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REPORT NAME:

PGE 2016 Annual Report on Support for Energy Trust of Oregon Energy Efficiency Goals

COMPANY NAME:

Portland General Electric

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No

Key words:

PGE 2016 Annual Report on Support for Energy Trust of Oregon Energy Efficiency Goals

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Electric Rates and Planning



**Portland General Electric Company**  
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May 18, 2017

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street, S.E.  
P.O. Box 1088  
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**RE: PGE 2016 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 2016 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](mailto:pge.opuc.filings@pgn.com)

Sincerely,

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

Karla Wenzel  
Manager, Pricing and Tariffs

Enclosure



# 2016 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 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 612,000 customers in their PGE bills. PGE's residential e-newsletter, *Home Connection*, is sent monthly to about 320,000 customers.

Direct mail, email and bill inserts are utilized for more targeted marketing based on the customers to whom specific technology is promoted.

**Marketing Activity:**

- January – Energy Trust 2016 incentives covered in bill inserts and newsletters
- February – Online home energy reviews in newsletters
- February – Ductless heat pumps via email and direct mail
- March – Showerheads at retail
- May – Energy Saver Kits email
- May – Refrigerator/washer recycling covered in newsletters and bill insert
- May – Ductless and ducted heat pumps via email, direct mail, and PGE newsletters
- June – Nest thermostat offer in PGE newsletters
- July – Heat pump customer profile and Energy Performance Score story in PGE newsletters
- August – Ductless and ducted heat pumps via email, direct mail, and PGE newsletters
- August – Energy Performance Score and weatherization in newsletters
- September – LED lighting available at retailers
- October – Ductless and ducted heat pumps via email, direct mail, and PGE newsletters
- November – Weatherization covered in PGE newsletters
- November – Smart thermostats covered in PGE 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	Goal
Measured through newsletters, bill inserts, email, and direct mail	2.8 mil	2.3 mil	3.7mil	1.9 mil	10.7 mil	N/A

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

**Table 2: PGE call center activity**

Calls	Q1	Q2	Q3	Q4	Total
Transfers to Energy Trust Programs	75	103	72	99	349

**Table 3: Energy Trust residential program participation\***

Program	Q1	Q2	Q3	Q4	Total
PGE customers who received Energy Saver Kits	1,473	12,371	2,303	2,504	18,651
PGE customers who participated in Refrigerator Recycling Program	1,200	1,687	1,911	1,998	6,796
PGE customers who participated in Clothes Washer Recycling Program	229	395	507	653	1,784
PGE customers who received ETO heat pump water heater incentive	127	50	22	72	271
PGE customers who participated in Savings Within Reach (for electric measures)	20	16	25	46	107
CFLs distributed at PGE	0	12,064	6,000	4,500	22,564

community offices					
LEDs distributed at PGE community offices	4,500	0	4,500	3,000	12,000
Showerheads distributed at PGE community offices	2,250	0	0	0	2,250

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

## 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 28 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 4: Key Activity**

Activity	Q1	Q2	Q3	Q4	Total
PGE customers who received ETO heat pump incentive	334	303	345	581	1,563
Inspections of Heat Pump installations	53	36	33	66	188
Failed installations	2	1	0	1	4

## **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. refrigerator recycling, 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. PGE saw another successful year of promoting Energy Trust's high-efficiency heat pump programs with just over 1,400 heat pump leads generated to PGE-approved contractors, thus helping meet Energy Trust goals. Due to increasingly warmer summer temperatures, an improved economy, and more active contractors, the number of customers who received Energy Trust heat pump incentives increased by 10% from 2015 to 2016. The opportunity for heat pump installations continues to be strong. The State of Oregon tax credit for residential heat pumps is due to expire at the end of 2017. The number of heat pump installations is expected to increase even more during 2017 due to the sunset of this tax credit.
  - c. 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 two years ago and remains to be beneficial for all parties involved.
2. Areas of Success:
  - a. In February and March PGE ran its first winter heat pump promotion with two select ductless heat pump contractors. This smaller promotion, generated 146 leads going directly to the contractors, instead of leads circulated from the distributor.
  - b. The winter promotion was also the first promotion where the on-bill repayment program was offered in conjunction to the ductless heat pump offering.
  - c. Due to heat pump inspections and ongoing work with contractors, there was a significant improvement in installation quality from 2015 to 2016. In addition, major failures decreased by 29%.
  - d. 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 Home Builder Association BuildRight Conference in support of the technology and Energy Trust incentive programs.
  - e. PGE generated 10,112 requests for Energy Saver Kits via an email promotion. The email resulted in 54% of total PGE customer Energy Saver Kits delivered by Energy Trust in 2016.
  - f. 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. PGE expects that Energy Trust's database improvements in 2017 will result in better customer participation data, which will result in PGE's improved marketing of Energy Trust programs.

