



Clean, affordable energy for everyone

Photo: Cascadia Commons Cohousing, Portland, OR

Final Proposed 2024 Budget and 2024-2025 Action Plan

December 15, 2023



Agenda

- 2023 year-end forecast
- 2024 organizational goals
- Final proposed 2024 budget overview
- Public comments
- Board discussion

Photo: Resident – Twilight Courts Affordable Housing, Silverton, OR

2023 Year-End Forecast

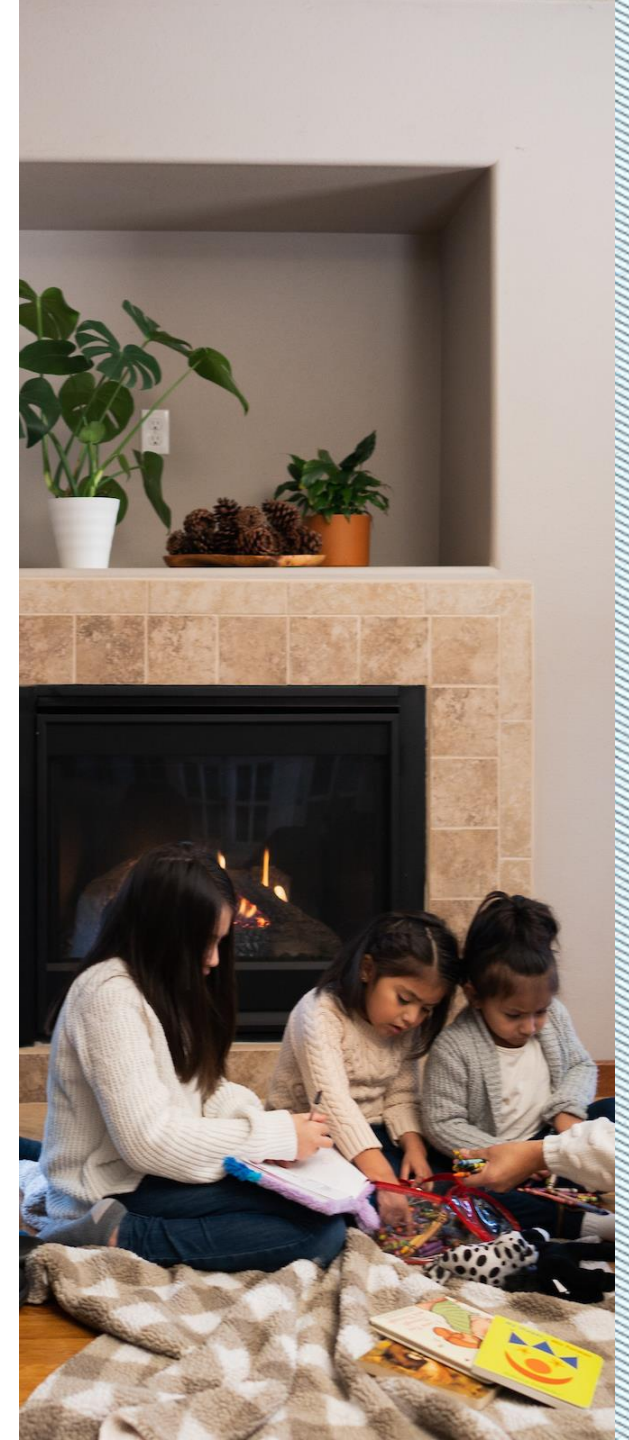
Energy goals

- 106% of electric savings goal
- 93% of natural gas savings goal
- 122% of generation goal

Revenues and expenditures

- Expect revenues to be 7% over budget
- Expect expenditures to be 2% under budget
- Expect incentives to be 1% over budget
- Expect staffing, admin costs to be just under budget

Photo: Medina Family, Woodburn, OR



Investments in Today and Tomorrow

Investments in 2024 and 2025 are to

- Increase incentives
- Develop new approaches and delivery strategies
- Support and fill gaps in key areas of market infrastructure needed to accelerate energy savings
 - Trade Ally Network
 - Workforce development
 - Community-based organizations
 - Community engagement and support

Photo: Photo: Cascadia Commons Cohousing, Portland, OR



2024 Organizational Goals



Customers will save and generate energy and reduce costs in 2024 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 for future years.



