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Report is required by: OAR Statute Order

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

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Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

May 28, 2019

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

RE: PGE 2018 Annual Report on Support for Energy Trust of Oregon Energy Efficiency Goals

This report submitted under RE 139 highlights PGE's outreach and marketing efforts, under Schedule 110, to support Energy Trust of Oregon's 2018 goals. While this report was called a courtesy in the past, Staff confirmed that utilities committed some time ago to do this annual report. Typically, this report is submitted on or around May 15th and PGE appreciates Staff's extension of time to submit this report.

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,


for Karla Wenzel
Manager, Pricing and Tariffs

Enclosure
cc: JP Batmale
Anna Kim



Introduction

PGE collaborates with the Energy Trust of Oregon (Energy Trust) to increase our customers' awareness of 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 can enhance SB 838-funded activity through existing newsletters and an education curriculum focused on the 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. 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. 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. High-level goals included 1,600 heat pump installations and 700 qualified commercial leads to Energy Trust or trade allies.

Residential Summary

PGE newsletters are leveraged to enhance SB 838 activity. PGE's residential customer newsletter, *Update*, is sent 11 times a year to approximately 550,000 customers along with their PGE bills. PGE's residential e-newsletter, *Home Connection*, is also sent 11 times a year to roughly 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, and digital ads are also utilized for general marketing and education.

Marketing Activity:

- January – Energy Trust 2018 incentives covered in bill inserts and newsletters
- January – Ductless heat pumps via email and direct mail
- February – Online home energy reviews in newsletters
- March – Showerheads at retail in newsletters
- June – Smart thermostat Father's Day promotion in Home Connection newsletter
- August – Windows and insulation in newsletters
- August – Smart thermostats Timbers sweepstakes in newsletters
- October – Ductless and ducted heat pumps via email, direct mail, social media ads, and newsletters
- October – Smart thermostats in newsletters
- October – LED lighting at retail in newsletters
- November – HVAC tune up plus thermostat install in Home Connection newsletter

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	2.7 mil	350k	900k	5.05 mil	9.0 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	1,532	1,777	893	3,804	8,006
PGE customers who received ETO heat pump water heater incentive (downstream)	3	0	1	7	11
PGE customers who received an instant ETO discount at retail for heat pump water heaters	279	121	86	839	1,325
PGE customers who participated in Savings Within Reach (for electric measures)	37	25	24	67	153
PGE customers who received ETO smart thermostat incentive (any eligible heating system)	670	712	566	2,669	4,617
PGE customers who received ETO smart thermostat incentive (electric heating system)	74	86	74	809	1,043
PGE customers who received ETO DHP incentive	198	168	136	272	774
PGE customers who received ETO ducted heat pump incentive	163	110	78	152	503
<i>Heat pump upgrade (legacy)</i>	<i>101</i>	<i>31</i>	<i>3</i>	<i>2</i>	<i>137</i>
<i>Heat pump replacement</i>	<i>62</i>	<i>79</i>	<i>75</i>	<i>150</i>	<i>366</i>
<i>Heat Pump Advanced Controls</i>	<i>37</i>	<i>108</i>	<i>156</i>	<i>216</i>	<i>517</i>

* 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 29 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.

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 practices.

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

Table 3: Key Activity

Activity	Q1	Q2	Q3	Q4	Total
Inspections of Heat Pump installations	61	54	50	68	233
Failed installations	2	2	1	6	11

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. Thermostat Black Friday promotion) to meet goals.
 - b. Heat Pump communications decreased due to stabilization timing of PGE's replacement of the customer billing system. This meant only two promotions instead of the regular three to four promotions in a year. Thus, resulting in less leads to contractors and Energy Trust heat pump incentives.

2. Areas of Success:

- a. In Q4 PGE began to provide contractors with quarterly report cards that give performance feedback, including the quality of installations and level of customer service. Ranking contractors has increased their performance and addressed areas of concern. The goal of the reports is to increase the number of Energy Trust qualifying heat pump installations and for contractors to better assist the submission of customer incentive applications as quickly as possible.
- b. 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 several home owner association meetings. Support of these events helps to increase the number of Energy Trust qualifying heat pump installations.
- c. Energy Trust offers incentives for smart thermostats for both new and existing heat pump systems. In Q4, PGE began working with heat pump contractors to encourage them to promote additional thermostat incentives provided by PGE's demand response program using the same smart thermostats Energy Trust is encouraging customers to purchase. Energy Trust offers a \$250 incentive for heat pumps. PGE customers with heat pumps who enroll in our demand response program are also eligible for a \$25 enrollment incentive and \$25 each winter and summer they participate. The complimentary programs provide additional value to customers, PGE and Energy Trust. PGE also ran a December offer for a free thermostat after incentives when installed by PGE approved heat pump contractors.

3. Opportunities and Areas for Improvement:

- a. PGE continues to enhance contractor report cards by adding additional metrics and increasing frequency from quarterly to a monthly basis. We will track the quantity of smart thermostats that receive Energy Trust's Advanced Controls measure for existing heat pumps and work with contractors to increase the number of these installations. We will also provide contractors with information on average time taken for their customers to receive the Energy Trust incentive and follow-up with them to improve the timeliness of application submissions.
- b. There is an opportunity to utilize thermostat incentive data for direct marketing and enrollment of demand response and energy efficiency thermostat programs.
- c. PGE will continue to work with heat pump contractors to expand their efforts to install smart thermostats while providing customers with Energy Trust incentives and PGE's demand response program incentives.

