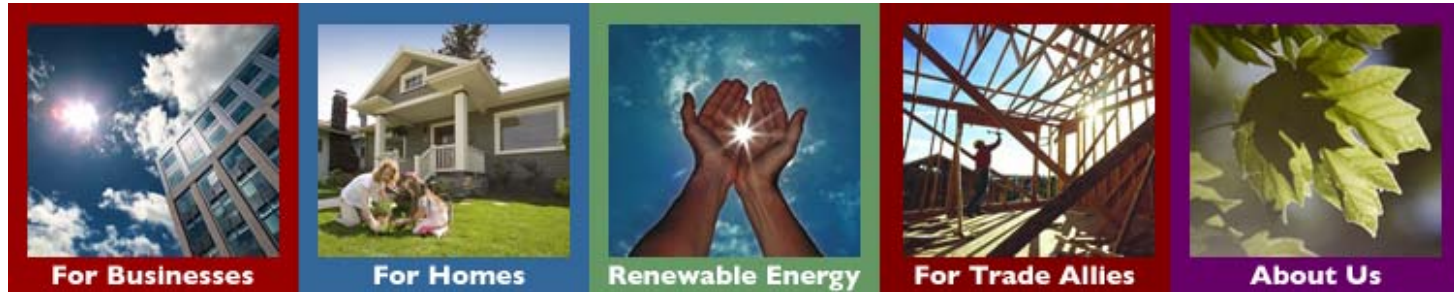


**Tab # 1**

**Presentation**



# Energy Trust of Oregon



## 2007 Revised Budget

Approved by Board of Directors  
March 28, 2007

# Presentation Outline

Set stage for discussion / action:

- Re-cap 2007 adopted budget
- Summarize year-end actuals
- Propose reallocations to revise 2007 budget
- Review anticipated 2008 changes

# 2007 Adopted Final Budget

	2006 Forecast	2006 & 2007	2007 Budget	2008 +	2007
	+	+	+	+	=
in Millions \$	Cumulative Carryover at January 1, 2007	Cumulative Investment Income Distributions	Revenue Earned in 2007 less Expenses Incurred in 2007	Dedicated Funds for 2008 and Beyond	Forecasted Ending Balance at December 31, 2007
<b>Energy Efficiency</b>					
Electric *	(1.2)	2.9	(1.6)	-	0.1
Gas	6.1	-	(0.9)	-	5.1
Total	4.9	2.9	(2.5)	-	5.3
<b>Renewable Energy</b>					
PGE	25.1		(0.1)	(22.8)	2.2
PacifiCorp	9.1	1.1	(0.8)	(8.9)	0.5
Total	34.1	1.1	(0.9)	(31.7)	2.7
<b>Investment Income</b>					
Unattributed	4.3	(4.0)	2.3		2.6
<b>Total</b>	<b>43.3</b>	<b>-</b>	<b>(1.0)</b>	<b>(31.7)</b>	<b>10.6</b>

\* Reflects compliance with 80% rule for spending within service territory from which funds derived

# Highlighted Changes in Resources

2006 additional carryover + \$5.8M

Electric \$ 4.8

Gas \$ 1.0

Conservation Rate Credit + \$1.9M

PGE revenue - \$1.6M

Avista revenue - \$ .3M

Net change in 2007 resources = \$5.8M

Electric \$ 5.1

Gas \$ .7

# 2006 Additional Carryover Detail

- Revenue \$ .2M
- Efficiency incentives \$ 3.1M
- Efficiency delivery \$ .8M
- Renewable incentives \$ .3M
- Planning & evaluation \$ 1.0M
- Other program expenses \$ .3M
- Administrative expenses \$ .1M