Final Proposed 2024 Budget Summary

- **Investing \$305.6 million**
- **Saving 48.0 aMW and 6.9 MMTh**
 - 66.8 MW of reduced demand during summer peak and 79.8 MW during winter peak
 - Includes 0.2 MMth gas transport and 0.2 MMth NW Natural WA
- **Delivering highly cost-effective energy**
 - 5.2 cents/kWh levelized
 - 64.6 cents/therm levelized (OR), 108.0 cents/therm levelized (WA)
- **Generating 4.6 aMW**
- **Distributing \$161.4 million in incentives; 53% of total expenditures**
- **Administrative costs at 5.6% of expenditures**

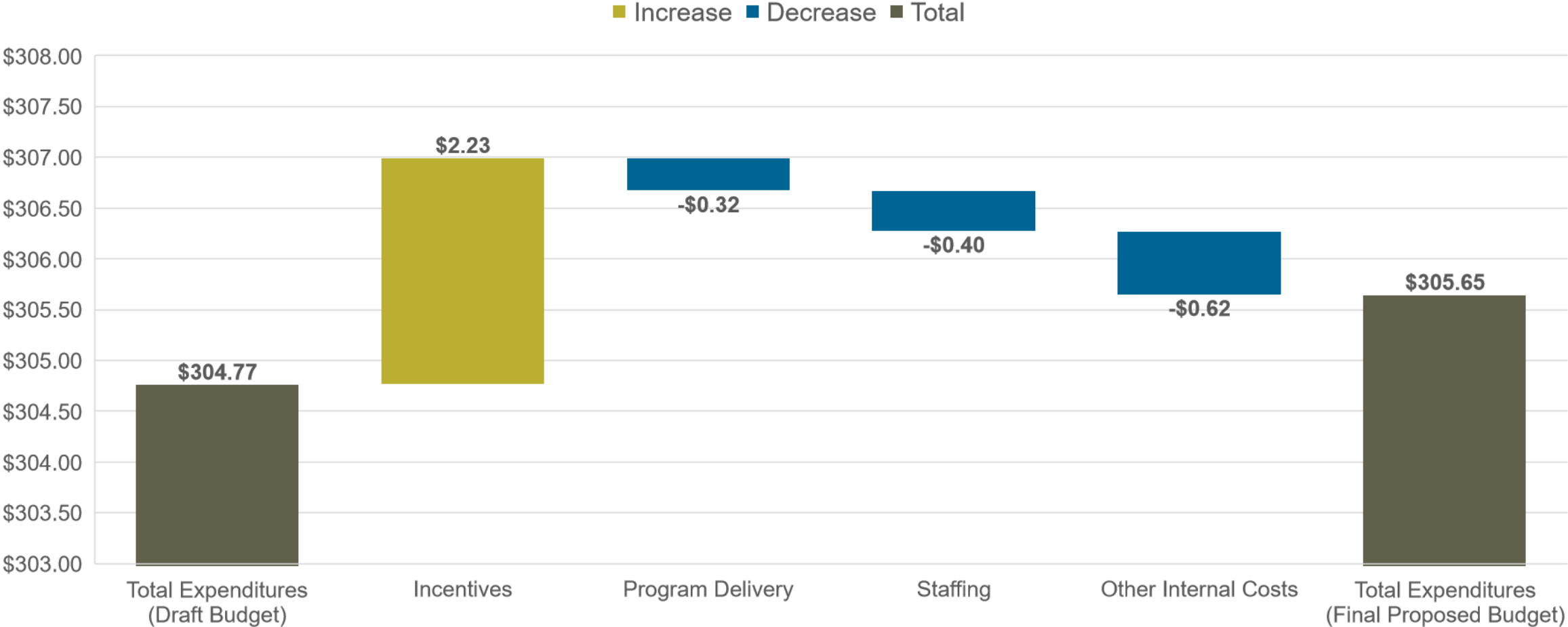
Photo: Hernandez Family, Woodburn, OR

Summary of Changes to Final Proposed Budget

	Draft Budget	Final Proposed Budget	Change	% Change
