



Manufactured Home Replacement Program Information Session November 9, 2021

About Us

Independent
nonprofit

Serving 1.8 million customers of
Portland General Electric,
Pacific Power, NW Natural,
Cascade Natural Gas and Avista

Providing
access to
affordable
energy

Generating
homegrown,
renewable
power

Building a
stronger Oregon
and SW
Washington



Our Vision:
Clean affordable energy
for everyone



Our Purpose:

Help customers and communities
reduce costs and realize additional benefits
by saving energy and using renewable resources

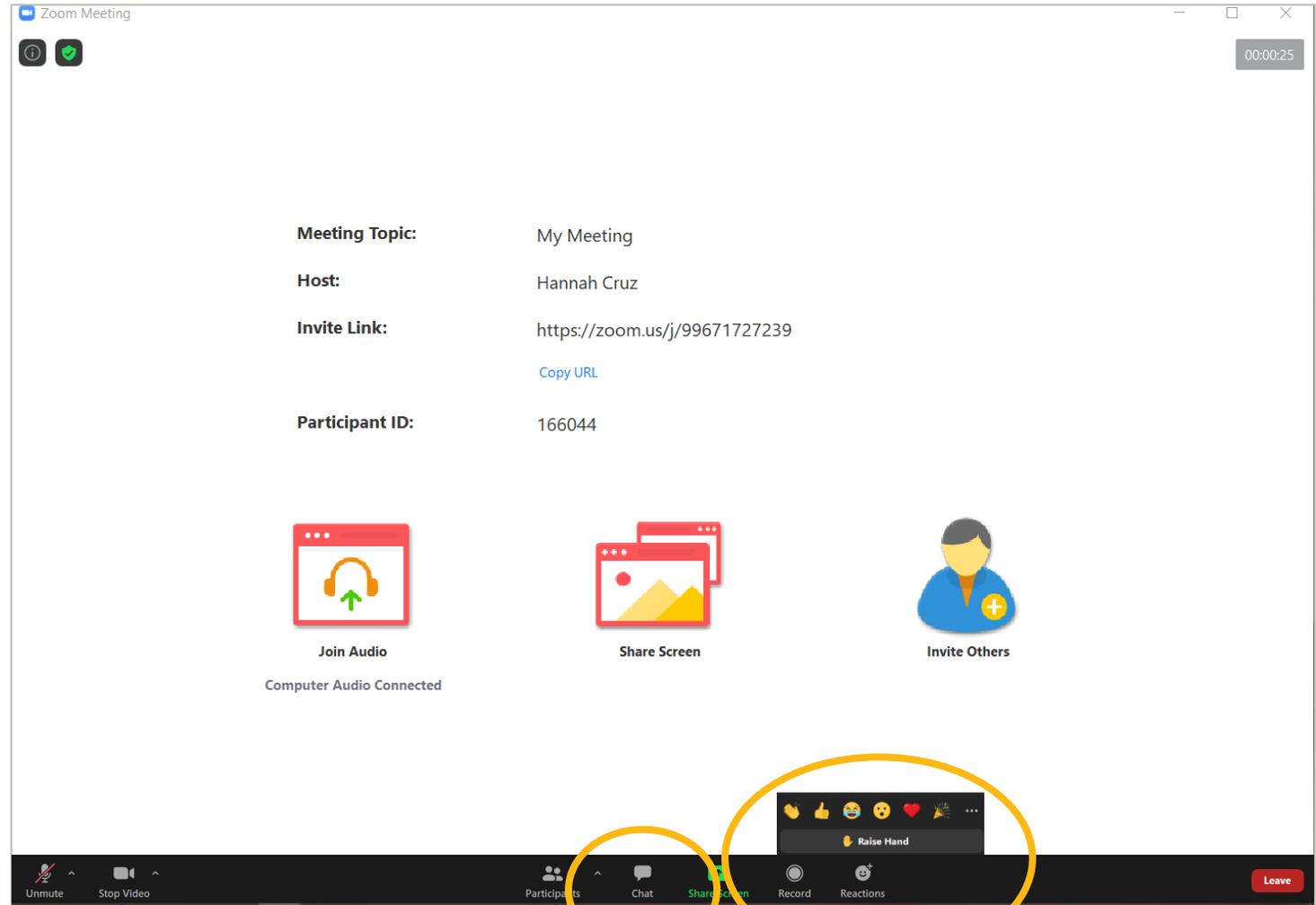
Agenda

1. Overview of program, customer eligibility, and application forms and process
Pulse check, discussion
2. Program budget, incentive allocation
Pulse check, discussion
3. Financing, Navigator service and marketing
Pulse check, open discussion

