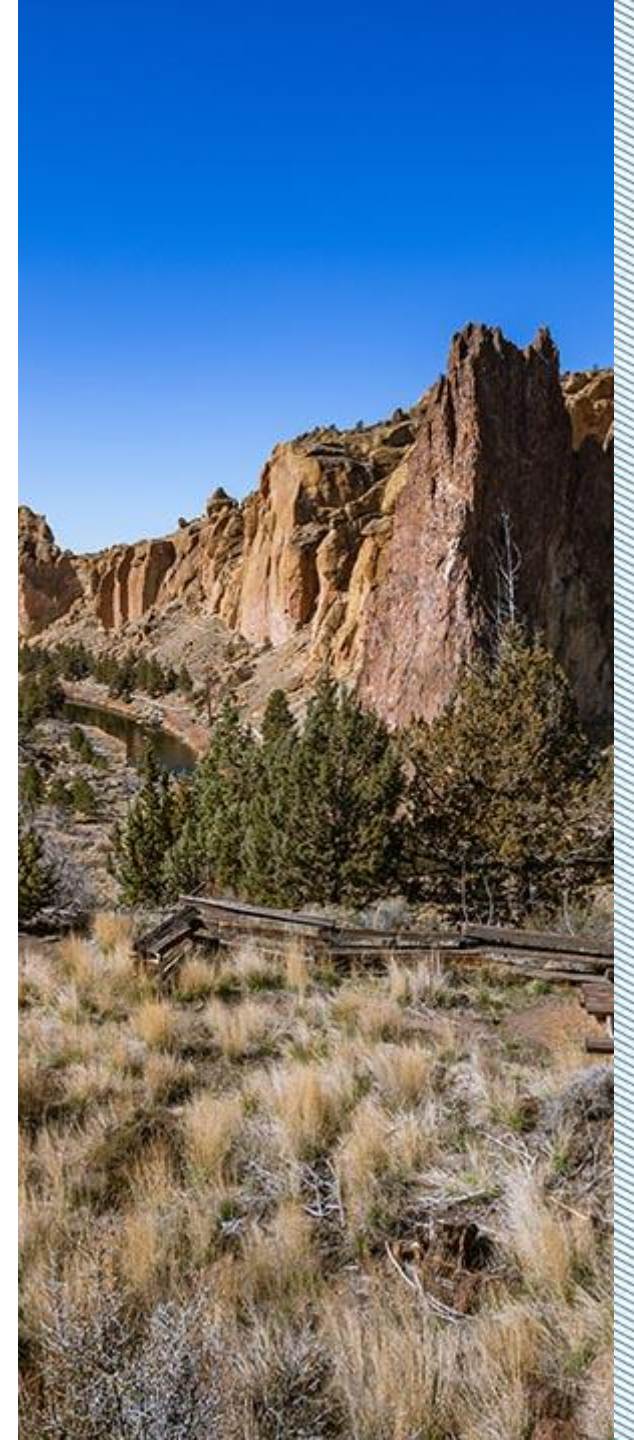


# Foundation for a Successful Future

Investments in 2025 set us up to accelerate energy savings and achieve ambitious climate targets in future years

- More incentives to achieve cost-effective savings, generation
- Expanded investment in Trade Ally Network and community-based organization delivery partners
- More equitable participation from priority customers
- New complementary funding

*Photo: Smith Rock State Park, OR*



# 2025 Organizational Goals



Customers will save and generate energy and reduce costs in 2025 and beyond as a result of investments in clean energy programs, including those designed to meet the needs of customers the organization has historically underserved.



Customers will gain access to a broader and more diverse network of qualified contractors who can install clean energy upgrades in their communities, and potential trades people will gain skills and opportunities in the energy efficiency and solar industries.



Community-based organizations will have opportunities to bring clean energy benefits to their communities by partnering with Energy Trust to deliver programs and accessing funding, training, mentorship and connections.



Customers, partners and stakeholders will benefit from Energy Trust's ability to achieve long-term goals by shifting to a multiyear budgeting and planning process.





# Final Proposed 2025 Budget Summary

- **Investing \$344.9 million**
- **Saving 57.3 aMW and 7.0 MMTh**
  - 82.9 MW of reduced demand during summer peak, 89.3 MW during winter
  - 7,300 therms reduced demand during peak hour, 97,000 therms during peak day
  - Includes 0.3 MMth gas transport, 0.2 MMth NW Natural WA
- **Delivering highly cost-effective energy**
  - 4.7 cents/kWh levelized
  - 70.6 cents/therm levelized OR, \$1.31/therm levelized WA
- **Generating 5.6 aMW**
- **Distributing \$184.1 million in incentives; 53% of total expenditures**
- **Administrative costs are 5.8% of expenditures**

