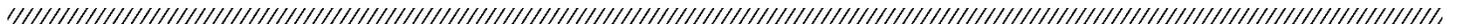


Quarter One 2021 Report to the Oregon Public Utility Commission & Energy Trust Board of Directors



ENERGY TRUST OF OREGON
May 14, 2021

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I Results at a glance^{1,2}

Savings

 = Year-to-date goal  = Annual goal

⚡ Total electric savings



⚡ PGE



⚡ Pacific Power



¹ This document reports gross savings.

² Note that aMW indicates average megawatts, MMTh indicates million therms and MM is million.



Generation

= Year-to-date goal = Annual goal



Oregon public purpose charge expenditures^{3,4}

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

\$ Total



\$ Energy Efficiency



\$ Renewable Energy



\$ Administrative



Savings and generation by sector year-to-date⁵

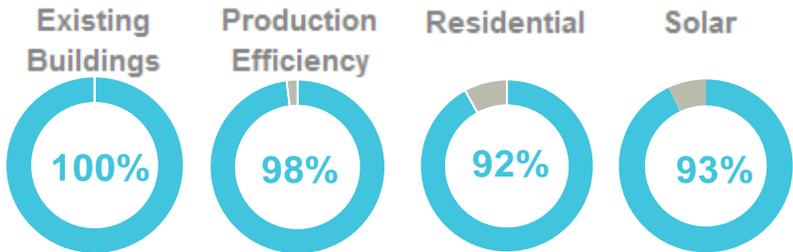


³ Expenditures include public purpose funds only. Low-income solar grants, Community Solar, NW Natural Washington activity and business development funds are not included. This information is available in the total organization results appendix.

⁴ Administrative costs are different from administrative and program support costs defined by the OPUC's performance measure.

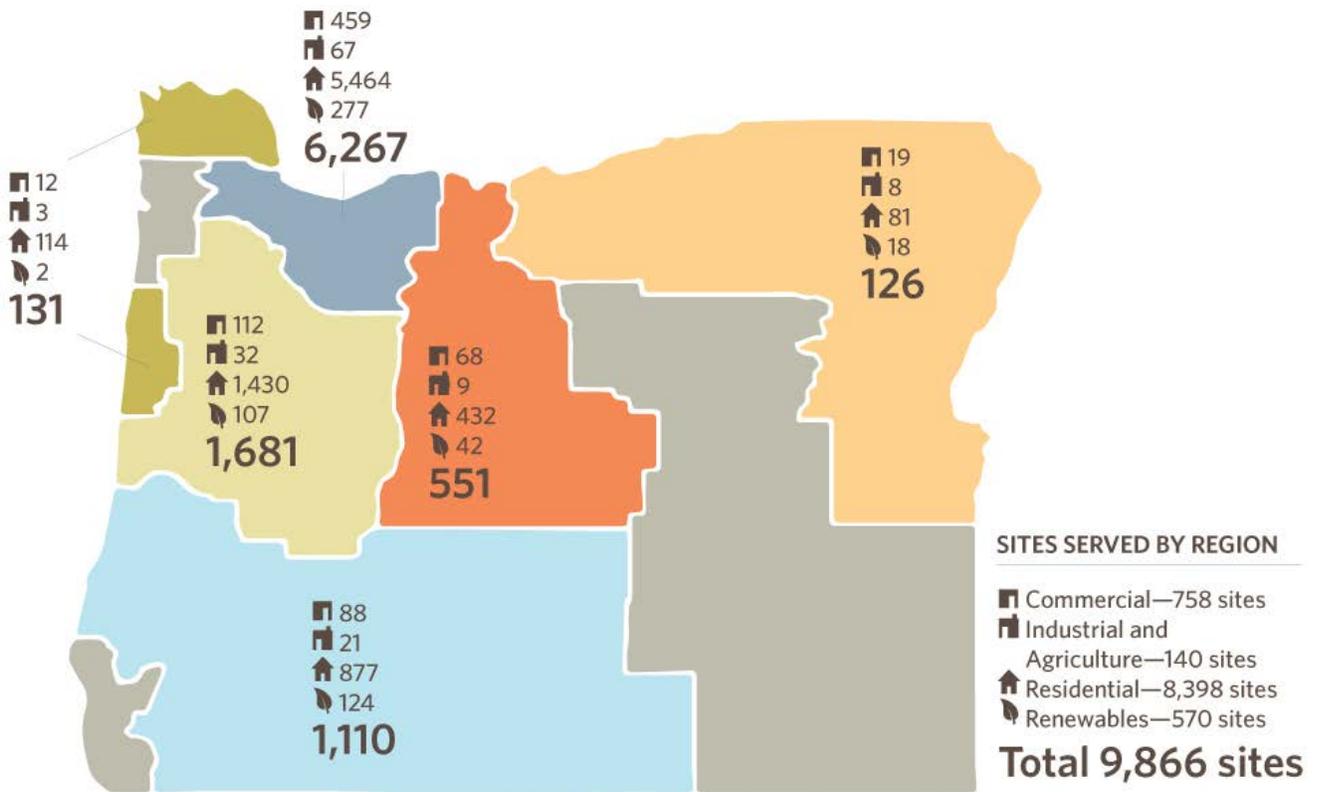
⁵ Charts may not total due to rounding.

Customer satisfaction⁶



⁶ From November 2020 to January 2021, Energy Trust delivered a short web and telephone survey to 526 randomly selected Oregon participants in five programs who completed projects between October and December 2020 and received an incentive or discount from Energy Trust. Existing Buildings results include multifamily participants.

Sites served by region for the quarter⁷



Progress to annual organization goals

This table provides an at-a-glance update on Energy Trust's progress toward 2021 organization goals, which were set as part of Energy Trust's 2021 Budget and 2021-2022 Action Plan and approved by the board of directors. These goals reflect the organization's priorities for the year and guide staff decision-making and day-to-day activities including allocation of resources. For more detail on progress to 2021 goals, see Section VI.

Goal	Status
Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic.	On track
Invest in relationships and collaborations with other entities to meet common needs and future objectives.	On track
Enhance operating processes and internal culture to efficiently respond to change.	On track

⁷ This document reports on Energy Trust services to Oregon customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista. Areas in gray are not served by these utilities. Sites served excludes products purchased from distributors and retailers.

