

ORDER NO. 21-068

ENTERED Feb 25 2021

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1158

In the Matter of

PUBLIC UTILITY COMMISSION OF  
OREGON,

2021 Performance Measure  
Recommendations for Energy Trust of  
Oregon.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on February 23, 2021, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



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**Nolan Moser**  
Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. RA4

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 23, 2021**

REGULAR  X  CONSENT \_\_\_\_\_ EFFECTIVE DATE  February 24, 2021

**DATE:** February 16, 2021

**TO:** Public Utility Commission

**FROM:** Anna Kim

**THROUGH:** Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

**SUBJECT:** OREGON PUBLIC UTILITY COMMISSION STAFF:  
(Docket No. UM 1158)  
2021 Performance Measure Recommendations for Energy Trust of Oregon.

**STAFF RECOMMENDATION:**

Staff recommends the Oregon Public Utility Commission (Commission or OPUC) adopt the proposed performance measures as stated in this memo for evaluating the performance of Energy Trust of Oregon (Energy Trust) in 2021.

**DISCUSSION:**

Issue

Whether the Commission should adopt the proposed performance measures for evaluating the performance of Energy Trust in 2021.

Applicable Law

Energy Trust operates under a grant agreement with the Commission, entered into pursuant to ORS 757.612(3). The grant agreement requires the PUC to establish quantifiable performance measures that clearly define its expectation of Energy Trust's performance. The following statement can be found on page 3 of the grant agreement:

The Energy Trust and the PUC recognized the need for having valid and quantifiable performance measures that clearly define the PUC's expectation of the Energy Trust's performance. The performance measures are developed to

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clarify minimum expectations for Energy Trust on an ongoing basis and may be adjusted from time-to-time. The Energy Trust will regularly report to the PUC, comparing actual performance to the PUC established performance measures. Should the Energy Trust fail to meet the performance measures adopted by the PUC, the PUC, at its discretion, may issue a Notice of Concern. In choosing to issue such a Notice of Concern, the PUC will take into account reasonable causal factors and any mitigating actions taken by the Energy Trust.

### Analysis

The remainder of this memo provides: (1) an overview of the performance measure development; (2) descriptions of each performance measure proposed for 2021; and (3) a table summary of the 2021 performance measures.

### *Purpose and Process*

The purpose of Energy Trust performance measures is to clearly define the Commission's minimum expectations. Performance measures are not meant to be targets or goals. Rather, they reflect a threshold by which regulators can determine the health of Energy Trust programs. They are meant to provide early indicators of poor performance, which if not met, signal that intervention may be required. Energy Trust sets specific goals, collaboratively developed with utilities and Staff, in its annual budget and action plan. These goals are based on available conservation and renewable generation as indicated by utility Integrated Resource Plan (IRP) targets and market studies.

While the annual update of performance metrics primarily takes place between Energy Trust and Staff, a substantial amount of work happens between the utilities and Energy Trust each year to develop Energy Trust's energy efficiency and renewable goals as a part of the budget development process. In November each year, Energy Trust presents its annual budget and action plan to the Commission. The Commission then offers insight, direction, and recommendations to Energy Trust to adopt, before finalization of the budget by the Energy Trust Board in December.<sup>1</sup> Energy Trust presented its 2021 budget and action plan to the Commission at a special public meeting on November 12, 2020.<sup>2</sup>

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<sup>1</sup> For more information on Energy Trust's budget process please see <https://www.energytrust.org/about/reports-financials/budget-action-plan/>.

<sup>2</sup> For more information on this special public meeting please go to [https://oregonpuc.granicus.com/GeneratedAgendaViewer.php?view\\_id=2&clip\\_id=665](https://oregonpuc.granicus.com/GeneratedAgendaViewer.php?view_id=2&clip_id=665).