Revenue (\$ Million)	\$277.0	\$265.3	-\$11.7	-4.2%
Expenditures (\$ Million)	\$304.8	\$305.6	\$0.9	0.3%
Incentives (\$ Million)	\$159.2	\$161.4	\$2.2	1.4%
Staffing Costs (\$ Million)	\$27.3	\$26.9	-\$0.4	-1.5%
Administrative Costs (\$ Million)	\$17.2	\$17.2	\$0.0	0.0%
Electric Savings (aMW)	48.7	48.0	-0.8	-1.6%
Gas Savings (MMTh)	7.2	6.9	-0.2	-3.1%
Electric Levelized Costs (¢/kWh)	5.1	5.2	0.1	2.1%
Gas Levelized Costs (OR) (¢/therm)	61.2	64.6	3.4	5.6%
Gas Levelized Costs (WA) (¢/therm)	111.5	108.0	-3.5	-3.2%
Generation (aMW)	4.2	4.6	0.4	10.7%

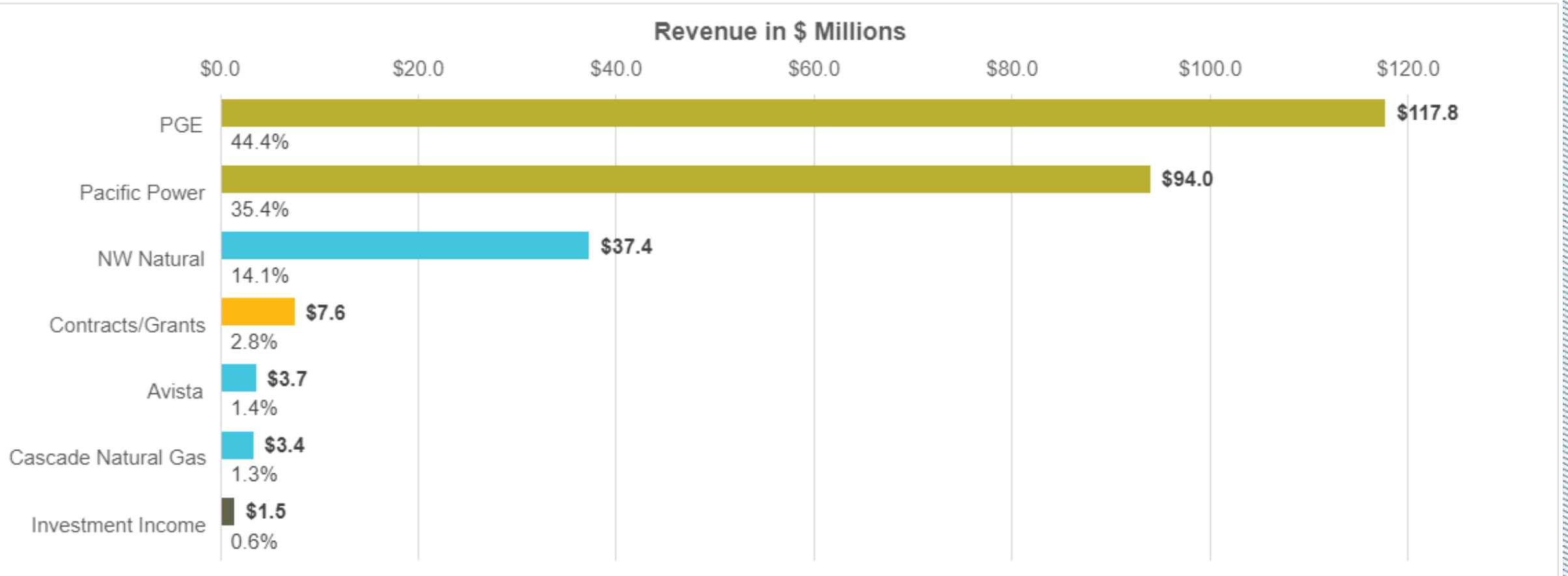
Notes: aMW: average megawatts of electricity; MMTh: million annual therms of natural gas; administrative costs are for management and general, communications and outreach