II Executive summary

The body of this report includes only activity funded by Oregon electric utility customers of PGE and Pacific Power under state law and by Oregon natural gas customers of NW Natural, Cascade Natural Gas and Avista through regulatory agreements between the OPUC and each natural gas utility. The total organization results appendix reports energy savings, generation, expenditures and revenue for all Energy Trust activity, including activity in NW Natural territory in Southwest Washington, Energy Trust's subcontract to deliver the Oregon Community Solar Program and other activity.

A. Progress to energy efficiency and renewable energy goals

The purpose of the quarter one report is to reflect efforts to build a pipeline of projects through new initiatives and offers, studies and outreach to achieve annual savings and generation.⁸

- **Energy Trust savings are largely tracking with expectations** for 2021 at the end of quarter one. Savings are typically lower in the first half of the year as more studies and assessments are completed compared to the second half of the year when more projects close.
- **Electric efficiency improvements completed in quarter one saved 4.6 average megawatts of electricity.** Year-to-date savings account for 10% of the 2021 goal of 45.0 aMW.
- **Gas efficiency improvements completed during quarter one saved 1.2 million therms of natural gas.** Year-to-date savings account for 20% of the 2021 goal of 6.1 million therms.
- **Renewable energy systems installed during quarter one will generate 0.90 aMW of electricity.** Year-to-date generation accounts for 26% of the 2021 goal of 3.54 aMW.
- **Year-to-date savings and generation achieved represent 34,000 tons of carbon dioxide** kept out of the atmosphere, the equivalent of removing 7,200 cars from Oregon roads.

4.6

AMW SAVED IN 2021

1.2

MILLION THERMS
SAVED IN 2021

0.9

AMW GENERATED IN
2021

B. Notable activities and trends

- Markets continue to show signs of uncertainty and uneven recovery from the COVID-19 pandemic. Energy Trust is continuing to respond to this uncertainty and drive program participation through targeted offers while carefully managing its budget to ensure incentives remain available throughout 2021.
- Bonus incentives offered in 2020 provided a stimulus to the market and are impacting 2021 project pipelines. Customers completed many commercial and industrial projects early in the year that were motivated by Energy Trust's 2020

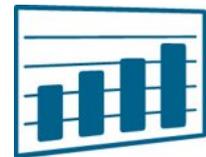
34,000

TONS OF CO₂ AVOIDED
IN 2021

⁸ Each quarterly report serves a specific purpose for communicating activities: quarter one reflects efforts to build a pipeline of projects through analyses, studies and outreach to achieve annual savings and generation goals; quarter two highlights the organization's mid-year savings and generation, previews expected achievement of year-end goals based on early indicators and reflects priorities and needed changes to reach year-end goals; quarter three identifies year-to-date savings and generation and previews expected achievement to year-end goals based on indicators such as pipelines and forecasts, with more information available than in quarter two; quarter four reflects Energy Trust's final accomplishments and is delivered as an appendix to the annual report in April of the following year.

bonuses; Energy Trust is processing a large backlog of incentive applications, which will result in payments to customers, energy savings and expenditures in quarter two. In addition, revised forecasts show projects expected to complete in quarter one now completing in quarter two. As a result, electric efficiency spending was well below budget in quarter one, with the biggest impacts coming from lighting projects for commercial and industrial customers.

- A steep increase in participation among business customers late in 2020 created an unusually large pipeline of commercial and industrial electric efficiency projects lined up to complete in the first half of 2021. As a result, a smaller portion of budget is available for new projects in 2021 than in typical years.
 - In May 2021, the Energy Trust board of directors will consider a proposal to amend the 2021 budget. This amendment recognizes the potential to acquire additional, cost-effective electric savings than originally identified in the approved 2021 budget. The revised budget reflects various administrative cost reductions and deferrals, additional electric utility revenue and greater reliance on Energy Trust's net assets to pursue those savings opportunities. The additional funding will be used in the Existing Buildings and Production Efficiency programs and business lighting offers to capture additional electric savings.
 - This report, including revenues and expenditure tables, reflects the 2021 budget as approved in December 2020, not the proposed amended budget.
- Staff has **adjusted electric incentive levels for commercial and industrial customers to ensure incentives can be offered through 2021**. Energy Trust has also implemented new program requirements and controls to manage pipelines in an unpredictable market. These include more frequent forecasting, new contractor requirements to provide more frequent notification of incentive commitments and new caps on number of projects in the pipeline.
- Staff enrolled five new community-based organizations in the Community Partner Funding pathway. Eleven organizations have now signed on to offer enhanced incentives for home upgrades, targeting customer groups Energy Trust has been less successful at reaching in the past.
- Since introducing a targeted commercial solar incentive in late 2020, Energy Trust has dedicated \$2.3 million for 12 affordable multifamily buildings and 14 nonprofits to install solar panels. The offer targets tribes, affordable housing providers and nonprofits that provide services for underserved communities.
- As part of its transition to a new Program Management Contractor, the Existing Buildings program has created a network of community-based liaisons to support program design and development and outreach to specific customers, including customers of color, rural customers and those for whom English is not their first language.



**ADJUSTED
INCENTIVES AND
IMPLEMENTED NEW
CONTROLS TO
MANAGE PIPELINE**

C. Updates requested by the OPUC

This section provides information requested by the OPUC in comments provided on Energy Trust's 2021 Budget and 2021-22 Action Plan, plus other information requested by OPUC staff.

Report on efforts to identify new savings sources or delivery approaches for the residential program:

- Energy Trust completed a report on a demonstration project installing 15 heat pump water heaters in manufactured homes. The findings detail specific installation and commissioning requirements and associated incremental costs of installing heat pump water heaters in manufactured homes. The report proposes program design pathways for serving this market.

Provide highlights on work to refine peak modeling capability:

- Energy Trust is exploring possible activities to enhance estimates of peak savings. In quarter one, staff focused on project design; needs assessment interviews with OPUC staff, utilities and program staff will begin in quarter two.
- Energy Trust continues to support regional efforts to create a current set of end-use metered load shapes for buildings and homes to act as a basis for estimating savings shapes. This work was slowed by COVID-19 but is continuing.

Provide updates on work to implement a supplier diversity tracking system:

- An internal team attended a demonstration of existing systems to understand the type of functionality other organizations are using to track supplier diversity. The team is currently **developing Energy Trust’s supplier diversity policy and staff will begin considering the requirements for a supplier diversity system** to inform procurement and implementation of a system that integrates with existing financial and contracting software systems.