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*Overview of Performance Measure Categories*

Energy Trust performance measures cover a wide range of operational aspects as follows:

- 1) Electric Energy Efficiency
- 2) Natural Gas Energy Efficiency
- 3) Renewable Energy
- 4) Financial Integrity
- 5) Program Delivery Efficiency
- 6) Staffing
- 7) Customer Satisfaction
- 8) Benefit/Cost Ratios
- 9) NEEA and Market Transformation
- 10) Diversity, Equity, and Inclusion

In 2012, the Commission approved a more systematic approach to developing Energy Trust's annual performance measures.<sup>3</sup> Each performance measure was explicitly linked to either Energy Trust's annual budget goals and/or references Integrated Resource Plan (IRP) targets for a specific utility. Below, Staff reviews each metric and identifies proposed changes for 2021.

*Descriptions of Each Performance Measure Category*

*Measures 1 and 2: Electric and Natural Gas Efficiency Savings & Levelized Costs*

These performance measures for savings and levelized costs use the Board-approved savings goal as the basis for their calculations. The single savings objective per utility is calculated each year as 85 percent of Energy Trust's Board-approved savings goal at a levelized cost ceiling.<sup>4</sup> The table below compares the 2020 and 2021 savings and proposes a levelized cost performance measure for each utility.

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<sup>3</sup> See UM 1158, Commission Order No. 12-094.

<sup>4</sup> The OPUC's levelized cost ceiling for Energy Trust is 115 percent of the Board-approved levelized cost goal for that year.

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**Table 1 – Efficiency Performance Measures by Utility, 2020 and 2021**

<b>Utility</b>	<b>2020 Performance Measure (Minimum aMW/therm &amp; Levelized Cost)</b>	<b>2021 Performance Measure (Minimum aMW/therm &amp; Levelized Cost)</b>
<b>Portland General Electric (PGE )</b>	<b>23.3 aMW</b> @ no greater than <b>\$0.041/kWh</b>	<b>21.1 aMW</b> @ no greater than <b>\$0.046/kWh</b>
<b>PacifiCorp (PAC)</b>	<b>15.3 aMW</b> @ no greater than <b>\$0.043/kWh</b>	<b>17.1 aMW</b> @ no greater than <b>\$0.040/kWh</b>
<b>Northwest Natural (NWN – Oregon Only)</b>	<b>4.7 M therms</b> @ no greater than <b>\$0.43/therm</b>	<b>4.3 M therms</b> @ no greater than <b>\$0.51/therm</b>
<b>Cascade (CNG)</b>	<b>0.46 M therms</b> @ no greater than <b>\$0.55/therm</b>	<b>0.49 M therms</b> @ no greater than <b>\$0.63/therm</b>
<b>Avista</b>	<b>0.33 M therms</b> @ no greater than <b>\$0.41/therm</b>	<b>0.38 M therms</b> @ no greater than <b>\$0.48/therm</b>

Staff notes the continuing year-over-year increase in levelized costs for four of five utilities. A future action item for 2022 budget development is to explore strategies to bring this ratio closer to historic levels.

As context, Staff's memo on Energy Trust's 2021 budget identifies various reasons for increased levelized costs. These include ongoing market transformation in the lighting market and low-cost water saving measures, as well as strategies to increase incentives as a strategic response to trends related to the COVID-19 pandemic.<sup>5</sup> While levelized costs are increasing, Energy Trust took steps in its 2021 budget development to reduce the increase.

***Measure 3: Renewable Energy***

In 2020, the Commission adopted Staff's recommendation to make minor adjustments within the metric. The new measures report on trends over time and allows OPUC to offer more customized insights without penalizing Energy Trust for the normal variations in custom, non-solar project development and completion.

- 1) Deploy \$1.37 Million in project and market development assistance with a project pipeline of non-solar projects in excess of 25 projects. Energy Trust will

<sup>5</sup> Staff Memo, Presentation of 2021 Draft Budget and 2021-22 Action Plan. p 13-15. found at [https://oregonpuc.granicus.com/Viewer.php?view\\_id=2&clip\\_id=665&meta\\_id=27673](https://oregonpuc.granicus.com/Viewer.php?view_id=2&clip_id=665&meta_id=27673).

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report the number of projects served, total funds spent, and summarize progress.