Total 2006 additional carryover = \$5.8M

# Proposed 2007 Reallocations

1. Increase incentives
2. Enhance efficiency program delivery
3. Address other program evaluation and marketing needs





# Increase Incentives by \$1.7M

## Efficiency +\$1.6M

Residential	+	\$1.2M
Industrial	+	.6M
Commercial	-	.1M

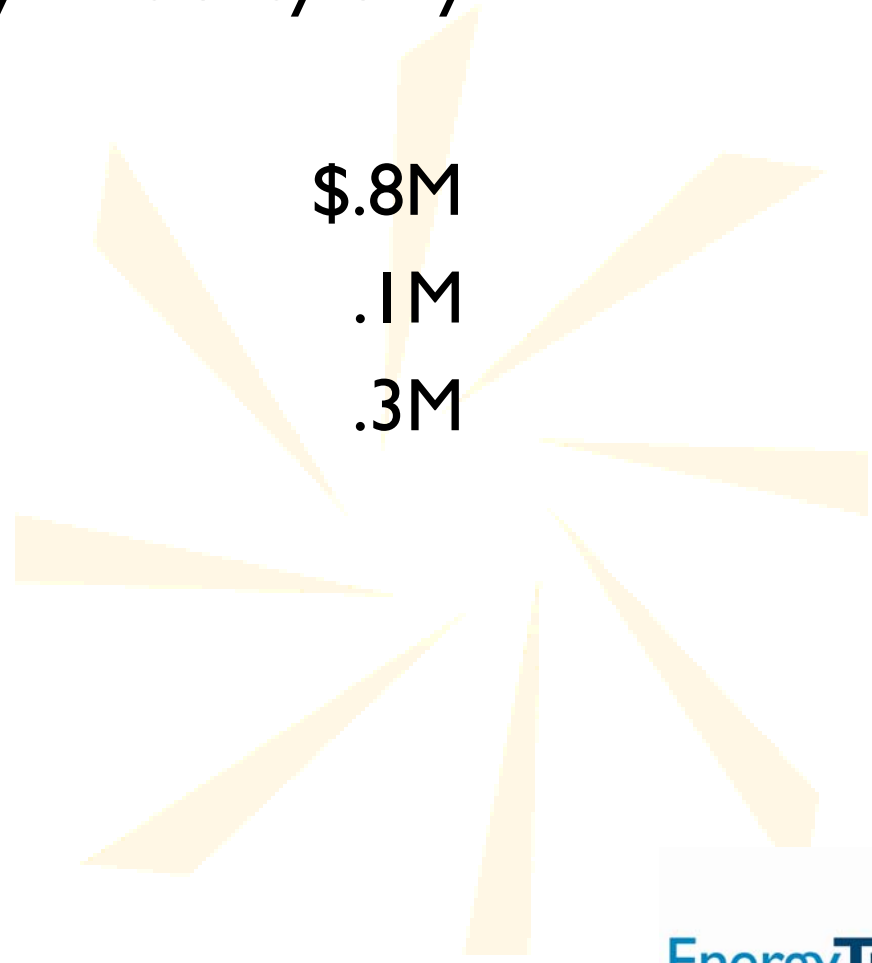
## Renewables +\$110k

Open Solicitation	+	.8 M
Utility Scale	-	.7 M

# Enhance Program Delivery

Add \$1.2M for Energy Efficiency only

Residential	\$ .8M
Commercial	.1M
Industrial	.3M



# Address Other Program Needs

Reallocate \$879k

Program marketing	\$371k
Evaluation services	\$172k
Program management	\$163k
CRC staffing	\$ 72k
Quality assurance	\$ 38k
Community energy projects	\$ 20k
Miscellaneous other	\$ 43k

# Changes in Impact - Efficiency

## Increased electric savings goals:

- From 22 to 25 aMW (conservative case) = + 3 aMW
- From 29 to 33 aMW (best case) = + 4 aMW

## Decreased gas savings goals:

- From 1.9 to 1.8 M therms (conservative case) = -.1
- From 2.6 to 2.4 M therms (best case) = - .2

# Changes in Performance Measure

Program Delivery Efficiency (aka Administrative Cost plus Program Support Costs) Calculation Change

<b>2007</b>	<b>Approved</b>	<b>Revised Budget</b>
Using Interest Revenue & CRC & PP	7.8%	7.8%
Using PP & CRC Revenue		8.1%
Using PP Revenue Only	8.1%	8.4%

# BPA CRC Funding Distribution

<b>Program</b>	<b>% of Budget</b>	<b>Monthly Allocation</b>	<b>Monthly Savings (MWh)</b>	<b>Annual Allocation</b>	<b>Annual Savings (MWh)</b>
Existing Buildings	27%	\$43,438	451	\$521,250	5,407
Existing Homes	27%	\$43,403	168	\$520,833	2,014
Efficient Home Products	25%	\$40,243	1,099	\$482,917	13,189
New Homes	21%	\$33,750	66	\$405,000	794
<b>Totals</b>	<b>100%</b>	<b>\$160,833</b>	<b>1,784</b>	<b>\$1,930,000</b>	<b>21,404</b>

# Revised 2007 Efficiency Costs and Goals

2007 Efficiency Programs (in \$M)	Electric	Gas	Total
Revenues	39.2	\$ 10.4	\$ 49.6
2006 and 2007 Investment Income Attributed	2.9		2.9
2006 Carryover	2.9	7.1	10.0
Total Resources Available	45.0	17.5	62.5
Forecasted Expenses	44.8	10.5	55.3
Forecasted Balance at Year End	\$ 0.2	\$ 7.0	\$ 7.2
Budgeted Savings-Conservative	25 aMW	1.8M therms	
Budgeted Savings-Best Case	33 aMW	2.4M therms	

# Revised 2007 Renewable Costs and Goals

<b>TOTAL</b>	<b>Accounting Perspective</b>		<b>Activity Perspective</b>	
<b>Program</b>	<b>2007 Expenses</b>	<b>Percentage</b>	<b>Expenses with Dedicated Funds</b>	<b>Percentage</b>
Utility Scale	\$ 4,542,973	36.1%	\$ 17,742,973	47.8%
Solar Electric	3,019,112	24.0%	3,019,112	8.1%
Community Wind	1,355,794	10.8%	7,935,794	21.4%
Open Solicitation	2,130,697	16.9%	3,380,104	9.1%
Biopower	1,530,097	12.2%	5,055,097	13.6%
<b>Total</b>	<b>\$ 12,578,673</b>	<b>100.0%</b>	<b>\$ 37,133,080</b>	<b>100.0%</b>

<b>TOTAL</b>	<b>Accounting Perspective</b>		<b>Activity Perspective</b>	
<b>Program</b>	<b>2007 Generation in aMW</b>	<b>Percentage</b>	<b>2007 Generation with Dedicated Funds in aMW</b>	<b>Percentage</b>
Utility Scale	38.0	82.1%	113.0	86.8%
Solar Electric	0.1	0.3%	0.1	0.1%
Community Wind	4.8	10.4%	9.8	7.5%
Open Solicitation	0.7	1.5%	1.3	1.0%
Biopower	2.7	5.8%	6.0	4.6%
	<b>46.3</b>	<b>100.0%</b>	<b>130.2</b>	<b>100.0%</b>





