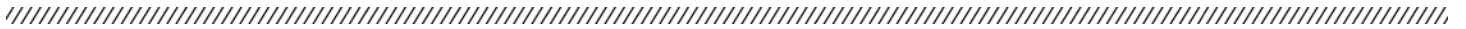
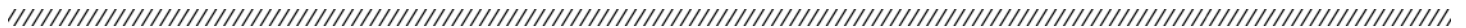


# Quarter Three 2015 Report to the Oregon Public Utility Commission & Energy Trust Board of Directors



**ENERGY TRUST OF OREGON**  
**NOVEMBER 13, 2015**

This report covers activity between July 1 and September 30, 2015



**Energy Trust of Oregon**  
421 SW Oak St., Suite 300, Portland, OR 97204  
1.866.368.7878 503.546.6862 fax  
[energytrust.org](http://energytrust.org)

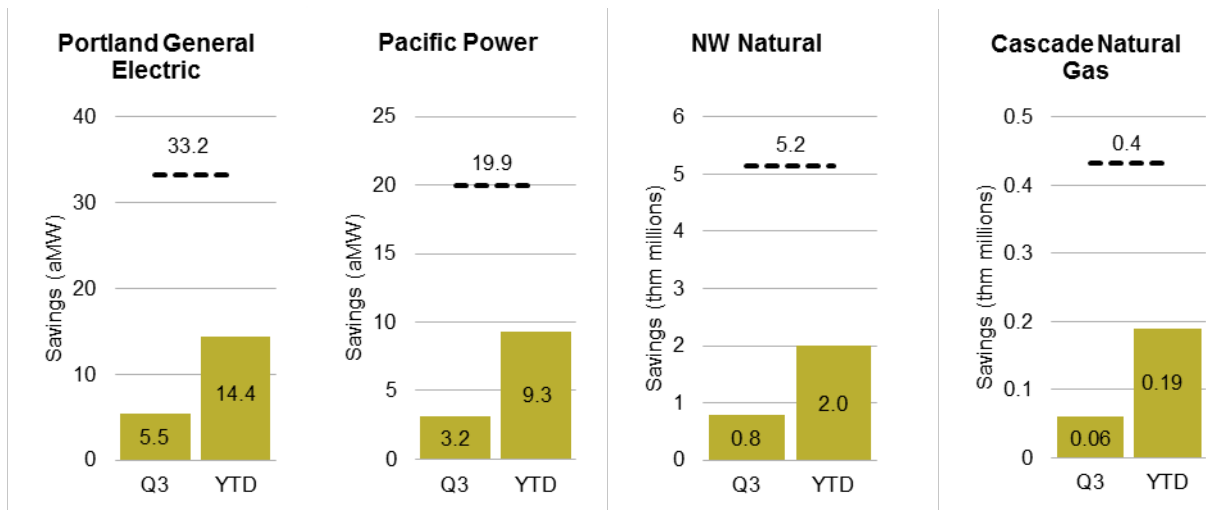
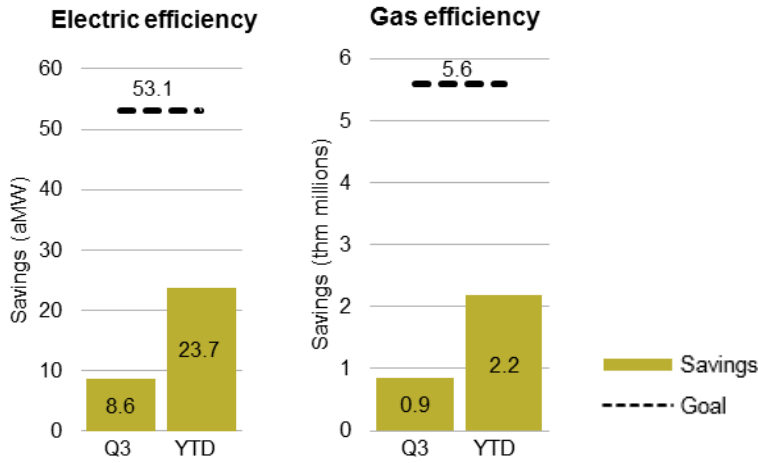


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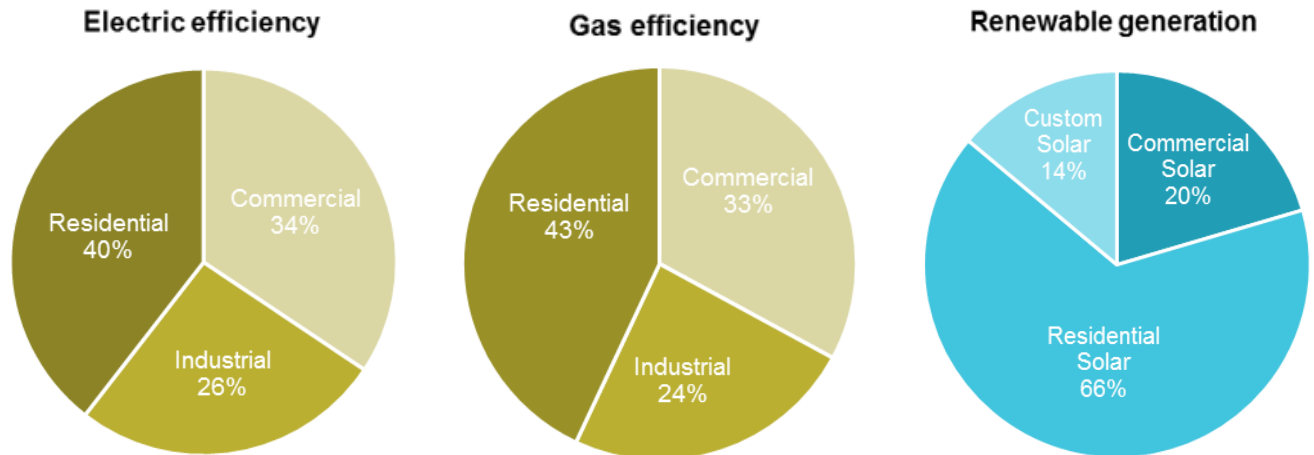
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# I Q3 ACTIVITY AT A GLANCE

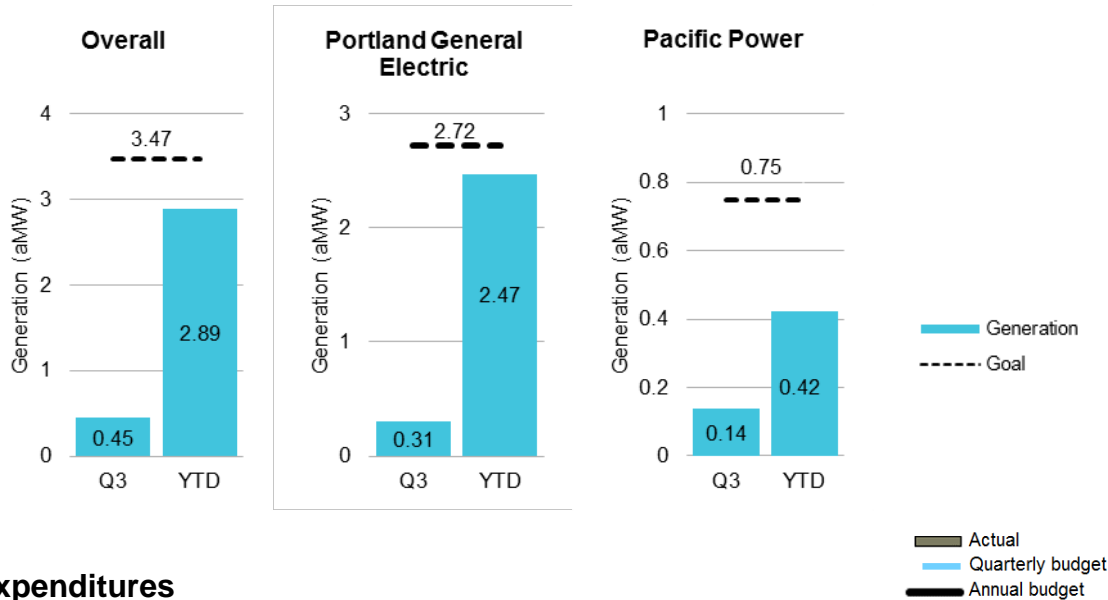
## Savings



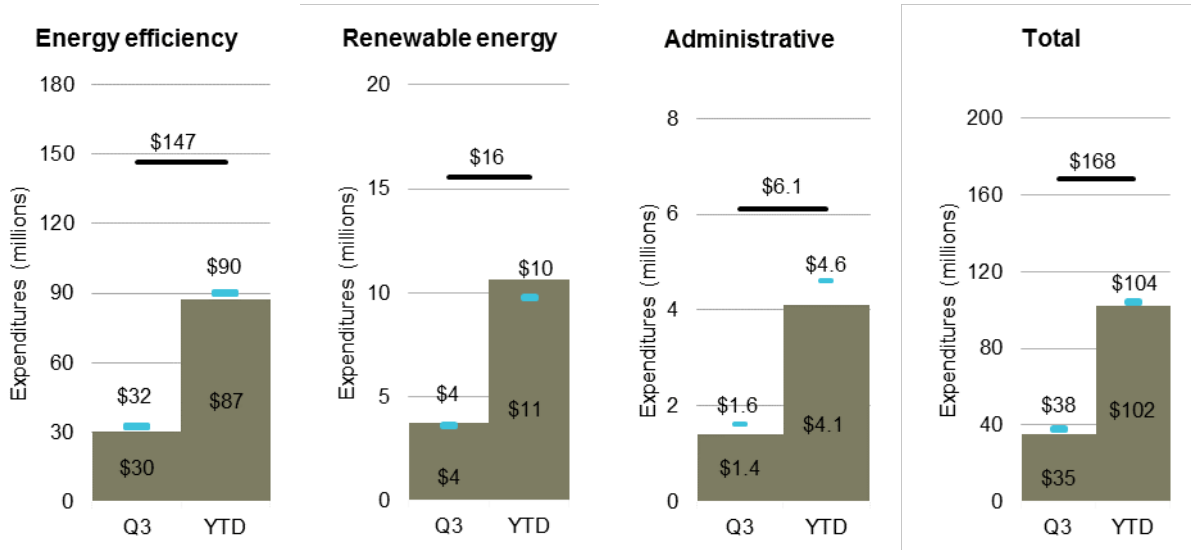
## Percent of Q3 savings or generation by sector



