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REPORT NAME:

PGE 2014 Annual Energy Trust of Oregon Report on Energy Efficiency Efforts

COMPANY NAME:

Portland General Electric

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Key words:

PGE 2014 Annual Energy Trust of Oregon (ETO) on Energy Efficiency Efforts

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Electric Rates and Planning



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May 1, 2015

Public Utility Commission of Oregon
Attn: Filing Center
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P.O. Box 1088
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RE: PGE 2014 Annual Report to Energy Trust of Oregon on Energy Efficiency Efforts

This report highlights outreach and marketing efforts undertaken by PGE in support of obtaining the Energy Trust of Oregon's 2014 goals through PGE's Schedule 110 funds.

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 Terri Bowman at (503) 464-8854.

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



2014 PGE RESIDENTIAL AND COMMERCIAL SENATE BILL 838 EFFORTS

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 Energy Trust Heat Pump program and Heat Pump installation standards. As a utility with existing 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 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 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.

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 Impact:

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 promotions outcomes. Promotions are evaluated based on metrics that are appropriate for the specific promotion. 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 promotional communications when outreach of a specific promotion includes previously contacted customers.

Residential Summary

Marketing Activities

PGE newsletters are leveraged to enhance SB 838 activity. PGE's residential customer newsletter, *Update*, is sent monthly to approximately 600,000 customers in their PGE bills. PGE's residential e-newsletter, *Home Connection*, is sent monthly to about 385,000 customers. Direct mail, email and bill inserts are utilized for more targeted marketing based on the customers to whom specific technology is promoted.

2014 Activity:

- January – Energy Trust 2014 incentives covered in bill inserts and newsletters
- March – Light-Emitting Diode (LED) lighting at retail and refrigerator recycling covered in newsletters
- April – Energy Trust insulation bonus covered in electronic newsletter
- May – Showerheads at retail and refrigerator covered in newsletters
- May - Refrigerator recycling – Bill insert coincided with Energy Trust refrigerator campaign in which participants could donate their Energy Trust incentive to the Oregon Food Bank
- May – Ductless heat pumps via email, direct mail and PGE newsletters
- May – Energy Saver Kits email
- June – Heat pump water heater direct mail and email
- June – Home energy reviews covered in electronic newsletter
- July – Heat pump water heaters covered in newsletters
- August – Ductless and ducted heat pumps via email, direct mail and PGE newsletters
- September – Heat pump water heaters covered in electronic newsletter
- October – LED lighting for outdoor applications at retail covered in newsletters
- October – Ductless and ducted heat pumps via email, direct mail and PGE newsletters
- November – LED lighting for indoor applications at retail covered in newsletters

Expectations, Goals and Impact:

(Based on the agreed upon plans between PGE/Energy Trust)

Table 1: Awareness is a key metric for SB 838 activity and is measured by impressions

Q1	Q2	Q3	Q4	YTD	2014 Goal	Channels
2.5 mil	3.5 mil	1.3 mil	1.9 mil	9.2 mil	10 mil	Newsletters, bill inserts, email, and direct mail

Table 2: PGE call center activity

Call Center Activity	Q1	Q2	Q3	Q4	YTD
Transfers to Appliance Program (PECI)	17	50	59	43	169
Transfers to Existing Homes Program (CLEAResult)	27	80	89	59	255

Expectations, Goals and Impact - (continued):

Table 3: 2013 Energy Trust residential program participation*

Program	Q1	Q2	Q3	Q4	YTD
PGE customers who received Energy Saver Kits	5,912	4,130	6,615	5,213	21,870
PGE customers who participated in Refrigerator Recycling Program	905	1,789	2,346	2,761	7,801
PGE customers who received heat pump incentive	186	211	364	696	1,457
PGE customers who received heat pump water heater incentive	17	35	51	97	200
PGE customers who participated in Savings Within Reach	8	8	9	13	38
CFLs distributed at PGE community offices	4,000	8,700	6,750	3,750	23,200
Showerheads distributed at PGE community offices		500	3,750	3,986	8,236

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

Heat Pump Program Support

PGE promotes residential high efficiency heat pumps and advanced control technology to PGE approved heat pump contractors, connecting them and the customers to the Energy Trust incentive programs within PGE's service territory. PGE manages the relationship with all 26 PGE 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 number of installations, quality adherence, and customer satisfaction.