- 2) For project and market development assistance, Energy Trust will report annual results, including number of projects supported, milestones, and documentation or results from market and technology perspectives.
- 3) For the standard net-metered solar program, obtain at least 2.5 aMW of installed generation.
- 4) For solar projects funded outside of the program's standard net-metered incentive offer, Energy Trust will report all sources of funding for projects and the criteria for selection.

*Measure 4: Financial Integrity*

Energy Trust engages a third party annually to conduct a financial audit once the calendar year has closed. Staff proposes to maintain the current performance measure for financial integrity, which is to receive an unmodified financial opinion. Energy Trust has met this measure every year since launching.

*Measure 5: Program Delivery Efficiency (Administration)*

The program delivery efficiency measure is a maximum threshold for administrative and program support costs as a percentage of total annual revenues. The initial target of 11 percent was set in 2004 when establishing Energy Trust's performance measures.<sup>6</sup>

Historically, Energy Trust has maintained actual delivery efficiency percentages ranging between 4.6 percent and 6.9 percent. In 2012, the measure was adjusted from 11 percent to 9 percent.<sup>7</sup> Three years later, the Commission approved lowering the performance measure again, from 9 percent to 8 percent.<sup>8</sup>

Since the 2019 budget cycle, Energy Trust has updated its annual budget documents to make it easier to determine applicable costs for this OPUC performance measure.<sup>9</sup>

Administrative costs fall under the following categories:

- Employee Salaries and Fringe Benefits if not directly related to program delivery;
- Agency Contractor Services if not billed to program delivery;
- Planning and Evaluation Services if not billed to program delivery;
- Advertising and Marketing Services if not billed to program delivery;
- Other Professional Services if not billed to program delivery;

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<sup>6</sup> See Order No. 04-593.

<sup>7</sup> See Order No. 12-094.

<sup>8</sup> See Order No. 15-127.

<sup>9</sup> See Order No. 18-076.

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- Travel, Meetings, Trainings and Conferences;
- Dues, Licenses and Fees;
- Software and Hardware;
- Depreciation and Amortization;
- Office Rent and Equipment;
- Materials Postage and Telephone; and
- Miscellaneous Expenses.<sup>10</sup>

Staff proposes to keep this measure the same as last year.

*Measure 6: Staffing*

This performance measure pertaining to Energy Trust's staffing costs was established in 2015.<sup>11</sup> The measure is determined by calculating a three-year rolling average of total staffing costs divided by total annual expenditures. The three years used in the average include the proposed next year budget, current year budget forecast, and prior year actual costs. In 2017, Staff worked with Energy Trust to revise the performance metric from 7.75 percent three-year rolling average, including contractor costs, to 7.25 percent three-year rolling average, *not including agency contractor costs*. The metric was also modified to include a 10 percent cap on year-over-year increases.<sup>12</sup>

To increase transparency and accountability, Energy Trust began to report employee (staffing) costs and agency contractor costs separately in the 2019 budget. Agency contractors became a new line item in the budget.

In August 2019, in Order No. 19-292, the Commission adopted the following changes to staffing metrics:

- 1) For the next two years (2020-2021), reduce the annual growth in staffing costs from 10 percent to no more than 9 percent from year to year.
- 2) Remove the rolling average of staffing costs as a percent of total costs as the relationship between the two cost categories is continuing to evolve.
- 3) Report to the Commission on staffing trends and provide a recommendation for 2022 performance measures.<sup>13</sup>

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<sup>10</sup> See Staff Report at Special Public Meeting on Energy Trust's 2019 Budget, November 8, 2018, pg. 10-11.

<sup>11</sup> See Order No. 15-127.

<sup>12</sup> See Order No. 18-076.

<sup>13</sup> See Order No. 19-292 pg. 6.

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These changes were enacted in response to the combination of declining savings projections and steeply increasing healthcare costs, which indicated that the existing performance metric was not providing the information the Commission sought.

At an earlier workshop in January 2020, stakeholders identified key indicators that Energy Trust should monitor that could help identify an appropriate staffing metric. These indicators focused on staffing costs and staffing needs. On August 11, 2020, Staff held a workshop to provide an update to stakeholders on those indicators. Between January 2020 and August 2020, staffing costs remained fairly steady with the exception of healthcare costs. Energy Trust continued to shift duties across staff in order to adjust in response to the COVID-19 pandemic.