## Generation



## Expenditures



## Energy Trust sites served by region in Q3<sup>1</sup>

	Commercial	Industrial	Renewables	Residential	Total
Central Oregon	104	15	40	852	1,011
Eastern Oregon	24	13	11	112	160
North Coast	24	4	2	210	240
Portland Metro & Hood River	1,065	113	281	8,050	9,509
Southern Oregon	134	40	41	1,890	2,105
Willamette Valley	337	90	72	2,580	3,079
<b>Total</b>	<b>1,688</b>	<b>275</b>	<b>447</b>	<b>13,694</b>	<b>16,104</b>

<sup>1</sup>Total sites served may include sites that participated in more than one sector.

## II EXECUTIVE SUMMARY OF ACTIVITY

### A. Progress to energy efficiency and renewable generation goals<sup>2,3</sup>

- **At the close of quarter three, Energy Trust is on track to exceed savings goals** in Pacific Power, NW Natural and Cascade Natural Gas territories in 2015, and approach the savings goal in Portland General Electric territory. Savings in PGE territory were primarily impacted by several large industrial projects delayed to 2016 plus smaller customers participating in the industrial Strategic Energy Management offering. Typically, more than one-half of annual savings are achieved in the fourth quarter, when the majority of projects complete.
- **Energy Trust expects to exceed renewable energy generation goals by year-end.**
- **Electric efficiency improvements completed during Q3 will save 8.6 average megawatts** of electricity, about 16 percent of the 2015 goal of 53.1 aMW. Q3 2015 electric savings were approximately 9 percent greater than savings in Q3 2014.
- **Gas efficiency improvements completed during Q3 will save 857,769 annual therms** of natural gas<sup>4</sup>, about 15 percent of the 2015 goal of 5.6 million annual therms. Q3 2015 gas savings were approximately 7 percent greater than savings in Q3 2014.
- **Renewable energy systems installed during Q3** will generate 0.45 aMW of electricity, 13 percent of the 2015 goal of 3.47 aMW. Year-to-date renewable energy generation is high at 83 percent of annual goal.
- **Savings and generation achieved in Q3 2015 represent nearly 43,000 tons of carbon dioxide** kept out of the atmosphere, the equivalent of removing about 7,600 cars from Oregon roads for one year.

### B. Market and program trends

- **Efforts are underway to complete projects and achieve annual savings goals in all territories** through new and increased incentives for select gas and dual-fuel Existing Buildings, Existing Multifamily and industrial greenhouse projects where savings are lower than expected. While remaining cost-effective, increased incentives make projects more appealing by reducing payback periods that have lengthened due to historically low natural gas prices.
- **Energy Trust engaged builders to maximize energy savings from fast-paced new construction of commercial and residential properties.** New Buildings helped customers save even more energy than expected by adding more and deeper efficiency features to projects, and market penetration of newly built homes with EPST<sup>™</sup>, an energy performance score, reached 33 percent.
- **Retail LED sales continued to grow at a rapid pace**, supported by Energy Trust incentives and education, improving technology, declining prices, marketplace competition and ENERGY STAR<sup>®</sup> certification for new products. Retailers devoted less shelf space to compact fluorescent light

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<sup>2</sup>This document reports net savings, which are adjusted gross savings based on results of current and past evaluations.

<sup>3</sup>This report includes the best available energy savings data as of the date of submission. Energy savings reported here for periods prior to January 1, 2015, may be different than previously reported as a result of applying updated evaluation factors to Energy Trust savings and generation in Oregon through the annual true up process. The full True Up 2014 Report is available online at [www.energytrust.org/reports](http://www.energytrust.org/reports).

<sup>4</sup>Gas savings do not include NW Natural results in Washington. These results are reported in Appendix 4.

bulbs than anticipated, and several large retailers including Walmart and Costco announced that they will sell LEDs exclusively in 2016 or 2017.

- **Strong demand for solar projects was driven by decreasing solar costs, Energy Trust advertising and incentives, and impending expiration of the federal Investment Tax Credit** at the end of 2016. The Solar program paid incentives for 1,100 solar installations so far in 2015—a 50 percent increase compared to this time last year. As of the end of Q3, the Solar program had incentive reservations totaling \$8.9 million for 15.5 megawatts of standard solar capacity expected to complete in Q4 or 2016.
- **Indicating early success of Energy Trust’s irrigation modernization initiative** with Farmers Conservation Alliance, 14 irrigation districts signed up for irrigation system assessments in 2015, well exceeding the goal of four assessments. These evaluations will assess the districts’ potential to generate and save energy, save billions of gallons of water in drought-sensitive communities, stimulate economic activity in rural areas, protect fish and wildlife habitats, and attract funding from multiple sources.
- **Energy Trust’s investment in Northwest Energy Efficiency Alliance contributed 14 percent of all electric savings in Q3**, primarily from support for a battery charger standard expected to significantly reduce the energy use of charging battery-powered devices such as cell phones, tablets and laptop computers.

### C. Notable achievements

- **Energy Trust was recognized as one of the best Oregon nonprofits to work for** by Oregon Business magazine. The ranking of seventh out of 34 large nonprofits was determined by employee surveys scoring Energy Trust on overall satisfaction, mission and goals, career development and learning, benefits and compensation, and management and communications.
- **A Commercial Property Assessed Clean Energy two-year pilot developed in collaboration with Energy Trust was approved** by the Multnomah County Board of Commissioners and the Portland Development Commission. The pilot will provide financing for up to 10 commercial building owners making energy-efficient upgrades in Portland. With payments offset by lower energy bills, building owners can reap the benefits of upgrades without accruing long-term costs.
- **Energy Trust helped develop and participated in a coordinated national effort to promote efficient commercial and industrial fluorescent lighting products** that influenced the cost, availability and market acceptance of the products. As a result, federal efficiency standards for these lighting products were increased, and Energy Trust reduced or removed incentives for linear fluorescent lighting products that previously provided the bulk of commercial and industrial lighting savings. Increased demand for LEDs made up for reduced savings from linear fluorescents.
- **Energy Trust made progress on metrics development for two of four core administrative processes**, as recommended in the 2014 Management Review. Initial metrics are nearly complete for improving project tracking in IT systems and increasing the efficiency, accuracy and customer satisfaction of internal procurement and payment processes. Staff will commence metrics development in a third area, customer information and customer services, in Q4. All four initial metrics are expected to be complete in Q1 2016.
- **To comply with state rules going into effect on January 1, 2016, in response to HB 2801**, Energy Trust worked with the Oregon Department of Energy and the Construction Contractors Board to enroll Energy Trust verifiers as Home Energy Assessors qualified to deliver EPS for

homes. Trade ally verifiers provide technical guidance and inspection to builders, ensuring that homes rated with the energy performance score save energy through energy-efficient windows, HVAC, appliances and weatherization.

- **Energy Trust was granted exceptions from the OPUC** under UM 551 criteria to continue to offer incentives for residential gas water heaters through 2016, and for ductless heat pumps and clothes washers on an ongoing basis.
- **After a competitive rebid of the Existing Multifamily program management contract in Q2**, the board approved Energy Trust's recommendation to select the incumbent Program Management Contractor, Lockheed Martin, to continue to deliver the program from 2016 through 2018, with two potential one-year extensions.
- **Energy Trust signed the Oregon Business Climate Declaration**, joining 400 business leaders in pledging to use energy efficiently, invest in cleaner fuels, advance renewable energy and reduce greenhouse gas emissions.

#### **D. Revenues and expenditures**

- **Revenue and expenditures are tracking close to budget through Q3.** As planned, revenue is significantly lower than last year at this time as the organization draws down reserves.
- **Overall revenue totaled \$34.6 million for Q3 2015**, about 7 percent more than what was budgeted. Revenue was slightly higher than predicted primarily due to increased HVAC use during an unusually hot summer.
- **Q3 expenditures totaled \$35.3 million**, of which \$18.1 million or 51 percent was for incentives.
- **Q3 electric efficiency expenditures** were 8 percent below budget.
- **Q3 gas efficiency expenditures** were 4 percent below budget.
- **Q3 renewable energy expenditures** were 3.5 percent over budget.

