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## Northwest **Power** and **Conservation** Council

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November 9, 2021

### **MEMORANDUM**

**TO: Council Members**

**FROM: Tina Jayaweera**

**SUBJECT: Energy Trust of Oregon Briefing**

#### **BACKGROUND:**

**Presenter:** Michael Colgrove, Executive Director, Energy Trust of Oregon

**Summary:** The Energy Trust of Oregon is an independent, non-profit organization created to implement energy efficiency and small-scale renewable resources in Oregon under a stable and consistent funding paradigm. Energy Trust designs and administers efficiency and renewables programs for Oregon customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista, and Washington customers of NW Natural.

Michael Colgrove has been Executive Director of the Energy Trust of Oregon since 2016. Mr. Colgrove will brief the Council on the ETO's 2020 Annual Report, forecasted 2021 achievements, and plans for 2022, and touch on implications of the 2021 Oregon legislative accomplishments on Energy Trust operations and strategic priorities.

**Relevance:** Energy Trust is a key player in the regional energy efficiency and renewable resource landscape. It has produced ground-breaking approaches to program design, marketing, delivery, and evaluation. The organization envisions a future of clean, affordable energy for everyone, including low-income customers, customers of color, and rural customers. It contributes a large share of regional electric efficiency savings. Oregon customers of PGE and Pacific Power represent about 20 percent of the

region's electric load; Energy Trust program accomplishments represent about 28 percent of total regional electric savings over the 7<sup>th</sup> Plan period to date (2016-2020).

**Background:** Energy Trust is a result of 1999 Oregon legislation that required the state's largest investor-owned electric utilities, PGE and Pacific Power, to collect a 3 percent public purpose charge for efficiency, renewables, school conservation and low-income energy services. The legislation authorized the Oregon Public Utility Commission to direct a portion of those funds to an independent, non-government entity. Energy Trust began operation in 2002 as the primary entity responsible for delivering electric efficiency, including market transformation) and renewable resource programs. In 2007, funding of electric efficiency programs for residential and most business customers above the percent dedicated in the public purpose charge was approved with the goal of avoiding the need to purchase more expensive electricity.

Funding for natural gas efficiency programs was added through regulatory proceedings. Energy Trust began administration of natural gas programs in 2003 with NW Natural and in 2006 with Cascade Natural Gas. In 2009, Energy Trust began serving NW Natural's customers in Washington. In 2017, Energy Trust began serving Avista gas customers in Oregon.

In 2021, Oregon HB 3141 modernized the public purpose charge by extending it for 10 years, reducing it from 3 percent to 1.5 percent of annual utility revenues, requiring 25 percent of the renewables public purpose funds to benefit low-income customers and allowing it to be used for distribution system-connected technologies that support reliability, resilience, and integration of renewable energy (among other things). The law moves electric efficiency funding from the public purpose charge into the standard rate-making processes used by the Oregon Public Utility Commission for PGE and Pacific Power. This change effectively removes any sunset on the efficiency funding.

**More Info:** Michael Colgrove is vice chair of the Northwest Energy Efficiency Alliance Board of Directors, and serves on multiple NEEA committees including as chair of the Strategic Planning Committee, chair of the End Use Load Research Committee and member of the Natural Gas Committee and the Executive Committee. He joined Energy Trust after 15 years with the New York State Energy Research and Development Authority (NYSERDA) where he was both the director of the New York City office and director of Multifamily Programs. He is a graduate of the New York Institute of Technology's Energy Management master's program and earned his Bachelor of Science degree in Environmental Science at the University of Alaska Fairbanks.