Beginning with the 2020 budget, Energy Trust has reported numbers specifically related to the OPUC grant agreement, excluding activities in Washington and its contract with the Community Solar Program. In Table 2 below, these costs have also been removed from past budgets to ensure numbers represent the OPUC grant only. This results in differences between these tables and those found in Order No. 19-292.

The following table shows staffing costs by category as represented in past budgets, and estimated projections.

**Table 2 – Budgeted Staffing Costs by Category**

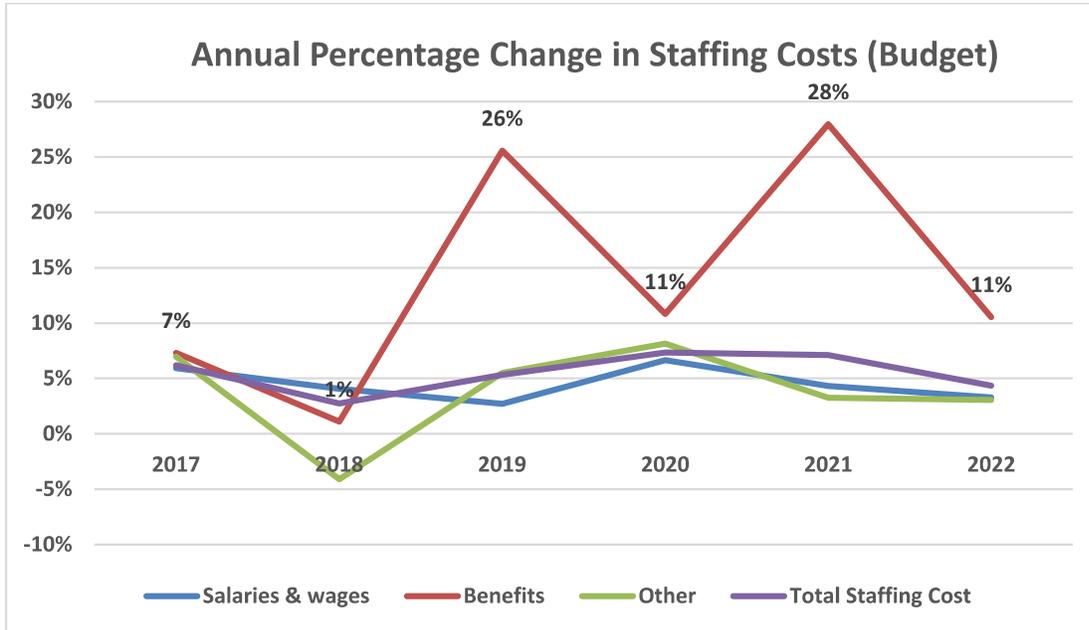
	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Projection
<b>Salaries + Wages</b>	\$10,411,710	\$10,694,487	\$11,405,458	\$11,898,299	\$12,289,657
<b>Benefits</b>	\$1,340,126	\$1,682,802	\$1,864,944	\$2,386,101	\$2,637,719
<b>Other</b>	\$1,563,739	\$1,649,684	\$1,784,153	\$1,842,518	\$1,899,118
<b>Total Staffing</b>	\$13,315,575	\$14,026,973	\$15,054,555	\$16,126,918	\$16,826,495

The Other category contains:

- Payroll taxes;
- 401k;
- An accounting for net change in accrued vacation liability;
- Fees the organization pays to the 401k and savings plan providers; and
- Employee recognition.

The following chart shows the amount of change across staffing cost categories. The Benefits category continues to have the largest fluctuations, and is primarily driven by healthcare costs.

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In December 2020, Energy Trust alerted Staff that Energy Trust might exceed the performance metric of 9 percent year-to-year staffing cost increases. As a result of the COVID-19 pandemic, Energy Trust staff used significantly fewer vacation hours and applied other COVID leave options. Unused (accrued) vacation hours are accounted as a staffing expense. Due to the COVID-19 pandemic, unused vacation balances were significantly higher than normal, and counted against the staffing cost metric.

