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2017 Annual Report on Support for Energy Trust of Oregon Energy Efficiency Goals

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Portland General Electric Company
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May 16, 2018

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street, S.E.
P.O. Box 1088
Salem, OR 97308-1088

RE: PGE 2017 Annual Report on Support for Energy Trust of Oregon Energy Efficiency Goals

This report highlights PGE's outreach and marketing efforts, under Schedule 110, in support of the Energy Trust of Oregon's 2017 goals. It is provided as a courtesy to Staff.

PGE is pleased with the solid partnership it has with the Energy Trust and appreciates the positive impacts these programs offer to customers.

Should you have any questions or comments regarding this filing, please contact Mary Widman at (503) 464-8223

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,

A handwritten signature in black ink that reads "Karla Wenzel". The signature is written in a cursive, flowing style.

Karla Wenzel
Manager, Pricing and Tariffs

Enclosure



2017 PGE Residential and Commercial Senate Bill 838

Introduction:

PGE collaborates with the Energy Trust of Oregon (Energy Trust) to increase customer awareness and participation in Energy Trust residential and small to mid-sized commercial energy efficiency programs through marketing and outreach activities. In addition, PGE uses Senate Bill (SB) 838 funding to enhance trade ally awareness of the Energy Trust Heat Pump program and Heat Pump installation standards. As a utility with existing customer relationships and communication channels, PGE is able to enhance SB 838 funded activity through the utilization of its existing newsletters and customer training and education curriculum focused on wise and efficient use of energy.

Summary of Marketing Activities:

Collaboration Process:

PGE marketing and outreach action plans are created based on market conditions, Energy Trust program goals and projected results. PGE focuses on promoting Energy Trust programs to customers likely to participate in the programs, those most in need of upgrades, and when PGE is the appropriate and effective communication channel.

Senior utility and Energy Trust managers meet annually to discuss goals and plan for the upcoming calendar year. Marketing program and management-level staff then meet quarterly to coordinate marketing activities. Monthly meetings are held to coordinate promotions and communications. Throughout the year, collaboration meetings guide the direction of ongoing marketing activity to meet changing market conditions and adjust to changes in program offerings.

PGE funded SB 838 communications are reviewed by Energy Trust staff for approval. The nature of messaging is determined well in advance of the communication through annual sector plans. PGE collaborates with the Energy Trust to ensure timing of specific communications is aligned with program participation goals.

Expectations, Goals and Impacts:

PGE utilizes many communication channels and approaches. Some activities can be directly identified as driving customer participation in Energy Trust programs. All SB 838 activity is designed to increase general awareness of Energy Trust programs. Specific promotions are developed based on lessons learned from previous outcomes. Promotions are evaluated based on metrics that are appropriate for the specific campaign. Other activities are related to elevating awareness of specific Energy Trust programs and these efforts are tracked via impressions. PGE is sensitive about the timing of communications when outreach of a specific promotion includes previously contacted customers.

Residential Summary:

PGE newsletters are leveraged to enhance SB 838 activity. PGE's residential customer newsletter, *Update*, is sent monthly to approximately 550,000 customers in their PGE bills. PGE's residential e-newsletter, *Home Connection*, is sent monthly to about 350,000 customers. Direct mail, email and bill inserts are utilized for more targeted marketing based on the customers to whom specific technology is promoted. Newsletters, social media ads are also utilized for general marketing and education

Marketing Activity:

- January – Energy Trust 2017 incentives covered in bill inserts and newsletters
- January – Ductless heat pumps via email
- February – Online home energy reviews in newsletters
- March – Showerheads at retail in Home Connection
- April – Window incentives in newsletters
- May – Ductless and ducted heat pumps via email, direct mail, social media ads, and PGE newsletters
- June – Heat pump water heaters at retail in Home Connection
- August – Ductless and ducted heat pumps via email, direct mail, social media ads, and PGE newsletters
- August – Weatherization and Insulation in newsletters
- August – Smart thermostats in newsletters
- October – Ductless and ducted heat pumps via email, direct mail, social media ads, and PGE newsletters
- October – Nest additional bonus in Home Connection and email
- December – LED lighting at retail in newsletters
- December – HVAC tune up in newsletters

Expectations, Goals, and Impact: (Based on the agreed upon plans between PGE/Energy Trust)

Table 1: Residential Program Activity Impressions*

Impressions	Q1	Q2	Q3	Q4	Total
Measured through newsletters, bill inserts, email, social media ads	2.1 mil	1.6 mil	1.8 mil	2.5 mil	8.0 mil

* Awareness is a key metric for SB 838 activity and is measured by impressions.