Continue to report on complementary funds activities, tracking the status of co-funding opportunities and the outcomes of those arrangements:

- Energy Trust provided PGE with feedback on Smart Grid Test Bed Phase II concepts. The draft proposal will be available in advance of the PGE Demand Response Review Committee meeting in June.
- PGE assembled a team to pursue a U.S. Department of Energy Connected Communities grant, which will focus on the North Portland Smart Grid Test Bed area. Energy Trust participated in the grant writing and will have a significant role in the planning and implementation of the project if awarded. The application was submitted in quarter one and awards are expected to be announced in July.
- Pacific Power issued a demand response request for proposals for programs that focus on non-residential energy programs that reduce non-residential energy use, residential/small commercial smart thermostats or water heaters, and irrigation. Energy Trust staff expects to coordinate in the development of these demand response programs once the winning bidders are chosen.
- Energy Trust’s investments in irrigation modernization planning continue to help irrigation districts leverage federal funds for projects, and piping is underway in three irrigation districts that previously qualified for federal funds.
 - Approximately seven miles of pipe were installed over the winter in the Central Oregon, East Fork and Tumalo Irrigation Districts, which will create the opportunity to install up to 8.5 megawatts of in-conduit hydropower projects in the future.
 - The Ochoco Irrigation District has received approval from the federal Natural Resources Conservation Service for its watershed plan, allowing it to apply for federal funding for piping and modernizing its water delivery infrastructure. The district will replace aging pump



**DEVELOPING A
SUPPLIER DIVERSITY
POLICY**

stations and convert nearly 17 miles of open canals to pressurized pipe, enabling water conservation, improving irrigation water management and delivery, reducing district operations and maintenance costs, and improving public safety along piped sections.

- Energy Trust's Manufactured Home Replacement Pilot prepared for the **first home replacement project using complimentary funding from Oregon Housing and Community Services' home replacement program** initiated by HB 2896. The project is located at the West Side Pines Cooperative in Bend.

Report on ductless heat pump cost-effectiveness exceptions:

- In accordance with the Total Resource Cost cost-effectiveness exception granted through UM 1696 Order No. 19-301 from September 2019, OPUC requested Energy Trust report back on ductless heat pump controls research and field test efforts in quarter one of each year of the exception. In late 2020, Energy Trust launched a Ductless Heat Pump Coordinated Research Project with PGE. As of quarter one 2021, the pilot enrolled 678 customers, including 27 customers in the PGE Smart Grid Test Bed. The pilot team will monitor summer and winter savings over the course of 2021.
- In March 2020, OPUC and Energy Trust's Conservation Advisory Council discussed the Utility Cost Test cost-effectiveness exception for specific ductless heat pump applications related to UM 1696 Order No. 20-105. The OPUC requested notification if installations under these exceptions exceed a 50-project threshold in a calendar year, citing the greatest concern for measures with a cost effectiveness of 0.3 (measures are cost effective when they have a benefit-cost ratio of 1.0 or greater). In 2020, 129 projects were recognized (31 in single-family residential homes with supplemental fuels and 98 in existing multifamily applications), including 10 projects with cost effectiveness below 0.9.



**CO-FUNDING HOME
REPLACEMENT WITH
OREGON HOUSING
AND COMMUNITY
SERVICES**

III Program and operations activity

A. Commercial sector highlights

The commercial sector is comprised of two programs: Existing Buildings and New Buildings. As of 2021, Existing Buildings is delivered by Program Management Contractor TRC and includes multifamily offers. The program offers incentives for energy-efficient improvements in existing commercial buildings of all sizes. The New Buildings program, delivered by Program Management Contractor CLEAResult, supports design and construction of high-performance commercial buildings and major renovations of all sizes and building types. Lighting offers for commercial customers are delivered by Program Delivery Contractor CLEAResult that also serves industrial customers.

- The sector has a larger pipeline of committed projects at existing commercial buildings than usual due to bonuses offered in 2020, which are expected to drive more projects than typical throughout the first half of 2021. Fewer projects than anticipated completed in quarter one due to application processing delays and revised forecasts that showed more projects completing in quarter two.
- As a result of bonuses, the sector has a smaller than typical budget for new projects. In quarter one, it reduced and capped some electric incentives and eliminated certain offers in Pacific Power territory. These changes will take effect in quarter two and enable Energy Trust to maintain incentives in the market throughout 2021.
- **Insulation bonuses offered in 2020 drove activity at schools**, resulting in a large project pipeline for 2021 that is expected to result in very high natural gas savings in NW Natural territory.
- Existing Buildings activity at grocery stores and large office buildings remains extremely high. The program saw an uptick in interest from restaurants for available incentives as some pandemic restrictions were lifted or altered.
- The sector completed the transition to its new Existing Buildings Program Management Contractor, combining offers for multifamily and existing buildings customers into one program, and launched several new activities with the new PMC. Activities included design and development of:
 - A small business offer, including the release of a request for qualifications to recruit trade allies to serve in the trade ally small business network.
 - A Strategic Energy Management cohort for multifamily properties that serve low-income residents.
 - A contractor development pathway to help minority-owned, women-owned, service-disabled veteran-owned business and emerging small business become trade allies. A recruitment and engagement plan for this was presented to the National Association of Minority Contractors Oregon and LatinoBuilt for feedback.
- Also as part of the PMC transition, Existing Buildings has a new **network of community-based liaisons to support program design, development and outreach**. Liaisons will influence and accelerate diversity, equity and inclusion initiatives and help the program reach new customers, including customers of color, rural customers and those for whom English is not their first language.