Energy Trust Annual Report: <https://www.energytrust.org/wp-content/uploads/2021/04/2020.Energy-Trust-Annual-Report.pdf>



Energy Trust of Oregon Briefing  
Northwest Power and Conservation Council  
November 17, 2021

# About Energy Trust of Oregon

Independent  
nonprofit

Serving 1.8 million customers of  
Portland General Electric,  
Pacific Power, NW Natural,  
Cascade Natural Gas and Avista

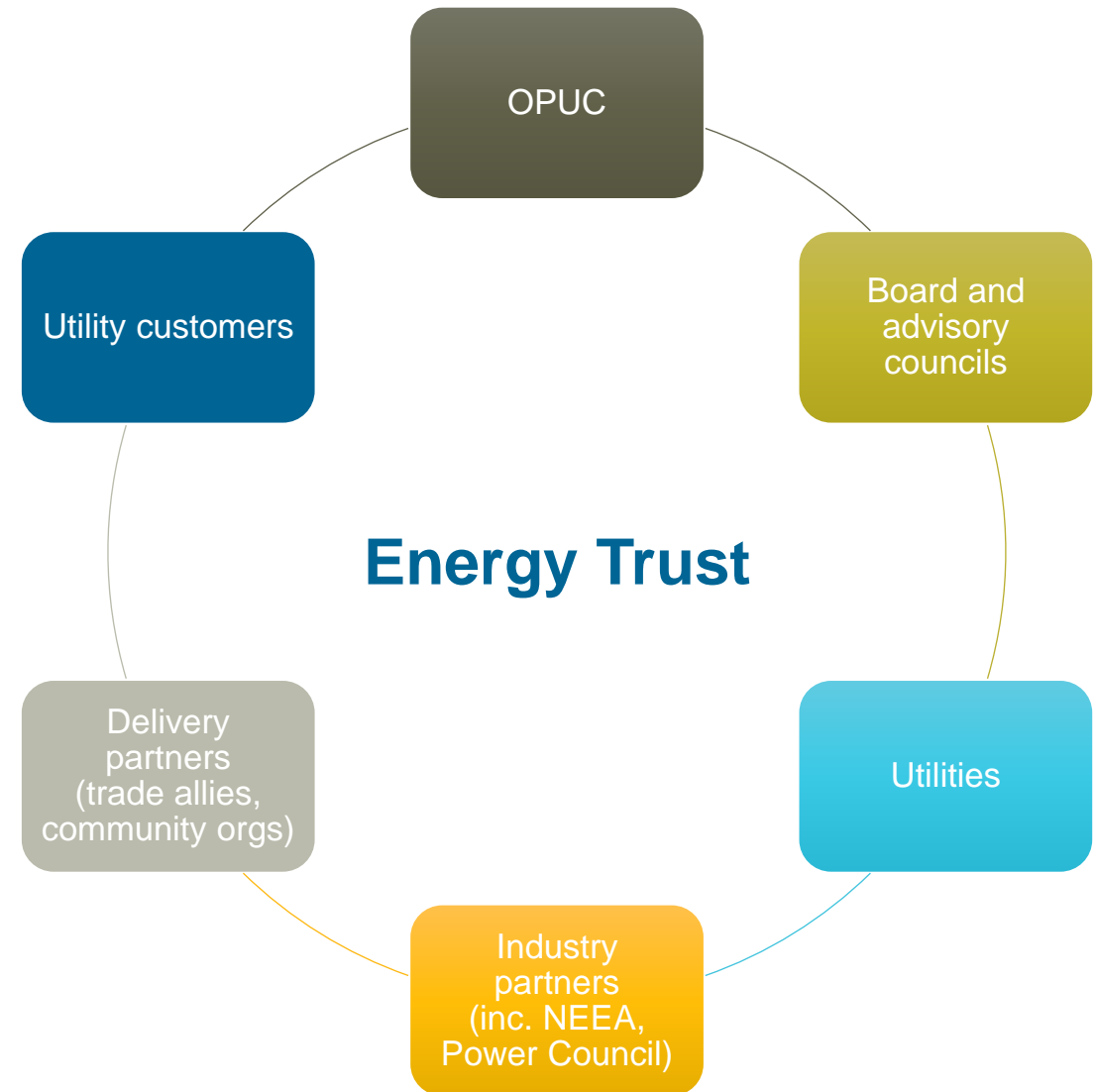
Providing  
access to  
affordable  
energy