### III PROGRAM AND OPERATIONS ACTIVITY AND DETAIL<sup>5</sup>

#### A. Commercial sector highlights

- **The commercial sector—comprising the Existing Buildings program, New Buildings program and Existing Multifamily initiative—expects to exceed goals** in Pacific Power and Cascade Natural Gas territory, approach goal in PGE territory and fall short of goal in NW Natural territory.
- **Commercial sector savings were impacted by reduced demand** for Existing Buildings custom and prescriptive projects in PGE and NW Natural territories. The reduction is due to fewer large Existing Buildings projects occurring in the Portland Metro area and incentive levels that were too low compared to low retail gas costs to influence customers to pursue projects. In addition, Existing Multifamily saw less activity due to already having served much of the multifamily market in the Portland Metro area.
- **To address market barriers and help meet goals**, Existing Buildings and Existing Multifamily introduced new and increased incentives for select gas and dual-fuel measures.
- **Staff continued development of resources to help customers meet the City of Portland’s Energy Performance Reporting Policy** requirements, in collaboration with the city, utilities and NEEA. Resources include help desk support, ENERGY STAR Portfolio Manager® training and potential enhanced program offerings.
- **The sector completed 27 renovation projects, including four identified as deep retrofits** with upgrades to at least two major building systems.
- **Savings from Energy Trust investment in NEEA activities comprised approximately 4 percent** of the sector’s results in both PGE and Pacific Power territories. 2015 savings are anticipated from Building Operator Certifications, building code improvements and retro-commissioning, a process for improving the efficiency of existing equipment.

#### *Existing Buildings*

- **Lighting upgrades contributed the majority of electric savings** in Q3, including upgrades to LED streetlights in PGE territory. Custom and prescriptive projects also provided electric savings.
- **Prescriptive upgrades comprised more than 70 percent of gas savings** in Q3, such as upgrades to insulation and foodservice, grocery and HVAC equipment. Custom projects provided the remainder of gas savings.
- **Commercial Strategic Energy Management projects are expected to contribute savings in Q4** when participants complete this annual offering; however, savings will be limited due to lower enrollment and delay of one cohort to 2016. The program experienced recruitment challenges during transition to a new delivery contract structure.
- **To help achieve goals by year-end, the program raised incentives to make custom gas and dual-fuel projects more attractive for customers** given low costs of natural gas, and planned direct mail outreach to 10,000 NW Natural customers in Q4. In addition, Existing Buildings introduced direct installation of steam traps and modulating boiler burners, and encouraged trade allies to promote prescriptive insulation, boiler, water heater and fryer measures.

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<sup>5</sup>Tables summarizing Q3 activity by sector have been omitted due to reduced reporting resources resulting from recent staffing transitions. Tables will be added in future quarters when resources are expected to become available again.



- **Existing Buildings installed energy-efficient lighting at 200 small businesses** through a targeted offering providing up to 80 percent of lighting installation costs, zero-interest financing and a 5 percent discount for customers who pay upfront. Coordinated outreach with PGE and Pacific Power resulted in an additional 300 customers signing contracts for lighting installations.
- **In Q3, 270 small commercial customers purchased and installed discounted LEDs through a buy-down initiative** launched in 2014. Through this offering, incentives are paid directly to distributors rather than trade allies, and LEDs are installed by customers.
- **So far this year, the program provided approximately 1,400 advanced power strips** to help commercial customers save energy by turning off computers, monitors, printers and task lights when not in use. Staff expect to achieve the goal of delivering 2,500 advanced power strips by year-end.
- **Existing Buildings helped seven rural school districts** in Umatilla, Jefferson and Wasco counties identify energy-saving upgrades or SEM opportunities to implement in 2015 or 2016, in coordination with Oregon Department of Energy.
- **Expanded outreach in Central Oregon** successfully boosted projects and savings in Pacific Power and Cascade Natural Gas territories.

#### *Existing Multifamily*

- **Through Q3, installation of energy-saving LEDs, showerheads and faucet aerators** in dwelling units contributed approximately 70 percent of electric and gas savings. Common-area lighting and prescriptive tracks provided additional electric savings, and prescriptive and custom tracks offered additional gas savings. Following a long-term plan to diversify sources of savings, Existing Multifamily reduced the portion of savings from installation of energy-efficient products in dwelling units from more than 80 percent in Q2.
- **Following a successful pilot, outreach representatives began providing advanced power strips** to multifamily tenants along with free installation of the energy-saving products mentioned above. The advanced power strips save energy by turning off auxiliary devices, such as a DVD player when a television is not in use.
- **In July, the program began offering incentives for gas fireplaces in multifamily properties** and increased incentives for select gas upgrades, including gas furnaces and recirculation pumps.
- **To boost savings in Cascade Natural Gas territory**, regional outreach staff in place since Q1 targeted outreach to smaller properties as most of the large properties in the region have been engaged.

#### *New Buildings*

- **Ten distribution center projects contributed 40 percent of the program's electric savings**, with the balance of savings from multifamily market solutions projects and customers that complete projects shortly following enrollment, such as car dealerships. Distribution centers are warehouses that stock products to be distributed to retailers, wholesalers or consumers.
- **Gas savings consisted primarily of projects at four multifamily properties, three school districts** and a campus living project.
- **New Buildings helped customers save even more energy than expected** by adding more and deeper efficiency elements to projects.

- **New Buildings engaged customers to incorporate energy efficiency into fast-paced new construction** of multifamily buildings, distribution centers, retail buildings and restaurants. In the Portland Metro area, demand for multifamily housing is so high that units are often leased prior to completion of construction. Strong multifamily and distribution center construction is expected to continue into 2016.
- **Twenty percent more small customers enrolled compared to this time last year**, especially in the market solutions offering that helps small restaurant, grocery, multifamily, office, school and retail buildings less than 70,000 square feet achieve deeper energy savings with tailored pre-packaged incentives. While the majority of customers enrolled in Good or Better tiers, a school district in Cascade Natural Gas territory maximized energy savings and incentives by participating in the Best tier in Q3.
- **Projects with schools are expected to increase in 2016 when SB 447 will make \$125 million** in matching funds available to schools for maintenance and major renovation projects. The Oregon School Board Association expects up to 200 maintenance and major renovation projects in the next two years using SB 447 funds. In addition, the state also increased available funding for seismic upgrades to \$175 million, which can be leveraged by schools in maintenance and renovation projects that also address energy usage.
- **New Buildings enrolled 25 new trade ally businesses in 2015**, including 16 in Medford, Bend and Boise, Idaho.

## B. Industry and agriculture sector highlights

- **The industry and agriculture sector expects to exceed goal in NW Natural territory** and fall short of goals in all other utility territories due to completion of several large custom projects shifting to 2016 plus smaller customers participating in the industrial SEM offering.
- **To maximize savings in 2015, Program Delivery Contractors reached out to trade allies** and customers to encourage completion of fast-moving projects by year-end.
- **Savings from NEEA activities comprised approximately 1 percent and 2 percent** of the sector's results in PGE and Pacific Power territories. Though NEEA is winding down industrial sector market transformation efforts, prior work on motor rewinds—an economical and efficient approach to extending the life of a motor—and standards for efficient electric motors are expected to deliver limited savings in 2015.

### *Production Efficiency*

- **Custom projects remained the largest source of electric savings at 50 percent.** Lighting projects provided an additional 30 percent of electric savings and streamlined industrial track projects provided close to 20 percent.
- **Streamlined industrial track projects provided more than 60 percent of gas savings**, primarily from greenhouse projects. Custom projects provided the remainder.
- **Industrial SEM projects are expected to contribute electric and gas savings** when customers complete participation in this annual offer in Q4. Savings will be less than budgeted as more small companies participated in the SEM offering, with fewer savings per project. In addition, several large participants got off to a slow start and saved less than anticipated in their first year of SEM participation.
- **Production Efficiency completed the 3,000th streamlined track project** since inception of the offering in 2008. Streamlined projects are trade ally-delivered projects at small and large

industrial sites, and can include prescriptive and calculated upgrades to irrigation, small compressed air and variable frequency drives.

- **The trend toward more, smaller lighting projects continued**, with 450 lighting projects expected to complete by year-end. Strong interest in lighting projects is attributed to increasing popularity of LEDs, plus marketing efforts and cross-promotion of program offerings through PDCs.
- **In Q3, Production Efficiency increased incentives for greenhouse projects**, including thermal curtains and greenhouse controllers, and launched a new condensing unit heater prescriptive incentive. Program representatives promoted incentives at the Farwest Show, the largest nursery industry convention on the west coast.
- **The program educated customers about LED lighting at events in Medford and Portland**, resulting in 22 project leads. Following the Medford event, staff hosted a session on controls, motors and variable frequency drives.
- **Testing a new approach to trade ally outreach, staff hosted two networking events** pairing experienced trade allies with prospective or less active trade allies to share information about promoting energy-efficiency upgrades.