**2020 INSULATION
BONUS DRIVING
ACTIVITY AT
SCHOOLS**



**CREATED A
COMMUNITY-BASED
LIAISON NETWORK TO
REACH NEW
CUSTOMERS**

- New Buildings drove enrollment in quarter one among multifamily, government and retail properties. Quarter one enrollments were comparatively low for new construction at warehouses, but this is expected to turn around later in the year and be strong in 2021.
- New Buildings staff is **working to increase trade ally participation among minority-owned, women-owned, service-disabled veteran-owned business and emerging small businesses** by 15% in 2021. In quarter one, staff began identifying target engagement areas and strategies and developed outreach material.
- The New Buildings Market Solutions pipeline for multifamily projects has declined as anticipated. The offer was previously suspended to be redesigned based on the OPUC two-year cost-effectiveness exception for whole-building projects. Following the offer's relaunch, the first batch of projects are now being reviewed and more projects are expected to enroll.
 - Market Solutions incentive packages offer higher incentives for new buildings based on building type and performance. Multifamily properties, restaurants and small office buildings are eligible.
- Energy Trust designed a new direct-install lighting offer for small and medium businesses, set to launch in quarter two. For more information, see page 13.
- Commercial savings from NEEA activities comprised approximately 5% of the sector's year-to-date savings in PGE territory, 9% in Pacific Power territory and less than 1% in NW Natural, Cascade Natural Gas and Avista territories.
 - Electric savings were driven by NEEA's influence on federal standards for fluorescent ballasts and small electric motors and the adoption of the state's commercial energy code.
 - Gas savings were driven by NEEA's condensing rooftop unit program.



**WORKING TO
INCREASE TRADE
ALLY DIVERSITY**

B. Industrial and agriculture sector highlights

The industrial and agriculture sector provides energy-efficiency solutions for eligible industrial, agricultural and municipal water and wastewater recovery facility customers. It consists of one program, the Production Efficiency program, which provides services and incentives through three primary delivery tracks: standard, custom and energy performance management. Production Efficiency is designed and managed by Energy Trust staff and delivered through Program Delivery Contractors and other market actors. Lighting offers for industrial customers are delivered by Program Delivery Contractor CLEAResult that also serves commercial customers.

- The sector completed more standard track and lighting projects in quarter one than usual due to bonuses offered in 2020, which are expected to drive more projects than typical through the first half of 2021. However, fewer projects than anticipated completed in quarter one due to application processing delays and revised forecasts show projects completing in quarter two.
- The bonuses, which ended in late 2020, left a smaller than typical budget for new projects in 2021. To manage its budget and ensure incentives are available throughout the year, the sector reduced incentives for electric efficiency projects

in quarter one and imposed incentive caps and participation requirements. Gas incentives were not affected.

- Lighting incentive changes took effect in February, while standard and custom track changes were implemented in early April.
- Industrial SEM continues to perform well as low- and no-cost projects remain a priority for customers during the pandemic. Anticipated savings and enrollment for the year are expected to be strong given high interest.
- Energy Trust launched a prescriptive incentive for cannabis dehumidifiers in new or expanding grow facilities. These projects previously required technical analysis studies and a lengthier approval process through the custom track; the prescriptive offer makes it easier for customers to complete projects and achieve savings.
- Energy Trust discontinued a calculated incentive for cannabis insulation projects due to inconsistent savings estimations from one project to the next.
- Energy Trust designed a **new direct-install lighting offer for small and medium businesses, set to launch in quarter two**. The offer will be available to industrial and commercial customers; in the industrial sector, the offer will be targeted to rural and low-income areas and minority-owned businesses.
 - In preparation for the launch, staff issued a request for proposals for installers who are minority-owned, women-owned, service-disabled veteran-owned business and emerging small businesses with the state's Certification Office for Business Inclusion and Diversity (COBID).
- Industrial savings from NEEA activities comprised approximately 4% of the sector's year-to-date savings in PGE territory and 2% in Pacific Power territory.
 - Electric savings were driven by NEEA's influence on federal standards for the electric motor market.
 - Energy Trust does not make investments for gas market transformation in the industrial sector as there are no industrial gas market transformation initiatives.



DESIGNED DIRECT-INSTALL OFFER FOR SMALL AND MEDIUM BUSINESSES

C. Residential sector highlights

The residential sector provides energy-efficiency solutions for residential customers of single-family homes, manufactured homes and newly constructed homes. The Residential program is delivered through Program Management Contractor CLEAResult and two Program Delivery Contractors CLEAResult and TRC that support retail promotions and EPS™ new construction offers. Incentives are available for smart thermostats, energy-efficient HVAC and water heating equipment, lighting, appliances, weatherization upgrades, whole home improvements and new construction. Incentives are also delivered through community-based organizations with the goal of reaching underserved customer groups.

- Energy Trust **received more residential incentive applications in quarter one than in typical years**, driven by project installations in the fall and winter as residents invested in home improvement projects while continuing to stay home.
- Trade allies, distributors and manufacturers report strong sales of HVAC equipment, insulation and water heaters; however, many suppliers are expecting



CUSTOMER INVESTMENTS AT HOME LED TO MORE INCENTIVE APPLICATIONS

price increases in the near future. The sector will closely monitor demand to assure effective budget management.

- Strong demand for smart thermostats, gas furnaces and insulation prompted staff to change incentives in quarter one to help manage budget. Windows and EPS new construction offers are also seeing high demand and will require careful monitoring.
 - Smart thermostat incentives were reduced from \$100 to \$80, which is in line with the declining cost of the product. This change was implemented on a tight timeline in collaboration with manufacturers, utilities and national retailers.
 - A bonus on ceiling insulation ended at the end of quarter one and staff plans to end a gas furnace bonus at the end of May.
- Staff **enrolled five new community-based organizations in the Community Partner Funding pathway**, which launched in 2020. They include organizations serving rural customers, customers with low incomes and communities of color.
 - Eleven organizations in all have signed on for Community Partner Funding, which provides enhanced incentives for home upgrades and capacity building to organizations that serve customer groups Energy Trust has been less successful at reaching in the past.
- Energy Trust relaunched an offer for no-cost duct sealing and duct repairs for residents of manufactured homes in quarter one. The offer now includes a no-cost home energy assessment at every site. This is to help customers identify additional energy-saving projects, including installation of heat pumps and smart thermostats, and referrals to local organizations for critical home repair. The offer was paused at the end of 2020 to be redesigned to capture additional savings.
- Energy Trust expanded incentives for lighting at discount retailers and small hardware stores and discontinued incentives at big box stores. This targets incentives to rural and low-income customers who are more likely to shop at small and discount retailers instead of large retailers.
- Energy Trust enrolled customers in a ductless heat pump smart controls research project, which explores the energy efficiency benefits and demand response capabilities of Wi-Fi enabled ductless heat pump controls. Study findings will be published in early 2022.
- Staff began to develop offers for new construction under Oregon's latest residential building code that will launch in 2022.
- Energy Trust developed a five-year strategy to guide EPS new construction offers over the next two residential code cycles. It focuses on reducing costs as savings decline due to more stringent codes, promoting affordability and accessibility in new construction, and continuing to champion efficiency and resiliency practices in homes.
- Residential savings from NEEA activities comprised approximately 18% of the sector's year-to-date savings in PGE territory, 23% in Pacific Power territory and under 1% in NW Natural, Cascade Natural Gas and Avista territories.
 - Electric savings were driven by an increase in the share of heat pump water heaters in residential new construction and NEEA's influence on energy code adoption for single-family and multifamily homes in Oregon.
 - Gas savings were driven by NEEA's work to increase adoption of energy-efficient advanced building practices for single-family homes and work to develop efficient gas water heating products.