Table 2: Energy Trust residential program participation*

Program	Q1	Q2	Q3	Q4	Total
PGE customers who received Energy Saver Kits	2,566	2,631	596	4,378	10,171
PGE customers who received ETO heat pump water heater incentive	48	55	23	14	140
PGE customers who received an instant ETO discount at retail for heat pump water heaters	0	1	13	95	109
PGE customers who participated in Savings Within Reach (for electric measures)	32	24	32	77	165
LEDs distributed at PGE community offices	0	9,168	7,168	10,252	26,588
Showerheads distributed at PGE community offices	0	500	0	500	1,000

* Energy Trust provided information on YTD participation among PGE customers. Weatherization measures are among electrically-heated homes.

Note: LED, showerhead and HPWH instant discount numbers are counts of units, all other numbers are counts of customers served at verified sites

Heat Pump Program Support:

There are two dedicated PGE positions supporting the heat pump program.

PGE promotes residential high efficiency heat pumps and advanced control technology to customers as well as to PGE approved heat pump contractors, connecting them to the Energy Trust incentive programs within PGE's service territory. PGE manages the relationship with 27 PGE-approved contractors in addition to three distributors. Contractors are required to be Energy Trust Trade Allies and must meet certain criteria to retain PGE approved status including but not limited to quality adherence and elevated customer satisfaction levels.

To ensure that heat pumps are installed to specifications, PGE performs quality assurance (QA) inspections on a percentage of heat pumps that are presumed eligible for Energy Trust incentives both for PGE-approved and non-PGE approved contractors. These inspections verify that the installations produce the highest efficiency results and system performance, and that the customer receives the greatest benefit long-term. We offer the customers daytime or evening/weekend inspection times to honor their schedules.

Each on-site inspection confirms equipment and system compliance are to specifications. Inspections receive either a pass or fail grade. Depending on the severity of the failure, PGE may make simple corrections in the field. A failure that is larger in scale is referred back to the installing contractor who works with the customer to take corrective actions. PGE also uses these opportunities to work with the contractor to instill future installation quality.

Ongoing data sharing between PGE, the heat pump contractors, and the Energy Trust program delivery contractor occurs throughout the year to track goals, status, customer receipt of incentives, inspection results, market trends, and more.

Table 3: Key Activity

Activity	Q1	Q2	Q3	Q4	Total
PGE customers who received ETO heat pump incentive	227	396	354	881	1,858
Inspections of Heat Pump installations	63	59	50	72	224
Failed installations			1	1	2

Residential Conclusion:

1. Progress to Goals and Key Learnings:
 - a. PGE and Energy Trust aligned timing of customer communications and activities throughout the year (i.e. LED lighting at retail and Energy Saver Kits) to meet goals. Energy Trust's program management contractors in regular meetings which PGE marketing and the heat pump outreach specialist proved valuable in achieving mutual goals.
 - b. The shared, secure SharePoint system PGE and Energy Trust has in place to share heat pump customer data real time effectively manages PGE's quality assurance inspection activities. Inspections are timely, therefore incentives are paid to customers timely. This improvement was implemented three years ago and remains to be beneficial for all parties involved.