### C. Residential sector highlights

- **Residential sector savings—comprising Existing Homes, New Homes and Products programs—are expected to exceed or meet goals** in all utility territories. New Homes exceeded expectations for gas savings while Products saved more electricity than anticipated.
- **The sector developed strategies to increase efficiency and cross-program collaboration** by identifying measures that can be promoted across programs, such as advanced power strips, water heaters and smart thermostats. For example, Existing Homes staff worked with smart thermostat manufacturer Nest to understand the market and develop an incentive to launch and be promoted by all residential programs in Q4. In addition, Existing Homes field staff promoted awareness of New Homes offerings outside of the Portland Metro area.
- **Savings from NEEA activities comprised approximately 19 percent** of the sector's savings in both PGE and Pacific Power territories. 2015 savings are expected from a new standard for battery chargers, residential building code improvements, energy-efficient televisions, ductless heat pumps and heat pump water heaters.

#### *Existing Homes*

- **Energy-efficient products provided through kits comprised the majority of electric and gas savings.** LEDs, showerheads and faucet aerators were delivered by request through Energy Saver Kits and provided to sixth-grade school students for installation at home through Energy Trust's LivingWise Kits and curriculum. As planned, kits are expected to represent a smaller portion of the program's savings by year-end, compared to prior years.
- **HVAC upgrades—such as ductless heat pumps, heat pumps and heat pump commissioning—provided additional electric savings**, followed by weatherization and water heating upgrades.
- **Weatherization, gas hearths and gas furnaces supplied additional gas savings.**

- **Energy Trust completed 136 residential deep retrofits<sup>6</sup>**, including Home Performance with ENERGY STAR and Enhabit (formerly Clean Energy Works) projects. Reduced demand for weatherization upgrades is attributed to mild weather and modified requirements to meet cost-effectiveness thresholds.
- **Successful promotions increased installation of gas hearths compared to last year**, while savings from weatherization upgrades and Home Performance with ENERGY STAR upgrades have declined.
- **Demand for gas furnace upgrades in single-family rental properties doubled expectations** since incentives were launched in late 2014.
- **Existing Homes launched a new financing and on-bill loan repayment option** for PGE customers installing heat pumps, in collaboration with PGE and Craft3.
- **Staff collaborated with Community Action Partnership of Oregon to ensure low- and moderate-income residents** are aware of income-qualified energy-saving programs provided through Energy Trust and community action agencies, including Energy Trust's enhanced Savings Within Reach incentives.
- **Outreach staff engaged with homeowners and promoted online Home Energy Reviews** at five Trail Blazer Rip City Relay events in Klamath Falls, Medford, Roseburg, Albany and Woodburn.
- **Existing Homes engaged with upstream market actors to understand the market and encourage sales of more efficient products**, including gas fireplace retailers and heat pump and water heater distributors.

#### *New Homes*

- **Construction of new EPS homes provided almost all of the program's electric savings**, with a small remainder of savings from individual equipment installations. Builders can receive cash incentives for new homes constructed to EPS requirements, indicating low energy consumption, utility costs and carbon footprint.
- **Market transformation accounted for approximately two-thirds of gas savings**, with the remaining one-third from EPS new homes. Air sealing contributed a very small portion of gas savings.
- **EPS homes achieved 33 percent market penetration**, and the program engaged thriving new construction markets in urban areas, including Portland, the Willamette Valley and Bend. Approximately 85 percent of new homes submitted to Energy Trust are heated with gas.
- **To boost engagement and savings in rural areas with lower new home construction rates**, New Homes increased outreach to builders, subcontractors and distributors to promote installation of energy-efficient equipment. In addition, staff contacted permit issuing offices to identify qualified projects and tapped verifiers to provide additional technical guidance and support for these opportunities.
- **Following outreach, EPS new homes were featured prominently on home tours** around the state, including all homes in the NW Natural Street of Dreams tour in Lake Oswego, all homes in

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<sup>6</sup>Energy Trust defines residential deep retrofits as achieving a 20 percent or greater reduction in heating load through two or more weatherization or heating improvements installed at the same time. Many additional customers achieve whole-home savings through installation of a series of single upgrades over a period of months or years.

the Bend Green Tour, 22 homes in the Central Oregon Builders Association Tour of Homes™ and 19 homes in the Lane County Tour of Homes.

- **New Homes continued to support the Columbia Basin Student Homebuilder Program** through onsite training for 14 Hermiston High School students featuring EPS, building science fundamentals, thermodynamics, insulation, air sealing and duct sealing. Earlier this year, the first student-built EPS home completed construction and was sold, with proceeds used to fund the next student-built project.
- **In Q3, the program began providing incentives for showerheads** installed in newly constructed homes.
- **Through Q3, New Homes provided trainings for 1,000 real estate brokers**, with 29 more trainings scheduled through year-end. Real estate allies help customers search for energy-efficient newly built or existing homes.

#### *Products*

- **Retail lighting purchases provided more than 80 percent of electric savings**, primarily from LEDs, followed by refrigerator and freezer recycling, lighting and showerheads given away at events, appliances purchased and products installed in new manufactured homes.
- **Appliance purchases contributed one-half of gas savings**, with an additional quarter from showerheads given away at events. Showerhead purchases provided the remainder of savings, in addition to a small amount from new manufactured homes. A delay in recognizing many showerheads in Energy Trust systems greatly reduced the number of savings from showerheads in Q3, and showerheads are expected to contribute the majority of gas savings when savings are recognized in Q4.
- **LED sales continued to grow, supported by Energy Trust incentives and education**, improving technology, declining prices, marketplace competition and ENERGY STAR certification for new products. Retailers devoted less shelf space to CFLs than anticipated, and several large retailers including Walmart and Costco announced that they will sell LEDs exclusively beginning in 2016 or 2017.
- **To boost low retail showerhead sales, the program raised incentives**, increased marketing efforts, expanded the selection of showerheads at The Home Depot, ran a limited-time online promotion and reached out to water conservation agencies to distribute free showerheads in Q4. Sales have shifted from showerheads that allow 1.5 gallons of water per minute to those that allow 1.75 or 2.0 gallons per minute as customers prefer faster water flow; however, these faster-flowing showerheads save less energy.
- **The program collaborated with community service providers to serve hard-to-reach customers.** For example, Products provided more than 4,000 free kits featuring lighting and water-saving devices to 23 social service agencies serving low-income customers in 2015, including new collaborations with agencies in Mill City, Redmond, Salem, Stayton and Portland. The program also provided 2,300 showerheads to nine water bureaus and districts, including in Prineville, Madras, Otis, Stayton and the Portland Metro area.
- **The program sold 2,500 light bulbs and 420 showerheads through 15 mobile retail events** around the state, including in Bend and Portland.

## D. Renewable energy sector highlights

- **The renewable energy sector, comprising Solar and Other Renewables programs,** exceeded expectations, driven by continued strong demand for standard solar installations and completion of three Other Renewables projects earlier in the year.
- **Available funds were transferred from Other Renewables to Solar to support as many solar installations** as possible while customer interest is high.
- **Staff observed that OPUC Docket UM 1734—regarding reducing qualifying facility contract terms and lowering eligibility caps—is creating uncertainty for potential project owners.** Some are quickly pursuing project development assistance while others who previously received project development assistance are not pursuing further development pending resolution of the docket.

### *Solar*

- **The program paid incentives for 1,100 solar installations through Q3, a 50 percent increase** compared to last year at this time.
- **Strong solar generation was driven by decreasing solar costs, Energy Trust advertising and incentives, and the impending expiration of the federal Investment Tax Credit** at the end of 2016. The majority of Q3 generation was from residential projects in PGE territory.
- **Record-high interest in solar installations is expected to continue into 2016,** even with incentives for PGE customers reduced by 10 percent in Q3. Periodic incentive reductions allow the program to adjust to market changes and support more solar installations when customer interest is high.
- **Solar completed a 150-kilowatt installation at the Oregon Military Department's Pendleton Army Air Support Facility,** which also received funding from Pacific Power's Blue Sky<sup>SM</sup> customers.
- **The program provided an incentive for the completion of the City of Beaverton's 421-kW net-metered installation at Sexton Mountain.** Selected through a competitive solicitation for solar projects in 2013, this is the first custom solar incentive paid since 2012.
- **Energy Trust won the Interstate Renewable Energy Council 3iAward** for innovation, ingenuity and inspiration for the Solar program's soft cost reduction initiative, a multiyear plan to help make solar energy more affordable for customers and reduce costs for Oregon solar businesses.
- **Staff supported a ribbon-cutting ceremony to celebrate completion of six solar installations at Portland Public Schools this year,** marking the district's 25th solar installation.

### *Other Renewables*

- **In 2015, 14 irrigation districts signed up for irrigation system assessments** through Energy Trust's irrigation modernization initiative with Farmers Conservation Alliance, well exceeding the goal of four assessments. The two-year collaborative irrigation modernization strategy leverages the wide range of benefits irrigation modernization projects can provide, including energy generation, energy and water savings and investment in rural communities.
- **In Q3, staff committed project development assistance to one biogas, one geothermal and five hydropower projects,** more than committed at this time last year. Project development assistance for studies, permit applications and engineering helps projects move through early-stage development and creates a pipeline of projects to apply for installation incentives.

- **Demonstrating the effectiveness of project development assistance**, two former hydropower recipients went on to install projects in Q3. The projects were able to move forward with the owners electing not to apply for Energy Trust installation incentives so they could claim all Renewable Energy Certificates.
- **Staff conducted a workshop for 10 breweries and distillers interested in cooperative anaerobic digestion of fermentation waste**, which could generate biopower while reducing costs and avoiding discharge of brewery waste into sewer systems.
- **Other Renewables committed \$60,000 to install an 11-kW hydropower project at a ranch in Wallowa County**. Completion is expected in summer 2016 and the project is estimated to generate approximately 80,000 kWh per year to offset energy use from an auto repair business operated by the ranch.
- **Providing industry leadership and expertise, staff presented at two conferences**, the HydroVision international hydropower conference in Portland and the Oregon Association of Clean Water Agencies conference in Bend.