*Photo: Albany Water and Hydroelectric Plant, Albany, OR*

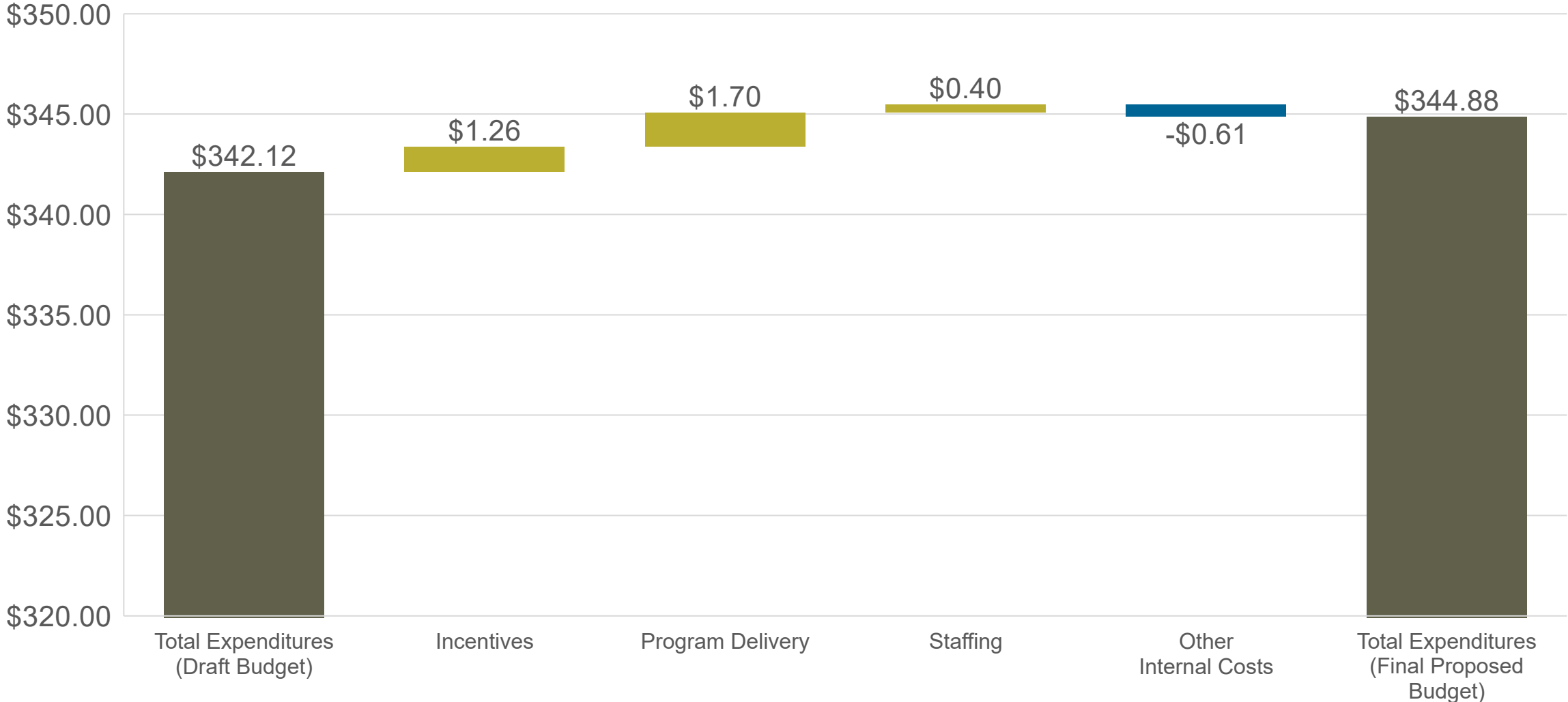
# Summary of Changes to Final Proposed Budget

	Draft Budget	Final Proposed Budget	Change	% Change
<b>Revenue (\$ Million)</b>	\$337.2	\$343.5	\$6.3	1.9%
<b>Expenditures (\$ Million)</b>	\$342.1	\$344.9	\$2.8	0.8%
<b>Incentives (\$ Million)</b>	\$182.8	\$184.1	\$1.3	0.7%
<b>Staffing Costs (\$ Million)</b>	\$33.2	\$33.6	\$0.4	1.2%
<b>Administrative Costs (\$ Million)</b>	\$19.8	\$19.9	\$0.0	0.1%
<b>Electric Savings (aMW)</b>	59.1	57.3	-1.9	-3.2%
<b>Gas Savings (MMTh)</b>	6.7	7.0	0.3	4.3%
<b>Electric Levelized Costs (¢/kWh)</b>	4.4	4.7	0.2	5.1%
<b>Gas Levelized Costs (OR) (¢/therm)</b>	73.9	70.6	-3.3	-4.5%
<b>Gas Levelized Costs (WA) (¢/therm)</b>	131.1	131.2	0.1	0.1%
<b>Generation (aMW)</b>	5.6	5.6	0.0	0.0%

Notes: aMW: average megawatts of electricity; MMTh: million annual therms of natural gas; administrative costs are for management and general, communications and outreach

