

Finance Report

January 31, 2008

Review January 2008 year to date financial statements

Balance Sheet and Cash Flow Statements

January's balance sheet reflected an increase in activity for the month. The most significant change is evident in the change in the accounts payable balance reflecting the payment of incentives for a large volume of projects completed in December 2007. Those incentives were reported as December expenses but were actually paid in January. The balance sheet also shows \$40k cash received for the Cascade WA study, a full month's NEEA expense of \$208k, and some fixed asset purchases of computers.

Income Statements

- Public purpose revenues for the month tracked closely with budget this month.
- Expenses in January were approximately 53% of budget. The major variances are described below.

Revenue

Public Purpose Revenue

Public Purpose Revenue	Over Budget	Under Budget	Total Over/ (Under)	% over/(under) budget
PGE				
Energy Efficiency	1,741		\$ 1,741	0%
Renewable Energy		(19,195)	(19,195)	(2%)
PacifiCorp				
Energy Efficiency		(16,856)	(16,856)	(1%)
Renewable Energy		(5,077)	(5,077)	(1%)
NW Natural	31,035		31,035	2%
Cascade	5,717		5,717	4%
Total	\$ 38,493	\$ (41,128)	\$ (2,635)	0%

Interest income tracked closely to budget (less than 1% different).

Expenses

Overall Expenses: below budget by \$2.8 million (47% under budget)

Program Management, Delivery & Marketing (4% of expense variance)

Prog Mgmt, Deliv & Mktng	Over Budget	Under Budget	Total Over/ (Under)	% over/(under) budget
Energy Efficiency				
Residential		(69,396)	\$ (69,396)	8%
Commercial		(24,872)	(24,872)	5%
Industrial		(5,325)	(5,325)	2%
Renewable Energy				
Biopower		-	-	0%
Solar		(3,292)	(3,292)	100%
Open Solicitation		(5,000)	(5,000)	100%
Utility Scale		-	-	0%
Wind		(61)	(61)	4%
Total	\$ -	\$ (107,946)	\$ (107,946)	6%

Incentives (81% of expense variance)

Incentives	Over Budget	Under Budget	Total Over/ (Under)	% over/(under) budget
Energy Efficiency				
Residential	179,610		\$ 179,610	108%
Commercial	62,446		62,446	55%
Industrial	24,456		24,456	18%
Renewable Energy				
Biopower		(56,993)	(56,993)	(77%)
Solar		(568,146)	(568,146)	(88%)
Open Solicitation	518		518	0%
Utility Scale		(364,417)	(364,417)	(100%)
Wind		(1,528,049)	(1,528,049)	(100%)
Total	\$ 267,030	\$ (2,517,605)	\$ (2,250,575)	(74%)

- **Solar** – Delays in incentives are being experienced due to contractors spending time “selling” rather than installing. The selling will continue to be ramped up through mid-year due to the upcoming expiration of the 30% federal tax credit. The program is still forecasted to spend its full incentive budget by year end, but the expenses will be very heavily weighted toward the end of the year.
- **Utility Scale** – Pacific Power’s GoodNoe Hills wind project has run into delays. As such, incentives will not begin until mid-year, with variances increasing between now and June. Payments are expected to be completed by year end.
- **Wind** – For community wind, an indefinite delay has occurred on a project for which major payments were anticipated in all 3 months of Q1 2008. And two projects have decided not to go forward after all. Small wind projects are coming in, but just slower than anticipated.

Professional Services (11% of expense variance)

Professional Services	Over Budget	Under Budget	Total Over/ (Under)	% of total
Evaluation & Planning		(152,137)	\$ (152,137)	51%
Renewables		(35,495)	(35,495)	12%
Marketing		(36,696)	(36,696)	12%
Commercial Sector		(27,474)	(27,474)	9%
Administration		(23,580)	(23,580)	8%
Website		(11,388)	(11,388)	4%
Residential		(9,356)	(9,356)	3%
Other		(2,448)	(2,448)	1%
Total	\$ -	\$ (298,574)	\$ (298,574)	100%

- **Evaluation & Planning** – Due to the nature of evaluation and planning activities, it is most meaningful to evaluate the budget variances on a cumulative basis after several months. Some projects are accelerating later than expected and others are still being considered or refined as circumstances change and needs become more clearly defined.
- **Renewables** – The delays in project activity has decreased the current need for some anticipated professional services. The precise timing of the individual payments is very difficult to predict, but the work will still be completed.
- **Marketing** – The largest variance is related to Media Ads for which the timing cannot be accurately predicted at the point the budget is created. Budgeted amounts for the year as a whole are still expected to be on target.

By Division-Total Expenses

By Division	Over Budget	Under Budget	Total Over/ (Under)	% of total
Energy Efficiency				
Electric		(263,355)	\$ (263,355)	9%
Gas	137,325		137,325	(5%)
Renewable Energy				
Biopower		(84,524)	(84,524)	3%
Solar		(16,493)	(16,493)	1%
Open Solicitation		(596,132)	(596,132)	21%
Utility Scale		(375,759)	(375,759)	13%
Wind		(1,596,580)	(1,596,580)	57%
Total	\$ 137,325	\$ (2,932,843)	\$ (2,795,518)	100%

Program delivery efficiency (administrative costs plus program support costs)

- 5%, budgeted at 8.1%; performance measure is 11.0%
- Last year January was 5.3%. Last month’s rate was 6%.