## E. Highlights of internal operations

### *Communications*

- **Received 211,455 website visits in Q3 2015, an 11 percent increase** compared to the 190,727 visits in Q3 2014. Solar program marketing was the biggest driver of web traffic, accounting for 13 percent of all visitors.
- **Distributed 12 press releases in Q3**, featuring results from the 2014 Public Annual Report, energy upgrades at a nonprofit cultural center in Eastern Oregon, Center Oregon Builders Association Tour of Homes and Energy Trust's new online lighting tool.
- **Garnered 107 news stories about Energy Trust programs and services** with a media value of \$27,000—what it would have cost to purchase the equivalent advertising space and air time—as a result of media outreach and responses to reporter inquiries.
- **Launched a website and social media campaign to promote the Path to Net Zero offering** for New Buildings customers.

### *Customer service*

- **Received 5,494 calls to the customer hotline, 15 percent fewer** than the 6,434 received in Q3 2014. The majority of calls were from residential customers.
- **Received 482 email inquiries to info@energytrust.org**, on par with the 487 emails received in Q3 2014.
- **Received and addressed five complaints**, compared to one in Q3 2014, representing less than one-tenth of one percent of all calls and email inquiries received in the quarter.
- **Aligned the process for developing forms** with bi-weekly web design updates to enable easier and more accurate updates as technology and program strategies evolve.

### *Trade and program allies*

- **Added 67 new allies to the network**, including 62 trade allies, four design allies and one real estate ally.
- **Provided 84 trade allies with business development funds** to support marketing and training.

- **Helped 60 trade allies participate in cooperative advertising opportunities** with Energy Trust's first comprehensive business advertising campaign to encourage all sizes and types of commercial and industrial businesses to invest in energy efficiency.

#### *General outreach*

- **Developed stakeholder relationships through attendance at events and meetings**, including Coastal Caucus, Greater Portland Inc., Portland Business Association, Westside Economic Alliance, Oregon Wave Energy Trust, Solar Now, EV Roadmap, League of Oregon Cities, Pendleton Progress Board, Snake River Valley Economic Development Alliance, Meyer Memorial Trust focus group for environmental and energy nonprofits in Eastern Oregon, and South Coast Development Council's targeted outreach to the City of Coquille.
- **Collaborated with Pacific Power to host residential outreach efforts in Cave Junction** and other rural communities in Southern and Eastern Oregon.
- **Presented on rural energy-efficiency and renewable energy opportunities to AmeriCorps Resource Assistance to Rural Environments volunteers** working in 22 rural Oregon communities, including Brookings, Klamath Falls, Roseburg, La Grande and Tillamook.
- **Provided information and expertise as a panel speaker at an energy forum in Hood River** hosted by State Representative Mark Johnson.
- **Presented Energy Trust offerings to wastewater treatment system owners**, developers and engineers at an Oregon Water and Wastewater workshop in Klamath Falls.
- **Connected with manufactured home park housing providers** and attended a regional manufactured home park transition workshop.

#### *IT*

- **Continued investments in foundational IT system improvements** to help anticipate program needs and reduce future costs, including:
  - **Launched the final two releases of Project Tracking**, a new web-based system for tracking customer projects and payment information, and retired the former FastTrack system. Project Tracking allows Energy Trust and PMC users to easily access more information and offers greater flexibility to meet changing business needs.
  - **Tested a new solution for authorized users working remotely**. This new solution will improve security and user experience, especially for users of the Apple iOS operating system.
  - **Enhanced several forms in the Customer Relationship Management system** to streamline data entry and provide a more comprehensive view of site activities.
- **Improved Energy Trust's managed account report for utilities**, which provides utilities with information to facilitate coordination of Energy Trust's work with large customers.
- **Completed development of an improved data entry form integrated with Project Tracking**, which enables faster and more data entry of paper-based incentive applications.

#### *Planning and evaluation*

- **Updated avoided cost tools using new data from utilities and new hourly load shape data** from the Northwest Power and Conservation Council, resulting in higher avoided costs during winter and summer periods of peak power use and lower avoided costs for non-peak power times.



- **Created and updated measure engineering analysis** driven by updates to avoided costs, new cost curve profiles and preparation for 2016 measure changes, including revisions resulting from energy-efficiency code and standard changes.
- **Created 149 new energy-efficiency measures and revised 98 measures**, including noteworthy new measures for load-sensing advanced power strips and clothes washer recycling.
- **Presented gas fireplace market research to the Conservation Advisory Council and NEEA.**
- **Completed and posted three evaluations and market studies** on the Energy Trust website:
  - Production Efficiency Market Research Among Smaller Manufacturers
  - Energy Trust New Buildings Program 2013-2014 Process Evaluation Report
  - Study on the Residential Market Valuation of EPS and Solar PV in the Greater Portland and Bend, Oregon Markets
- **Completed a survey of the energy-efficiency potential of water well pump repairs** in the Mosier area.
- **Provided reports to the board of directors**, including a report on market indicators and a report comparing Integrated Resource Plan targets and savings goals.
- **Contributed to two American Council for an Energy-Efficient Economy reports**, the Jobs and Energy Efficiency report and the State Energy Scorecard.

## IV REVENUE AND EXPENDITURE TABLES<sup>7</sup>

### A. Revenues

Source	Q3 actual revenues received	Q3 budgeted revenues
Portland General Electric	\$ 9,474,129	\$ 8,813,301
PGE incremental	\$ 10,627,339	\$ 9,206,089
Pacific Power	\$ 6,912,903	\$ 6,839,620
Pacific Power incremental	\$ 5,231,174	\$ 4,976,932
Cascade Natural Gas	\$ 97,789	\$ 172,234
NW Natural	\$ 1,249,838	\$ 1,254,590
NW Natural Industrial DSM	\$ 1,026,144	\$ 999,140
<b>Total</b>	<b>\$ 34,619,315</b>	<b>\$ 32,261,906</b>

Incremental revenues are those authorized under SB 838 to support capturing additional cost-effective electric efficiency savings above the amount supported by funding through SB 1149.

### B. Expenditures

Type	Q3 actual expenditures	Q3 budgeted expenditures
Energy efficiency programs	\$ 30,095,980	\$ 32,429,983
Renewable energy programs	\$ 3,753,201	\$ 3,615,887
Administration	\$ 1,417,314	\$ 1,608,986
<b>Total</b>	<b>\$ 35,266,495</b>	<b>\$ 37,654,856</b>

Source	Q3 actual expenditures	Q3 budgeted expenditures
Portland General Electric	\$ 19,521,631	\$ 19,949,734
Pacific Power	\$ 11,048,062	\$ 12,788,843
Cascade Natural Gas	\$ 497,575	\$ 446,560
NW Natural	\$ 3,730,861	\$ 3,815,148
NW Natural Industrial DSM	\$ 468,365	\$ 654,571
<b>Total</b>	<b>\$ 35,266,495</b>	<b>\$ 37,654,856</b>

### C. Incentives paid

Quarter	Energy efficiency				Renewable energy		Total
	PGE	Pacific Power	NW Natural	Cascade Natural Gas	PGE	Pacific Power	
Q1	\$ 3,622,453	\$ 2,051,460	\$ 991,270	\$ 97,245	\$ 1,596,961	\$ 649,081	\$ 9,008,469
Q2	\$ 10,041,800	\$ 7,269,604	\$ 2,257,203	\$ 188,473	\$ 2,477,706	\$ 911,363	\$ 23,146,150
Q3	\$ 8,592,019	\$ 4,291,955	\$ 2,042,556	\$ 223,411	\$ 1,966,264	\$ 1,022,738	\$ 18,138,944
<b>Total</b>	<b>\$ 22,256,272</b>	<b>\$ 13,613,020</b>	<b>\$ 5,291,029</b>	<b>\$ 509,129</b>	<b>\$ 6,040,930</b>	<b>\$ 2,583,183</b>	<b>\$ 50,293,563</b>

<sup>7</sup>Columns may not total due to rounding.