Changes to Final Proposed Budget Expenditures



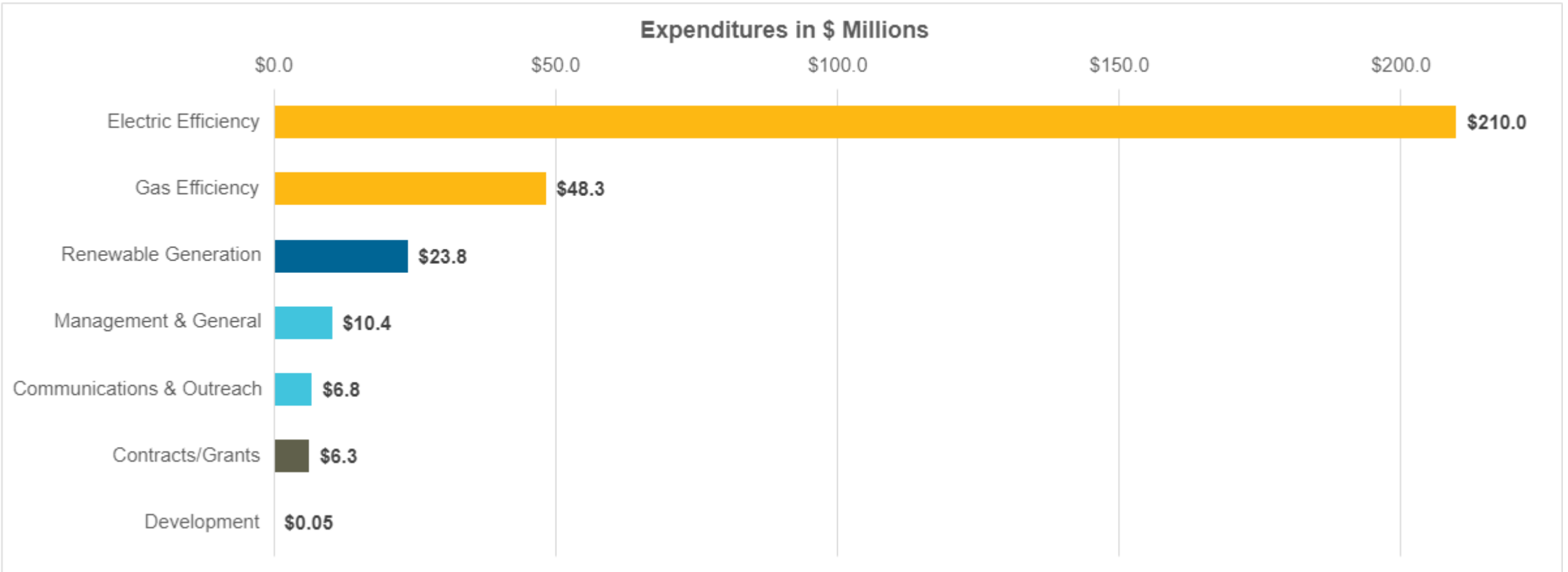
2024 Final Proposed Budget Revenues

\$265.3 million, up 28% from 2023 budget



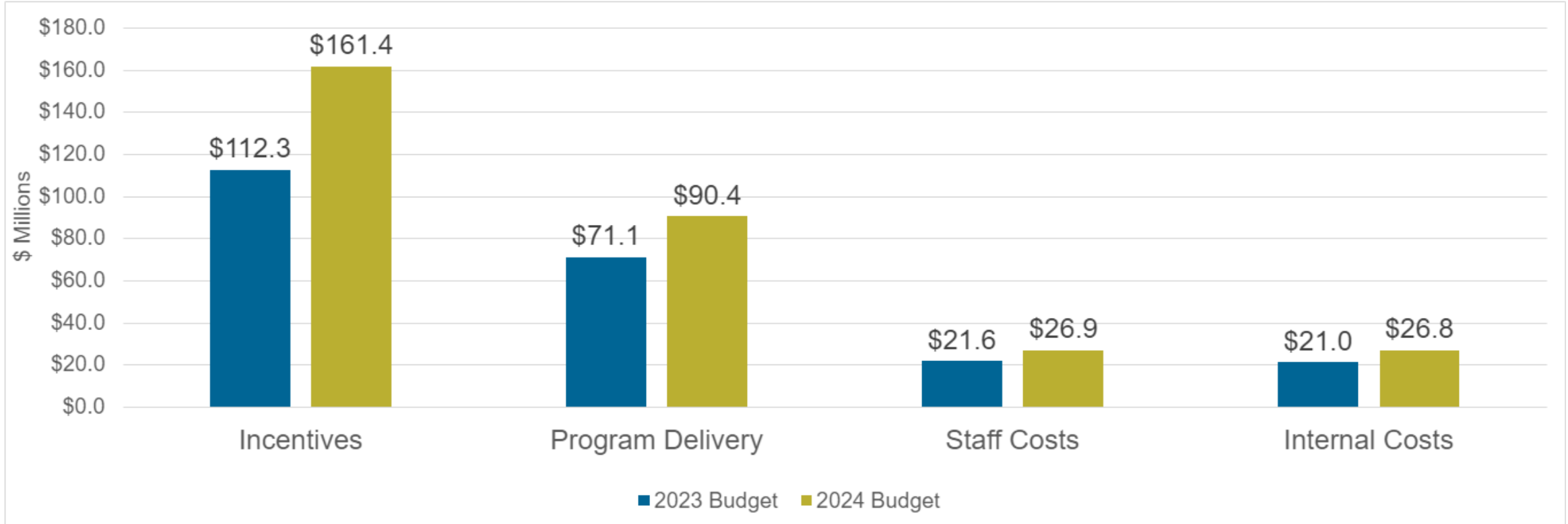
2024 Final Proposed Budget Expenditures

\$305.6 million, up 35% from 2023 budget



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

2024 Final Proposed Expenses Compared to 2023 Budget



Market Infrastructure Investments

Focus Area	2024 Budget (\$M)	2025 Budget (\$M)
Trade Ally Network	\$2.6	\$2.8
Workforce development	\$2.0	\$2.2
Community-based organizations	\$4.6	\$6.0
Community engagement and support	\$3.0	\$3.3
Total	\$12.2	\$14.3