2. Areas of Success:
 - a. PGE saw a highly successful year of promoting Energy Trust's high-efficiency heat pump programs with over 2,000 heat pump leads generated to PGE-approved contractors, thus helping meet Energy Trust goals. Due to increasingly warmer summer temperatures, an improved economy, and the end of the Oregon Tax Credit, the number of customers who received Energy Trust heat pump incentives increased by 10% from 2016 to 2017. The opportunity for heat pump installations continues to be strong. The State of Oregon tax credit for residential heat pumps expired at the end of 2017. The number of heat pump installations increased during 2017 due to the sunset of this tax credit.
 - b. Due to heat pump inspections and ongoing work with contractors, there was a significant improvement in installation quality from 2016 to 2017. In addition, major failures decreased by 50%.
 - c. PGE provided training at the following heat pump technology related events: ORACCA (Oregon Chapter of Air Conditioning Contractors of America) utility roundup meeting, Ruud & Daikin dealer meeting, and the Home Builder Association Appraise Right Conference in support of the technology and Energy Trust incentive programs.
 - d. Over 2,000 PGE customers clicked through PGE's Energy Tracker software to the Energy Trust Energy Saver Kit order page. Also, over 200 customers clicked through Energy Tracker to get information on refrigerator recycling.
3. Areas for Improvement:
 - a. Enhance Participation: PGE and Energy Trust continue to discuss data Energy Trust shares with PGE. Energy Trust's database improvements in 2017 resulted in significantly improved customer participation data, which will result in PGE's improved marketing of Energy Trust programs. PGE looks forward to further improved customer participation data for residential customers in the future.

Commercial Summary:

PGE has three dedicated Outreach Specialists whose focus is on enhancing customer awareness and facilitating their participation in Energy Trust programs. The results of these efforts are screened and qualified leads handed over to the Energy Trust. The team utilizes a variety of tactics to engage customers in Energy Trust programs.

Outreach activities include, but not limited to:

- On-site and phone consultations
- Targeted outbound customer calls
- Cold calls and door-to-door canvassing
- Response to business marketing
- Response to customer email inquiries (energy.efficiency@pgn.com & energy.consultation@pgn.com) Point of origin: PGE's web site and contact center
- Business partnerships (i.e. City of Portland Sustainability at Work program, Partners for a Sustainable Washington County Community, Clackamas County Resource Conservation and Solid Waste, Gresham Resource Efficiency Assistance to Businesses (GREAT), cities, etc.)
- Chamber, Business and Trade Association presentations
- Customer follow-up after PGE Energy classes
- Leveraging internal networks (i.e. Key Customer Managers, Governmental Affairs representatives, Economic Development, etc.)
- Assisting customers with Energy Trust application paperwork

Ongoing relationships with Energy Trust trade allies, Outreach Presentations, Networking, Trade Associations, and Events:

These activities elevate Energy Trust program awareness and engage customers in identifying potential energy saving opportunities. The following events were held in each quarter demonstrating PGE’s engagement and commitment in providing customers EE opportunities and learning:

Q1
Gresham Chamber
Hillsboro Chamber of Commerce
Lake Oswego Chamber of Commerce
North Clackamas Chamber
Salem Chamber of Commerce
Tigard Chamber of Commerce
Woodburn Chamber of Commerce
Q2
Beaverton Chamber of Commerce
Keizer Chamber of Commerce
Lake Oswego Chamber of Commerce
MT Hood Chamber
Salem Chamber of Commerce
Salem Chamber of Commerce
Sandy Chamber
Tigard Chamber of Commerce
West Linn Chamber of Commerce
Q3
Hillsboro Chamber of Commerce
North Clackamas Chamber
Oregon City Chamber Of Commerce
Salem Chamber of Commerce
Sherwood Chamber of Commerce
Tigard Chamber of Commerce
Tualatin Chamber of Commerce
Q4
Beaverton Chamber of Commerce
Gresham Chamber
Hillsboro Chamber of Commerce
Keizer Chamber of Commerce
Lake Oswego Chamber of Commerce
North Clackamas Chamber
Salem Chamber of Commerce
Tigard Chamber of Commerce
Tualatin Chamber of Commerce

Commercial Energy Efficiency Marketing:

PGE utilizes its business newsletters (both in print and via email) to promote Energy Trust programs to business customers. PGE’s business newsletter, *Energize*, is sent quarterly to 85,000 customers in their bills. PGE’s business e-newsletter, *Business Connection*, is sent bi-monthly to 18,000 business customers.

Marketing Activity:

- February – Irrigation: A direct mail letter was sent to irrigation customers promoting Energy Trust incentives.
- April-May – Lighting Sweepstakes Promotion: PGE hosted a sweepstakes for business customers with ten \$1,000 prizes awarded for lighting upgrade projects through the Energy Trust. Customers could also request a free PGE energy efficiency consultation for their businesses.
- December– Exterior LED Promotion: PGE sent a direct mail to small and medium size commercial customers promoting the benefits of exterior LED lighting and encouraging customers to request a free energy efficiency consultation.