Generating  
homegrown,  
renewable  
power

Building a  
stronger Oregon  
and SW  
Washington

# Programs and Collaborations

- **Serving customers**
  - Residential
  - Commercial, including multifamily
  - Industrial, agricultural
- **Cash incentives and discounts**
  - Energy-efficient upgrades
  - Renewable energy systems
- **Information and technical services**
  - No- and low-cost strategies
  - Expert guidance
  - Walk-through services
  - Technical trainings
- **Market transformation**



# 2020 and Forecasted 2021 Achievements

# 2020 Annual Results

## ⚡ Total electric savings



## 🌿 Total gas savings



## 🌿 Total renewable electric generation



## 2020 COVID-19 Response: External

- Provided low- and no-cost residential offers
- Served high demand for rooftop solar systems
- Transitioned to virtual engagement
- Offered bonus incentives for business customers
  - Motivated customers to complete projects amid high economic uncertainty
  - Helped contractors to sell projects and keep energy efficiency workers on the job
  - Strong interest in Q3 2020 resulted in strong electric savings and created unusually large pipeline





# Energy Trust Electric Efficiency as Portion of 7th Power Plan Efficiency Target

126% of target

Adjusted Targets:  
PGE and Pacific Power (Oregon)

269 aMW

Adjusted Results:  
PGE and Pacific Power (Oregon)

338 aMW

\*Over the 7<sup>th</sup> Power Plan period to date (2016-2021 forecast)

# 2022 Planning and Activities

# 2022 Organizational Goals



**Achieve savings and renewable generation goals** while addressing the needs of customers who experience significant energy burden or are impacted by disaster events



**Expand support for community-led approaches** to increase access to clean energy



**Create development capabilities** that will allow us to increase funding to deliver more savings and generation and expand our ability to meet changing customer and utility system needs



**Implement new work strategies** to adapt and thrive in our changing environment while supporting staff and managing operating costs



## Draft 2022 Budget Summary

- Investing \$213 million of utility customer funds
  - \$116.9 million in incentives
- Saving 50.1 aMW and 6.8 million annual therms
  - 3.4 cents/kWh levelized
  - 44.7 cents/therm levelized (Oregon)
  - 83.7 cents/therm levelized (Washington)
- Generating 4.0 aMW
- Avoiding 4.5 million tons of carbon dioxide

# Innovating Across Programs

- Complementary funding
- New manufactured home replacement program
- New offers targeting small businesses
- Expand Strategic Energy Management





## Engaging Communities

- Support community-led energy, sustainability and climate planning
- Offer small grants to nonprofits
- Contract with community-based organizations for program delivery
- Sponsor AmeriCorps interns in rural towns

# Supporting Disaster Recovery and Preparedness

- New incentives for fire resistant, energy-efficient home construction
- Increased interest in resiliency benefits of renewable energy
- New incentive for solar + battery storage
- Consumer interest in cooling technologies



# Diversity, Equity and Inclusion Highlights for 2022

- Continued commitment and focus on serving low-income customers, rural customers and communities of color in all programs
- Build a supplier diversity program to track spending with minority-, women- and veteran-owned companies
- Continue *First Thursday is Diversity Day* learning opportunities for deeper understanding by staff and board
- Execute a community engagement strategy identified in the next DEI Operations Plan

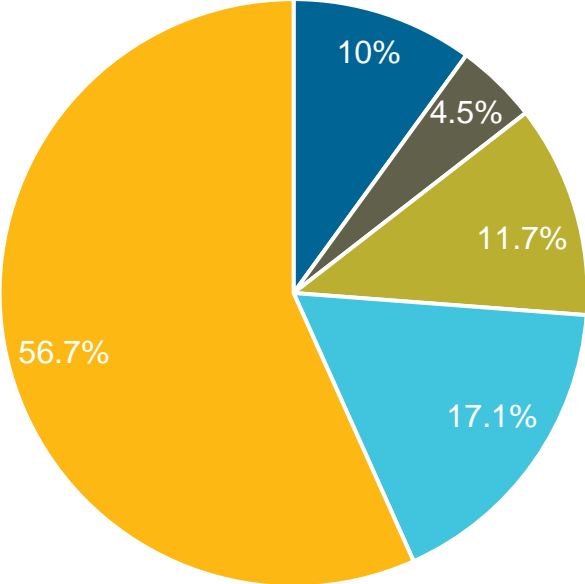




Evolving Oregon Energy Policy  
and  
Realizing the Full Value of Energy Efficiency