**ENROLLED FIVE NEW
GROUPS IN
COMMUNITY PARTNER
FUNDING**

D. Renewable energy sector highlights

The renewable energy sector is comprised of two programs delivered by Energy Trust staff: Solar and Other Renewables. The Solar program offers standard incentives for small-scale distributed systems for residential, business, public sector and nonprofit customers. The program is focused on improving equitable access to solar for lower-income customers and expanding innovative applications of solar that provide greater value to communities or the grid. The Other Renewables program supports renewable energy projects up to 20 megawatts in nameplate capacity that generate electricity using biopower, geothermal, hydropower and community-scale, municipally owned wind technologies. The goal of the program is to support a range of renewable energy technologies and improve market conditions for their development by providing project development assistance incentives and installation incentives.

- The Solar program drove record volume of incentive applications in quarter one, a reflection of increasing consumer confidence, an economic recovery and the fact that solar installation is an outdoor construction activity that was largely uninterrupted by the pandemic.
 - Trade allies submitted 776 customer applications in quarter one, 65% more than quarter one of 2020 and more than any previous quarter since 2017, following the expiration of the state's Residential Energy Tax Credit.
 - In response to high activity, Energy Trust reduced incentives for residential solar customers in Pacific Power service territory. Periodically reducing incentives is a standard practice in the Solar program to manage the budget and continue to fund projects throughout the year.
- Outreach and marketing efforts helped grow interest in the income-qualified Solar Within Reach offer, which launched in late 2019. Energy Trust received 128 applications for new projects and completed 53 projects in quarter one, compared to 86 projects completed in 2020. Staff is surveying Solar Within Reach customers to better understand their motivations and demographics.
- Since introducing a targeted commercial solar incentive in late 2020, **Energy Trust has dedicated \$2.3 million for 12 affordable multifamily buildings and 14 nonprofits.** Tribal customers are also eligible but have not yet submitted applications; staff is exploring ways to provide more opportunities for tribes. Incentive funds for this offer for Pacific Power territory for 2021 are now fully committed.
- In quarter one, Energy Trust committed project development assistance to the City of Prineville to support the design and development of a base-load power plant fueled by sustainably sourced forest biomass. The city has received a U.S. Department of Agriculture 2020 Wood Innovations Program grant for an engineering and design study.
- Energy Trust committed project development assistance funds to the Oregon Department of Fish and Wildlife to examine a redesign of the operating system to increase the potential of a hydropower project at a fish hatchery in Clackamas County.
- Energy Trust is continuing to learn what support communities need for energy resilience planning. Staff is working with the University of Oregon to develop

\$2.3M

**SOLAR INCENTIVES
DEDICATED TO
PROJECTS WITH
NONPROFITS AND
AFFORDABLE
HOUSING**

tools to help communities qualify for federal funds to support energy resilience projects, such as solar + storage projects that can help facilities remain operational during an outage.

- Staff has begun a technical analysis of the hydropower potential of pressure reduction valves in 15 municipal water delivery systems. The study, to be completed in late summer, will identify the best potential pressure reduction valve hydropower projects and include high-level financial analyses.
- Staff is working with the City of Bend and area agencies and businesses to develop options for recovering the region's organic materials, such as food waste and wastewater solids, to generate renewable electricity or produce renewable natural gas. This is an acute problem in Central Oregon, where dramatic population growth and economic development in recent years has led to higher volumes of waste. A workshop will be held in quarter two.

E. Internal operations highlights

Energy Trust's internal operations teams support all program and organizational functions including communications (sharing organizational news, information and milestones, public reporting and public relations); customer service (providing customers with online and phone assistance); general marketing (educating customers and stakeholders through advertising, web content, social media and other marketing efforts); Trade Ally Network management (engaging and supporting Energy Trust's network of contractors and trade allies statewide); general outreach (providing regional and statewide support to customers, trade allies, partners, utilities, community organizations, local and state governments, and elected officials); IT and business systems (maintaining and improving Energy Trust's technology and business infrastructure); and planning and evaluation (estimating costs and savings of efficiency programs, developing long-range savings forecasts and evaluating effectiveness and impact of offers).

Trade Ally Network management:

- Following the announcement of new incentive levels for commercial and industrial programs, staff addressed trade ally and customer inquiries and complaints.
- Staff kicked off a project to identify pain points and organizational needs related to trade ally enrollment data with a focus on improving data analysis.

General outreach:

- During the 2021 legislative session, **staff responded to information requests related to the benefits and purpose of Energy Trust programs.** Staff also responded to information requests related to proposed legislation, including legislation to modify the public purpose charge (HB 3141), modify the ability of local jurisdictions to require the REACH code in their jurisdictions (HB 2398) and establish an Oregon Renewable Options program (HB 3221).
- Staff provided comment to the City of Hillsboro on potential impact of a home energy score policy on improving the level of energy efficiency in existing and new homes.
- Staff attended OPUC workshops and meetings on the effects of the COVID-19 pandemic on utility customers (UM 2114) to learn about impacts of utility



**RESPONDED TO
INFORMATION
REQUESTS
THROUGHOUT 2021
SESSION**

arrearrages and new arrearage management programs, as well as the status of the residential disconnection moratorium. Staff also provided support to OPUC staff in developing a stakeholder workshop on Energy Trust and energy efficiency for lower-income customers required through the UM 2114 energy term sheet.

- Staff gave a presentation with the City of Talent to a virtual audience across Southern Oregon hosted by Southern Oregon Climate Action Now on Energy Trust's work in communities and in wildfire and disaster recovery.
- Staff provided resources and program referrals for multifamily and single-family housing initiatives in Malheur County and Hood River.