Today's presentation seeks feedback on key elements of the forthcoming program and assumes some familiarity with the previous pilot

How To Participate

- To ask questions during the presentation please use the chat box
- To request the floor during open discussion please raise your hand, or continue to use the chat





Overview of Manufactured Home Replacement

- Goal of the program is to replace older vintage, pre-1995 manufactured homes with newly constructed energy-efficient homes
- Collaboration between housing and clean energy sectors
- Serve owners of existing older manufactured homes and people whose homes were destroyed in state-declared disaster events
- New program will launch in February 2022, succeeds a four-year demonstration project

Energy Trust Incentives

Size of home	NEEM	NEEM +
Single-wide	\$10,000	\$11,000
Double-wide	\$15,000	\$16,000

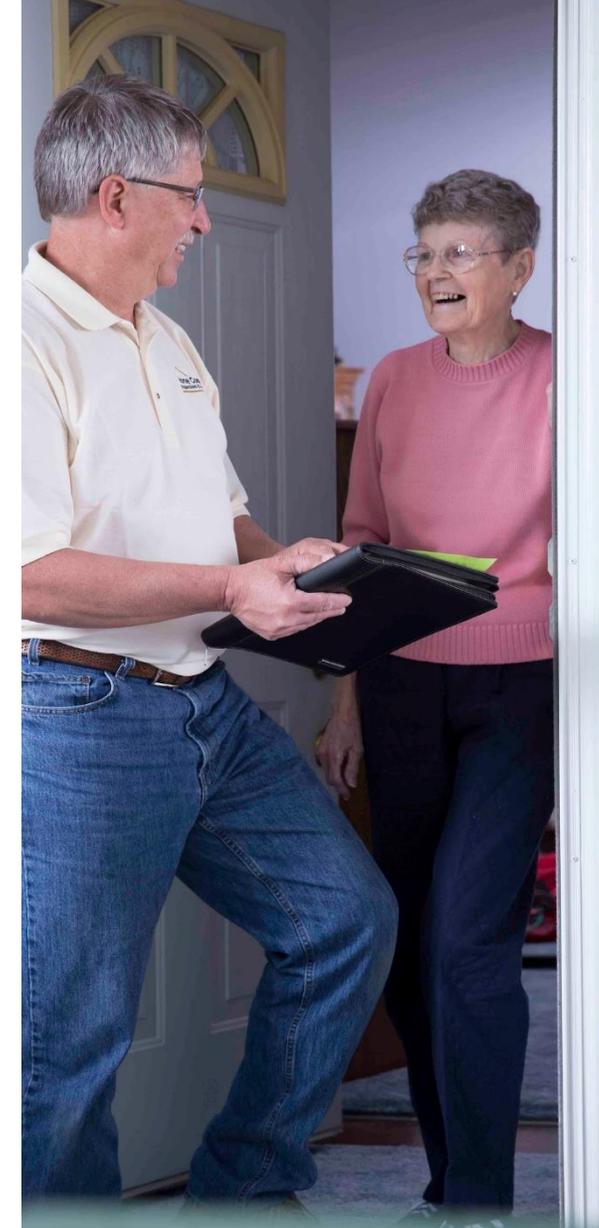
Changes from pilot to new program:

- Incentives will be the same whether for electric or gas heated homes
- Incentives will be the same throughout Energy Trust's service territory, east or west of the Cascades
- Incentive tiers by age will be removed; all homes older than 1995 will have the same incentive

Customer Eligibility: Income Qualifications

- Owner occupant participant attests to income when reserving incentives
- Park operator, rental or resale projects must demonstrate ultimate beneficiary is an income-qualified household
- Max income 120% area median income

Sample Household income	
Household size	Gross annual income maximum
1 resident	\$55,610
2 residents	\$72,722
3 residents	\$89,832
4 residents	\$106,944



Intake and Participation Approval

- Eligible applicants include
 - Homeowner/Occupant
 - Park operator/Landlord
 - Developer
- Program design supports a variety of applicant types under one process

Manufactured Home Replacement
Residential | Incentive Reservation | Form 620_{MHR}

EnergyTrust
of Oregon

Applicant Information

Applicant is (select one): Home Owner/Occupant Park Operator/Landlord Developer* Other: _____

Contact Name (or Legal Company Name if Lender or Developer, must match WS)

Mailing Address _____ City _____ State _____ Zip _____

Representative (if Lender or Developer) _____ Title _____ Phone _____ Email _____



Forms as Resources

Forms collect crucial information early in the participation experience:

- Known project costs
- Income verification
- Additional project funding

Project Funding Information

Please include all applicable funding sources for the Project in the table below. This could include Energy Trust incentives, any insurance settlements, financing, or additional grants, gifts, incentives, etc.

Do you have insurance you will use to co-fund project?

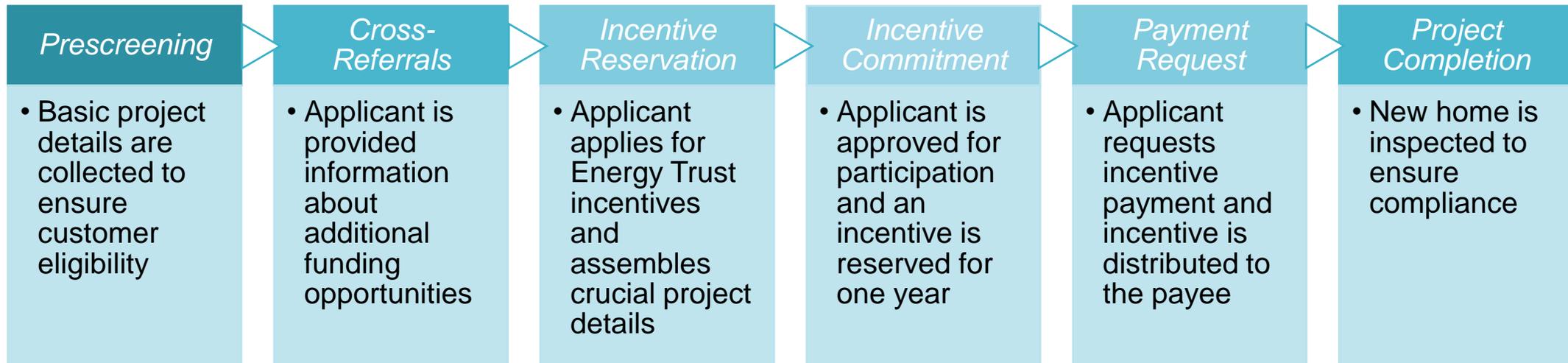
Yes (If yes, fill out section below and attach documentation) No

Funding Source	Source Used?	Amount (if applicable)
OHCS	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Weatherization Agency	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Insurance Settlement	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Other:	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Other:	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Other:	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Other:	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