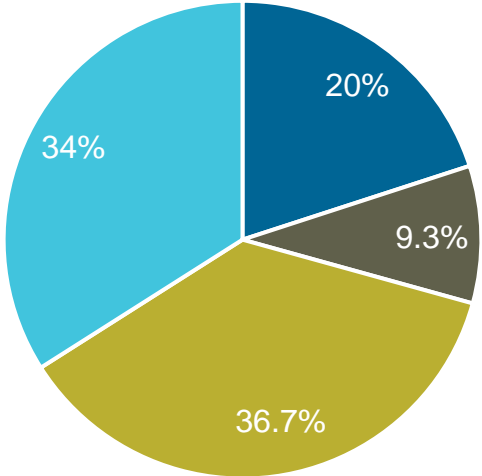
# Modernized Public Purpose Charge (HB 3141)

3% Public Purpose Charge (from SB 1149\*)



- Energy conservation in schools (ODOE)
- Low-income affordable housing (OHCS)
- Low-income weatherization (OHCS)
- Renewable energy (Energy Trust)
- Energy efficiency (Energy Trust)

1.5% Public Purpose Charge (from HB 3141\*)



- Energy conservation in schools (ODOE)
- Low-income affordable housing (OHCS)
- Low-income weatherization (OHCS)
- Renewable energy (Energy Trust)

**\*Separate from the public purpose charge, all achievable cost-effective energy efficiency can be planned for, pursued and funded through utility-specific ratemaking processes**

# Renewable Energy Program Changes from HB 3141

- New requirements and opportunities
  - Expands scope to include advanced technologies that support reliability, resilience and the integration of renewable resources
  - At least 25% of renewable funds to serve low- and moderate-income customers
- Extended the sunset by 10 years
  - From end of 2025 until end of 2035