## V SAVINGS AND GENERATION TABLES<sup>8, 9, 10, 11</sup>

### A. Progress toward annual efficiency and generation goals

	YTD expenditures	YTD savings/ generation	Energy Trust annual goal	Percent achieved
Electric savings	\$ 78,360,814	23.70 aMW	53.12 aMW	45%
Natural gas savings	\$ 12,720,797	2.2 million therms	5.6 million therms	39%
Electric generation	\$ 11,077,164	2.89 aMW	3.47 aMW	83%

### B. Progress toward annual efficiency goals by utility

	YTD expenditures	YTD savings	Energy Trust annual goal	Percent achieved	Annual IRP target	Percent achieved
Portland General Electric	\$ 47,668,815	14.4 aMW	33.2 aMW	43%	33.8 aMW	43%
Pacific Power	\$ 30,691,999	9.3 aMW	19.9 aMW	47%	19.1 aMW*	48%
NW Natural	\$ 11,509,015	2.0 million therms	5.2 million therms	39%	4.6 million therms	43%
Cascade Natural Gas	\$ 1,211,782	189,788 therms	433,020 therms	44%	514,597 therms	37%

\*Pending approval from OPUC

### C. Electric efficiency savings and expenditures

Q3 electric efficiency savings	PGE (aMW)	Pacific Power (aMW)	Total savings (aMW)	Expenses
Commercial	1.9	1.1	3.0	\$ 11,856,533
Industrial	1.6	0.7	2.3	\$ 6,489,985
Residential	2.0	1.4	3.4	\$ 8,312,828
<b>Total electric efficiency programs</b>	<b>5.5</b>	<b>3.2</b>	<b>8.6</b>	<b>\$ 26,659,346</b>

### D. Gas efficiency savings and expenditures

Q3 gas efficiency savings	NW Natural (thm)	Cascade Natural Gas (thm)	Total savings (thm)	Expenses
Commercial	270,221	17,904	288,125	\$ 1,441,465
Industrial	206,429	6,997	213,426	\$ 594,891
Residential	321,565	34,654	356,219	\$ 2,660,445
<b>Total gas efficiency programs</b>	<b>798,214</b>	<b>59,555</b>	<b>857,769</b>	<b>\$ 4,696,802</b>

<sup>8</sup>Columns may not total due to rounding.

<sup>9</sup>Electric savings also include transmission and distribution savings.

<sup>10</sup>The gas savings do not include results for NW Natural in Washington. These results are reported in Appendix 4.

<sup>11</sup>Energy Trust reports 100 percent of generation and capacity for renewable energy installations supported by Energy Trust's cash incentives. While some of these projects have additional sources of funding, Energy Trust enabled project completion.

## E. Renewable energy generation and expenditures

Q3 renewable energy generation	PGE (aMW)	Pacific Power (aMW)	Total generation (aMW)	Expenses
Other Renewables program	0.00	0.00	0.00	\$ 795,832
Solar Electric program	0.31	0.14	0.45	\$ 3,114,515
<b>Total renewable energy programs</b>	<b>0.31</b>	<b>0.14</b>	<b>0.45</b>	<b>\$ 3,910,348</b>

## F. Energy efficiency savings and expenditures by program<sup>12</sup>

### 1. Total energy efficiency savings and expenditures

	Q3 Savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	8.6 aMW	23.7 aMW	53.1 aMW	45%
Gas	857,769 therms	2.2 million therms	5.6 million therms	39%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 26,659,346	\$ 2,302,392	7.9%	\$ 78,360,814	\$ 2,511,156	3.1%
Gas	\$ 4,696,802	\$ 219,477	4.5%	\$ 12,720,797	\$ 554,342	4.2%
<b>Total</b>	<b>\$ 31,356,147</b>	<b>\$ 2,521,869</b>	<b>7.4%</b>	<b>\$ 91,081,610</b>	<b>\$ 3,065,498</b>	<b>3.3%</b>

### 2. Existing Buildings savings and expenditures

	Q3 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	2.3 aMW	6.3 aMW	15.2 aMW	41%
Gas	167,773 therms	467,626 therms	2.2 million therms	21%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 9,080,863	\$ (300,367)	-3.4%	\$ 25,551,434	\$ (1,900,813)	-8.0%
Gas	\$ 1,023,493	\$ 466,153	31.3%	\$ 2,732,280	\$ 1,176,954	30.1%
<b>Total</b>	<b>\$ 10,104,356</b>	<b>\$ 165,786</b>	<b>1.6%</b>	<b>\$ 28,283,714</b>	<b>\$ (723,859)</b>	<b>-2.6%</b>

- Gas spending was lower than expected because few gas projects completed in NW Natural territory. In addition, the program invested in studies for custom projects that will result in savings in Q4 2015 or 2016.

<sup>12</sup>Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

### 3. New Buildings savings and expenditures

	Q3 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	0.5 aMW	2.3 aMW	4.1 aMW	57%
Gas	120,351 therms	293,179 therms	396,086 therms	74%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 2,176,458	\$ 499,410	18.7%	\$ 7,563,925	\$ (349,836)	-4.8%
Gas	\$ 408,842	\$ (98,050)	-31.5%	\$ 902,799	\$ (76,042)	-9.2%
<b>Total</b>	<b>\$ 2,585,300</b>	<b>\$ 401,360</b>	<b>13.4%</b>	<b>\$ 8,466,725</b>	<b>\$ (425,878)</b>	<b>-5.3%</b>

- New Buildings spent more than budgeted in Q3 as several gas projects expected to close in Q4 completed early.

### 4. Production Efficiency savings and expenditures

	Q3 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	2.2 aMW	5.2 aMW	15.3 aMW	34%
Gas	213,426 therms	271,798 therms	1.1 million therms	26%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 6,408,881	\$ (677,653)	-11.8%	\$ 17,299,795	\$ (1,482,770)	-9.4%
Gas	\$ 594,891	\$ 37,903	6.0%	\$ 1,316,847	\$ 287,799	17.9%
<b>Total</b>	<b>\$ 7,003,772</b>	<b>\$ (639,750)</b>	<b>-10.1%</b>	<b>\$ 18,616,642</b>	<b>\$ (1,194,971)</b>	<b>-6.9%</b>

### 5. Existing Homes savings and expenditures

	Q3 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	0.6 aMW	2.6 aMW	4.7 aMW	55%
Gas	115,329 therms	495,036 therms	878,334 therms	56%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 2,984,872	\$ 1,420,065	32.2%	\$ 10,224,566	\$ 2,395,321	19.0%
Gas	\$ 1,322,205	\$ (212,115)	-19.1%	\$ 3,981,037	\$ (718,611)	-22.0%
<b>Total</b>	<b>\$ 4,307,077</b>	<b>\$ 1,207,949</b>	<b>21.9%</b>	<b>\$ 14,205,602</b>	<b>\$ 1,676,711</b>	<b>10.6%</b>

- Electric spending was impacted by delays in recognizing Energy Saver Kits in Energy Trust systems. Spending is expected to align with savings when these kits are recorded in Q4.

## 6. New Homes and Products savings and expenditures

	Q3 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	1.7 aMW	5.1 aMW	8.9 aMW	58%
Gas	240,890 therms	661,149 therms	1.1 million therms	62%

Includes gas market transformation savings associated with the 2008 and 2011 residential code changes.

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 4,452,144	\$ 987,291	18.2%	\$ 12,868,070	\$ 3,737,636	22.5%
Gas	\$ 1,317,666	\$ (94,844)	-7.8%	\$ 3,586,346	\$ (320,851)	-9.8%
<b>Total</b>	<b>\$ 5,769,810</b>	<b>\$ 892,447</b>	<b>13.4%</b>	<b>\$ 16,454,417</b>	<b>\$ 3,416,785</b>	<b>17.2%</b>

## 7. Northwest Energy Efficiency Alliance savings and expenditures<sup>13</sup>

	Q3 savings	YTD savings	Annual energy target
Commercial	0.1 aMW	0.3 aMW	1.0 aMW
Industrial	0.0 aMW	0.1 aMW	0.1 aMW
Residential	1.1 aMW	1.8 aMW	3.7 aMW
<b>Total</b>	<b>1.2 aMW</b>	<b>2.2 aMW</b>	<b>4.8 aMW</b>

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Commercial	\$ 608,343	\$ 163,790	21.2%	\$ 1,764,044	\$ 361,994	17.0%
Industrial	\$ 81,103	\$ (37,089)	-84.3%	\$ 362,663	\$ (243,573)	-204.5%
Residential	\$ 896,385	\$ 367,376	29.1%	\$ 2,927,803	\$ 198,289	6.3%
<b>Total</b>	<b>\$ 1,585,831</b>	<b>\$ 494,077</b>	<b>23.8%</b>	<b>\$ 5,054,510</b>	<b>\$ 316,710</b>	<b>5.9%</b>

- Energy Trust works with NEEA to estimate quarterly and total annual spending by sector. Quarterly spending estimates were based on the best information available at the time; however, actual billing has been higher in the industrial sector and lower in the commercial and residential sectors. Overall spending is in line with our expectations.

## G. Renewable energy generation and expenditures by program<sup>14</sup>

### 1. Total renewable energy generation and expenditures

	Q3 generation	YTD generation	Energy Trust annual goal	Percent achieved YTD
Electric	0.4 aMW	2.9 aMW	3.5 aMW	83%

<sup>13</sup>Energy Trust allocated budget to NEEA for gas market transformation activities. While there were no associated savings in Q3, savings are expected in subsequent quarters.

<sup>14</sup>Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 3,910,348	\$ (133,508)	-3.5%	\$ 11,077,164	\$ (847,322)	-8.3%

## 2. Solar generation and expenditures

	Q3 generation	YTD generation	Energy Trust annual goal	Percent achieved YTD
Electric	0.4 aMW	1.1 aMW	1.5 aMW	76%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 3,114,515	\$ (587,351)	-23.2%	\$ 8,373,336	\$ (1,781,798)	-27.0%

## 3. Other Renewables generation and expenditures

	Q3 generation	YTD generation	Energy Trust annual goal	Percent achieved YTD
Electric	0.0 aMW	1.8 aMW	2.0 aMW	89%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 795,832	\$ 453,844	36.3%	\$ 2,703,828	\$ 934,476	25.7%

- Other Renewables spent less than expected because a hydropower project at Farmers Irrigation District expected to complete in Q3 was not processed in Energy Trust systems until early Q4. Spending will align with generation by year-end.