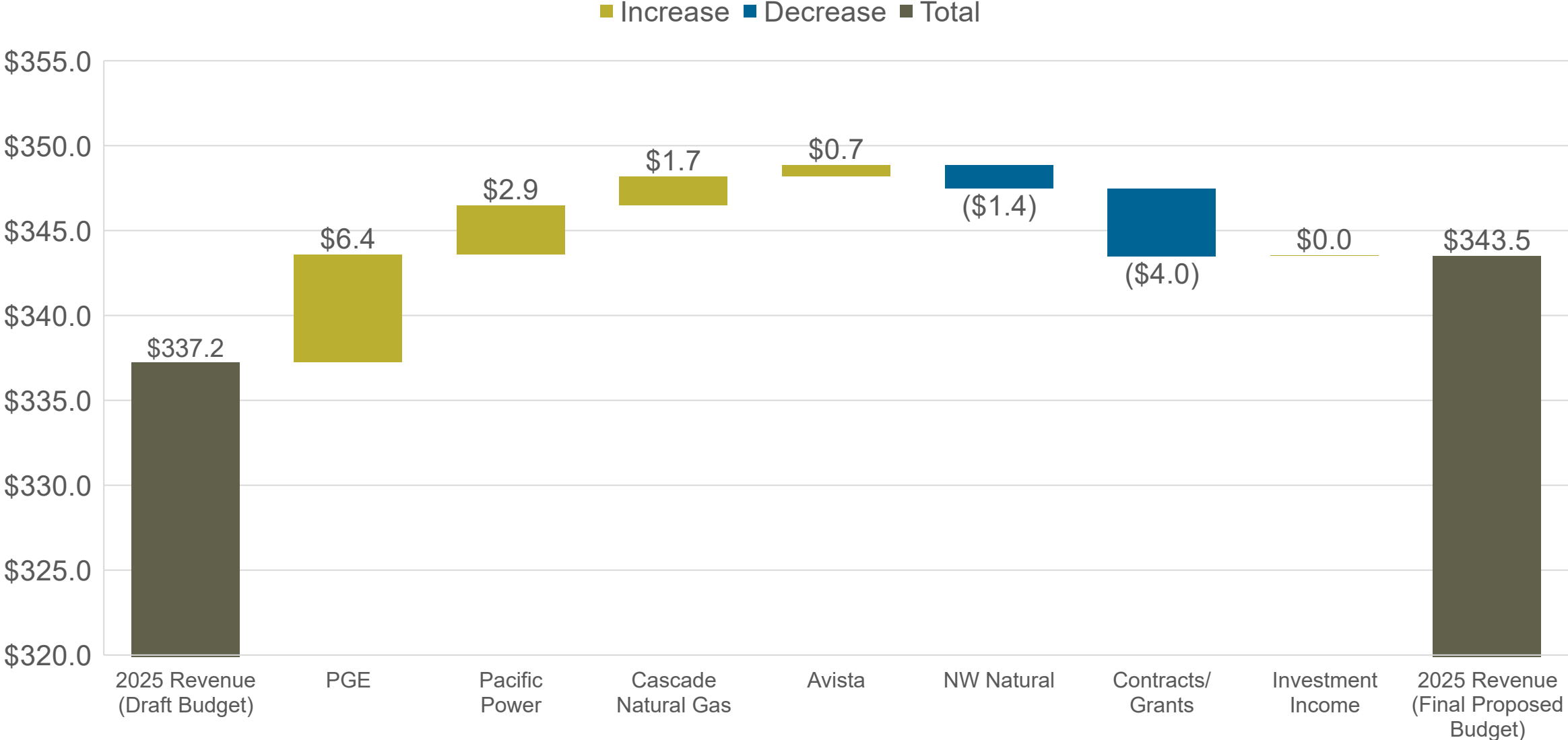
# Changes to Final Proposed Budget Expenditures