Communications, general marketing and customer service:

- Public relations work resulted in 17 news stories about Energy Trust in quarter one with a combined media value—what it would have cost to purchase the equivalent advertising space and airtime—of nearly \$724,000.

IT and business systems:

- Staff completed an upgrade of the Microsoft Great Plains accounting system to take advantage of new features and improvements.
- Staff launched Microsoft OneDrive to improve remote working capabilities.
- Staff completed enhancements to forecasting functionality in the Project Tracking system to reduce duplicative data entry and give better visibility into projects in the pipeline.
- **Staff processed 13,743 customer projects in Energy Trust systems,** including 11,769 submitted through web applications.

Planning and evaluation:

- Energy Trust published two evaluation studies on its website.
- Staff completed and published the 2020 true-up report, which adjusts prior years' energy savings and renewable generation to reflect new information.
- Staff tracked OPUC dockets including the Distribution System Planning docket and coordinated with OPUC staff and utilities as appropriate.

13,743

**CUSTOMER PROJECTS
PROCESSED**

IV Revenues and expenditures tables^{9,10}

This section reports on revenues and expenditures for Oregon activity funded by Oregon ratepayers under SB 1149, SB 838 and individual gas utility tariffs. The total organization results appendix reports energy savings, generation, expenditures and revenues for all Energy Trust activity, including activity in NW Natural territory in Southwest Washington, Energy Trust's subcontract to deliver the Oregon Community Solar Program and a federal grant to connect people with low and moderate incomes to solar energy.

A. Oregon public purpose charge revenues and expenditures summary

- **Revenues totaled \$55.3 million for quarter one 2021**, 2% below what was budgeted.
- **Expenditures totaled \$36.2 million**, 28% below budget; 46% of expenditures, or \$16.8 million, was for incentives.
- **Electric efficiency expenditures** were 35% below budget.
- **Gas efficiency expenditures** were 19% above budget.
- **Renewable energy expenditures** were 46% below budget.
- **Administrative costs** were \$2.1 million, 18% below budget.
- **Administrative and program support costs as defined by the OPUC's performance measure** were \$2.87 million.¹¹ In addition to administrative costs, this figure includes program costs in the following areas: program management, program delivery, program incentives, program payroll and related expenses, outsourced services, planning and evaluation services, customer service management and Trade Ally Network management.
- **Energy Trust is processing a large backlog of incentive applications**, which contributed to underspending in quarter one and will result in payments to customers, energy savings and expenditures in quarter two.

B. Oregon public purpose charge revenues^{12,13}

Source	Q1 actual revenues	Q1 budgeted revenues
Portland General Electric \$	12,558,820 \$	11,001,973
PGE Incremental \$	14,035,079 \$	15,202,776
Pacific Power \$	7,838,261 \$	7,697,669
Pacific Power Incremental \$	9,651,344 \$	9,449,990
NW Natural \$	9,154,097 \$	9,397,458
NW Natural Industrial DSM \$	- \$	1,793,862
Cascade Natural Gas \$	1,451,521 \$	1,463,066
Avista \$	610,823 \$	610,823
Total \$	55,299,945 \$	56,617,616

⁹ Columns may not total due to rounding.

¹⁰ Tables reflects Energy Trust's 2021 budget as approved in December 2020, not the 2021 proposed amended budget.

¹¹ The performance measure limits administrative and program support costs for the year in relation to annual revenues and year-over-year growth.

¹² Revenues in Table B include public purpose revenue, including incremental electric revenue from SB 838. Incremental revenues are those authorized under SB 838 to support capturing additional cost-effective electric efficiency savings above the amount supported by funding through SB 1149.

¹³ Revenue from NW Natural Industrial DSM that was expected in quarter one instead arrived in April.

C. Oregon public purpose charge expenditures

Source	Q1 actual expenditures	Q1 budgeted expenditures
Portland General Electric	\$ 17,626,512	\$ 26,132,458
Pacific Power	\$ 10,648,499	\$ 17,370,948
NW Natural	\$ 5,510,835	\$ 4,379,441
NW Natural Industrial DSM	\$ 1,268,171	\$ 1,019,608
Cascade Natural Gas	\$ 481,023	\$ 802,575
Avista	\$ 689,017	\$ 494,824
Total	\$ 36,224,057	\$ 50,199,856

D. Oregon public purpose charge expenditures by sector and program^{14,15}

	Q1 actual expenditures	Q1 budgeted expenditures	
Commercial	Existing Buildings	\$ 9,639,543	\$ 16,043,796
	New Buildings	\$ 2,689,809	\$ 2,787,003
	NEEA Commercial	\$ 798,360	\$ 848,495
	Commercial total	\$ 13,127,712	\$ 19,679,294
Industrial	Production Efficiency	\$ 7,118,616	\$ 10,556,600
	NEEA Industrial	\$ 8,998	\$ 6,045
	Industrial total	\$ 7,127,614	\$ 10,562,645
Residential	Residential	\$ 9,754,540	\$ 10,359,239
	NEEA Residential	\$ 1,004,138	\$ 1,283,934
	Residential total	\$ 10,758,678	\$ 11,643,174
	Energy efficiency total	\$ 31,014,004	\$ 41,885,113
Renewables	Solar	\$ 2,589,419	\$ 2,991,912
	Other Renewables	\$ 534,469	\$ 2,786,776
	Renewable generation total	\$ 3,123,888	\$ 5,778,688
	Administration	\$ 2,086,165	\$ 2,536,057
	Total	\$ 36,224,057	\$ 50,199,857

E. Incentives paid

Qtr	PGE efficiency	Pacific Power efficiency	NW Natural efficiency	Cascade Natural Gas efficiency	Avista efficiency	PGE generation	Pacific Power generation	Total
Q1	\$ 6,914,443	\$ 4,138,851	\$ 3,277,869	\$ 193,997	\$ 296,602	\$ 1,139,036	\$ 862,628	\$ 16,823,426
Total	\$ 6,914,443	\$ 4,138,851	\$ 3,277,869	\$ 193,997	\$ 296,602	\$ 1,139,036	\$ 862,628	\$ 16,823,426

¹⁴ The \$1 difference between budgeted expenditures in Tables C and D is due to rounding in categories that aren't specific to one utility.