To ensure that heat pumps are installed correctly, PGE performs quality assurance (QA) inspections on 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.

PGE's 2014 goal was to inspect 10 to 15% of heat pump installations submitted to Energy Trust for incentives. Each on-site-verification confirms equipment and system compliance are to the specifications. While both traditional ducted and ductless heat pumps installations are inspected, the primary focus is on ducted heat pumps installed in PGE service territory. 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 takes these opportunities to work with the contractor to instill future installation quality.

Table 4: Key Activity

	Q1	Q2	Q3	Q4	YTD
Heat Pump installations as reported to PGE (1457 received incentives, 1040 did not)	445	536	764	752	2497
Inspections of Heat Pump installations	78	26	34	28	166
Failed installations	4	3	3	4	14

Residential Conclusion:

1. Progress to Goals and Key Learnings:
 - a. After several years of promoting only ductless heat pumps, PGE returned to promoting ducted and ductless heat pumps in 2014. The expansion to ducted and more targeted marketing proved very successful with 1,715 heat pump leads generated to PGE-approved contractors, helping meet Energy Trust goals. There was a 30% increase in customers who received an Energy Trust incentive for a ducted heat pump compared to 2013. The opportunity for heat pump installations continues to be strong.
 - b. PGE ran a Tier 2 (most efficient) heat pump water heater promotion in August 2014 that was cut short due to potential issues with the specific water heater being promoted. Without a secondary manufacturer of the Tier 2 heat pump water heater on the market, no further Tier 2 heat pump water heater promotions were offered in 2014.
 - c. There was good alignment between PGE communications and Energy Trust activities (i.e. refrigerator recycling, LED lighting at retail, Energy Saver Kits and incentive bonuses).
 - d. Data sharing of Energy Trust participation helped PGE more effectively market Energy Trust programs to its customers.
 - e. PGE and Energy Trust made great improvements in aligning efforts to meet goals. This was achieved through regular meetings and informal communications. Energy Trust included its program delivery contractors in these regular meetings which proved valuable in achieving goals.
2. Areas of Success:
 - a. Heat pump activity focused on ductless and ducted heat pumps resulted in a 214% increase over 2013 leads to PGE-approved contractors aiding in the Energy Trust meeting its goals.
 - b. Due to heat pump inspections and working with contractors, there was a significant improvement in quality from 2013 to 2014.
 - c. Collaboration between PGE and Energy Trust for heat pump contractor management resulted in an 18.6% increase in the number of customers who received Energy Trust incentives compared to 2013 (ducted and ductless).
 - d. PGE led an Energy Trust heat pump training in Wilsonville for contractors in October with excellent attendance. PGE announced the new Contractor Instant Incentives program.
 - e. In addition to the plumber installed heat pump water heater offer in June through August, PGE promoted an offer for Tier 1 heat pump water heaters available through retailers in

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- September. Both activities correlate to the increase in heat pump water heater incentives paid in Q3/Q4 which is an increase of 185% over Q1/Q2.
- f. PGE delivered Energy Saver Kits to over 6,000 home owners via an email promotion. The email resulted in 27% of total PGE customer Energy Saver Kits ordered in 2014.
 - g. Over 2,300 PGE customers clicked through PGE's Energy Tracker software to Energy Trust Energy Saver Kit order page.
3. Areas for Improvement:
- a. Enhance Participation: Continue coordination of data sharing with Energy Trust to further define and enhance customer participation in Energy Trust programs.
 - b. Expansion of Heat Pump Water Heater Products: An increase in heat pump water heater products is expected to expand opportunity in 2015 for PGE to collaborate with Energy Trust on upgrading existing electric water heaters to heat pump water heaters in 2015.
 - c. Utilize Promotional Codes: Use Energy Trust promotional codes to further evaluate utility efforts.
 - d. New Construction Opportunities: In response to the Energy Trust's request to increase interest in heat pump installations in new homes, PGE will have a heightened expertise role in the new construction arena in 2015. PGE will work with the new construction verifiers to provide technical training and collateral review.