■ Increase ■ Decrease ■ Total

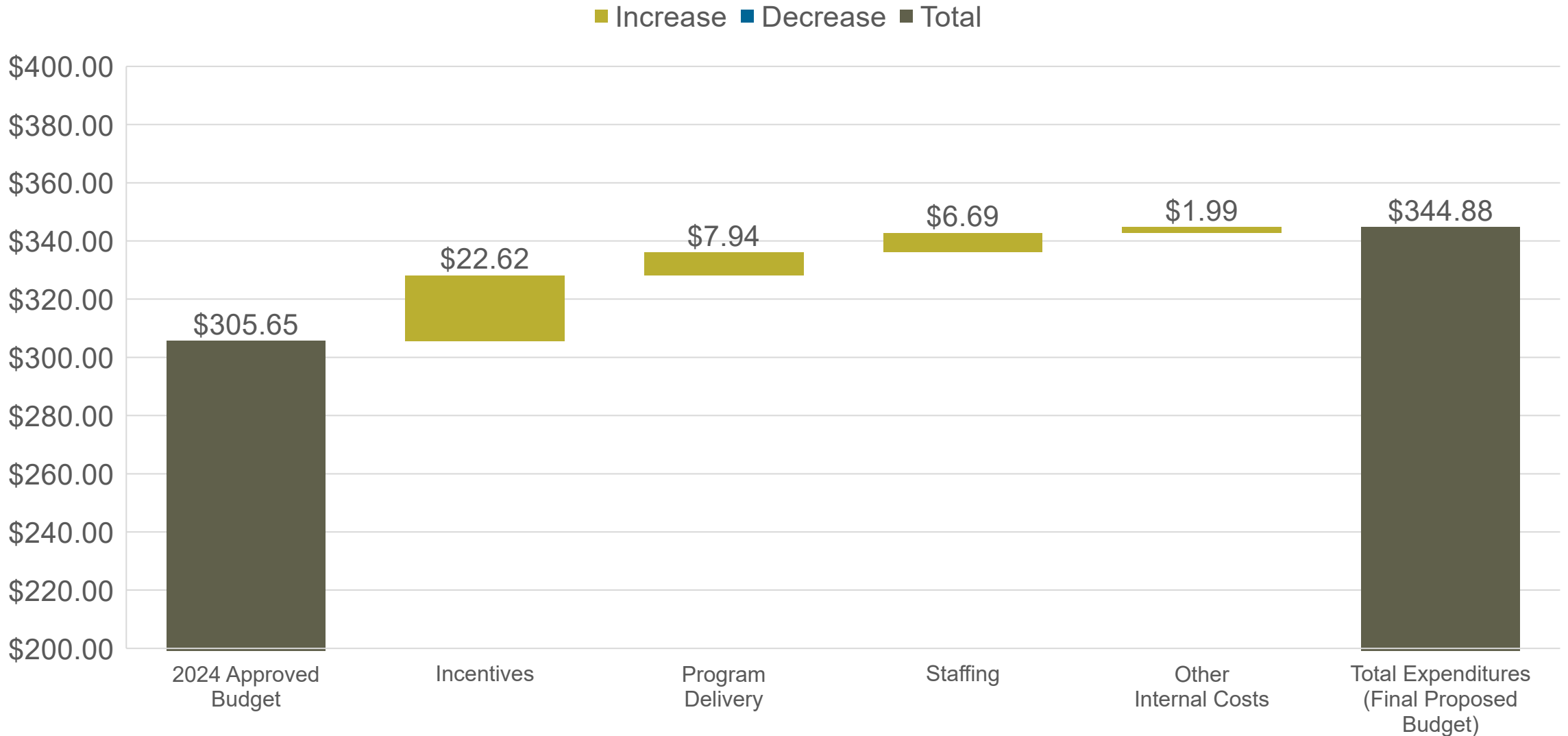




# Changes to Final Proposed Budget Revenues



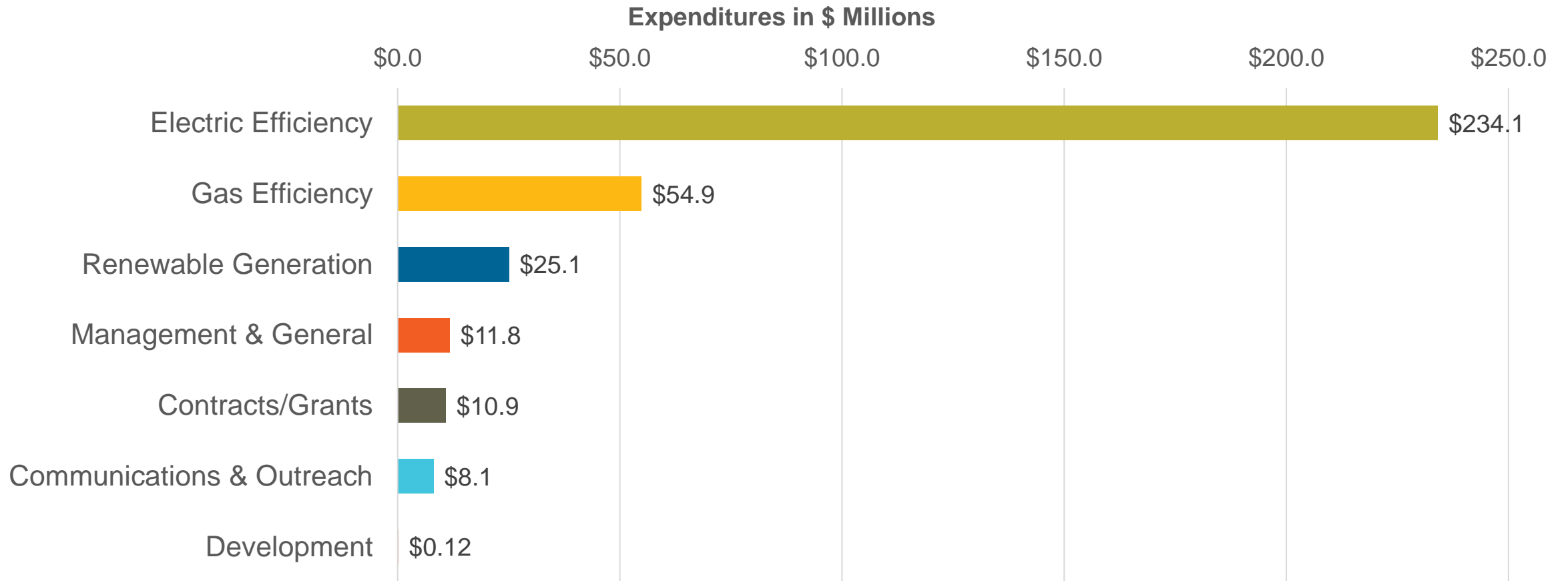
# 2025 Final Proposed Expenses Compared to 2024 Budget