## **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](mailto:energy.efficiency@pgn.com) & [energy.consultation@pgn.com](mailto:energy.consultation@pgn.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 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 Training and Education 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:

**Quarter 1:**

Gresham Rotary Club
Salem Chamber – 3 events
Lake Oswego Chamber
North Clackamas Chamber
Hillsboro Chamber – 2 events
Estacada Chamber
Woodburn Chamber 2 events
Gresham Chamber – 2 events
GREAT (Gresham) – 2 events
North Clackamas Chamber
Oregon City Chamber
Mt. Hood Chamber
Sandy Chamber
Tigard Chamber
Tigard Rotary Club
Tualatin Chamber
Latino Business Network (Salem)
Chehalem Valley Chamber
Happy Valley Business Alliance

**Quarter 2:**

US Bank Mid Valley Loan Officers
Keizer Chamber
Salem Latino Business Alliance
Salem LEAD Business Summit (Salem Chamber)
Gresham Chamber
Hillsboro Chamber
Chehalem Valley Chamber
PGE Key Customer Breakfast
Mt. Hood Chamber

Beaverton Chamber – 2 events
SEDCOR

**Quarter 3:**

City of Gresham – Environmental Services – Recycling & Solid Waste
Tualatin Chamber
Hillsboro Chamber – 2 events
Beaverton Chamber
Salem Chamber

**Quarter 4:**

Central Eastside Portland Rotary
Art Institute of Portland
Gresham Chamber
North Clackamas Chamber
Salem Chamber
Hillsboro Chamber – 3 events
Tigard Chamber
Wilsonville Chamber
Keizer Chamber
Sherwood Chamber

**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.
- March – Small Business Energy Savings Offer (SmartWatt): PGE sent an email to small and medium commercial customers in hard to reach areas in the Washington, Clackamas, and Marion Counties to encourage them to take advantage of this offer.
- 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.
- June-July – Small Business Energy Savings Offer (SmartWatt): PGE sent a direct mail letter to small and medium commercial customers in hard to reach areas in Washington, Clackamas, and Marion County to encourage them to take advantage of this offer.
- August – LED Lighting Promotion: PGE sent a direct mail letter to small and medium size commercial customers that offered incentives provided by the Energy Trust when replacing their old lighting with new LED lighting. Customers who requested free energy efficiency consultations were entered to win Portland Timbers tickets.
- October – 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 5: Outreach Team Results**

Key Objectives	Q1	Q2	Q3	Q4	Total	Goals
Increased Participation- Qualified Leads delivered to Energy Trust	214	290	240	172	916	800
Increased Awareness of Energy Trust Programs - Outreach Presentations and Networking	25	12	6	12	55	42
Increased Awareness of Energy Trust Programs- Number of Customers Contacted (includes phone, face to face)	1,712	1,240	623	832	4,407	N/A

**Table 6: Commercial Energy Efficiency Impressions**

Impressions	Q1	Q2	Q3	Q4	Total	Goal
Measured through Newsletters, direct mail, and email	128,061	74,215	130,667	78,474	411,417	N/A

**Table 7: Commercial Energy Efficiency Requests for Consultation**

Consultations	Q1	Q2	Q3	Q4	Total	Goal
Request through Direct Mail, Email, PGE call center	182	366	274	216	1,038	1,000

**Commercial Conclusion:**

## 1. Progress to Goals and Key Learnings:

- a. PGE observed strong customer interest in energy efficiency in 2016 with an increase to the number of consultations and qualified leads sent to Energy Trust over 2015. This is primarily due to increased canvassing by the three Outreach Specialists and in part due to the SmartWatt program. 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.
- b. While PGE outreach specialists found success promoting SmartWatt while canvassing, marketing of the program proved unsuccessful. PGE believes that the decrease in the marketing response rate compared to 2015 was due to the decrease in Energy Trust SmartWatt incentive levels in 2016. PGE experienced a very strong response rate to SmartWatt marketing in 2015 when incentives were considerably larger.
- c. 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.
- d. 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.
- 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. We are seeing an increase in new construction, we believe due to the improved economy, especially in the Portland area.