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

Outreach Activities:

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. Over 1,900 business customers attended these events. Engagement in these events results in customer requests for onsite energy efficiency consultations to identify energy efficiency upgrades:

Q1
Tualatin Chamber of Commerce
Tualatin Chamber of Commerce
City of Gresham Green Business Program
Tigard Chamber of Commerce
Tualatin Chamber of Commerce
City of Gresham Green Business Program
Tualatin Chamber of Commerce
Marion County State of the County
Salem Chamber of Commerce
Keizer Chamber of Commerce
Hillsboro Chamber of Commerce
City of Gresham
Q2
Hillsboro Chamber of Commerce
NW Facilities Expo
PGE Lighting Retrofits Seminar
PGE Lighting Retrofits Seminar
City of Gresham Green Business Program
Beaverton Chamber of Commerce
LeTip of Beaverton
City of Gresham Green Business Program
Gresham Chamber
Multnomah Chamber - Tigard Festival of Balloons
Oregon City Chamber
N. Clackamas Chamber
Q3
Hillsboro Chamber of Commerce
Tualatin Chamber of Commerce
Tigard Chamber of Commerce
Hillsboro Chamber of Commerce
Hillsboro Chamber of Commerce - Connectate Latino
Beaverton Chamber of Commerce
Hillsboro Chamber of Commerce
Lake Oswego Chamber of Commerce
Oregon City Chamber
Hillsboro Chamber of Commerce
City of Gresham Green Business Program
Tigard Chamber of Commerce

Sandy Chamber of Commerce
Beaverton Chamber of Commerce
PGE Building Tune-ups for Efficiency Seminar
PGE Air Handling System Seminar
North Clackamas Chamber
Q4
PGE Business Sustainability Seminar
Hillsboro Chamber of Commerce
Art Institute of Portland
Tigard Chamber of Commerce
Sandy Chamber of Commerce
Tigard Chamber of Commerce
Beaverton Chamber of Commerce
Keizer Chamber of Commerce
City of Gresham Green Business Program
North Clackamas Chamber
Salem Chamber of Commerce
Mt. Hood Chamber of Commerce
Lake Oswego Chamber of Commerce
Gresham Chamber
City of Gresham Green Business Program
Hillsboro 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 – Direct mail letter to irrigation customers promoting Energy Trust incentives
- February – February – Incentives roundup in newsletters
- February – LED lighting/EE consultation direct mail for small and medium commercial customers
- February – Irrigation direct mail to farms and nurseries
- April – LED lighting/EE consultation direct mail for small and medium commercial customers
- May/June – LED lighting/EE consultation featuring Ernesto’s restaurant in newsletters
- September-October – Lighting Sweepstakes Promotion with ten \$1,000 prizes awarded for lighting upgrade projects through the Energy Trust. Direct mail, email, newsletters, social ads and digital ads
- November – Direct mail and newsletter story 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	223	142	111	264	740	700

Increased awareness of Energy Trust programs - outreach presentations and networking	12	12	17	16	57	60
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Table 5: Commercial Energy Efficiency Impressions

Impressions	Q1	Q2	Q3	Q4	Total	Goal
Measured through newsletters, direct mail, and email	123,980	219,900	100,450	54,636	444,330	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 and outreach	332	262	220	409	1,223	1,050

Commercial Conclusion:

1. Progress to Goals and Key Learnings:

- a. Customer interest in energy efficiency remained strong in 2018. There was an increase in the total requests for consultations from 1,050 in 2017 to 1,223 in 2018. 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. Increased incentives via the SmartWatt Program resulted in customers completing projects that would have not likely been completed without the program. 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, but the frequency of these opportunities is significantly less than lighting.
- b. Decreased incentives for lighting that occurred in 2018 appear to have reduced the number of projects completed by customers. However, the incentive decrease was likely offset to a degree by declining prices for LEDs.
- c. PGE continues to see interest in ductless heat pump 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.
- d. PGE’s customer survey ratings after onsite consultations remain very strong. Customers highly value in-person consultations that help them identify opportunities and facilitate Energy Trust program participation.
- e. 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.
- f. New construction remains strong due to the improved economy, especially in the Portland area.
- g. 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 continue to focus on targeting customers with opportunities to convert from incandescent track/spot, can and recessed lighting, fluorescent as well as exterior lighting to LEDs. The annual PGE 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 if 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 2018, there were 10 sweepstakes winners.

- b. In 2018, 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. PGE replaced its billing system in 2018 and now all new business customers are offered an energy efficiency consultation when they start service. The offer has resulted in an increase in consultations for new customers and many customers are making the decision to make EE upgrades at this time.

3. Opportunities and Areas of Improvement:

- a. Energy efficiency opportunities for HVAC measures for small and mid-sized commercial customers continue to be limited. In 2018 PGE initiated discussions with Energy Trust to leverage smart thermostats installed under PGE's Energy Partner demand response program to provide EE savings. PGE and Energy Trust will continue to collaborate and expect to enable thermostat EE savings in late 2019. PGE's Outreach Team is expected to be an effective delivery channel since the thermostats are intended to be installed for small to medium commercial customers who are our primary customers. PGE and Energy Trust are excited to leverage our programs to expand EE opportunities for this hard-to-reach market. The Outreach Team may work in PGE's DR testbed to promote thermostats and engage with these business customers to identify additional EE opportunities.
- b. Expansion of SmartWatt or increased lighting incentives could help increase the number of projects completed. PGE often finds that leased buildings or lack of funds barriers to project completion. Most of the customers we work with do not have LEDs yet and have potential projects.
- c. PGE and Energy Trust planned to collaborate and expand PGE's SB 838 role to include small and medium industrial and agricultural customers in 2019. This expanded role will lead to a new position on PGE's Outreach Team. PGE requested a Schedule 110 budget increase in 2018 to fund the additional position. Another increase is needed to cover this position in 2020 and due to a multi-year undercollection of Schedule 110 funds while PGE spent down its reserves.