# 2025 Final Proposed Budget Expenditures

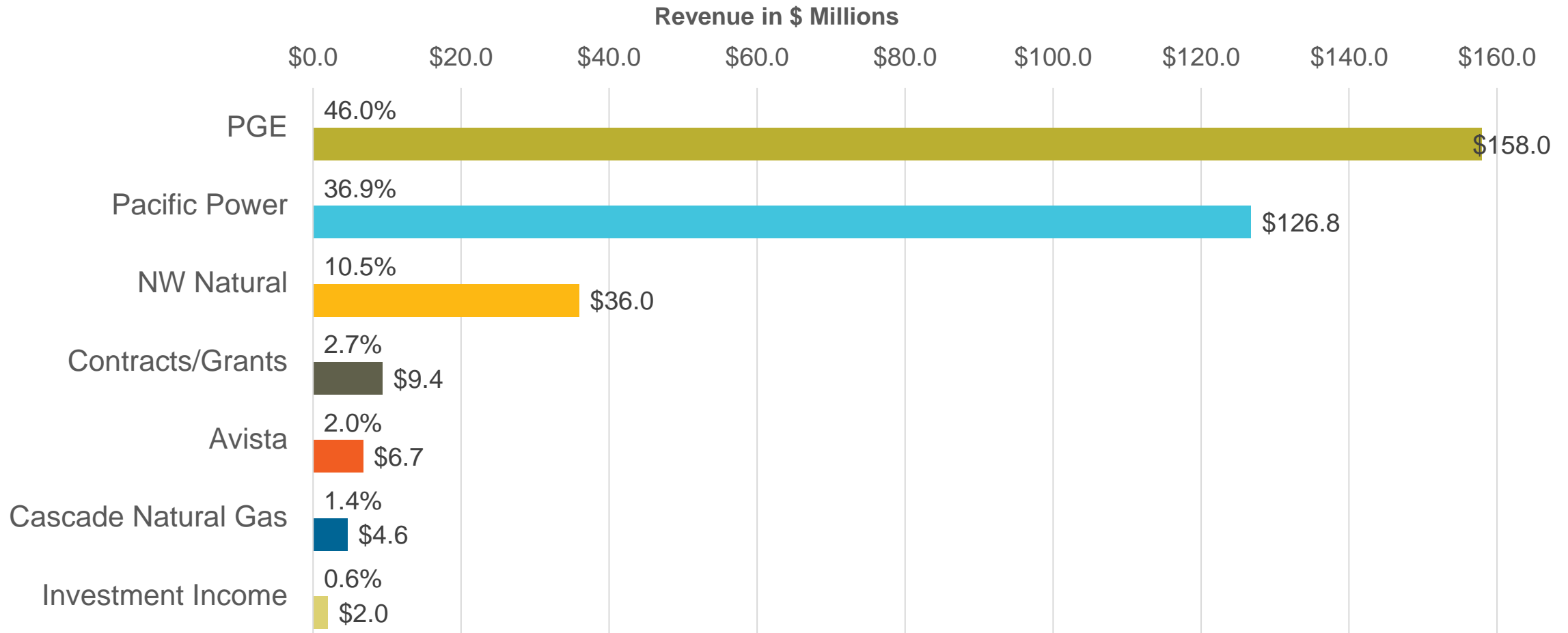
\$344.9 million, up 13% from 2024 budget



*The budget uses net assets/reserves to cover planned expenses in excess of anticipated revenue*