Commercial Summary:

The Outreach Team:

PGE has three dedicated Outreach Specialists whose focus it is to enhance customer awareness and facilitate their participation in Energy Trust programs. The results of these efforts are qualified leads 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:

- Phone and on-site consultations
- Targeted outbound customer calls
- Cold calls and canvassing
- Response to business marketing
- Response to customer emails (energy.efficiency@pge.com & energy.consultation@pge.com. Point of origin: PGE's web site and call center.)
- Business partnerships (i.e. City of Portland Sustainability at Work program, Partners for a Sustainable Washington County Community, Clackamas County Office of Sustainable Development, Beaverton Better Buildings, cities, etc.)
- Chamber, Business and Trade Association presentations
- Customer follow-up after PGE Training and Education classes
- Leveraging internal networks (i.e. Key Customer Managers, Governmental Affairs representatives, Economic Development, Green Mountain Energy, etc.)
- Assisting customers with Energy Trust application paperwork

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:

2014 Quarter 1:

Hillsboro Chamber of Commerce
Tualatin Chamber of Commerce
PGE T & E Seminar - Electrical Safety
Tigard Chamber of Commerce
PGE Training & Ed: Strategic Energy Management Workshop
Westside Economic Alliance
Keizer Business Solutions Luncheon
Woodburn Chamber of Commerce
Oregon City, State of the City Event
State of the County, Yamhill County

2014 Quarter 2:

Sherwood Chamber of Commerce
Sandy Chamber of Commerce
PGE T & E Seminar-Better Lighting, Lower Costs Workshop
NAO Diversity Leaders Network
Gresham Chamber of Commerce
Silverton Chamber of Commerce
Estacada Chamber of Commerce
Hillsboro Chamber of Commerce Women's Lunch
Tualatin Chamber of Commerce
North Clackamas Chamber of Commerce
Gresham Chamber of Commerce
PGE - T & E Seminar-Hillsboro
PGE - T & E Seminar - It's Becoming an LED World
Travel Oregon / Travel Portland
West Linn Chamber of Commerce
PGE T & E: Improving Human Performance with LED Lighting
PGE T & E Seminar - Intro to HVAC systems
PGE T & E - Improving Human Performance with LED Lighting
PGE T & E - Workshop: CFO and Energy Champions

2014 Quarter 3:

Tigard Chamber of Commerce
Hillsboro Chamber of Commerce
Silverton Chamber of Commerce
Sherwood Chamber of Commerce
Norris, Beggs and Simpson
Gresham Chamber of Commerce
Art Institute of Portland
Salem Chamber of Commerce
Wilsonville Chamber of Commerce
Lake Oswego Chamber of Commerce
Tualatin Chamber of Commerce
North Clackamas Chamber of Commerce
Estacada Chamber of Commerce

2014 Quarter 4:

Gresham Chamber of Commerce
City of Beaverton/Hillsboro – Better Buildings Challenge
PGE T & E – Intro to HVAC Workshop
North Clackamas Chamber of Commerce
Lighting Design Lab – Rethink / Innovations and Trends
Lake Oswego Chamber of Commerce
Gresham Chamber of Commerce
West Gorge Chamber of Commerce
Sandy Chamber of Commerce
PGE T & E – Seminar – Hillsboro Civic Center
Estacada Chamber of Commerce
Mt. Hood Chamber of Commerce
Wilsonville Chamber of Commerce
Sandy Chamber of Commerce
Salem Chamber of Commerce
North Clackamas 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 75,000 customers in their bills. PGE's business e-newsletter, *Business Connection*, is sent bi-monthly to 16,000 business customers.

Marketing Activities

- January – Cost of Waiting Promotion: An email was sent to commercial customers who have had an on-site consultation urging them to upgrade their lighting to begin their energy saving sooner rather than later.
- February – Try It Promotion: PGE sent a direct mail letter to restaurants, entertainment, and lodging customers to encourage them to convert to amber dimmable LEDs. The letter offered on-site consultations with free LED lamps to the first 50 customers to install at their business location.
- February - A direct mail letter was sent to irrigation customers about energy efficiency.
- 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.
- July – Your Personal Energy Expert Promotion: Letters were sent to small and medium size commercial customers promoting LED lighting and insulation and offering on-site consultations by a PGE Energy Expert.
- October – Lighten up with LEDs Promotion: PGE sent a direct mail letter to small and medium size commercial customers that offered instant incentives provided by the Energy Trust when purchasing LED lamps.
- December – Energy Trust SmartWatt Program offer: PGE sent emails to small and medium size commercial customers in smaller hard to reach communities offering them up to 80% of their lighting project costs through an approved Energy Trust contractor.