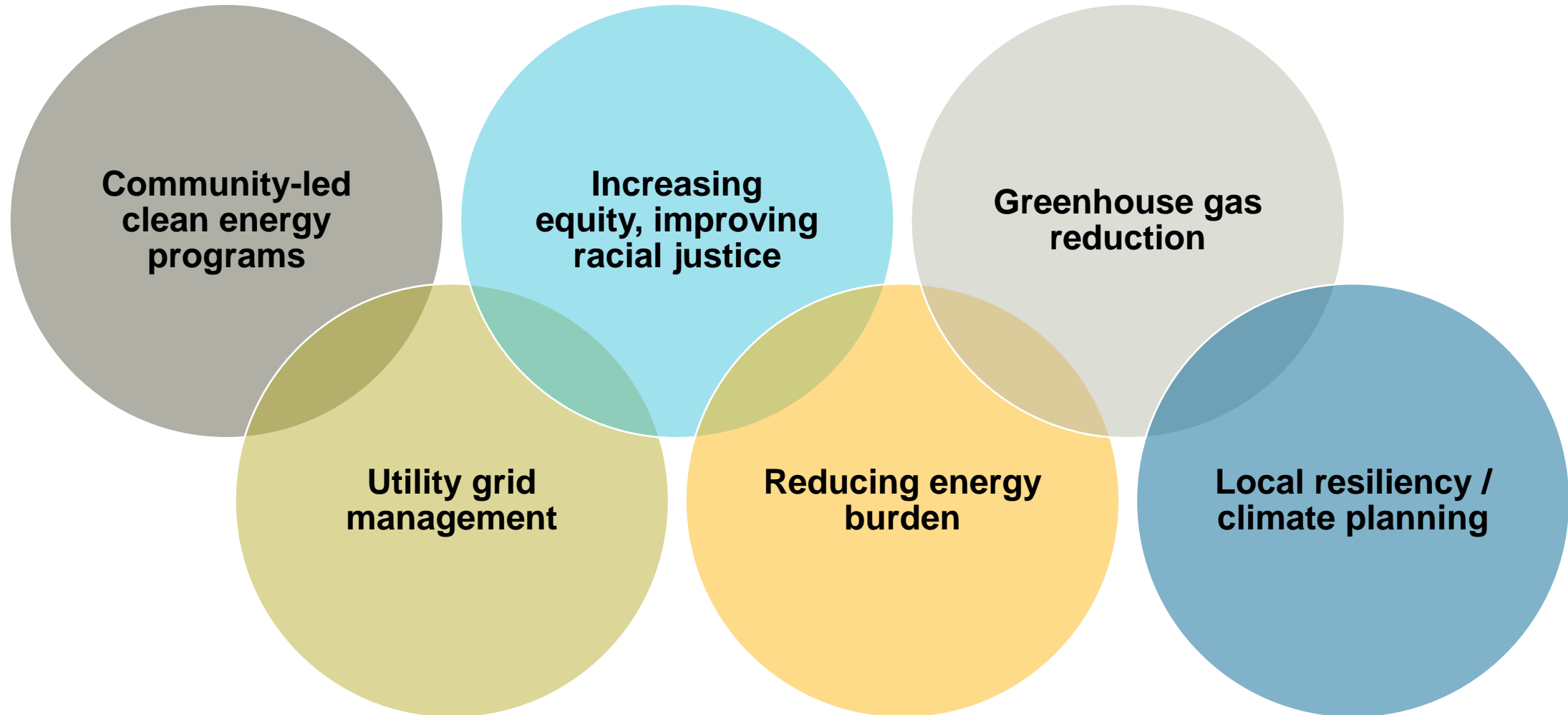




## Equity Focus from HB 3141 and HB 2475

- Equity metrics for all ratepayer funds invested by the nongovernmental entity, Energy Trust
- Grants new authorities to OPUC to
  - Set differential energy rates
  - Create potential new programs to address energy burden
- Authorizes intervenor funding to groups representing the interests of environmental justice communities before the OPUC

# Broadening the Reach of Clean Energy Benefits



# Delivering Multiple Benefits—Highlights

- Cost-effectiveness exceptions pathway
- Leveraging funding
- Non-energy benefits
- Targeted efficiency
- Grid connectivity and resiliency





# Thank You

Michael Colgrove

Executive Director

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# Reference Slides



# Brief History of Energy Trust

Oregon establishes 3% public purpose charge (PPC)\*

Started serving NW Natural Oregon customers

Supplemental electric funding enabled beyond 3% PPC

Started serving Avista Oregon customers

1999

2002

2003

2006

2007

2009

2017

2021

Launched programs for PGE & Pacific Power customers

Started serving Cascade Natural Gas Oregon customers

Started serving NW Natural SW Washington customers

Legislature extends and modernizes the public purpose charge

\*Energy Trust receives 74% of the 3% PPC through 2021; 2022 begins changes from Oregon HB 3141

# Helping achieve Oregon's clean energy future

2020–2024 Strategic Plan

Focus Areas

## 1 ENGAGING CUSTOMERS

Engaging customers with programs, information and services, with attention to underserved customers.

## 2 SUPPORTING UTILITIES

Linking to the approaches utilities are using to meet changing customer energy needs.

## 5 ADAPTING TO CHANGE

Enhancing our ability to respond to changes, needs and new opportunities.