# 2025 Final Proposed Budget Revenues

\$343.5 million, up 30% from 2024 budget



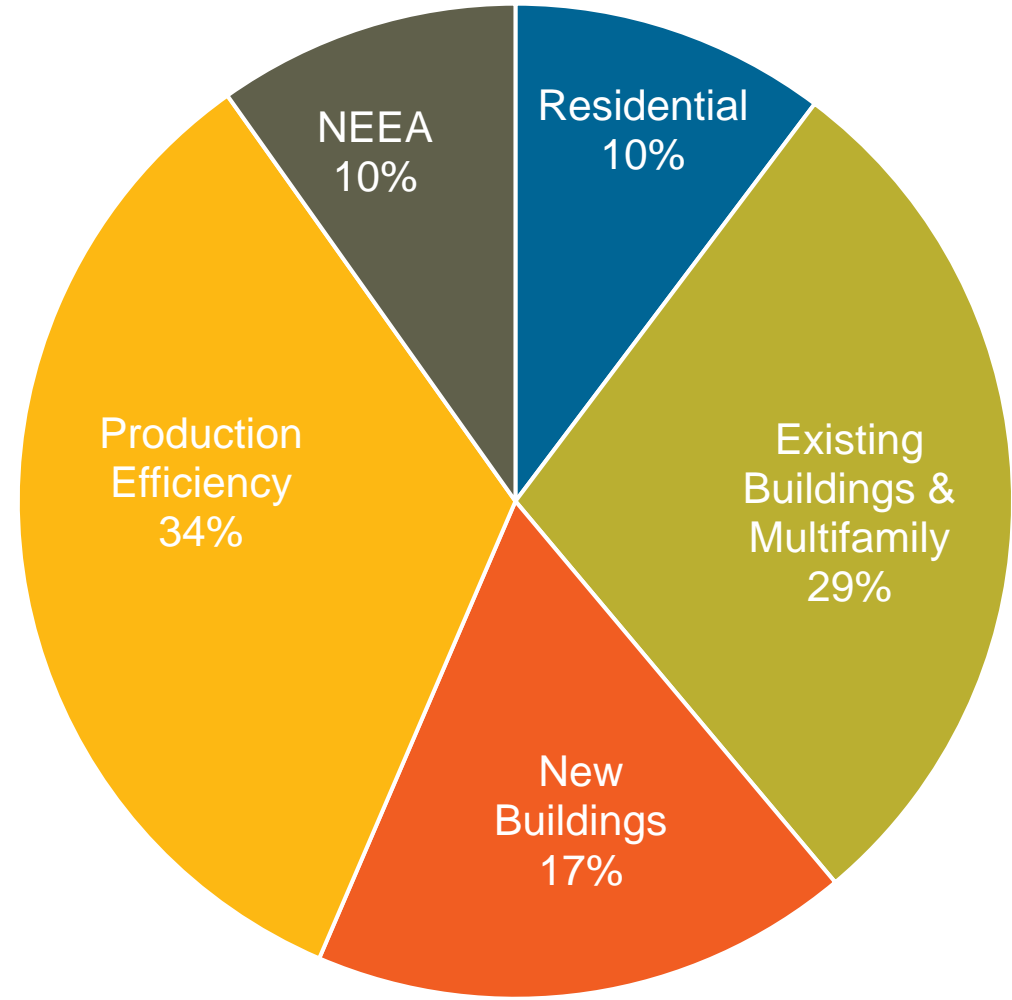


# Revenues from Contracts and Grants

Contract or Grant	Status	2025 Revenue (M)
FEMA Community Energy Resilience Grant	New - Contract Pending	\$1.4
ODOE Community Heat Pump Deployment Program	New - Active	\$1.1
Oregon Solar for All	New - Contract Pending	\$1.0
ODOE Landlord Provided Cooling Space	Existing Contract	\$0.8
Oregon Community Solar Program	Existing Contract	\$0.6
Federal Home Energy Rebates (HOMES)	New - Contract Pending	\$0.5
Federal Home Energy Rebates (HEAR)	New - Contract Pending	\$0.5
Smart Grid Test Bed Collaboration (SALMON)	Existing Contract	\$0.4
PGE Flexible Feeder	Existing Contract	\$0.1
PGE Smart Battery Pilot	Existing Contract	\$0.1
PGE Smart Solar Study	Existing Contract	\$0.002
EPA Climate Pollution Reduction Grant	New - Award Announced	Not Included

# 2025 Electric Savings by Program

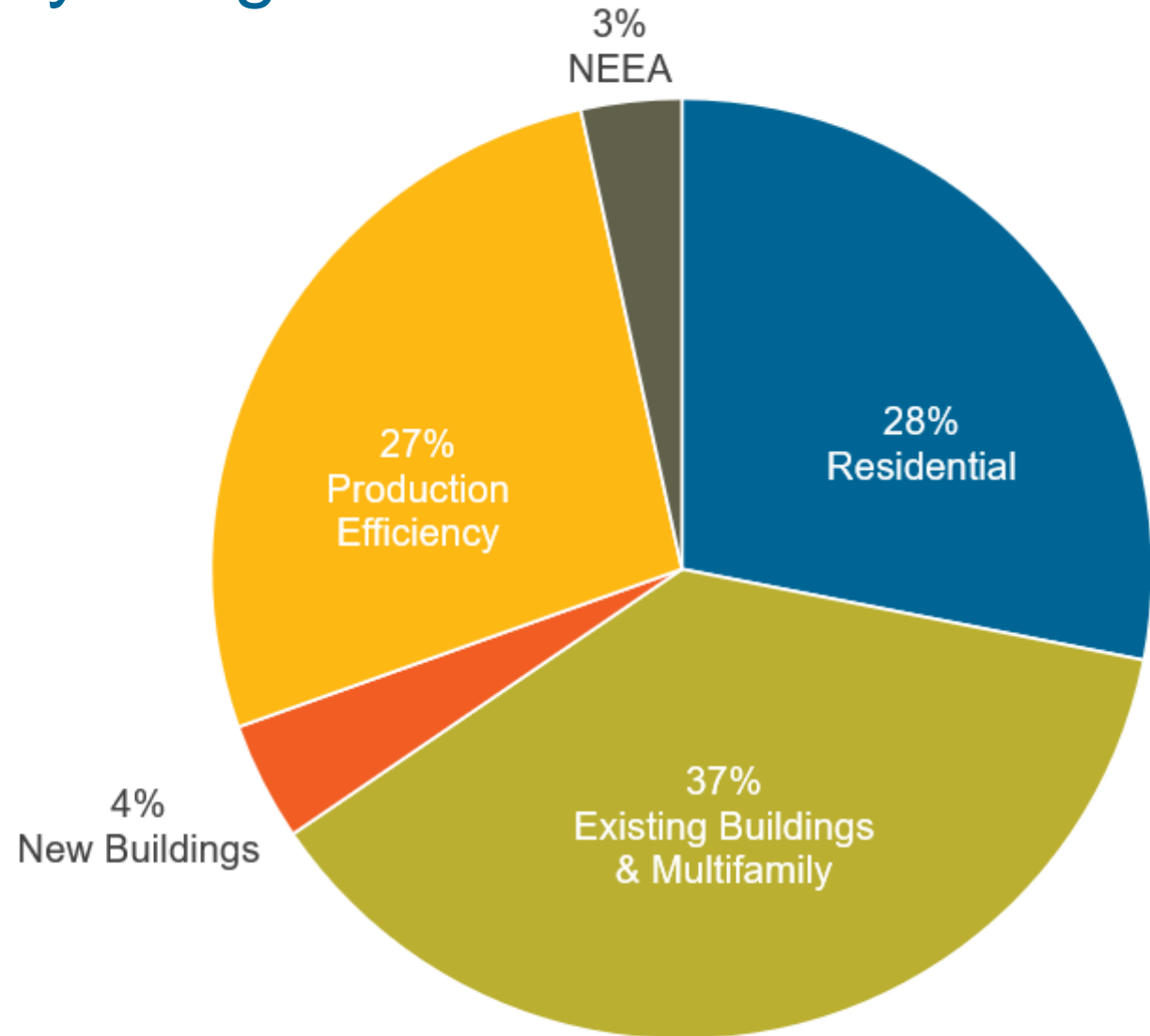
- **57.3** aMW of electric savings, up **19%** from 2024 budget
- Equivalent to **1.7 million** metric tons of carbon avoided over time
- **\$248.4** million in total costs, including customer incentives, services and delivery
- Levelized costs of **4.7** cents/kWh, an **11%** decrease from 2024 budget