Expectations, Goals and Impact: (based on the agreed upon plans between PGE/Energy Trust)

Table 4: Outreach Team Results

Key Objectives	Q1	Q2	Q3	Q4	Total	Goal
Increased Participation- Qualified Leads delivered to Energy Trust	132	236	165	151	684	675
Increased Awareness of Energy Trust Programs - Outreach Presentations and Networking	7	9	7	9	32	30
Increased Awareness of Energy Trust Programs- Number of Customers Contacted (includes phone, networking, and cold calls/canvass)	977	1,022	583	797	3,379	N/A

Table 5: Commercial Energy Efficiency Impressions

Impressions	Q1	Q2	Q3	Q4	Total	Goal
Measured through Newsletters, direct mail, and email	106,101	53,828	36,320	122,412	318,661	N/A

Table 6: Commercial Energy Efficiency Requests for Consultation

Consultations	Q1	Q2	Q3	Q4	Total	Goal
Request through Direct Mail, Email, PGE call center	218	395	173	280	1,066	1,000

Commercial Conclusion:

1. Progress to Goals and Key Learnings:

- a. PGE observed strong customer interest in energy efficiency in 2017. The Outreach Specialists continue to use canvassing and chamber events to be proactive. SmartWatt continues to provide PGE Outreach Specialists with a customer engagement opportunity focused on small businesses in smaller communities. The main lighting efficiency projects are fluorescents to LEDs. Lighting is the most popular energy saving measure implemented by customers. Most measures beyond lighting are well received by customers.
- b. PGE continues to see an uptick in heat pump interest and installations in small commercial businesses, even without incentives. There are limited cooling options for small commercial spaces and heat pumps often provide an easy solution, especially ductless.
- c. Customer surveys regarding on-site consultations continue to reveal that the majority of business customers prefer face-to-face on-site consultations rather than by phone or email.
- d. PGE continues to see an increase in new small businesses moving into existing spaces and making upgrades prior to occupancy. These upgrades often include lighting or other energy efficiency measures.
- e. New construction remains strong due to the improved economy, especially in the Portland area.
- f. Outreach Specialists work closely with the Energy Trust Trade Ally network of lighting, HVAC, insulation, and commercial kitchen equipment vendors.

2. Areas of Success:

- a. Outreach activities have focused on targeting customers with opportunities to convert from incandescent track/spot, can and recessed lighting, as well as exterior lighting to LEDs. The PGE spring sweepstakes campaign continues to be a very successful method of customer engagement resulting in over one quarter of leads to PGE's Commercial Outreach team. The sweepstakes pay up to \$1,000 toward an energy efficiency project as long as it qualifies for Energy Trust incentives. Customers must submit a paid invoice and W9 prior to receiving payment from PGE. PGE's Outreach Specialists assist Sweepstakes winners through their project to completion. In 2017, there were 10 sweepstakes winners.
- b. In 2017, as the cost of LED lighting continued to decrease, opportunities for fluorescent to LED conversions were more cost effective. The lighting distributor buy down program (Lighten Up) continued to offer do-it-yourself customers incentives through lighting distributors on-the-spot.
- c. SmartWatt program was successful through April 2017, when it ended for the year.
- d. In 2017, PGE continued to assist Energy Trust by delivering 169 Occupancy Sensor Plug Strips to applicable customers with small offices when performing on-site consultations. PGE has the customer complete all the incentive paperwork and submits the forms to Energy Trust for repayment to PGE. This offer ended Dec. 31, 2017 and will not be available to customers in 2018.

3. Areas of Improvement:

- a. Energy efficiency opportunities for HVAC measures for small and mid-sized commercial customers continue to be limited. In 2018 PGE will install thermostats for its Energy Partner demand response program. PGE and Energy Trust believe that there may be energy savings associated with the installation of demand response enabled thermostats. PGE and Energy Trust will continue discussions to evaluate the energy savings potential for thermostats that PGE will install for small and mid-sized commercial customers.