# Revised 2007 Budget

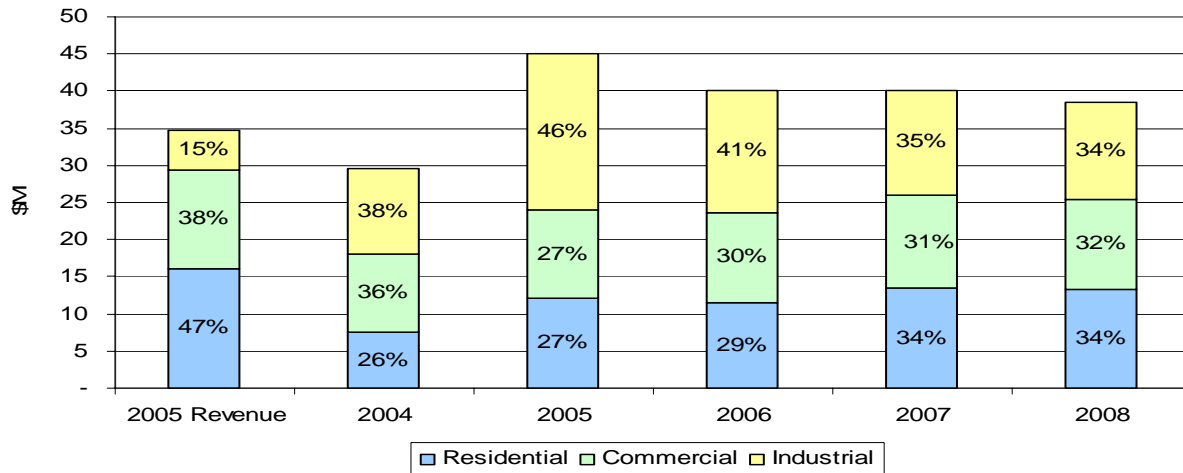
	2006 Final	2006 & 2007	2007 Budget	2008 +	2007
	+	+	+	+	=
in Millions \$	Cumulative Carryover at January 1, 2007	Cumulative Investment Income Distributions	Revenue Earned in 2007 less Expenses Incurred in 2007	Dedicated Funds for 2008 and Beyond	Forecasted Ending Balance at December 31, 2007
<b>Energy Efficiency</b>					
Electric *	2.9	2.9	(5.6)	-	0.2
Gas	7.1	-	(0.1)	-	7.0
Total	10.0	2.9	(5.7)	-	7.2
<b>Renewable Energy</b>					
PGE	25.5		(0.5)	(22.8)	2.2
PacifiCorp	9.2	1.1	(0.9)	(8.9)	0.5
Total	34.7	1.1	(1.4)	(31.7)	2.7
<b>Investment Income</b>					
Unattributed	4.3	(4.0)	2.3		2.7
<b>Total</b>	<b>49.1</b>	<b>-</b>	<b>(4.8)</b>	<b>(31.7)</b>	<b>12.6</b>

\* Reflects compliance with 80% rule for spending within service territory from which funds derived