## H. Incremental utility SB 838 expenditures<sup>15</sup>

Utility	2015 Q3 SB 838 Expenditures		YTD SB 838 Expenditures	
Portland General Electric	\$	219,369	\$	593,093
Pacific Power	\$	349,929	\$	827,919
<b>Total</b>	<b>\$</b>	<b>569,298</b>	<b>\$</b>	<b>1,421,012</b>

<sup>15</sup>Reflects expenditures by Pacific Power and PGE in support of utility activities described in SB 838. Reports detailing these activities are submitted annually to the OPUC.

## APPENDIX 1: CUSTOMER SATISFACTION

From the beginning of June 2015 through the beginning of August 2015, Energy Trust delivered a short telephone survey to 723 randomly selected participants who completed projects in five programs between April and June 2015. Below are results from Fast Feedback surveys of these customers. The survey asked participants about overall satisfaction with Energy Trust. Satisfaction rates for Q2 2015 remained consistent with past quarters. Participants in the Existing Buildings, Production Efficiency and Solar programs were also asked about satisfaction with program representatives.<sup>16</sup>

### Q2 2015 customer satisfaction results

Program	Respondent count	Percent satisfied overall	Percent satisfied with program representative
Existing Buildings, including Existing Multifamily	64	94%	97%
Production Efficiency	47	96%	95%
Products	208	95%	N/A
Existing Homes	340	87%	N/A
Solar <sup>17</sup>	64	95%	N/A <sup>18</sup>

New Buildings projects often involve numerous market actors (architect, engineer, developer, owner and more) at different project stages, so it is difficult to reach a project representative who is able to respond to questions about satisfaction. Satisfaction with the New Buildings program is obtained from interviews with program participants as part of annual program process evaluations. In the 2014 process evaluation, conducted in early 2015, 37 New Buildings project owners or representatives were surveyed about their overall program satisfaction and satisfaction with communications with program representatives. Of participants surveyed, 97 percent were satisfied with their overall program experience. Satisfaction with program representatives was at 100 percent.

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<sup>16</sup>Since residential customers have varying degrees of interaction with program representatives (many may not have any interaction), and because it is not possible to identify customers who did have interaction to survey, residential customers are not questioned on this topic.

<sup>17</sup>Customers who installed solar using a third party are not surveyed.

<sup>18</sup>Only commercial solar customers are surveyed about satisfaction with program representatives. In Q2 2015, four commercial solar customers were surveyed; three were satisfied with the interaction with program representatives and one responded that the question was "not applicable."



## APPENDIX 2: OPUC 2015 PERFORMANCE MEASURES AND 2014 BENEFIT/COST RATIOS

### 1. 2015 OPUC performance measures

Following are the 2015 performance measures established by the OPUC for Energy Trust. Comparison of 2015 performance against these measures will be reported in the 2015 Annual Report.

Category	Measures
Electric efficiency	<p>PGE:</p> <ul style="list-style-type: none"> <li>Obtain at least 28.2 aMW</li> <li>Levelized cost not to exceed 3.6 cents/kWh</li> </ul> <p>Pacific Power:</p> <ul style="list-style-type: none"> <li>Obtain at least 16.9 aMW</li> <li>Levelized cost not to exceed 3.6 cents/kWh</li> </ul>
Natural gas efficiency	<p>NW Natural:</p> <ul style="list-style-type: none"> <li>Obtain at least 4.4 million annual therm savings</li> <li>Levelized cost not to exceed 37 cents/therm</li> </ul> <p>Cascade Natural Gas:</p> <ul style="list-style-type: none"> <li>Obtain at least 0.41 million annual therm savings</li> <li>Levelized cost not to exceed 41 cents/therm</li> </ul>
Renewable energy	<ul style="list-style-type: none"> <li>For project and market development assistance report annual results, including number of projects supported, milestones met and documentation of results from market and technology perspective</li> <li>Obtain at least 1.1 aMW of installed generation of net-metered standard projects including solar and small wind</li> <li>For non-solar custom projects, the three-year rolling average incentive is not to exceed \$25/allocated MWh</li> <li>For innovative and custom solar projects, report sources of funding for projects and the selection criteria</li> </ul>
Financial integrity	<ul style="list-style-type: none"> <li>Receive an unmodified financial opinion from an independent auditor on annual financial statements</li> </ul>
Administrative/program support costs	<ul style="list-style-type: none"> <li>Keep below 8 percent of annual revenues</li> </ul>
Staffing	<ul style="list-style-type: none"> <li>Total staffing expenditures will not exceed 7.75 percent of total organization expenditures calculated on a three-year rolling average for public purpose funded activities in Oregon</li> </ul>
Customer satisfaction	<p>Demonstrate greater than 85 percent satisfaction rates for:</p> <ul style="list-style-type: none"> <li>Interaction with program representatives</li> <li>Overall satisfaction</li> </ul>
Benefit/cost ratios	<ul style="list-style-type: none"> <li>Report both utility system and total resource perspective</li> <li>Report significant mid-year changes as necessary in quarterly reports</li> </ul>
NEEA and market transformation	<p>Report annually:</p> <ul style="list-style-type: none"> <li>New opportunities that have surfaced in last 12 months and what was the response</li> <li>Ideas rejected by NEEA Regional Portfolio Advisory Committee in last 12 months</li> <li>Results of the take-stock analysis of the budget and opt-in programs</li> <li>Mid-course corrections that occur in programs</li> </ul>

## 2. 2014 benefit cost ratios

The following benefit/cost ratios were calculated for and published in Energy Trust's 2014 Annual Report to the OPUC, which requires their publication as one element of its performance oversight. OPUC also requires Energy Trust to report significant mid-year changes in quarterly reports. Energy Trust has no significant changes to report at this time.

<b>Program</b>	<b>Combined Utility Cost Test benefit cost ratio</b>	<b>Combined Total Resource Cost Test benefit cost ratio</b>
New Homes and Products	2.0	1.7
Existing Homes	2.0	2.5
Existing Buildings, including Existing Multifamily	2.5	1.7
New Buildings	3.0	1.9
Production Efficiency	3.3	2.0

## **APPENDIX 3: PROGRESS TO 2015-2019 STRATEGIC PLAN GOALS; CUMULATIVE AND TOTAL ANNUAL RESULTS**

### **Progress to 2015-2019 Strategic Plan goals**

- **Energy Trust saved 10 percent of the Strategic Plan electric goal of 240 aMW** since the start of Energy Trust's 2015-2019 Strategic Plan.
- **Energy Trust saved 9 percent of the Strategic Plan gas goal of 24 million annual therms** since the start of Energy Trust's 2015-2019 Strategic Plan.
- **Energy Trust generated 29 percent of the Strategic Plan renewable generation goal of 10 aMW** since the start of Energy Trust's 2015-2019 Strategic Plan.

### **Cumulative and total annual results**

- **Total annual savings of 517 aMW** have been realized since electric efficiency programs began in 2002, equivalent to the annual electric consumption of approximately 400,000 Oregon homes. This total includes 22 aMW of savings from self-direct customers.
- **Total annual savings of 40.9 million annual therms** have been realized since gas efficiency programs began in 2003, equivalent to providing gas heat to approximately 80,000 Oregon homes.
- **Total annual renewable energy generation of 118 aMW** has been installed since 2002, equivalent to powering approximately 91,000 Oregon homes.
- **Through 2014, air quality improvements stemming from Energy Trust investments have kept more than 14.6 million tons of carbon dioxide out of the atmosphere**, the equivalent of removing more than 2.5 million cars from Oregon roads for one year.

## APPENDIX 4: Q3 2015 REPORT ON ACTIVITIES FOR NW NATURAL IN WASHINGTON

July 1 through September 30, 2015

This quarterly report covers the period July 1 through September 30, 2015. This report addresses progress toward 2015 goals for the NW Natural energy-efficiency program in Washington. It includes information on expenditures, gas savings, projects completed and incentives paid during the quarter and year to date.

### I. PROGRAM SUMMARY

#### A. General

- **Energy Trust saved 28,804 annual therms in Q3 2015**—including 8,707 annual therms in Existing Homes, 16,441 annual therms in New Homes and Products and 3,656 annual therms in Existing Buildings. Savings in Q3 2015 were 21 percent lower than savings in Q3 2014, primarily due to lower-than-expected completion of Existing Buildings projects.
- **Year-to-date savings were about 32 percent of Energy Trust's annual goal** of 257,063 therms, which roughly aligns with NW Natural's stretch performance measure of 259,895 therms.
- **By the end of 2015, Energy Trust expects to meet goal** with a robust pipeline of Existing Buildings projects anticipated to complete and strong construction of ENERGY STAR® certified new homes.
- **Typically, more than one-half of annual savings are achieved in the last quarter**, when the majority of projects complete. Levelized costs are expected to align with expectations by year-end when these savings are realized.