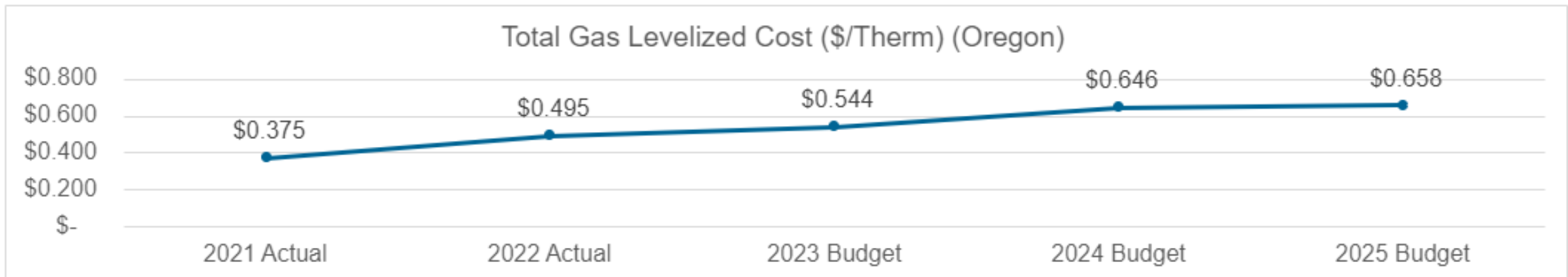
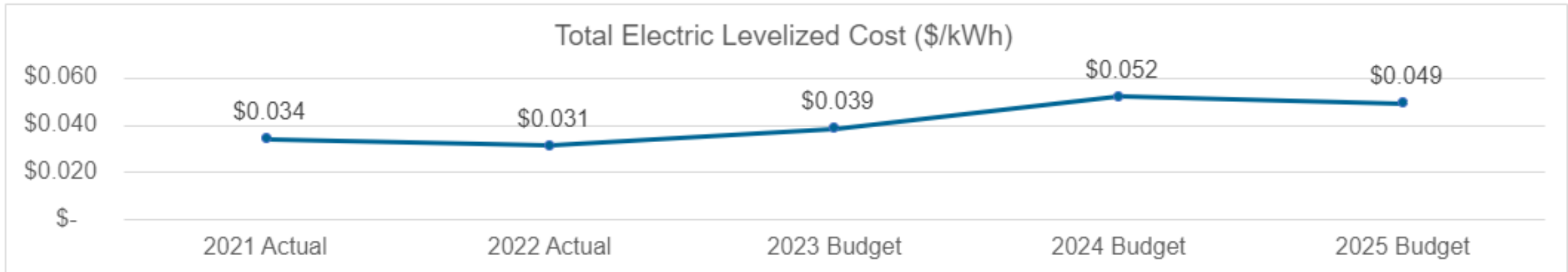
Long-term Investment Outcomes

- Larger, more diverse and more active Trade Ally Network
- More community-based organizations delivering programs to targeted communities