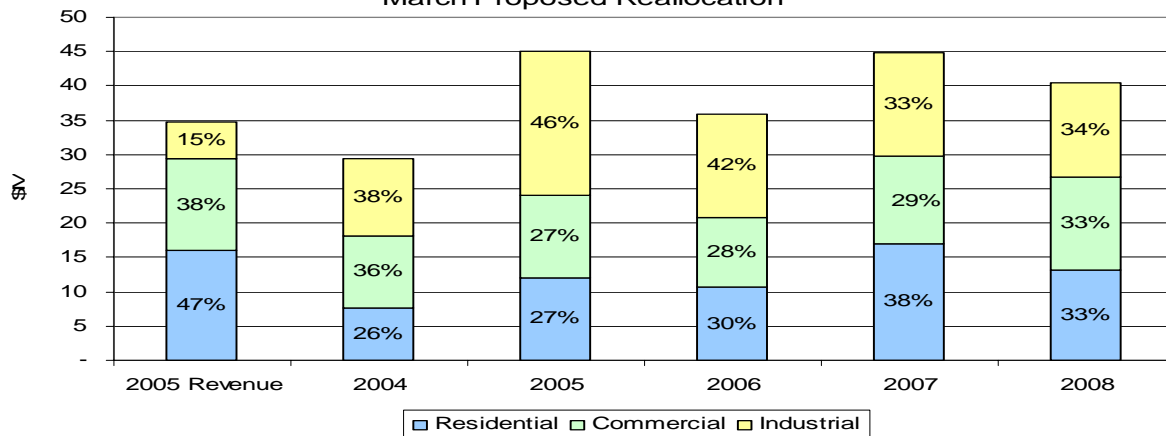


# Electric Efficiency-Spending by Sector

Approved Budget

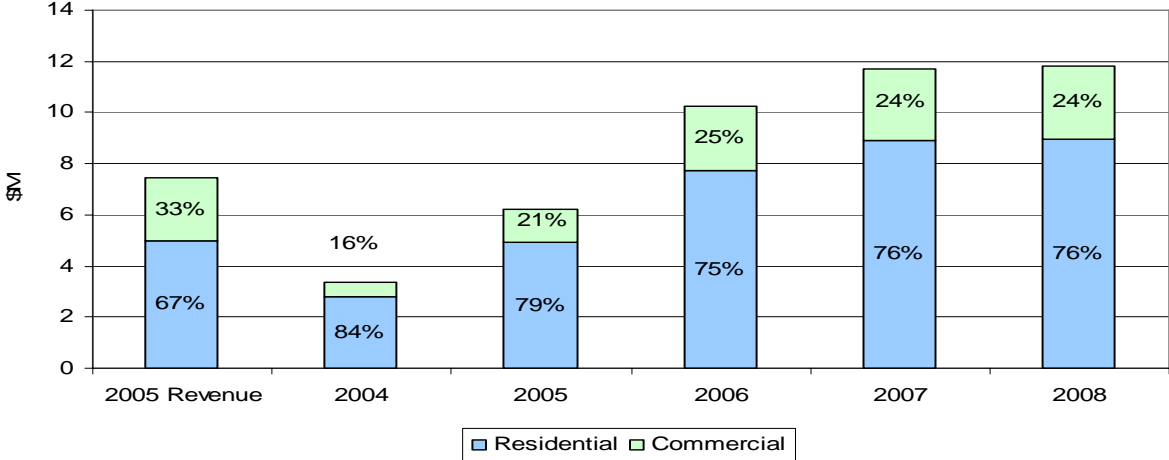


March Proposed Reallocation

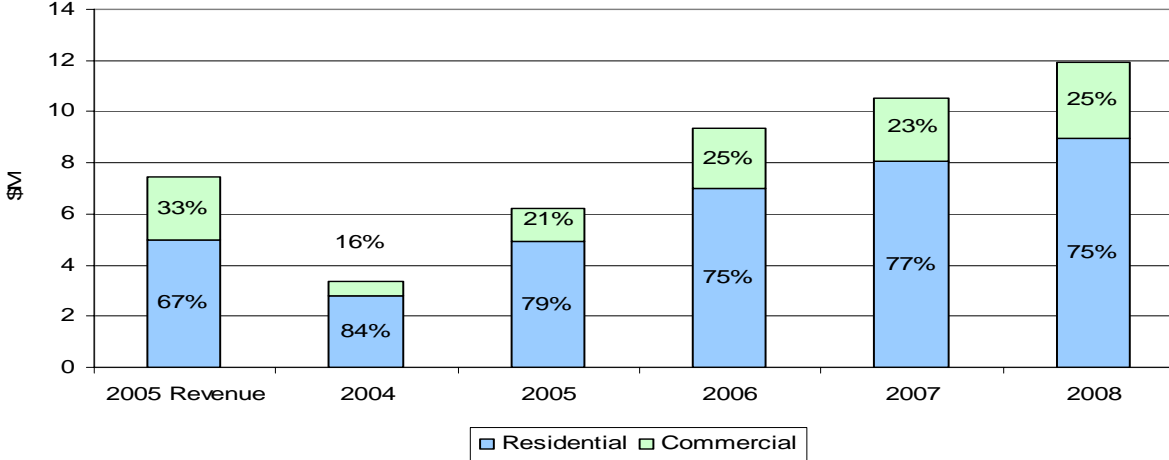


# Gas Spending by Sector

Approved Budget



March Reallocation

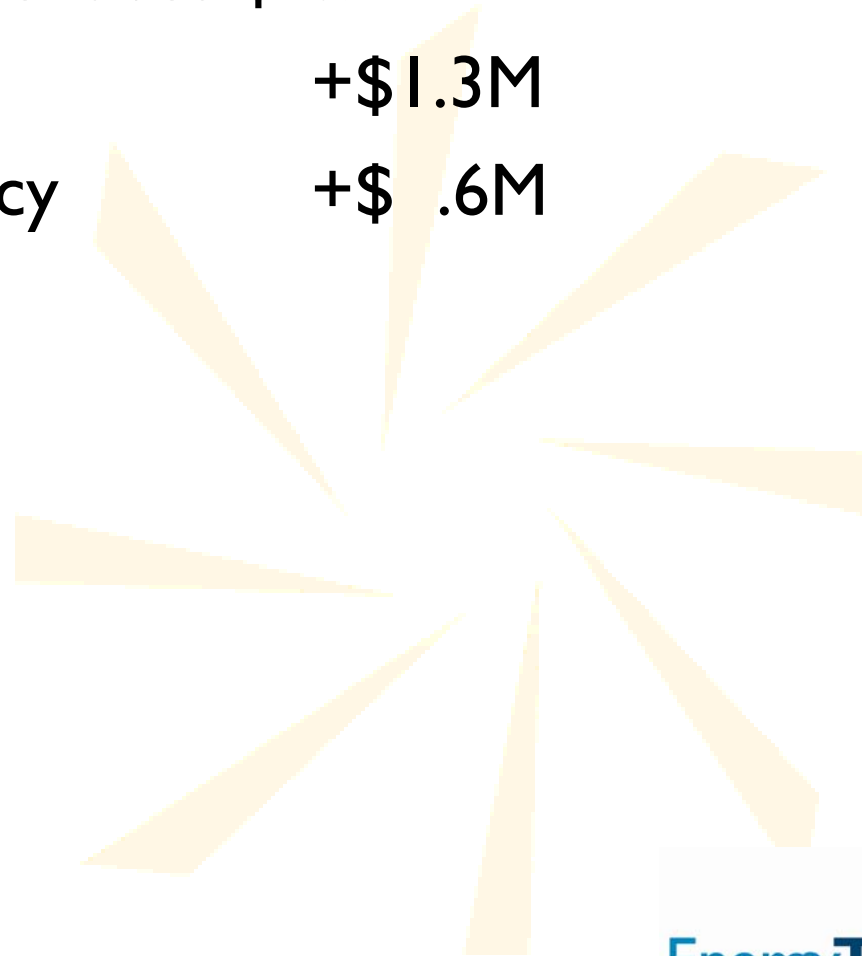


# Anticipated 2008 Changes

Increase efficiency incentives \$1.9M

New Buildings +\$1.3M

Production Efficiency +\$ .6M



**Tab # 3**

**2007 Budget**



## 2007 PROPOSED REALLOCATED BUDGET RECAP

PROGRAM	TOTAL BUDGET (\$M)	ELECTRIC GOALS <sup>1</sup>		ELECTRIC COST		B/C RATIO		GAS GOALS		GAS COST		B/C RATIO		EVAL DATE(S) (I=Impact; MA=Market Assessment; P=Process)	PROGRAM REBID RFP ISSUE DATE	PMC CONTRACT EXPIRATION
		Conservative (aMW)	Best Case (aMW)	(\$/mils/ aMW)	Levelized (\$/kWh)	Utility	Societal	Conservative (annual therms)	Best Case (annual therms)	(\$/annual therms)	Levelized (\$/Therm)	Utility	Societal			
<b>ENERGY EFFICIENCY</b>																
<b>Residential</b>																
Home Energy Solutions – Existing Homes <sup>2</sup>	13.8	2.0	2.6	4.712 - 3.534	0.027 - 0.020	2.1	1.6	559,198	745,597	8.010 - 6.008	0.427 - 0.320	5.7	1.7	9/2007 (P/I)	NA	12/31/2007
Home Energy Solutions – New Homes & Products <sup>3</sup>	10.2	2.5	3.3	2.628 - 1.971	0.043 - 0.032	2.3	1.5	526,816	702,421	6.819 - 5.115	0.400 - 0.300	2.9	1.2	6/2007(P)	7/06	12/31/2006
Mkt Transformation (Alliance)	1.1	4.4	5.9	0.251 - 0.188	0.004 - 0.003	24.4	8.4	NA		NA				NA	NA	12/31/2010
<b>Total Residential</b>	<b>25.0</b>	<b>8.9</b>	<b>11.9</b>													
<b>Commercial</b>																
Business Energy Solutions – Existing Buildings	8.0	2.7	3.6	2.310 - 1.733	0.025 - 0.019	5.1	2.0	518,893	691,857	3.452 - 2.888	0.366 - 0.275	2.1	1.9	11/07 (P/I)	3/2005	6/30/2007
Business Energy Solutions – New Buildings	5.6	1.7	2.3	2.870 - 2.153	0.022 - 0.017	3.7	2.2	209,684	279,579	3.203 - 2.402	0.215 - 0.161	4.2	3.8	10/2007(P/I) 6/2007 (MA)	10/2005	12/31/2007
Mkt Transformation (Alliance)	1.8	0.2	0.3	8.017 - 6.013	0.077 - 0.057	1.2	0.4	NA		NA				NA	NA	12/31/2010
<b>Total Commercial</b>	<b>15.4</b>	<b>4.6</b>	<b>6.1</b>													
<b>Industrial</b>																
Production Efficiency	13.9	10.2	13.6	1.379 - 1.034	0.017 - 0.013	6.4	4.3	NA		NA				12/2007 (P/I)	3/2005	12/31/2007
Mkt Transformation (Alliance)	1.1	0.9	1.2	1.177 - 0.883	0.016 - 0.012	5.0	1.9	NA		NA				NA	NA	12/31/2010
<b>Total Industrial</b>	<b>15.0</b>	<b>11.1</b>	<b>14.8</b>													
<b>Total Energy Efficiency</b>	<b>\$55.4</b>	<b>24.6</b>	<b>32.8</b>					<b>1,814,590</b>	<b>2,419,454</b>							
<b>RENEWABLE RESOURCES<sup>4</sup></b>																
Utility-Scale	\$17.7	103	153	0.172 - 0.120	0.002 - 0.001			NA		NA				NA	NA	NA
Solar Electric	\$3.0	0.139	0.186	21.400 - 16.000	0.164 - 0.123			NA		NA				NA	NA	NA
Wind Cluster	\$7.9	8.1	17.6	0.980 - 0.450	0.008 - 0.004			NA		NA				3/2007 (P)	NA	NA
Open Solicitation	\$3.4	0.7	1.1	4.800 - 3.100	0.037 - 0.024			NA		NA				10/2007 (MA)	NA	NA
Biopower	\$5.1	2.98	19.46	1.700 - 0.260	0.013 - 0.002			NA		NA				NA	NA	NA
<b>Total Renewable Resources</b>	<b>\$37.1</b>	<b>114.9</b>	<b>191.3</b>													

<sup>1</sup> Some columns may not add due to rounding.<sup>2</sup> B/C Analysis includes furnace market transformation effects.<sup>3</sup> B/C Analysis includes clothes washer market transformation effects.<sup>4</sup> Budget amounts for Renewable Resources are activity based and include dedicated funds.





**The Energy Trust of Oregon**  
**Year to Date by Program / Service Territory - joint costs allocated at program level**  
**Budget 2007-B-05.0 March rebudget**  
**For the Twelve Months Ending December 31, 2007**  
**(Unaudited)**

	ENERGY EFFICIENCY					Total	RENEWABLE ENERGY			Other	TOTAL 2007 Budget		