# 2025 Natural Gas Savings by Program

- **7.0** MMTh natural gas savings, a decrease of less than **1%** from 2024 budget
- Equivalent to **753,000** metric tons of carbon avoided over time
- **\$62.2** million in total costs, including customer incentives, services and delivery
- Levelized costs of **70.6** cent/therm, a **9%** increase from 2024 budget

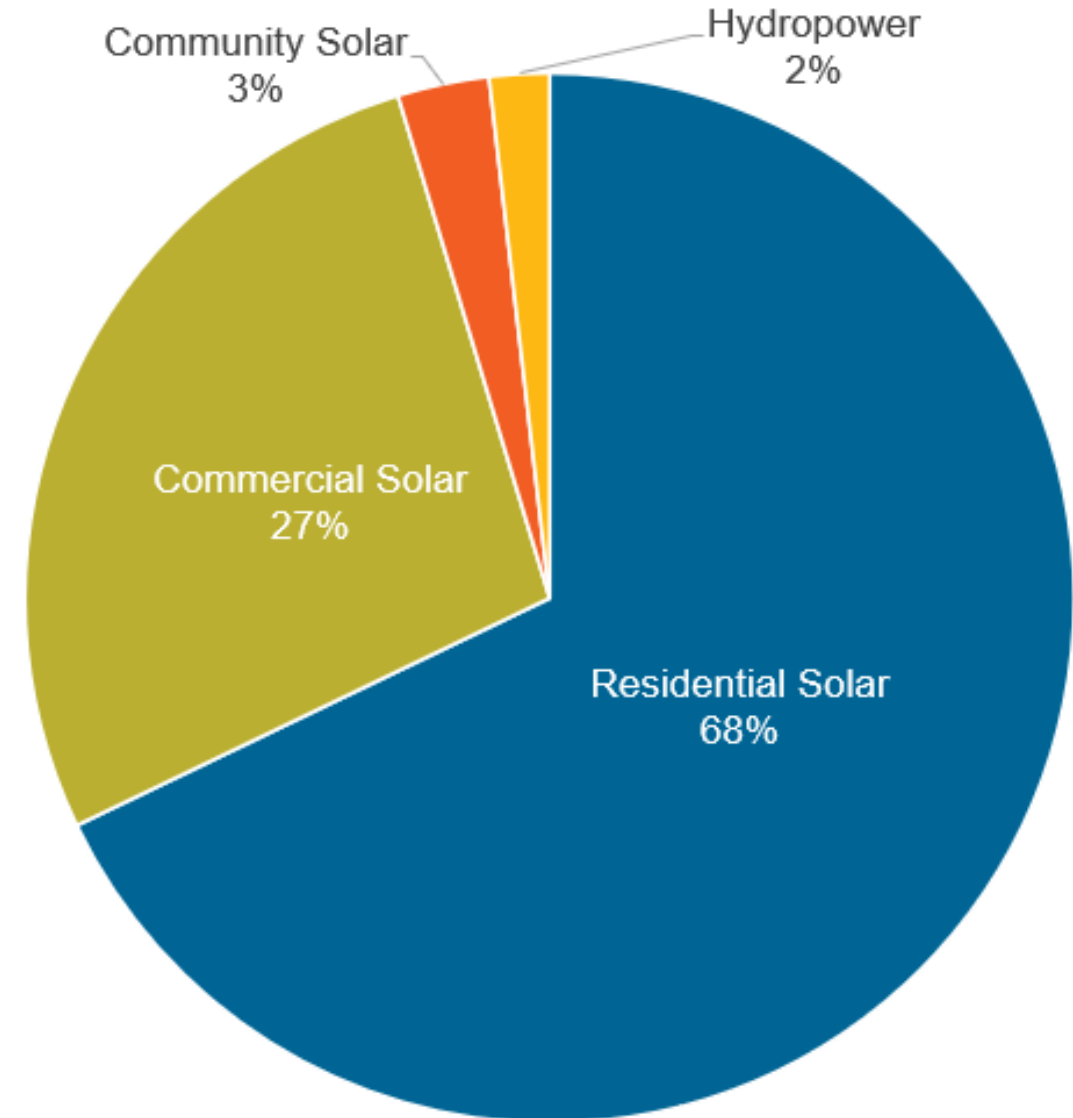


# Final Proposed 2025 Budget Cost-effectiveness Analysis

Program	Utility Cost Test (UCT)		Total Resource Cost Test (TRC)	
	Electric	Gas	Electric	Gas
Residential	1.1	2.6	1.0	2.7
Existing Buildings including multifamily	1.6	2.3	1.4	1.6
New Buildings	5.0	3.3	N/A	N/A
Production Efficiency	2.5	2.6	2.4	4.0
<b>Total Portfolio</b>	<b>2.0</b>	<b>2.5</b>	<b>1.5</b>	<b>2.3</b>

# 2025 Renewable Generation

- **5.6** aMW generation
- Equivalent to **176,000** metric tons of carbon avoided over time
- **\$26.6** million in total costs, including incentives, services and delivery
- Focus on customers with low and moderate incomes and distribution system-connected technologies
- Continue standard solar incentives to maintain market stability