- Overall increase in number of projects across all sectors
- Increased capability to fully benefit from federal funding

Photo: Mingus Park, Coos Bay, OR



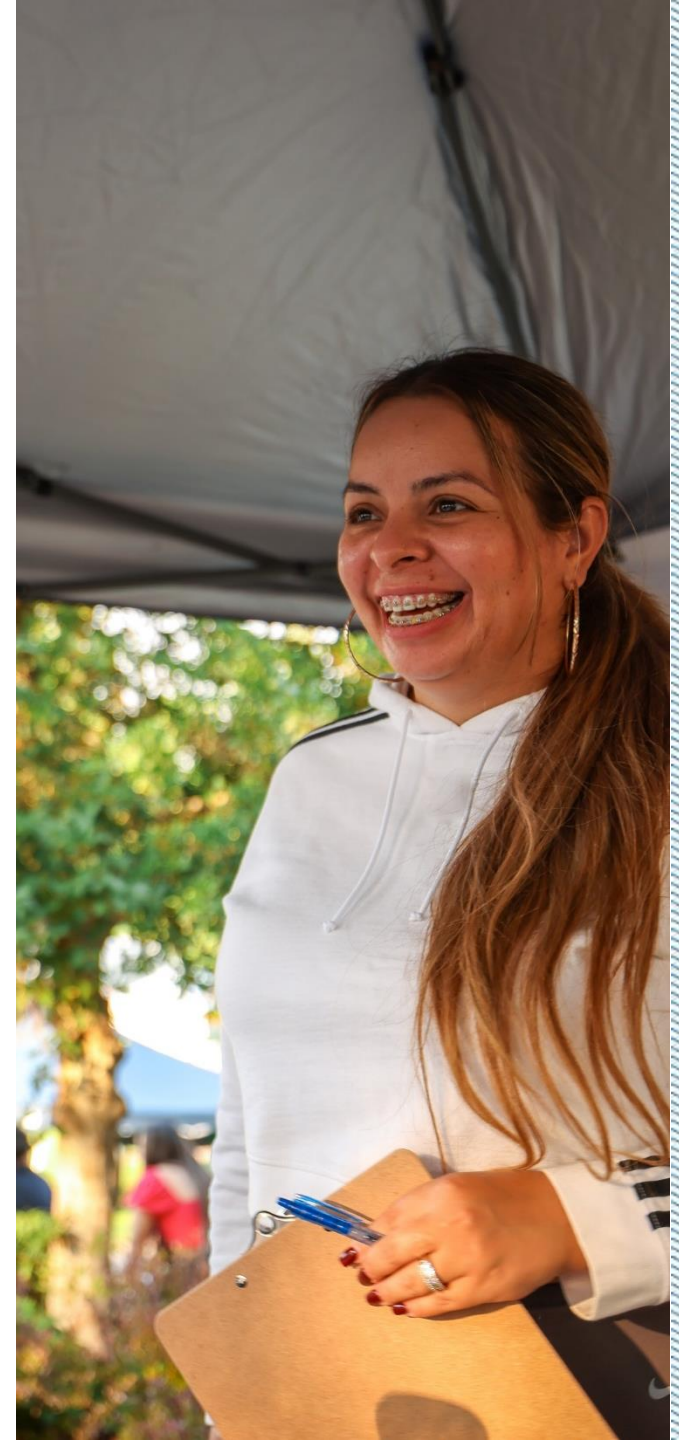
Levelized Cost Trends (Oregon only)