	PGE	PacifiCorp	NW Natural	Cascade	Avista		PGE	PacifiCorp	Total		All Programs	B-04.7	Change
<b>REVENUES</b>													
Public Purpose Funding	\$22,295,922	\$15,035,184	\$9,247,863	\$889,636	\$278,000	\$47,746,605	\$6,656,993	\$4,534,421	\$11,191,414		\$58,938,019	\$60,929,643	(\$1,991,625)
CRC Funding	1,100,000	800,000				1,900,000					1,900,000		1,900,000
Revenue from Investments										2,325,038	2,325,038	2,325,038	
<b>TOTAL PROGRAM REVENUE</b>	<b>23,395,922</b>	<b>15,835,184</b>	<b>9,247,863</b>	<b>889,636</b>	<b>278,000</b>	<b>49,646,605</b>	<b>6,656,993</b>	<b>4,534,421</b>	<b>11,191,414</b>	<b>2,325,038</b>	<b>63,163,057</b>	<b>63,254,681</b>	<b>(91,625)</b>
<b>EXPENSES</b>													
Program Management (Note 4)	1,343,890	959,240	649,519	54,394	20,688	3,027,730	471,042	245,572	716,615		3,744,345	3,503,093	241,253
Program Delivery	6,273,423	4,916,726	1,856,525	167,957	68,257	13,282,887	180,671	87,494	268,165		13,551,051	12,465,677	1,085,374
Incentives	13,632,807	10,198,258	4,729,415	351,625	91,944	29,004,049	4,974,584	4,383,457	9,358,041		38,362,090	36,644,240	1,717,850
Program Evaluation and Planning Services	1,134,973	840,322	547,041	41,726	8,311	2,572,372	140,888	77,709	218,598		2,790,970	2,603,775	187,195
Program Marketing/Outreach	917,597	594,363	700,624	60,618	16,177	2,289,379	206,827	39,803	246,630		2,536,009	2,164,395	371,614
Program Legal Services	11,908	8,442	4,742	393	116	25,600	66,539	43,181	109,720		135,320	135,320	
Program Quality Assurance	103,116	77,801	51,282	4,265	1,536	238,000	14,749	3,851	18,600		256,600	218,600	38,000
Outsourced Services	226,856	161,680	78,968	5,461	45	473,010	505,360	156,060	661,420		1,134,430	1,122,820	11,610
Trade Allies & Customer Service Management	176,917	138,545	137,219	9,161	1,943	463,786	25,648	16,734	42,382		506,168	506,104	64
IT Services	473,111	397,797	259,808	22,248	8,056	1,161,022	123,795	65,624	189,418		1,350,440	1,360,289	(9,849)
Other Program Expenses	174,747	127,121	99,626	6,432	1,376	409,302	137,433	60,456	197,889		607,191	580,569	26,622
<b>TOTAL PROGRAM EXPENSES</b>	<b>24,469,345</b>	<b>18,420,294</b>	<b>9,114,769</b>	<b>724,280</b>	<b>218,449</b>	<b>52,947,137</b>	<b>6,847,537</b>	<b>5,179,940</b>	<b>12,027,478</b>		<b>64,974,614</b>	<b>61,304,882</b>	<b>3,669,733</b>
<b>ADMINISTRATIVE COSTS</b>													
Management & General (Note 1 & 3)	816,748	615,831	306,747	24,457	7,481	1,771,264	229,074	173,287	402,361		2,173,625	2,171,354	2,271
Communication & Outreach (Note 2 & 3)	311,142	210,592	122,987	11,831	3,697	660,249	88,531	60,303	148,834		809,084	798,717	10,367
<b>Total Administrative Costs</b>	<b>1,127,890</b>	<b>826,423</b>	<b>429,734</b>	<b>36,288</b>	<b>11,178</b>	<b>2,431,513</b>	<b>317,605</b>	<b>233,590</b>	<b>551,195</b>		<b>2,982,708</b>	<b>2,970,071</b>	<b>12,638</b>
<b>TOTAL PROGRAM &amp; ADMIN EXPENSES</b>	<b>25,597,235</b>	<b>19,246,717</b>	<b>9,544,503</b>	<b>760,568</b>	<b>229,627</b>	<b>55,378,650</b>	<b>7,165,142</b>	<b>5,413,530</b>	<b>12,578,673</b>		<b>67,957,323</b>	<b>64,274,952</b>	<b>3,682,370</b>
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>(2,201,313)</b>	<b>(3,411,533)</b>	<b>(296,640)</b>	<b>129,068</b>	<b>48,373</b>	<b>(5,732,045)</b>	<b>(508,149)</b>	<b>(879,109)</b>	<b>(1,387,259)</b>	<b>2,325,038</b>	<b>(4,794,266)</b>	<b>(1,020,271)</b>	<b>(3,773,995)</b>
Net Assets from prior years	11,387,299	(8,447,380)	6,870,552	93,290	117,837	10,021,598	25,517,626	9,189,002	34,706,628	4,348,508	49,076,734	43,259,840	5,816,894
Interest attributed	1,740,000	1,160,000				2,900,000		1,100,000	1,100,000	(4,000,000)	0		
<b>TOTAL NET ASSETS CUMULATIVE</b>	<b>10,925,986</b>	<b>(10,698,913)</b>	<b>6,573,912</b>	<b>222,358</b>	<b>166,210</b>	<b>7,189,553</b>	<b>25,009,477</b>	<b>9,409,893</b>	<b>34,419,369</b>	<b>2,673,546</b>	<b>44,282,468</b>	<b>42,239,569</b>	<b>2,042,899</b>