Forms and Documents

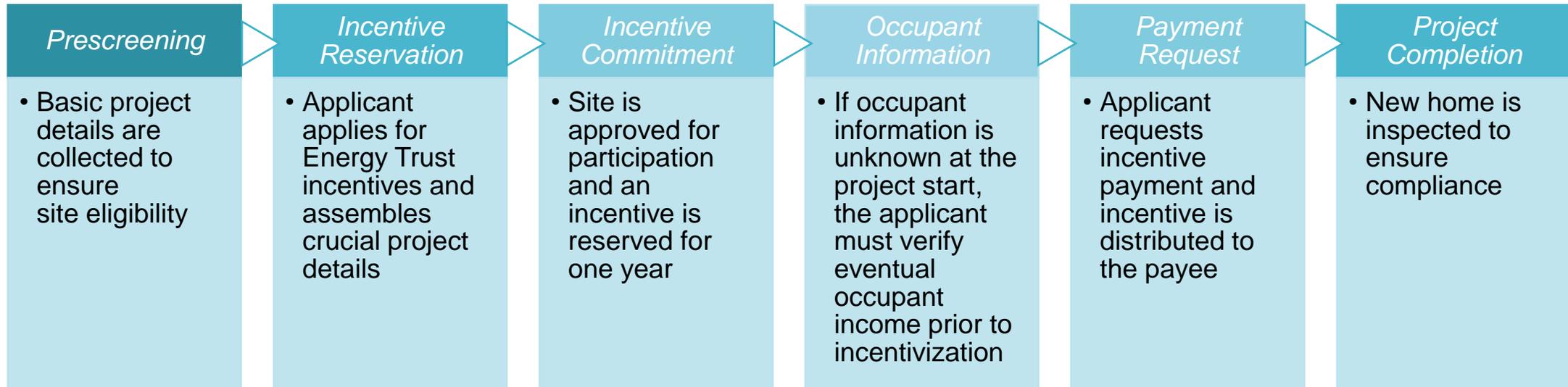
	Incentive Reservation Form	Incentive Commitment Letter	Payment Request Form
Purpose	<ul style="list-style-type: none"> Assess eligibility Assign a project type 	<ul style="list-style-type: none"> Support loan underwriting Update Energy Trust budget forecast 	<ul style="list-style-type: none"> Commit funding Establish payee Complete project
Data collected	<ul style="list-style-type: none"> Customer info Site data Estimated complementary funding 	n/a	<ul style="list-style-type: none"> Project costs Confirmed complementary funding

Application Process (Homeowner/Occupant)



- Process will vary slightly for wildfire-impacted sites
- Incentive payments can be distributed to payees different than the applicant
- Incentive payments can be paid directly to a lender or developer

Application Process (Developer)



Similar to the process for homeowners/occupants, *except:*

- Incentive commitments will be issued to Developer-Applicants under the contingency that the home is sold or rented to an income-qualified occupant
- Occupant income eligibility must be verified prior to an incentive payment request

Feedback and Discussion



Home Replacement Incentive Budget

- Energy Trust's budget for all programs (including home replacement) is established annually in the fall
- Manufactured home replacement 2022 incentives
 - \$1 million budgeted
 - Anticipated to fund approximately 80 homes
- Manufactured home replacement 2023 incentives
 - \$3 million proposed

Cost-effectiveness of the Program

- OPUC granted a cost-effectiveness exception to manufactured home replacement through March 2025
 - Order # 21-312 issued September 22, 2021
- Cost-effectiveness exception applies to the Total Resource Cost (TRC) test
- Establishes a \$5 million cap on *non cost-effective* project incentives from program launch (February 2022) until March 2025

Cost-effectiveness Tests

Test	Total Resource Cost (TRC) Test	Utility Cost Test (UCT)
Purpose	To determine if we can offer a measure or approve project	To determine range of incentives for a measure
Benefits	Avoiding the use of more expensive energy Quantified non-energy benefits	Avoiding the use of more expensive energy
Costs	Incremental cost of measure compared to baseline	Incentives
Measure passes if ...	$\frac{\text{Benefits}}{\text{Costs}} \geq 1$	$\frac{\text{Benefits}}{\text{Costs}} \geq 1$