## 3 INFORMING POLICYMAKERS

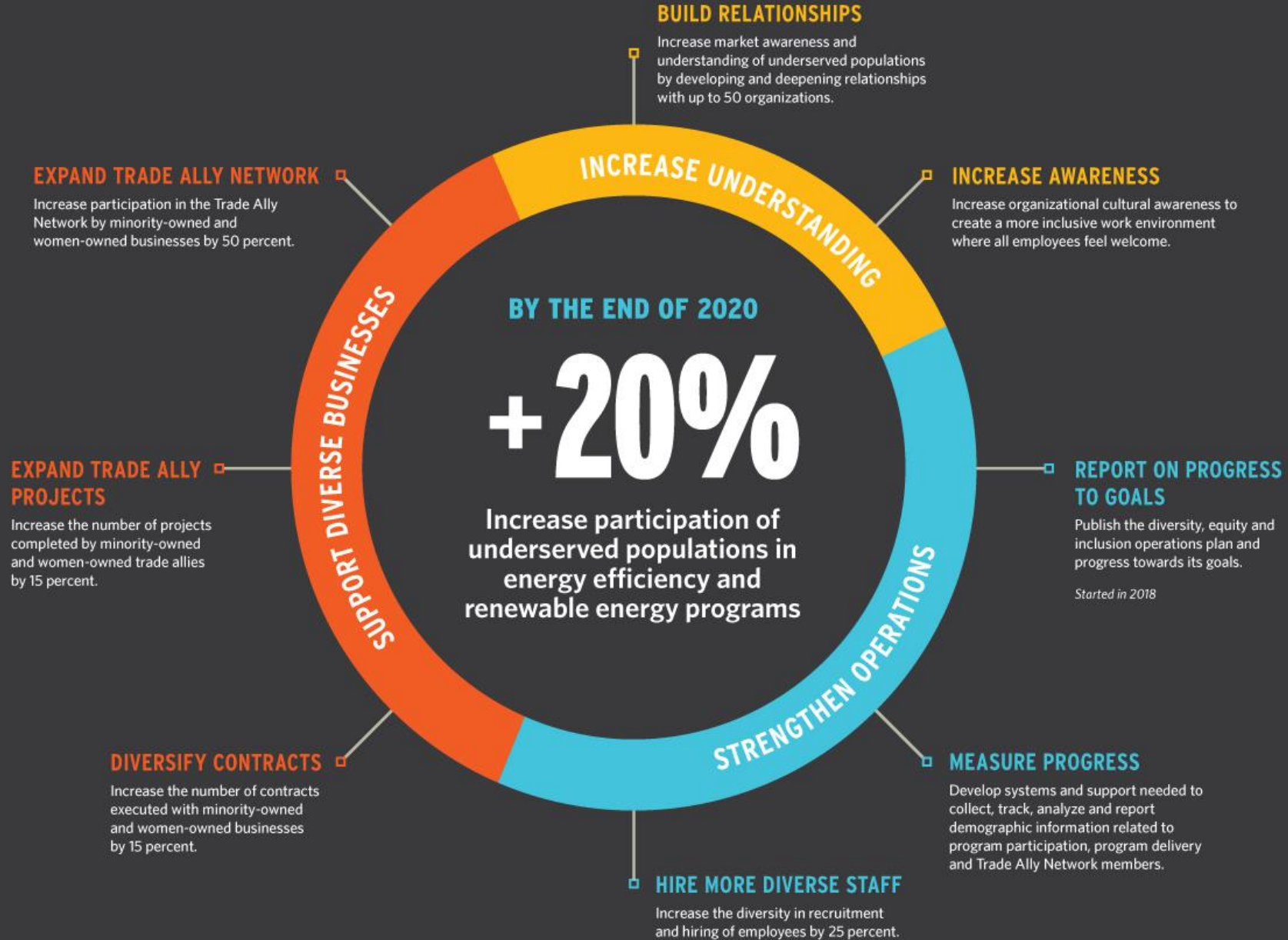
Supporting energy policies by providing objective information and analyses.

## 4 DELIVERING MULTIPLE BENEFITS

Leveraging additional funding to advance clean energy investments that deliver multiple benefits.