Note 1) Management and General (Administrative) Expenses have been allocated based on total expenses.  
Note 2) General Communication and Outreach expenses (Administrative) have been allocated based on Public Purpose Revenue from each Territory.  
Note 3) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.  
Note 4) Program Management costs include both outsourced and internal staff.  
Note 5) Cumulative carryover at 12/31/2005 has been adjusted to reflect audited results.



**The Energy Trust of Oregon**  
**Program Budget Expenses by Service Territory**  
**For the Twelve Months Ending December 31, 2007**  
**Budget 2007-B-05 (March reallocation)**  
with management and general allocated to programs

	<b>PGE</b>	<b>Pacific Power</b>	<b>Subtotal Elec. Utilities</b>	<b>Northwest Natural Gas</b>	<b>Cascade</b>	<b>Avista</b>	<b>Subtotal Gas Providers</b>	<b>Total</b>	<b>B-04.7 Previous</b>	<b>Difference</b>
Energy Efficiency										
Residential										
Home Energy Solutions - Existing Homes	4,914,134	4,364,202	9,278,336	4,252,804	226,409	-	4,479,213	13,757,549	12,081,990	1,675,559
Home Energy Solutions - New Homes/Products	3,870,397	2,689,328	6,559,725	2,990,165	372,818	229,627	3,592,610	10,152,335	9,385,854	766,481
Market Transformation (NEEA)	632,189	476,354	1,108,543	-	-	-	-	1,108,543	1,022,954	85,589
<b>Total Residential</b>	<b>9,416,720</b>	<b>7,529,884</b>	<b>16,946,604</b>	<b>7,242,969</b>	<b>599,227</b>	<b>229,627</b>	<b>8,071,823</b>	<b>25,018,427</b>	<b>22,490,798</b>	<b>2,527,629</b>
Commercial										
Business Energy Solutions - Existing Buildings	4,626,251	1,567,255	6,193,506	1,693,471	97,870	-	1,791,341	7,984,847	6,633,496	1,351,351
Business Energy Solutions - New Buildings	2,762,060	2,130,491	4,892,551	608,062	63,470	-	671,532	5,564,083	6,920,660	(1,356,577)
Market Transformation (NEEA)	1,028,727	775,144	1,803,871	-	-	-	-	1,803,871	1,730,532	73,339
<b>Total Commercial</b>	<b>8,417,038</b>	<b>4,472,890</b>	<b>12,889,928</b>	<b>2,301,533</b>	<b>161,340</b>	<b>0</b>	<b>2,462,873</b>	<b>15,352,801</b>	<b>15,284,688</b>	<b>68,113</b>
Industrial										
Production Efficiency	7,159,160	6,788,590	13,947,750	-	-	-	-	13,947,750	13,038,520	909,230
Market Transformation (NEEA)	604,316	455,352	1,059,668	-	-	-	-	1,059,668	1,002,395	57,273
<b>Total Industrial</b>	<b>7,763,476</b>	<b>7,243,942</b>	<b>15,007,418</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,007,418</b>	<b>14,040,915</b>	<b>966,503</b>
<b>Energy Efficiency Program Costs</b>	<b>25,597,234</b>	<b>19,246,716</b>	<b>44,843,950</b>	<b>9,544,502</b>	<b>760,567</b>	<b>229,627</b>	<b>10,534,696</b>	<b>55,378,646</b>	<b>51,816,401</b>	<b>3,562,245</b>
Management and General										
Communications and Outreach										
<b>Total Energy Efficiency Costs</b>	<b>25,597,234</b>	<b>19,246,716</b>	<b>44,843,950</b>	<b>9,544,502</b>	<b>760,567</b>	<b>229,627</b>	<b>10,534,696</b>	<b>55,378,646</b>	<b>51,816,401</b>	<b>3,562,245</b>