Energy Trust demonstrated to Staff that its 2020 staffing costs would have remained below 9 percent, given a typical rate of vacation use by employees, based on vacation use in prior years. After identifying this issue, Energy Trust attempted to address the accruals by encouraging its staff to use more earned vacation hours.

In advance of Energy Trust's 2022 budget process, Staff plans at least one additional workshop in Q3 2021 to report on notable information gathered through these indicators, as well as overall progress in controlling costs.

***Measure 7: Customer Satisfaction***

Energy Trust should maintain a minimum of 85 percent of customers indicating they are satisfied or very satisfied with: a) interaction with program representatives where they are utilized (e.g., Existing Buildings Program), and b) overall satisfaction. Staff proposes to keep the customer satisfaction performance measure the same as last year.

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*Measure 8: Benefit/Cost Ratios*

Staff proposes to maintain the current performance measures for benefit/cost ratios as shown in Table 4 below.

*Measure 9: NEEA and Market Transformation*

Staff proposes to maintain the current performance measures for work with the Northwest Energy Efficiency Alliance (NEEA) as shown in Table 4 below.

*Measure 10: Diversity, Equity, and Inclusion*

In Order No. 19-292, the Commission established a new category of performance measures to support and monitor Energy Trust's work in diversity, equity, and inclusion (DEI), and adopted four performance measures for 2020:

- 1) Implement the data enhancement project as outlined in the 2020 Budget and Action Plan and deliver a minimum of four reports to the Diversity Advisory Council.
- 2) Implement and publish the "DEI Lens" project as outlined in the 2020 Budget and Action Plan and approved by the Diversity Advisory Council.
- 3) Complete 1,000 projects with trade allies that are minority-owned businesses in 2020.
- 4) Implement a rural-focused workshop as outlined in the 2020 Budget and Action Plan.

As of February 10, 2021, Energy Trust has completed DEI performance metric numbers 1, 2, and 4. Results are incomplete for DEI performance metric number 3 and will be available in Energy Trust's annual report, which is released in April. This report includes results for all performance metrics.

In 2020, Staff held two workshops discussing DEI metrics, and a third workshop on staffing metrics with a major DEI emphasis.

Workshop 1: On February 21, 2020, Staff held a workshop to share activities Energy Trust took in preparation for the 2020 DEI performance metrics, including relevant aspects of their 2020 budget. Energy Trust also shared planned activities for 2020 to achieve these goals.

Workshop 2: On July 24, 2020, Staff held a workshop to provide an update on progress towards DEI performance metrics, as well as collect feedback on performance metrics for 2021. During this meeting, stakeholders expressed frustration with the impacts of the current goals and the metric development process.

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In reviewing progress towards performance goals, stakeholders were particularly concerned by the limited impact of DEI Metric number 3. They found this metric inadequate because it targets the number of trade ally projects, and not the dollars associated with them or a more granular look at diversity among identified businesses. In addition to trade ally diversity and total contract dollars spent on diverse contractors, stakeholders also identified staffing diversity as a key area for performance metric development.

Stakeholders also had a number of critiques related to the performance metric development process. These included:

- Declining participation from stakeholders. Stakeholders noted that there were more organizations attending workshops early on, and some may have disengaged from the process. There may be aspects of the format that make it difficult for stakeholders to contribute or make the most of their time.
- Opportunities to improve the participant experience. Stakeholders have expressed concerns about the speed of conversations and decisions, and the speed of progress created by the performance metrics themselves. Stakeholders want to see meaningful goals that lead to noticeable progress, while also ensuring there is enough time to engage a larger range of stakeholders in the development of metrics.
- Potential benefits of a third-party facilitator. Consider changing to another format such as a committee or advisory group, potentially with third-party facilitation.