## Workforce and CBO Investments

- Areas of expansion and growth:
  - Trade Ally Network (\$2.6M)
  - Workforce development (\$2.7M)
  - CBO partnerships (\$12.0M)
- New offers and resources:
  - Support launch of a new Building Performance Training Center
  - Launch and promote a workforce development website resource
  - Expand Community Partner Funding
  - Develop a new Community Partner Network

*Photo: Emerald Valley Weatherization, Springfield, OR*



# Program Delivery Efficiency, Staffing Costs

2024 OPUC performance measure	Final Proposed 2025 Budget
Administrative costs must be at or below 6.5% of expenditures.	5.8%
Report year-over-year increase in administrative costs in comparison with the increase in expenditures.	\$2.7 million or 15.6%
Total staffing costs are limited to 9.5% of expenditures. Report on staffing needs and performance.	8.9%



Photo: Lily Market, Portland OR





## Public Comments

- Avista
  - General support for draft budget and investments in Trade Ally Network
  - HOMES rebates should not detract from natural gas efficiency offers
- NW Natural
  - Concern about blending ratepayer funds to support outside programs
  - Desire for more funding to be allocated to program delivery, marketing, outreach
  - Question about data discrepancies
  - Request for utility-specific expenditures for low-income households

*Photo: Grand Ronde Health and Wellness Center, Grande Ronde, OR*



# OPUC Recommendations on the Draft Budget

## 1. Improving and expanding services for energy-burdened customers

Staff encourages Energy Trust to continue to target cost-effective savings and leverage the cost-effectiveness exception process where appropriate to build delivery infrastructure and capacity aimed at serving energy-burdened customers.

## 2. Begin development of systems to enable collection and reporting of data needed to define a set of targeted measures that consider both electricity and gas impacts when customers choose to electrify or pursue dual fuel solutions.

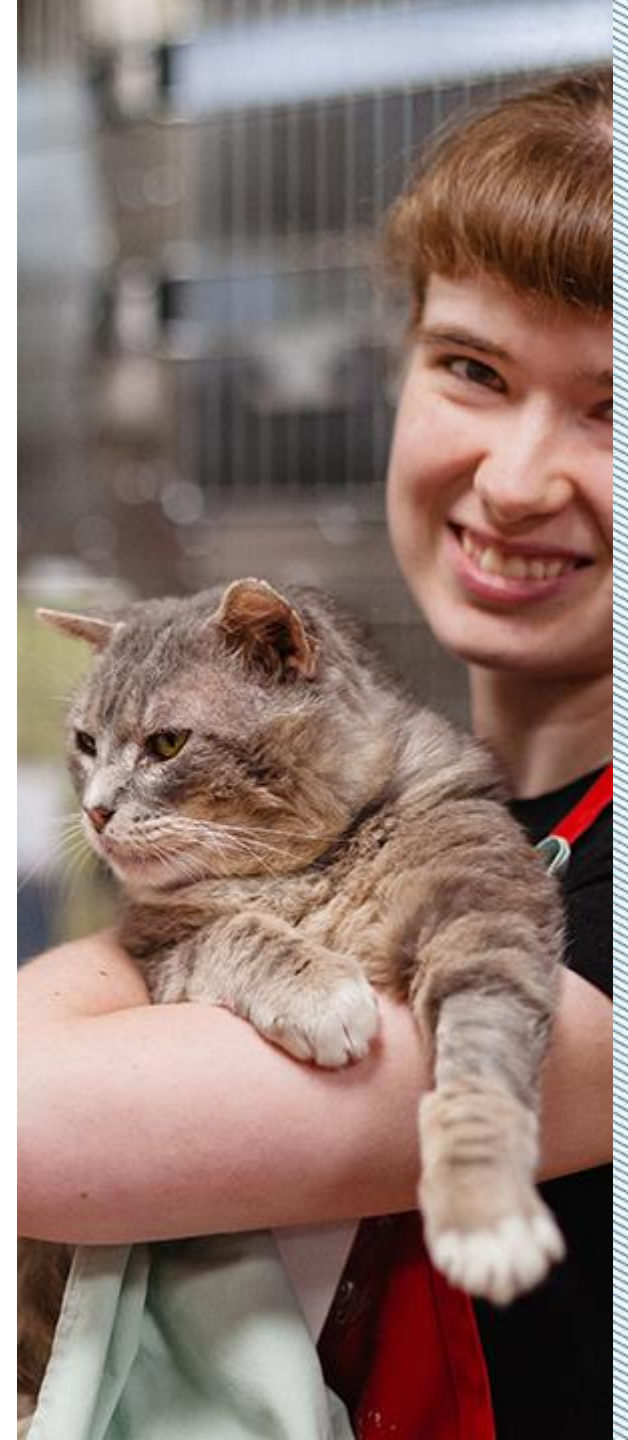
## 3. Increase cumulative savings while maintaining positive portfolio level cost-effectiveness.

## 4. Offer a more streamlined experience to residential and small business customers.

# Customer Benefits from 2025 Investments

- **Lower energy bills and energy burden**—\$1.3 billion in future bill savings for participants
- **Opportunities for 1,600+ local businesses, greater support for community-based organizations** and investments in workforce development
- Local investments that **keep dollars in our communities**
- **Cleaner air** by avoiding 2.7 million metric tons of carbon dioxide over time
- Support for **community-led clean energy efforts**, such as resilience
- Access to **direct benefits for customers experiencing low incomes**, including those in rural areas and people of color

*Photo: Humane Society for Southwest Washington, Vancouver, WA*







# Thank You

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*Photo: Cascade Mountain Range, OR*