**The Energy Trust of Oregon**  
**Program Budget Expenses by Service Territory**  
**For the Twelve Months Ending December 31, 2007**  
**Budget 2007-B-05 (March reallocation)**  
with management and general allocated to programs

	<b>PGE</b>	<b>Pacific Power</b>	<b>Subtotal Elec. Utilities</b>	<b>Northwest Natural Gas</b>	<b>Cascade</b>	<b>Avista</b>	<b>Subtotal Gas Providers</b>	<b>Total</b>	<b>B-04.7 Previous</b>	<b>Difference</b>
Renewables										
Utility Scale Projects	1,565,651	2,977,322	4,542,973	-	-	-	-	4,542,973	5,329,109	(786,136)
Solar	1,827,939	1,191,173	3,019,112	-	-	-	-	3,019,112	2,977,391	41,721
Wind	785,381	570,413	1,355,794	-	-	-	-	1,355,794	1,359,955	(4,161)
Open Solicitation	1,703,085	427,612	2,130,697	-	-	-	-	2,130,697	1,252,352	878,345
Biopower	1,283,088	247,009	1,530,097	-	-	-	-	1,530,097	1,539,749	(9,652)
Renewables Program Costs	7,165,144	5,413,529	12,578,673	0	0	0	0	12,578,673	12,458,556	120,117
Management and General Communications and Outreach									-	
Total Renewables Costs	7,165,144	5,413,529	12,578,673	0				12,578,673	12,458,556	120,117
Cost Grand Total	32,762,378	24,660,245	57,422,623	9,544,502	760,567	229,627	10,534,696	67,957,319	64,274,957	3,682,362

**Tab # 4**

**Action Plan**





## **2007-2008 Action Plan, approved**

**December 13, 2006**

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### **I. INTRODUCTION**

One can hardly pick up a newspaper or magazine or turn on a news program today without seeing a lead story about energy. Concern about climate change has catapulted energy issues into the forefront of international attention and debate. The mission of the Energy Trust – to change how Oregonians produce and use energy – has emerged in the mainstream media as an essential way to successfully manage energy costs, improve reliability, diversify supply and minimize environmental impacts.

In the last year, as attention to energy matters has grown, Energy Trust also has expanded. Cascade and Avista added over 150,000 gas consumers to the approximately 550,000 customers we already serve through NW Natural. When combined with the 1.3 million electricity customers of PGE and Pacific Power, Energy Trust now serves 70% of Oregon's electricity consumers and all of its gas customers. This expansion also further diversifies our geographic range, with more services slated for people in smaller communities and rural areas. Providing comprehensive gas, electric and renewable energy services in more of the state's outlying areas requires new outreach efforts, trade ally connections, distribution and service delivery networks and even stronger utility partnerships.

The need to motivate people to take action through efficiency and renewable energy investments remains critical, even as more consumers hear the call. Energy Trust has shifted its focus from program design and introduction to managing high program demand that exceeds both available electric efficiency and renewable energy dollars. Electric savings acquisition for 2006 remains on target, with nearly 26 aMW anticipated, meeting if not exceeding our "best case" annual target. With current year electric efficiency revenues expected to closely match expenditures for completed and identified projects, few carryover electric funds are expected at year end for the first time in our history.

This same tale can be told for 2006 renewable energy investments, where dollars are especially limited in Pacific Power service territory as compared to the identified opportunities. When committed funds are included for projects approved and being completed, annual 2007 and 2008 renewable energy generation targets will be met or exceeded.

Natural gas 2006 efficiency results are expected to approximate our "conservative case" target, with savings of 2.4 million annual therms anticipated. Energy Trust receipt of gas revenues began after electric funding, with gas programs still scaling up, diversifying and being promoted jointly with gas utilities.

The 2007-2008 action plan and 2007 budget are expected to acquire between 22 and 29 aMW and between 2.0 and 2.6 million annual therms, representing conservative to best case scenarios for both electricity and gas savings. In compliance with Oregon Public Utility Commission performance measures, electric levelized costs are expected to range from 2.0 cents/kWh (conservative case) to 1.5 cents/kWh (best case). Anticipated levelized costs per



annual therm are projected at .29 cents in the best case scenario, within the Public Utility Commission minimum performance measure. In the interest of acquiring additional gas savings, this measure will be analyzed during the coming year in concert with the OPUC to determine if it should change or remain. For renewable energy, a range of 115 aMW (conservative case) to 191 aMW (best case) is projected, reflecting a continued utility scale project emphasis in both electric service territories.

For 2007 and into 2008, strength and flexibility are derived from a balanced investment strategy across each efficiency customer class and from the promotion of a diverse mix of renewable resources. This assures that all who contribute to the public purpose charge have the opportunity to draw from it and receive its benefits. With high demand for electric efficiency services across different residential, commercial and industrial markets, the 2007-2008 action plan seeks to balance the acquisition of persistent long-lasting savings that cost slightly more with high volume shorter-lived savings that cost less. The aggressive strategic goal of saving 300 aMW by 2012 is retained. This further challenges the organization to maintain its diverse program offerings, including for those whose opportunities historically have been limited.

Planned gas efficiency strategies will see increased emphasis in the next two years, with new target markets identified for both commercial and residential customers and new cost-effective measures and new incentives added. To better strengthen customer service, efficiency programs are combined within each sector, promoting residential, commercial and industrial energy solutions and further integrating opportunities across programs.

The principle of a diverse approach across markets also extends to the broad range of renewable energy program opportunities included in the 2007-2008 action plan. The portfolio of offerings in the next two years spans technologies and fosters projects differing both in scale and geography. Large utility-scale investments remain the single biggest area of investment in renewable generation, with biopower, community wind, residential and commercial solar electric and open solicitation program opportunities rounding out our offerings. Small hydro will also receive renewed exploration.