Tracking Incentive Expenditures

- Incentives allocated to cost effective vs non cost-effective projects
 - Record all other grants, payments, subsidies
 - Projects receiving around \$60,000 to \$80,000 in funding from other sources may be cost effective
- Incentive spends between project types
 - Owner-occupied in a park
 - Owner-occupied on fee simple land
 - Developer or park operator
 - Wildfire recovery, state-declared disaster events

Proposed 2022 Incentive Allocations

Energy Trust will seek to fund all project types

- 50% of funding set aside for wildfire recovery projects
- 25% allocated to owner-occupied in a park environment
- 25% for developer-sponsored projects and fee simple land



Feedback and Discussion

Financing

- Continue partnership with Craft 3
 - Funds can be used for removal, site-prep, new home purchase, delivery and installation
 - Fixed interest rates, no rate increases for lower credit scores
 - Current rate: 5.49%
- Leverage Oregon Housing and Community Services (OHCS) secondary loans
- Referrals to Individual Development Account (IDA) program and financial counseling and preparedness resources



Navigator Service

- Forthcoming RFP to select a third-party organization to provide navigator service to home replacement clients
- Multi-year commitment with opportunities for contract extensions
- Emphasis on serving owner-occupied in manufactured home park projects
- Mission-driven organization centered on equitable housing opportunity and proficiency in manufactured home parks
- Preference for one full-time person as compared with smaller allocations of time from multiple people
- Navigator provides client services, also advises Energy Trust on client needs

Navigator Services

Includes:

- Awareness building, outreach and education
- Project support reviewing estimates, bids, scopes of work
- Energy Trust applications, project documentation
- Connecting with OHCS and other project partners
- Managing timelines and milestones

Does not include:

- Loan underwriting or handling of loan application materials
- Financial counseling (will refer to qualified service providers)
- Legal or tax advice

Program Steps, Draft Language For Customers

1. Talk with a program navigator

Navigator confirms eligibility, reviews general timeline and cost of project. Discuss available resources.

2. Envision your project

Visit retailers, get a sense of your wants and needs. Get cost estimates.

3. Reserve your incentive and grant funding

Energy Trust and other funders will reserve your funding and provide a letter of commitment to help you complete your financial package.

4. Select a lender

Complete a loan application with Craft 3 or the lender of your choice. Your lender will request project estimates and your funding letter of commitment.

5. Project planning

Secure written bid that includes your new home, cost of removing your old home and all other project costs. Your navigator will provide support.

Program Steps, Draft Language For Customers, continued

6. Loan approval

Submit bids and project documents to lender and secure final loan approval. Your loan will be able to close after your home purchase contract and scope of work are signed.

7. Sales contract

With your financial package complete, you are ready to sign your purchase agreement for a new home. Your lender, Energy Trust and other funders will manage down payments to vendors.

