

2004 Third Quarter Report to the Oregon Public Utility Commission

November 15, 2004

This Energy Trust quarterly report is for the period July through September 2004 (Q3). It tracks progress toward 2004 and 2012 energy saving goals, with associated costs. It reports numbers of completed projects, incentives paid and highlights of Energy Trust activities during the quarter. Q3 financial reports are attached.

I. PROGRAM HIGHLIGHTS

I. General

- Electricity-saving projects completed during the quarter will save about 3.55 average megawatts at a cost of about \$1.88 million per average megawatt. This savings is about 11.3 percent of the target for 2004. Savings from the first three quarters of 2004 total 33.5 percent of the annual target.
- Renewable energy projects completed during the quarter generate .013 average megawatts at a cost of \$57.28 per average megawatt. Renewable energy generation for the first three quarters of 2004 totals 2.5% of the annual target. Progress has been slow due to the long delay in Congressional reauthorization of the production tax credit.

2. Residential programs

- Conducted energy reviews and installed 3,692 compact fluorescent light bulbs in 109 electrically heated homes, 259 homes with NW Natural heat and electric power from PGE or Pacific Power, and 31 gas-heated homes with another source of electricity.
- Helped fund the purchase of 2,159 energy-efficient clothes washers and 54 energy-efficient dishwashers. These were installed in 909 homes with electric hot water and 1,304 homes with gas hot water.
- Installed high efficiency measures such as sealed ducts, insulation, high efficiency space heating equipment and energy-efficient windows in 2,688 single-family, multifamily and manufactured homes. These were installed in 976 electrically heated homes and units, 1,374 gas-heated homes and units, and 337 other homes and units.¹
- Installed solar water heating systems in 6 homes with electric hot water and 1 home with a gas hot water.

¹ Split by fuel type for these 337 homes was not available for this report.

3. Commercial programs

- Installed high efficiency measures such as energy-efficient lights and HVAC equipment in 177 commercial buildings, with an average incentive payment of \$3,757. Of this total, 175 buildings received electric efficiency measures and 2 buildings received gas efficiency measures.
- Certified the completion of 3 highly efficient new commercial buildings, each receiving electric efficiency measures.

4. Industrial programs

- Completed electric energy-saving projects at 109 manufacturing firms, with an average incentive payment of \$17,972.
- Finalized an agreement with Blue Heron for approximately \$5.4 million that will save 106 million kilowatt hours a year. A separate agreement with Oregon Department of Energy provides a \$2.5 million loan, and the Climate Trust will contribute \$500,000 when the project is completed. Funds from a Business Energy Tax Credit passthrough, if secured, will be used to pay back the loan.
- Finalized a progress evaluation of the Production Efficiency program that concluded the program, which serves industrial electricity users, is working well.

5. Renewable energy programs

- Completed installation of solar electric systems in 29 homes and 2 commercial buildings.
- Made little progress on major wind projects with PGE and Pacific Power pending reauthorization of the production tax credit.
- Completed a comparative analysis of community wind power development options in Oregon. This study provides the basis for design of a community wind program.

6. Revenues and expenditures

- Received \$11.3 million during the quarter
- Spent \$8.1 million
- Provided \$3.4 million in incentives to end users

II. TABLES

I. Revenues

Q3 revenues from each utility tracked closely with projections.

Source	Actual revenues received Q3	Budgeted revenues Q3
Portland General Electric	\$ 6.5 million	\$ 6.5 million
PacifiCorp	4.1 million	4.2 million
NW Natural	.7 million	.5 million
Total	\$11.3 million	\$11.2 million

2. Expenditures

Significant activity continues in each area, but expenditures lag budget for the quarter. On the efficiency side, the variances result from delays in completion of committed projects. Renewables spending was affected by suspension of the federal production tax credit.

Type	Actual expenditures Q3	Budgeted expenditures Q3
Energy Efficiency programs	\$ 6.8 million	\$10.0 million
Renewable Resources programs	.7	1.4
Administration	.6	.7
Total	\$ 8.1 million	\$12.1 million

3. Incentives Paid

	Energy Efficiency			Renewable Energy		Total
	PGE	Pacific Power	NW Natural	PGE	Pacific Power	
Q1*	\$1,158,917	\$1,022,493	\$615,571	\$72,314	\$248,303	\$3,117,598
Q2	\$1,132,553	\$1,412,966	\$409,894	\$74,369	\$364,547	\$3,394,328
Q3	\$998,548	\$1,767,608	\$328,874	\$33,871	\$313,963	\$3,442,864
YTD	\$3,290,018	\$4,203,067	\$1,354,339	\$180,554	\$926,813	\$9,954,790

*Incentive figures for Q1 mistakenly included figures for utility performance incentives. The figures here have been correctly restated to exclude those incentives.