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

Table 5: Outreach Team Results

Key Objectives	Q1 Results	Q2 Results	Q3 Results	Q4 Results	YTD Results	2014 Goals
Increased Participation- Qualified Leads delivered to Energy Trust	105	170	116	128	519	500
Increased Awareness of Energy Trust Programs - Outreach Presentations and Networking	10	19	13	16	58	58
Increased Awareness of Energy Trust Programs- Number of Customers Contacted (includes phone, face to face, and personalized emails)	521	13,709	731	1103	16,064	6000

Table 6: Commercial Energy Efficiency Impressions

Q1 Results	Q2 Results	Q3 Results	Q4 Results	YTD Results	2014 Goal	Channels
211,072	160,655	294,500	127,579	793,806	900,000	Newsletters, direct mail, and email

Table 7: Commercial Energy Efficiency Requests for Consultation

Q1 Results	Q2 Results	Q3 Results	Q4 Results	YTD	2014 Goal	Channels
217	368	137	378	1,100	800	Direct Mail, Email, TCC

Commercial Conclusion:

1. Progress to Goals and Key Learnings:

- a. PGE observed strong customer interest in energy efficiency in 2014. The number of requests for consultations increased over 2013. The increase is thought to have occurred primarily due to a recovering economy and an increased focus on LED lighting, and the bonus incentives the Energy Trust implemented during 2014. A few T12 to T8 lighting conversions opportunities still exist. Historically, T12 to T8 projects were a significant percentage of qualified leads to the Energy Trust.
- b. With LED prices coming down and the quality of the product increased, as well as increased incentives from Energy Trust, PGE expects to see the number of LED lighting retrofit projects continue to increase.
- c. The Energy Trust insulation bonus in 2014 increased the number of inquiries relating to this measure, but actual project numbers are not significant. For a period of time, incentives were doubled from 30 cents to 60 cents/sq. ft. for ceiling, attic, and wall insulation that increased to prescribed levels.
- d. PGE saw an uptick in heat pump interest and installations in small commercial businesses, even without incentives.
- e. Customer surveys regarding on-site consultations reveal that the majority of business customers prefer face-to-face on-site consultations rather than by phone or email.
- f. PGE has seen 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.

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- g. The SmartWatt program offer rolled out in December. This provided PGE Outreach Specialists with a new customer engagement opportunity resulting in an increase in leads.

2. Areas of Success:

- a. Outreach activities have focused on targeting customers with opportunities to convert from incandescent track/spot, can and recessed lighting to LEDs. Bonus incentives generated increased interest and were effective in getting customers to participate in Energy Trust programs.
- b. Targeted campaigns utilizing PGE's market sector database proved effective in consistently generating leads; i.e., the insulation bonus promotion to commercial businesses who own rather than lease.
- c. The spring sweepstakes campaign continues to be a very successful method of customer engagement resulting in over one third of leads to PGE's Commercial Outreach team. Ten PGE Sweepstakes winners were drawn increasing interest in energy efficiency lighting projects. PGE found that offering ten \$1,000 prizes results in more projects than the chance to win one of five \$3,000 prizes offered in prior years. For the small to mid-size commercial customer, \$1,000 is enough incentive to assist them in moving forward with an energy efficiency project. PGE's Outreach Specialists assist these winners through their project to completion.
- d. In 2014, as the cost of LED lighting continued to decrease, opportunities for fluorescent to LED conversions was more cost effective. The lighting Distributor Buy Down program generated a new type of lead, where do-it-yourself customers were directed to lighting distributors for on-the-spot incentives.

3. Areas of Improvement:

- a. Expansion of program: Should the Energy Trust consider expanding Strategic Energy Management to small commercial customers, PGE will support the program to increase customer participation.
- b. Increase incentives: Small commercial customers continue to express interest in heat pump technology and other efficient HVAC opportunities; however, no incentives are available on smaller systems.
- c. Increase touch point: Smart Power Strips will be promoted to applicable commercial businesses in 2015. While kWh savings are small, they provide an additional customer touch point and opportunity to discuss other energy efficient options.
- d. Increase number of winners: An increased number of spring sweepstakes winners would increase program participation, rather than up to ten \$1000 winners. PGE is looking to increase that number to 15 in 2015.