Workshop 3: On August 11, 2020, Staff held a workshop on the development of the Staffing performance metric. In light of feedback from Workshop 2, Staff directed Energy Trust to provide an update on DEI activities related to staffing. Energy Trust reported that the following enhancements to the hiring process were underway:

- Implementation of a demographic tracking system for applicants to monitor recruitment diversity.
- Requiring hiring committees to have diverse applicants in consideration throughout the hiring process.
- Requesting that members of the Diversity Advisory Council participate in all hiring committees.
- Requiring all hiring committee members to attend an implicit bias training prior to holding interviews.

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*Staff Response to DEI Measure Feedback*

The following section presents stakeholder feedback and Staff response in proposing changes to DEI performance metrics for 2021. In developing these proposed changes, Staff reviewed the range of stakeholder feedback expressed in 2020. Staff acknowledges that these metrics should be developed with additional collaboration with stakeholders. Staff recognizes that more progress is required in developing outreach and engagement strategies before directly engaging stakeholders.

- **Process and Format:** In response to stakeholder feedback from Workshop 2, Staff reached out to a number of individuals to collect suggestions on how to improve the process in this docket related to DEI metrics. Staff used this feedback to identify two areas of focus for Staff activity: 1) Improving outreach and engagement on OPUC oversight of Energy Trust's overall DEI performance; and 2) strengthening the monetary impact of DEI goals.

Staff considered different options for changing the format and delivery of stakeholder engagement events. Ultimately, Staff determined it would be appropriate to first discuss these options with OPUC's Diversity, Equity, and Inclusion Program Director before scheduling further stakeholder engagement events for this docket. The DEI Director was introduced at the January 12, 2021, Public Meeting. Staff is looking forward to working with the new DEI Program Director to identify a path forward that is consistent with the agency's overall approach and goals.

During this time, Staff is also working with stakeholders in other dockets to leverage Energy Trust's DEI activities. In UM 2114 "Investigation into the Effects of the COVID-19 Pandemic on Utility Customers," Staff will host an upcoming workshop to discuss opportunities to reduce energy burdens on impacted communities through energy efficiency.<sup>14</sup> Concurrently, Energy Trust will develop its 2022 DEI Operations Plan with deliberate stakeholder engagement. Staff encourages all UM 1158 stakeholders and anyone else who may be interested to participate.

- **DEI in Contracting:** From the July 24, 2020 workshop, Staff learned that stakeholders continue to be interested in contract spend, trade ally diversity, and staffing diversity at Energy Trust. In reviewing Energy Trust's status and progress in tracking the relevant data, Staff determined that it is necessary to develop tools that will help Staff and stakeholders target future goals around which to develop sound metrics.

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<sup>14</sup> Order No. 20-401 Attachment A, p. 14.

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As part of the 2021 budget development process, Staff worked with Energy Trust to include the implementation of a supplier diversity tracking system, which will track contract spend for contractors and subcontractors working directly for Energy Trust. Staff recommends that implementation of this system be elevated to a performance metric requirement, as tracking this information is key to future work in this area.

Similarly, Staff identified challenges in accessing information on trade ally diversity information. Staff proposes directing Energy Trust to develop a trade ally diversity “dashboard” in collaboration with Energy Trust’s Diversity Advisory Council and other interested stakeholders. This dashboard will provide information about the number of projects and project dollars associated with different Certification Office for Business Inclusion and Diversity (COBID) categories of trade ally businesses (trade allies do not have to be COBID-certified to be tracked). Completing these two activities will provide more transparent information and help inform future conversations between Energy Trust, Staff, and stakeholders.

Staff proposes that these two new DEI metrics of a supplier diversity tracking system, and trade ally dashboard, replace two related 2020 metrics. These are: No. 1, to implement data enhancements; and No. 3, to complete 1,000 projects with trade allies that are minority-owned businesses. Staff believes the two new metrics will result in data enhancements and availability, and result in better targeting of DEI with trade allies.

- DEI in Staffing and Hiring: In response to stakeholder requests regarding hiring and staffing diversity, Staff believes that Energy Trust has taken significant steps to implement DEI principles throughout the hiring process. Staff is particularly interested in the implementation of implicit bias training and recommends accelerating this effort to cover all hiring managers by the end of 2021.