4. Savings and Generation

Electric efficiency savings. In the first three quarters of 2004, Energy Efficiency programs achieved 33.5% of the 2004 projection of 31.5 aMW. Since March 1, 2002, these programs have cumulatively saved 43 aMW, or 14% of the Energy Trust's 2012 goal.

Electric Efficiency Savings Q3 2004	PGE aMW	Pacific Power aMW	Total Savings ² aMW	Expenses	mil \$ / aMW
Residential	0.310	0.164	0.473	\$1,309,566	\$2.77
Commercial	0.432	0.329	0.761	1,631,454	\$2.14
Industrial	0.140	1.340	1.480	2,462,090	\$1.66
NEEA (all sectors)	0.560	0.269	0.829	769,719	\$0.93
Administrative Costs				498,565	
Total Energy Efficiency Programs	1.441	2.102	3.543	\$6,671,394	\$1.88

² Includes transmission & distribution savings

Gas efficiency savings. In the first three quarters of 2004, efficiency programs saved 896,074 annual therms of natural gas, representing 63% of the 2004 projection of 1.4 million annual therms. Since gas programs began in 2003, cumulative savings of 1,104,297 annual therms have been realized, accounting for 6% of the 2012 goal.

Gas Efficiency Savings Q3 2004	NWN Therms	Expenses	\$ / Therm
Residential	291,674	\$539,990	\$1.85
Commercial	4,351	77,486	17.81
Industrial	-	18	
NW Alliance (all sectors)	-	0	
Administrative Costs		63,374	
Total Energy Efficiency Programs	296,025	\$680,868	\$2.30

Renewable energy generation. In the first three quarters of 2004, installed renewable energy projects account for 2.5% of the annual goal of 21.97 aMW. To date, cumulative generation totals 14.35 aMW, or 3.2% of the 2012 goal of 450 aMW.

Renewable Energy Generation Q3 2004	PGE aMW	Pacific Power aMW	Total Generation aMW	Expenses	mil \$ / aMW
Utility Scale	0.000	0.000	0.000	\$8,291	
Solar Photovoltaic	0.001	0.012	0.013	442,441	\$34.01
Small Wind	0.000	0.000	0.000	87,715	
Open Solicitation	0.000	0.000	0.000	64,580	
Biomass	0.000	0.000	0.000	57,012	
Geothermal	0.000	0.000	0.000	1,035	
Administrative Costs				84,181	
Total Renewable Programs	0.001	0.012	0.013	\$745,255	\$57.28

5. Projects Completed

Energy Efficiency Installed Projects	Total	Electric	Gas	Unknown
Residential				
Single family homes retrofitted	1724	126	1261	337
Multifamily units retrofitted	521	417	104	0
Home Energy Reviews conducted	399	108	291	0
Manufactured homes retrofitted	442	433	9	0
Efficient Home Products rebates	2,213	909	1304	0
Residential Solar Hot Water installations	7	6	1	0
Efficient New Homes constructed	1	0	0	1
Utility transition projects completed	35	0	35	0
	<u>4,822</u>			
Commercial sites treated	177	175	2	0
Industrial sites treated	109	109	0	0
TOTAL EFFICIENCY	5,108	2,283	3,007	338
Renewable Energy Installed Projects*				
Utility-scale projects	0	0	0	0
Solar Electric residential installations	29	29	0	0
Solar Electric commercial installations	2	2	0	0

Small wind installations	0	0	0	0
Open Solicitation projects installed	0	0	0	0
TOTAL RENEWABLES	31	31	0	0

Table 5 and corresponding information in the narrative refer to numbers of efficiency and renewable energy projects. We define “projects” to be completed installations or services at one location (“site”), with certain exceptions:

- A Home Energy Review, with CFL installation, counts as one project. If that home subsequently installs one or more measures, this installation counts as a separate project.
- Each apartment unit treated counts as one project.
- Each manufactured home is counts as one project.
- An industrial process study counts as one project. Subsequent measure installation counts as a separate project.
- Measures installed in separate facilities within a large industrial complex count as separate projects.