¹⁵ Two payments in the Other Renewables program totaling about \$1.3 million for large biopower projects expected to happen in quarter one were rescheduled. In addition, some unspent Other Renewables funding will be used later in 2021 to support new renewable offers.

V Savings and generation tables^{16,17,18,19}

A. Savings and generation by fuel

	Q1 savings/generation	Annual goal	Percent achieved YTD
Electric savings	4.6 aMW	45.0 aMW	10%
Natural gas savings	1,216,097 therms	6,118,162 therms	20%
Electric generation	0.90 aMW	3.54 aMW	26%

B. Progress toward annual efficiency goals by utility

	Q1 savings	Annual goal	Percent achieved YTD	Annual IRP target	Percent achieved YTD
Portland General Electric	2.5 aMW	24.8 aMW	10%	29.5 aMW	9%
Pacific Power	2.1 aMW	20.1 aMW	11%	18.1 aMW	12%
NW Natural	1,031,544 therms	5,092,126 therms	20%	6,030,655 therms	17%
Cascade Natural Gas	89,278 therms	572,759 therms	16%	563,298 therms	16%
Avista	95,275 therms	453,277 therms	21%	437,805 therms	22%

C. Electric savings by sector and program

	Q1 savings aMW	Annual goal aMW	Percent achieved YTD
Commercial	Existing Buildings	1.2	8%
	New Buildings	0.2	4%
	NEEA Commercial	0.1	7%
	Commercial total	1.4	7%
Industrial	Production Efficiency	2.1	14%
	NEEA Industrial	0.1	9%
	Industrial total	2.2	14%
Residential	Residential	0.8	15%
	NEEA Residential	0.2	10%
	Residential total	1.0	13%
	Total electric savings	4.6	10%

¹⁶ Columns may not total due to rounding.

¹⁷ This document reports gross savings.

¹⁸ Electric savings also include transmission and distribution savings.

¹⁹ Energy Trust reports 100% of generation and capacity for renewable energy installations supported by Energy Trust's cash incentives. While some of these projects have additional sources of funding, Energy Trust enabled project completion.

D. Natural gas savings by sector and program

		Q1 savings therms	Annual goal therms	Percent achieved YTD
Commercial	Existing Buildings	457,861	2,072,244	22%
	New Buildings	40,830	363,531	11%
	NEEA Commercial	60	609	10%
Commercial total		498,750	2,436,384	20%
Industrial	Production Efficiency	117,293	1,362,290	9%
	NEEA Industrial	-	-	-
Industrial total		117,293	1,362,290	9%
Residential	Residential	599,772	2,317,348	26%
	NEEA Residential	282	2,140	13%
Residential total		600,054	2,319,488	26%
Total natural gas savings		1,216,097	6,118,162	20%

E. Renewable energy generation by utility

	Q1 generation aMW	Annual goal aMW	Percent achieved YTD
Portland General Electric	0.48	2.25	21%
Pacific Power	0.42	1.29	33%
Total	0.90	3.54	26%

F. Renewable energy generation by program

	Q1 generation aMW	Annual goal aMW	Percent achieved YTD
Solar	0.90	2.94	31%
Other Renewables	-	0.60	-
Total generation	0.90	3.54	26%

G. Incremental utility SB 838 expenditures²⁰

Utility	Q1 SB 838 Expenditures
Portland General Electric \$	223,643
Pacific Power \$	381,189
Total \$	604,833

²⁰ Reflects expenditures by Pacific Power and PGE in support of utility activities described in SB 838. Reports detailing these activities are submitted annually to the OPUC.

VI Progress to 2021 organization goals

This section provides updates on Energy Trust’s progress toward meeting its 2021 organization goals, which were set as part of Energy Trust’s 2021 Budget and 2021-2022 Action Plan approved by the board of directors. Updates are provided in quarterly and annual reports. This information represents highlights and is not comprehensive. For more information, see program and operations highlights in this report.

Goal	Status and highlights
<p>1. Meet savings and generation targets with offers and services designed to support customers during the economic and social recovery related to the COVID-19 pandemic. Focus on:</p> <ul style="list-style-type: none"> • Continuing to adapt program design to respond to market changes resulting from the recovery related to the COVID-19 pandemic. • Meeting the OPUC metrics for cost-effectiveness, diversity, customer service and innovation. • Targeting savings and generation within specific communities when and where they have the greatest value to the utility grid. 	<p>On track to meet goal:</p> <ul style="list-style-type: none"> • Energy Trust is responding to continued market uncertainty through targeted program offers while carefully managing its budget to ensure incentives are available throughout 2021. • Investments aimed at reaching new customers in quarter one include the launch of an Existing Buildings community-based liaison network, the addition of five community-based organizations offering Community Partner Funding and the relaunch of no-cost offers for residents of manufactured homes.
<p>2. Invest in relationships and collaborations with other entities to meet common needs and future objectives. Focus on:</p> <ul style="list-style-type: none"> • Collaborating with workforce organizations to enhance the diversity of our Trade Ally Network. • Resolving funding uncertainties to enable continued delivery of clean energy programs and benefits and identifying other funding sources for complementary initiatives. • Connecting our programs to community planning, housing affordability, economic recovery, resiliency and greenhouse gas reduction efforts. • Collaborating with the Portland Clean Energy Community Benefits Fund and prospective grantees. • Working with the OPUC and state agencies to support implementation of the state’s energy- and climate-related policies. • Working with mid-stream market actors to retain our ability to deliver affordable, clean energy at volume. 	<p>On track to meet goal:</p> <ul style="list-style-type: none"> • Staff responded to technical informational inquiries from Portland Clean Energy Community Benefits Fund staff and prepared for announcement of awarded projects; included among submitted funding proposals were projects leveraging Energy Trust incentives or projects administered by partner community-based organizations. • Staff continued to provide objective information to legislators and stakeholders on Energy Trust’s history, results and current role as public purpose charge administrator. The 2021 legislative session includes proposed legislation to modify the public purpose charge (HB 3141A). • Staff met with Department of Environmental Quality staff to provide background and information on cost-effective energy efficiency acquisition in Oregon’s investor-owned electric and natural gas utility territories to help inform the agency as it develops the Climate Protection Program.
<p>3. Enhance operating processes and internal culture to efficiently respond to change. Focus on:</p> <ul style="list-style-type: none"> • Enhancing employee development and growth with an emphasis on intercultural awareness and inclusion. • Improving the efficiency of our budget process. 	<p>On track to meet goal:</p> <ul style="list-style-type: none"> • Energy Trust hosted a training on recognizing and addressing unconscious bias to provide staff, contractors and stakeholders with the necessary tools to help navigate the diversifying workplace.