Staff proposes changes to performance metrics for the DEI category for 2021. Staff notes that DEI performance metric No. 2, to implement a “DEI Lens” and No. 4, to hold a rural-focused workshop, have been completed. Staff recommends not repeating them in 2021.

Staff summarizes the proposed DEI measures below, noting changes from 2020:

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**Table 3 – DEI Performance Measures for 2020 and 2021**

2020 Measures	Proposed 2021 Measures
<ul style="list-style-type: none"> <li>• Implement the data enhancement project as outlined in the 2020 Budget and Action Plan and deliver a minimum of four reports to the Diversity Advisory Council.</li> <li>• Implement and publish the “DEI Lens” project as outlined in the 2020 Budget and Action Plan and approved by the Diversity Advisory Council.</li> <li>• Complete 1,000 projects with trade allies that are minority-owned businesses in 2020.</li> <li>• Implement a rural-focused workshop as outlined in the 2020 Budget and Action Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement a supplier diversity tracking system as outlined in the 2021 Budget and Action Plan.</li> <li>• Develop a trade ally dashboard to track diverse spend in trade ally activities with stakeholder participation.</li> <li>• Complete implicit bias training for all hiring managers.</li> </ul>

Staff plans at least one additional workshop in Q3 2021 to report on progress in advance of Energy Trust’s 2022 budget process.

*Proposed 2021 Performance Measures*

The proposed 2021 performance measures for Energy Trust are detailed below. They include the previous year’s performance measures for comparison purposes.

**Table 4 – Performance Measures for 2020 and 2021**

Category	2020 Performance Measure	Proposed 2021 Performance Measure
1. Electric Energy Efficiency	Annual utility savings and levelized cost measure: <ul style="list-style-type: none"> <li>• PGE: Obtain at least 23.3 aMW; Levelized cost not to exceed 4.1 cents/kWh.</li> <li>• Pacific Power: Obtain at least 15.3 aMW; Levelized cost not to exceed 4.3 cents/kWh.</li> </ul>	Annual utility savings and levelized cost measure: <ul style="list-style-type: none"> <li>• PGE: Obtain at least 21.1 aMW; Levelized cost not to exceed 4.6 cents/kWh.</li> <li>• Pacific Power: Obtain at least 17.1 aMW; Levelized cost not to exceed 4.0 cents/kWh.</li> </ul>
2. Natural Gas Energy Efficiency	Annual utility savings and levelized cost measure: <ul style="list-style-type: none"> <li>• NW Natural: Obtain at least 4.7 million annual therm savings; Levelized cost not to exceed 43 cents/therm.</li> </ul>	Annual utility savings and levelized cost measure: <ul style="list-style-type: none"> <li>• NW Natural: Obtain at least 4.3 million annual therm savings; Levelized cost not to exceed 51 cents/therm.</li> </ul>