#### B. Commercial sector highlights

##### *Existing Buildings*

- **Existing Buildings saved 3,656 annual therms in Q3**, primarily through a foodservice equipment contest, an insulation bonus and outreach promoting efficient showerheads to assisted living facilities.
- **With a strong pipeline of projects, Existing Buildings expects to meet its annual goal** despite being behind year-to-date expectations.
- **Existing Buildings provided energy-efficient showerheads** to businesses as part of a long-term strategy to engage facility managers and introduce more extensive Energy Trust offerings.
- **To help boost savings, Existing Buildings launched a new incentive for greenhouses**, promoted an insulation bonus launched in Q2 and continued a contest incenting top-selling foodservice equipment vendors.
- **Energy Trust targeted outreach to business customers with high energy usage**, assisted living facilities and customers with pools.
- **The program delivered 340 showerheads** through Q3 and plans to deliver 240 more in Q4.

- **Existing Buildings provided support to insulation and water heater trade allies** serving Washington, and connected with restaurant distributors to ensure that incentives are claimed for fryers and other restaurant equipment sold in Washington.
- **The program launched marketing campaigns** through email and social media and planned for additional marketing efforts, including local advertising and collateral to promote new retro-commissioning and modulating boiler burner offerings.
- **Energy Trust hosted a networking and informational event for commercial allies**, with strong attendance from trade allies serving Washington. The event location was selected to better accommodate Washington trade allies.

## C. Residential sector highlights

### *Existing Homes*

- **Existing Homes saved 8,707 annual therms in Q3**, primarily through installation of efficient furnaces, weatherization and Energy Saver Kits.
- **Existing Homes worked with Clark Public Utilities to develop a new LivingWise Kit** offering to launch in 2016. Kits containing efficient showerheads, faucet aerators and light bulbs will be delivered to fifth-grade school students along with an energy-efficiency curriculum. Savings will be shared with Clark Public Utilities.

### *New Homes and Products*

- **New Homes and Products saved 16,441 annual therms in Q3**, primarily through ENERGY STAR certified new homes and clothes washer sales.
- **With the participation of Lennar Homes, a high-volume trade ally builder, 116 ENERGY STAR certified new homes were built** in Q3, more than double the number completed in Q2.
- **The program continued to provide incentives for energy-efficient clothes washers** in collaboration with Clark Public Utilities. For 2016, the program will adjust clothes washer incentives available based on efficiency increases in baseline standards.
- **The program identified EPS™ as a potential offering in 2016.** Homes rated with the energy performance score save energy through energy-efficient windows, HVAC, appliances and weatherization.

## D. Washington Utilities and Transportation Commission performance metrics

The table below compares quarterly results to 2015 program goals, as established in NW Natural's Energy Efficiency Plan for Washington (updated December 2014).

<b>Metrics</b>	<b>Goal</b>	<b>2015 total YTD</b>	<b>Q1 results</b>	<b>Q2 results</b>	<b>Q3 results</b>	<b>Q4 results</b>
<b>Therms saved</b>	220,991 – 259,895	82,089	24,469	28,816	28,804	
<b>Total program costs</b>	\$1,342,559 – \$1,570,292	\$832,818	\$241,732	\$279,065	\$312,021	
<b>Average levelized cost per measure</b>	Less than \$0.65	\$0.74	\$0.89	\$0.68	\$0.73	
<b>Dollars spent per therm saved</b>	Less than \$6.50	\$10.15	\$9.88	\$9.68	\$10.83	
<b>Total resource cost and utility costs at portfolio level</b>	Greater than 1.0	n/a	Reported annually	Reported annually	Reported annually	Reported annually

Dollars spent per therm saved and levelized costs are expected to align with expectations in quarter four when many projects complete and the majority of annual savings are achieved.

## II QUARTERLY RESULTS

### A. Expenditures<sup>19</sup>

		Actual expenditures Q3	Budgeted expenditures Q3	Variance
Commercial programs	Existing Buildings	\$ 79,426	\$ 161,408	\$ 81,982
	NEEA commercial	\$ 891	\$ 6,147	\$ 5,256
	<b>Subtotal</b>	\$ 80,317	\$ 167,555	\$ 87,238
Residential programs	Existing Homes	\$ 93,625	\$ 93,743	\$ 118
	New Homes	\$ 123,532	\$ 77,810	\$ (45,722)
	NEEA residential	\$ 2,008	\$ 7,947	\$ 5,939
	<b>Subtotal</b>	\$ 219,166	\$ 179,500	\$ (39,665)
<b>Administration</b>		\$ 12,538	\$ 15,522	\$ 2,983
<b>Total</b>		\$ 312,021	\$ 362,577	\$ 50,556

Energy Trust allocated budget to NEEA for gas market transformation activities.

### B. Incentives paid

		Actual incentives Q3
Commercial programs	Existing Buildings	\$ 16,152
	<b>Subtotal</b>	\$ 16,152
Residential programs	Existing Homes	\$ 43,937
	New Homes	\$ 61,669
	<b>Subtotal</b>	\$ 105,606
<b>Total</b>		\$ 121,758

### C. Savings

		Therms saved Q3	\$/therm	Levelized cost/therm
Commercial programs	Existing Buildings	3,656	\$ 23.19	\$ 2.29
	<b>Subtotal</b>	3,656	\$ 23.44	\$ 2.29
Residential programs	Existing Homes	8,707	\$ 10.97	\$ 0.68
	New Homes	16,441	\$ 7.83	\$ 0.52
	<b>Subtotal</b>	25,148	\$ 9.00	\$ 0.59
<b>TOTAL</b>		28,804	\$ 10.83	\$ 0.73

Energy Trust allocated budget to NEEA for gas market transformation activities. While there were no associated savings in Q3, savings are expected in subsequent quarters.

<sup>19</sup>Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

### III YEAR-TO-DATE RESULTS

#### A. Activity—sites served

	Q1	Q2	Q3	Q4	Total
<b>Existing Buildings</b>					
School/college retrofits	0	1	1		2
Other commercial retrofits	2	2	3		7
Studies	1	1	2		4
<b>Existing Homes</b>					
Weatherization (insulation, air and duct sealing and windows)	6	36	22		64
Gas hearths	11	36	7		54
Energy Saver Kits	19	5	15		39
Smart thermostats	20	1	0		21
Gas furnaces	39	95	69		203
Water heaters	2	12	6		20
Home Energy Reviews	31	28	23		82
<b>New Homes</b>					
ENERGY STAR Home Certification	22	43	116		181
Clothes washers	303	124	51		478

Smart thermostats were offered through a pilot that completed early in Q2, with results expected by year-end.

#### B. Revenue

Source	Actual revenue YTD	Budgeted revenue YTD
NW Natural	\$ 678,392	\$ 1,411,352

#### C. Expenditures<sup>20</sup>

		Actual expenditures YTD	Budgeted expenditures YTD	Variance
<b>Commercial programs</b>	Existing Buildings	\$ 233,235	\$ 487,717	\$ 254,483
	NEEA Commercial	\$ 4,910	\$ 16,754	\$ 11,844
	<b>Subtotal</b>	\$ 238,144	\$ 504,471	\$ 266,327
<b>Residential programs</b>	Existing Homes	\$ 283,217	\$ 300,305	\$ 17,088
	New Homes	\$ 266,952	\$ 220,784	\$ (46,168)
	NEEA Residential	\$ 11,067	\$ 19,452	\$ 8,385
	<b>Subtotal</b>	\$ 561,236	\$ 540,541	\$ (20,696)
<b>Administration</b>		\$ 33,438	\$ 48,697	\$ 15,259
<b>Total</b>		\$ 832,818	\$ 1,093,709	\$ 260,890

Energy Trust allocated budget to NEEA for gas market transformation activities.

<sup>20</sup>Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.



## D. Incentives paid

		Actual incentives YTD
Commercial programs	Existing Buildings	\$ 60,198
	<b>Subtotal</b>	\$ 60,198
Residential programs	Existing Homes	\$ 131,074
	New Homes	\$ 112,159
	<b>Subtotal</b>	\$ 243,233
<b>Total</b>		\$ 303,430

- Incentives paid account for approximately 43 percent of year-to-date program expenses, when total program expense is adjusted down by 15 percent to account for costs that a utility-delivered program would recover through rates.

## E. Savings

		Therms saved YTD	Annual goal	Percent achieved YTD	\$/therm	Levelized cost/therm
Commercial programs	Existing Buildings	23,032	150,000	15%	\$ 10.82	\$ 1.07
	<b>Subtotal</b>	23,032	150,000	15%	\$ 11.04	\$ 1.09
Residential programs	Existing Homes	28,124	51,148	55%	\$ 10.27	\$ 0.67
	New Homes	30,933	55,915	55%	\$ 8.99	\$ 0.63
	<b>Subtotal</b>	59,057	107,063	55%	\$ 9.80	\$ 0.66
<b>Total</b>		82,089	257,063	32%	\$ 10.15	\$ 0.74

Dollars spent per therm saved and levelized costs are expected to align with expectations in quarter four when many projects complete and the majority of annual savings are achieved.

Energy Trust allocated budget to NEEA for gas market transformation activities. While there were no associated savings in Q3, savings are expected in subsequent quarters.

Energy Trust's budgeted annual savings goal roughly aligns with NW Natural's stretch performance measure of 259,895 therms.

## F. Program evaluations

- Energy Trust plans to conduct a process evaluation in 2016 for services in Washington. Topics to explore include the relationship between Energy Trust and Clark Public Utilities, and how to increase commercial savings and awareness of residential offerings.