Staffing, Program Delivery Efficiency Costs

- OPUC sets annual performance measures for staffing costs and program delivery efficiency
- Performance measures were waived for 2023
 - These performance measures “should not be a deterrent to Energy Trust adapting to serve customer needs at a time when the value of energy efficiency is increasing”
- Nonprofit standard is to report costs as a percent of total expenditures
 - 2024 administrative costs are 5.6% of expenditures
 - 2024 staffing costs are 8.8% of expenditures

Photo: Community Fiesta event, Independence, OR



Public Comments: Utilities

- **Electric utilities**

- Value energy efficiency in achieving decarbonization
- Acknowledge need to build capacity and market infrastructure
- Desire additional collaboration and budget detail
- Request alternative budget scenarios
- Request to delay revenue collection until April 1, 2024
- Concerns about size of budget, rate impacts, cost-effectiveness

- **Gas utilities**

- Support for draft budget
- Budget reflects need to accelerate gas savings
- Budget will enable growth to meet increasing planning needs related to targeted load management, new pilots

Public Comments: Other Stakeholders

More than 60 comments received from stakeholders expressing

- Support draft budget
- Appreciate need for energy efficiency to achieve state climate goals
- Support for building market capacity to accelerate savings and maximize new funding opportunities, focus on equity and expanding participation, and increasing incentives
- Desire for more focus on small business customers
- Support from most commenters on staffing increases and concern from one
- Recommend delaying rate impact until April 1, 2024
- Recommend multiyear budgeting

OPUC Recommendations on the Draft Budget

1. Document and report regularly on development activities related to large sources of non-ratepayer funding and characterize how existing programs and ratepayer funds interact.
2. In response to utility feedback, develop guiding principles for considering rate pressure when coordinating management of external funding and report those prior to 2025 budget planning.
3. With external funds driving new efficiency, consider dual fuel and electrification measures that can unlock additional efficiency and that can be considered in the next round of utility integrated resource planning.
4. Work with utilities and Staff to modernize avoided cost calculation methods to consider Oregon's decarbonization policy goals.
5. Work with utilities and Staff to develop HB 2475 programs prior to 2025 budget planning. This should include developing targeted efforts to reduce energy burden based on utility data.