# MAKING A COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION



# 2020 Financials

## 2020 Expenditures



## 2020 Revenue



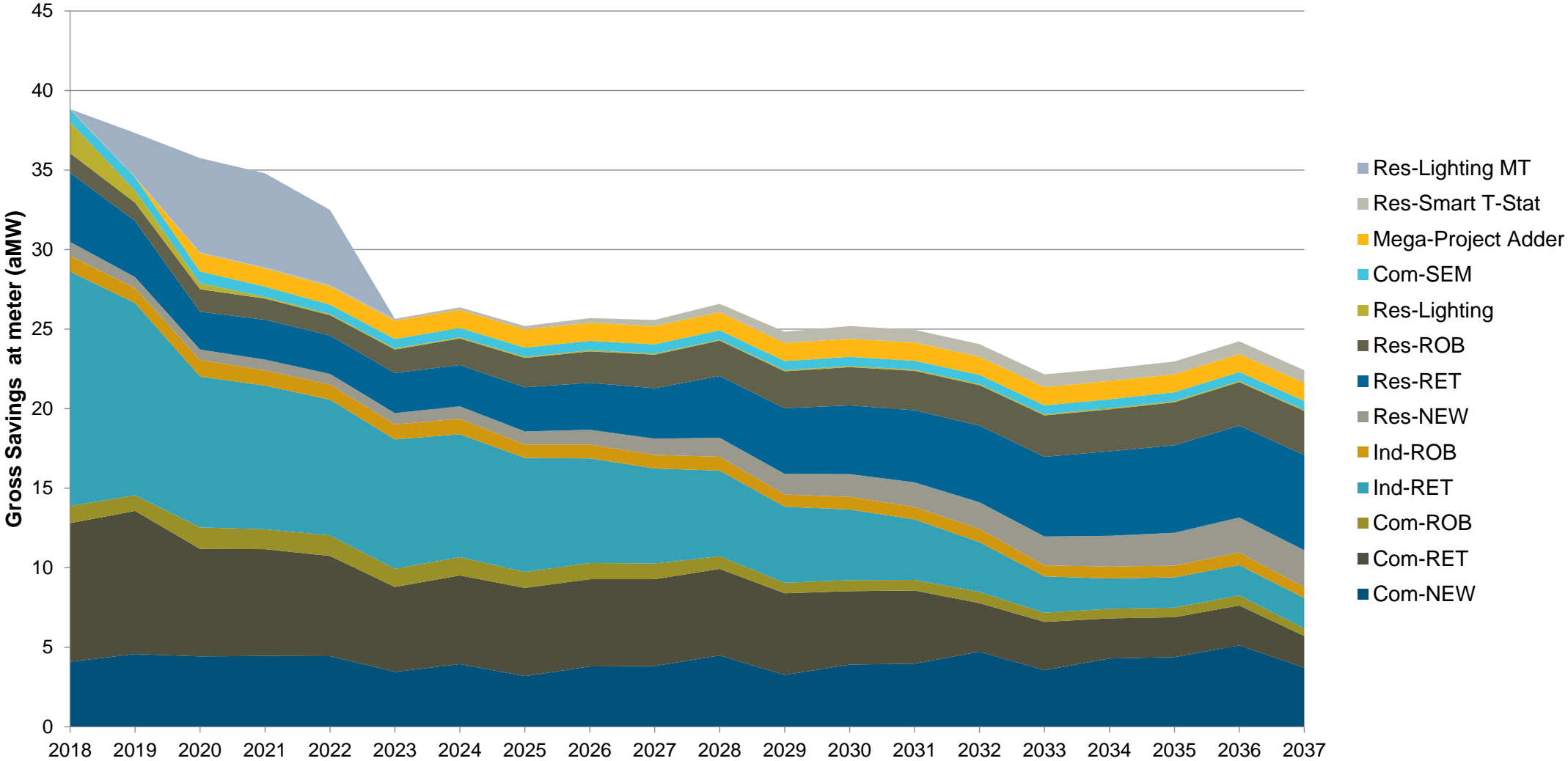
\*Expenditures in excess of revenue covered by reserves



# COVID-19: Energy Trust Operations Changes

- Rapid transition to remote work
- Launched digital tools to keep applications and payments flowing
  - Switched to remote processing for projects, incentives, inspections and reviews; extended the period to fill out documentation
  - Moved all trainings to online engagement
  - Re-arranged outreach to be virtual or scheduled at down times
- Maintained customer, trade ally communications

# Example: Electric Efficiency Resource Potential—PGE, 2018-2037



# Example: Natural Gas Efficiency Resource Potential—Cascade Natural Gas, 2020-2039