	<ul style="list-style-type: none"> <li>• Cascade Natural Gas: Obtain at least 0.46 million annual therm savings; Levelized cost not to exceed 55 cents/therm.</li> <li>• Avista: Obtain at least 0.33 million annual therm savings; Levelized cost not to exceed 41 cents/therm.</li> </ul>	<ul style="list-style-type: none"> <li>• Cascade Natural Gas: Obtain at least 0.49 million annual therm savings; Levelized cost not to exceed 63 cents/therm.</li> <li>• Avista: Obtain at least 0.39 million annual therm savings; Levelized cost not to exceed 48 cents/therm.</li> </ul>
3. Renewable Energy	<ul style="list-style-type: none"> <li>• For project and market development assistance (part 1), deploy at least \$1.99 million in non-solar project development assistance incentives. Maintain a non-solar project development assistance pipeline in excess of 25 projects. Report number of projects served total dollars spent, and summarize project progress through development stages.</li> <li>• For project and market development assistance (part 2), report annual results, including number of projects supported, milestones met and documentation of results from market and technology perspective.</li> <li>• Obtain at least 1.9 aMW of installed generation of standard net-metered Solar program projects.</li> <li>• For solar projects funded outside of the Solar program's standard, net-metered incentive offer, report sources of funding for projects and the criteria for selection.</li> </ul>	<ul style="list-style-type: none"> <li>• For project and market development assistance (part 1), deploy at least \$1.37 million in non-solar project development assistance incentives. Maintain a non-solar project development assistance pipeline in excess of 25 projects. Report number of projects served total dollars spent, and summarize project progress through development stages</li> <li>• For project and market development assistance (part 2), report annual results, including number of projects supported, milestones met and documentation of results from market and technology perspective.</li> <li>• Obtain at least 2.5 aMW of installed generation of standard net-metered Solar program projects.</li> <li>• For solar projects funded outside of the Solar program's standard, net-metered incentive offer, report sources of funding for projects and the criteria for selection.</li> </ul>
4. Financial Integrity	Unmodified financial opinion	Unmodified financial opinion
5. Program Delivery Efficiency	<ul style="list-style-type: none"> <li>• Administrative and program support costs must be below 8% of annual revenues (no more than \$14,189,583).</li> <li>• Administrative and program support cost growth is limited to 10% year-over-year increase (no more than \$1,322,542).</li> </ul>	<ul style="list-style-type: none"> <li>• Administrative and program support costs must be below 8% of annual revenues (no more than \$14,443,806).</li> <li>• Administrative and program support cost growth is limited to 10% year-over-year increase (no more than \$1,383,127).</li> </ul>
6. Staffing	<ul style="list-style-type: none"> <li>• Staffing cost growth is limited to 9% year-over-year increase (no more than \$1,262,428).</li> </ul>	<ul style="list-style-type: none"> <li>• Staffing cost growth is limited to 9% year-over-year increase (no more than \$1,354,779).</li> </ul>

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7. Customer Satisfaction	Greater than 85% satisfaction rates for: <ul style="list-style-type: none"> <li>• Interaction with program representatives</li> <li>• Overall satisfaction</li> </ul>	Greater than 85% satisfaction rates for: <ul style="list-style-type: none"> <li>• Interaction with program representatives</li> <li>• Overall satisfaction</li> </ul>
8. Benefit/Cost Ratios	<ul style="list-style-type: none"> <li>• Report both utility system and societal perspective annually.</li> <li>• Report significant mid-year changes as warranted in quarterly reports.</li> </ul>	<ul style="list-style-type: none"> <li>• Report both utility system and societal perspective annually.</li> <li>• Report significant mid-year changes as warranted in quarterly reports.</li> </ul>
9. NEEA and Market Transformation	Report annually: <ul style="list-style-type: none"> <li>• Savings and costs</li> <li>• Savings strategies</li> <li>• Show Energy Trust direction to NEEA through committee membership</li> <li>• Summary of Energy Trust direction to NEEA</li> <li>• Summary of NEEA initiatives Energy Trust opts out of and why</li> </ul>	Report annually: <ul style="list-style-type: none"> <li>• Savings and costs</li> <li>• Savings strategies</li> <li>• Show Energy Trust direction to NEEA through committee membership</li> <li>• Summary of Energy Trust direction to NEEA</li> <li>• Summary of NEEA initiatives Energy Trust opts out of and why</li> </ul>
10. Diversity, Equity, & Inclusion	<ul style="list-style-type: none"> <li>• Implement the data enhancement project as outlined in the 2020 Budget and Action Plan and deliver a minimum of four reports to the Diversity Advisory Council.</li> <li>• Implement and publish the “DEI Lens” project as outlined in the 2020 Budget and Action Plan and approved by the Diversity Advisory Council.</li> <li>• Complete 1,000 projects with trade allies that are minority-owned businesses in 2020.</li> <li>• Implement a rural-focused workshop as outlined in the 2020 Budget and Action Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement a supplier diversity tracking system as outlined in the 2021 Budget and Action Plan.</li> <li>• Develop a trade ally dashboard to track diverse spend in trade ally activities with stakeholder participation.</li> <li>• Complete implicit bias training for all hiring managers.</li> </ul>

Conclusion

Staff proposes adopting the performance measures listed in Table 4.

**PROPOSED COMMISSION MOTION:**

Adopt the proposed performance measures as stated in this memo for evaluating the performance of Energy Trust in 2021.