Principles for Braiding Complementary Funding

As we plan for offers with complementary funding, we will consider and work with partner organizations to determine

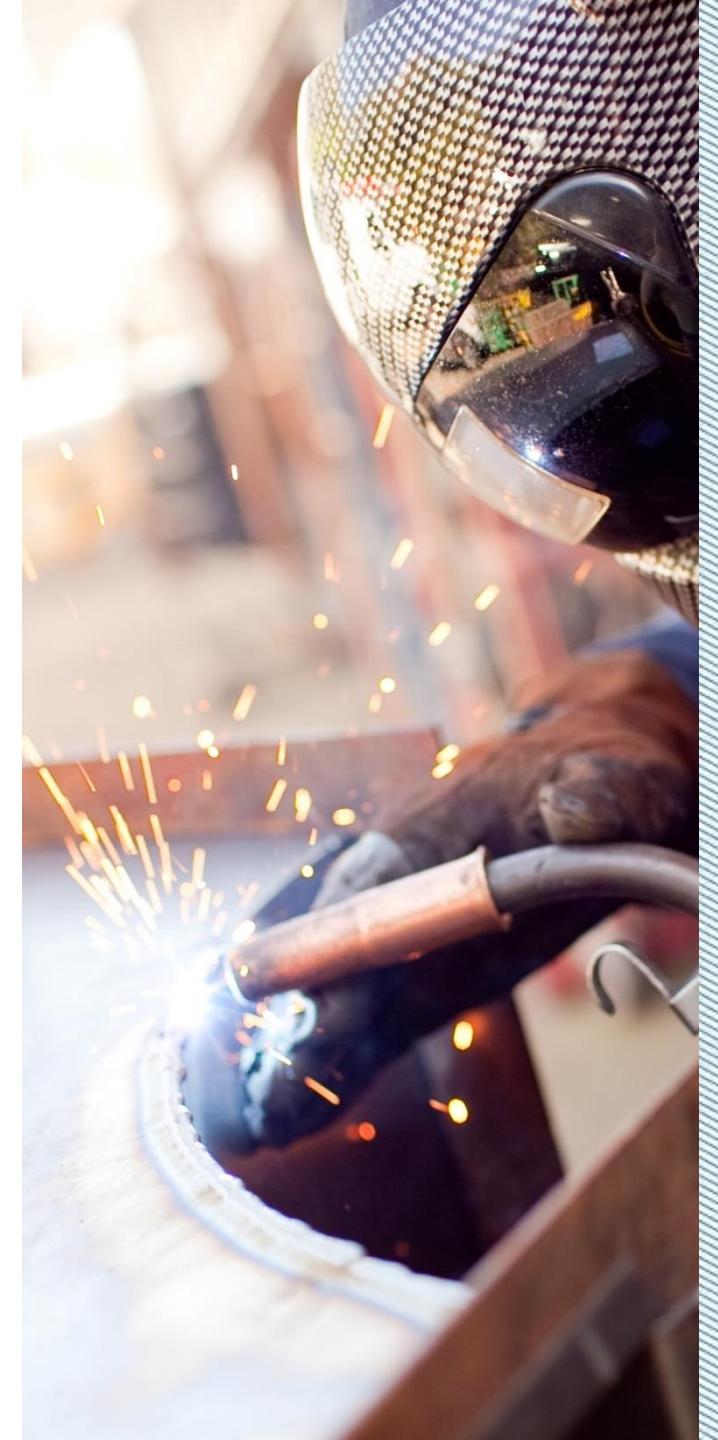
- How to coordinate savings claims
- Tracking and reporting for different funding sources
- Data sharing with other organizations
- How our incentive requirements align with other programs
- How complementary funding sources are combined in ways that ensure no more incentives than necessary are provided

We will adapt and respond to changes in the market

Customer Benefits from 2024 Investments

- **Lower energy bills and energy burden**—\$770 million 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 2.3 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: Jacobs Heating & Air Conditioning, Portland, OR





Looking Forward

- Avoided costs to be updated through OPUC docket
- Performance measures to be set in February
- 2024 begins a shift to multiyear planning process
 - New process will allow us to develop strategies, make investments and quantify savings over multiple years
 - It will also include extensive engagement of partners and stakeholders, including leveraging strategic planning engagement



Thank You

Michael Colgrove

Executive Director

Michael.colgrove@energytrust.org

Photo: Brentano's Tree Farm, St. Paul, OR