<ul style="list-style-type: none">• Continuing policy development and technology adoption to support remote work arrangements and social distancing for staff.• Learning from experience and adapting our organizational structure to support progress in the focus areas identified in the strategic plan.• Furthering our efforts to foster and promote innovation.• Accelerating our use of digital platforms and increased process automation to enhance our customer and contractor experience through increased efficiency.	<ul style="list-style-type: none">• IT staff deployed remote patching capability to more efficiently maintain laptops and install software to support remote user needs.• After a year of remote working, an internal team began work to envision Energy Trust's future workplace. The team will research workplace models, engage staff, stakeholders and subject matter experts, and will make recommendations to leadership staff by the end of quarter two.• Energy Trust launched projects in quarter one to restructure two internal teams with the goal of enhancing efficiency and responsiveness.
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APPENDIX 1: Total organization results

This appendix provides information on Energy Trust’s energy savings and generation results as well as revenue and expenditures for programs beyond those funded by Oregon utility customers of PGE and Pacific Power under state law and by natural gas utility customers of NW Natural, Cascade Natural Gas and Avista through regulatory agreements between the OPUC and each natural gas utility. This includes activity in NW Natural territory in Southwest Washington, Energy Trust’s subcontracts to deliver the Oregon Community Solar Program and support PGE’s Smart Battery Pilot and expenditures for a grant from the U.S. Department of Energy to increase access to solar energy for low- and moderate-income communities. Energy Trust also receives revenue from investments and spends on business development.

Highlights of this work include:

- In quarter one, the Oregon Community Solar Program saw its first projects become operational. There are now three operational projects with a combined capacity of 6.8 megawatts.
 - The program has filled its general market capacity in PGE territory, Pacific Power territory and Idaho Power territory applying for pre-certification.
 - Staff is recruiting small and community-led projects to apply for the program carveout reserved for small projects and those managed by nonprofit, public or tribal entities. Across Pacific Power and PGE territories, 3 MW of the 20 MW carveout has been allocated.
- Energy Trust has contracted with PGE to support the utility’s Smart Battery Pilot. Staff is now able to collect data about battery systems installed by customers and communicate information about pilot incentive availability to trade allies. This helps lower barriers and keep costs low for solar trade allies participating in the pilot.
 - Energy Trust will provide support for customer outreach, trade ally education, quality management, application review and upfront incentive processing. The pilot will run through July 2025.
- Beginning in 2021, Energy Trust is serving as a contractor under a U.S. Department of Energy funded grant project that seeks to improve knowledge sharing among state energy organization and community-based organizations so that solar in low-and-moderate-income communities is developed efficiently, equitably and cost-effectively. Staff began early work on these activities in quarter one; revenue from the grant is expected to be reported starting in quarter two.

A. Total organization revenue²¹

Source	Q1 actual revenues	Q1 budgeted revenues
Oregon PPC programs \$	55,299,945 \$	56,617,616
NW Natural Washington \$	- \$	1,000,291
Oregon Community Solar Program \$	117,484 \$	137,500
Low- and moderate-income grant \$	- \$	-
PGE Smart Battery Pilot \$	10,856 \$	123,871
Revenue from investments \$	77,441 \$	24,000
Total \$	55,505,726 \$	57,903,279

²¹ Revenue from NW Natural Washington that was expected in quarter one instead arrived in April.

B. Total organization expenditures²²

Source	Q1 actual expenditures	Q1 budgeted expenditures
Oregon PPC programs \$	36,224,057 \$	50,199,856
NW Natural Washington \$	682,019 \$	646,825
Oregon Community Solar Program \$	64,861 \$	80,485
Low- and moderate-income grant \$	1,220 \$	-
PGE Smart Battery Pilot \$	10,357 \$	112,740
Business development \$	10,287 \$	-
Total \$	36,992,802 \$	51,039,905

C. Total organization expenditures by activity^{Error! Bookmark not defined.}

	Q1 actual expenditures	Q1 budgeted expenditures
Oregon PPC programs \$	34,137,892 \$	47,663,799
NW Natural Washington programs \$	642,742 \$	614,148
Oregon Community Solar Program \$	61,126 \$	76,419
Other Low- and moderate-income grant \$	1,150 \$	-
PGE Smart Battery Pilot \$	9,761 \$	107,044
Business development \$	10,287 \$	-
Other Total \$	725,064 \$	797,611
Administration \$	2,129,845 \$	2,578,495
Total expenditures \$	36,992,802 \$	51,039,905

D. Total organization savings and generation by fuel²³

	Q1 savings/generation	Annual goal	Percent achieved YTD
Electric savings	4.6 aMW	45.0 aMW	10%
Natural gas savings	1,268,268 therms	6,504,842 therms	19%
Electric generation	0.90 aMW	3.54 aMW	26%

²² Business development funds were used on targeted load management work with NW Natural. Beginning in quarter two, Energy Trust will report designated targeted load management expenditures and revenue from NW Natural.

²³ Includes NW Natural savings in Southwest Washington.

E. Total organization progress toward annual efficiency goals by utility

	Q1 savings	Annual goal	Percent achieved YTD	Annual IRP target	Percent achieved YTD
Portland General Electric	2.5 aMW	24.8 aMW	10%	29.5 aMW	9%
Pacific Power	2.1 aMW	20.1 aMW	11%	18.1 aMW	12%
NW Natural	1,031,544 therms	5,092,126 therms	20%	6,030,655 therms	17%
Cascade Natural Gas	89,278 therms	572,759 therms	16%	563,298 therms	16%
Avista	95,275 therms	453,277 therms	21%	437,805 therms	22%
NW Natural Washington	52,172 therms	386,680 therms	13%	383,476 therms	14%

F. Total organization renewable energy generation by utility

	Q1 generation aMW	Annual goal aMW	Percent achieved YTD
Portland General Electric	0.48	2.25	21%
Pacific Power	0.42	1.29	33%
Total	0.90	3.54	26%