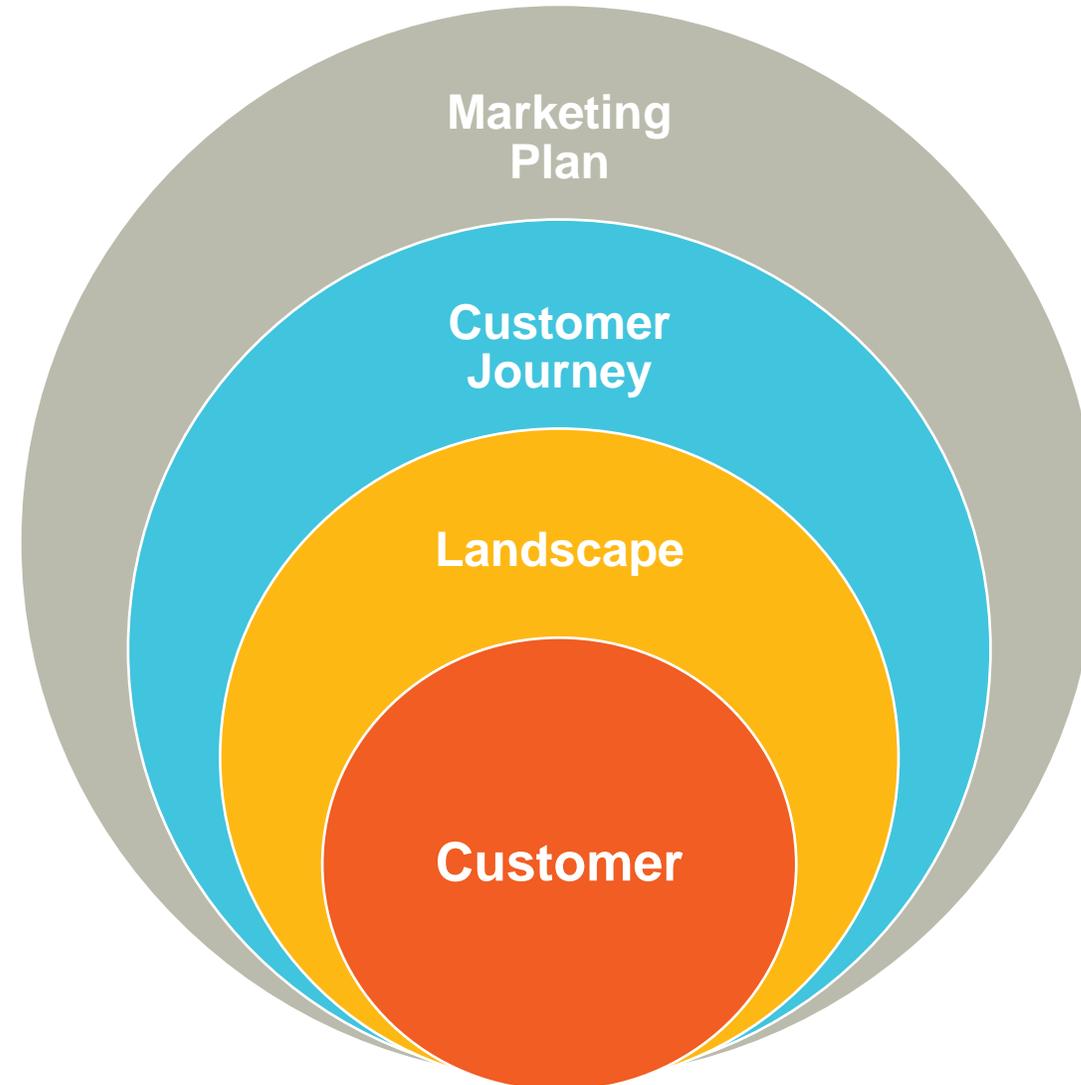
8. Manage project

Maintain communication with your vendors. They may provide updates on timing and request information.

9. Move in!

Work with Energy Trust to complete your final inspection and interview. The final loan payments will be paid to contractors. Enjoy your new, energy-efficient home.

Marketing and Communications: Planning



Marketing and Communications: Strategy

Connect

- Contacting the navigator is the main call to action.
- Gather and share testimonials and customer stories to build credibility and trust.
- Direct customers to other organizations as appropriate.

Simplify

- Use relatable, simple language that appeals to a broad group of customers and stakeholders.
- Focus on the essentials and let the navigator address the nuances and complexities.

Evolve

- Continue to gather input and insights from the navigator.
- Use insights to scope and develop new resources or information.
- Adapt materials for Spanish-language audiences.



Consumer Marketing Approach

- **Goal:** Build awareness, establish trust and empower customers.
- **Messaging & Call to Action:**
 - **Benefits:** Comfort, health, savings and community
 - **Think:** This program offers a pathway to a more comfortable, healthier and energy-efficient home, without having to move.
 - **Feel:** Trust, confidence
 - **Do:** Contact the program navigator
- **Tactics**
 - **Phase 1:** Develop initial materials and web content to support navigator
 - **Phase 2:** Adapt content for Spanish-language audiences
 - **Phase 3:** Continue to gather customer stories, develop additional resources, explore regionally focused promotional efforts

Feedback and Discussion



Thank You

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