To meet expectations and serve our expanding customer base well, Energy Trust will continue its emphasis on operational improvements. Across the board, program management and data collection will be streamlined, forms simplified and on-line incentive applications developed. Such efforts will be expanded beyond the immediate focus on information technology and financial systems improvements to encompass a review of program management and delivery models. As competition for limited resources continues, it is essential to make investments in operational excellence, ensuring that our business is conducted efficiently and that administrative costs remain low.

The 2007-2008 action plan begins with highlights for the coming year (section II), followed by detailed program/department descriptions and corresponding budgets (section III). The 2007 budget captures these themes and allocates resources consistent with them. A summary of actions anticipated in 2008 is included at the end (section IV).

## **II. 2007-2008 ACTION PLAN HIGHLIGHTS**

The two-year action plan and annual budget are intended to comply with the minimum performance measures set for the Energy Trust by the Oregon Public Utility Commission. They also represent activities to meet the ten-year strategic goals set for the Energy Trust by our board of directors. Full achievement of the action plan depends upon

continuing collaboration and partnership with PGE, Pacific Power, NW Natural, Cascade, Avista, the NW Energy Efficiency Alliance, the Oregon Department of Energy and numerous stakeholder, trade ally and other organizations with whom we jointly pursue shared activities to best serve customers.

The following specific themes are developed and emphasized in the 2007-2008 action plan and corresponding 2007 budget:

1. Balance electric efficiency savings and equity goals across sectors – The 2007-2008 action plan and 2007 budget are designed to fulfill commitments to previously identified projects and dedicate sufficient funds to complete them. Planned electric efficiency expenditures are distributed nearly equally across all 3 sectors: 34% residential, 35% industrial and 31% commercial. This reflects a balanced investment across diverse markets to maintain programs for all public purpose fund contributors. The strategy acquires slightly more expensive, longer-lived persistent savings matched with high volume, lower cost savings that are shorter-lived. The approach also addresses a host of regional market transformation activities to capture lost opportunities complemented by shorter-term savings acquisition activities.
2. Serve the commercial sector – Over the next two years of action plan implementation, Energy Trust will expand services to small and medium commercial customers. Our approach includes pilot initiatives for the hospitality industry, focused on opportunities for hotels and motels; foodservice incentives for restaurants, building upon the strong market response to pre-wash rinse sprayers in 2006; the inclusion of commercial laundries and dishwashers in large facilities such as hospitals and college campuses; and targeted services for grocery stores. By integrating the Building Tune-up and Operations program into Business Energy Solutions, an emphasis on operations and maintenance is retained while administrative and oversight costs are reduced. The success of the commercial lighting program will be expanded to include multifamily indoor and outdoor common areas. These commercial-scale applications are budgeted for delivery through the multifamily initiative of Home Energy Solutions. Lighting program promotion will be expanded in underserved markets on the coast and in central and southern Oregon, laying the groundwork for 2008 projects and savings. Where applicable, BPA and retail utility commercial customer incentives will be coordinated with Energy Trust to achieve consistency throughout the region.
3. Stimulate more gas savings – Energy Trust service to all gas utility customers in the state provides new opportunities for synergy in program delivery. At the same time, this opportunity challenges us to deliver such services to more diverse and rural geographic areas. Working with the three gas utilities, new strategies to better serve gas markets will be defined and put in place. Gas efficiency marketing will be enhanced by identifying the best opportunities for statewide cooperative promotion with the gas utilities and by conducting market research to understand investment decision drivers and demographics. New residential and commercial gas measures will be added and incentives increased or established for such measures as tankless water heaters, gas fireplaces, direct digital controls, combo space and water heaters for smaller spaces and commercial cooking appliances. Projects for gas-only or predominantly gas-driven measures will be identified, thereby maximizing investment of available gas dollars while minimizing dependency on limited electric funds. Anticipating these new activities, Energy Trust will work with the Commission to revisit and potentially revise the current minimum levelized cost performance measure of .30 cents per annual therm,

incorporating actual gas program implementation experience, addressing program evaluation results and accommodating new opportunities resulting from serving gas customers statewide.

4. Evaluate Program Management Contractor delivery model - In the interest of providing quality customer service and effectively investing resources, Energy Trust will evaluate the Program Management Contractor (PMC) delivery model currently in place for energy efficiency services. Since inception, this model has enabled the organization to quickly bring large programs to full maturity by retaining contractors with specific expertise and experience. PMCs provide services to customers throughout a large and diverse geographic area. As we look forward, it is appropriate to ask whether the program management contractor model remains an effective way to manage and deliver energy efficiency programs. The analysis will encompass many aspects of this service delivery approach, including communications, customer service, savings acquisition and costs. Recommendations will assist Energy Trust in determining if the model remains, for which programs and how it can be strengthened and improved.
5. Maintain diverse renewable energy investment opportunities – The 2007-2008 action plan retains emphasis on large utility-scale renewable energy projects as part of meeting integrated resource plan commitments. Such activity is balanced with managing demand for projects in emerging sectors, including biopower, community wind and small hydro. Solar electric will continue to be marketed, particularly in PGE service territory, while momentum in Pacific Power territory will be sustained. To gain efficiencies, staff will work to shorten lead times for projects and participate with stakeholders to clarify utility interconnection requirements and processes. A revised green tag policy will be developed, intended to clarify Energy Trust's role in a changing marketplace where the value of renewable energy credits is increasing.
6. Achieve operational excellence and enhance customer service – A separate operations plan details specific improvements in Energy Trust information and financial management systems. Program managers and contractors who use these systems to serve customers have identified desired improvements, which in turn are expected to result in efficiency gains. Changes that simplify data input, access and reporting are the first to be made and will enable easier tracking of customer projects and computing of incentives, savings and generation. Program forms will be consolidated and simplified, with better tools developed for program forecasting and monitoring project status. In addition, the operations plan allows for adequate software maintenance and programmer support, reflecting the expansion of databases to capture a larger number of energy saving and generation measures and project history.

Reliability of the information collected and maintained in the IT and financial management systems is essential for quality control and assurance, analysis of program status and accomplishments, evaluation, program revisions, responding to stakeholder information requests and meeting reporting requirements. Also included is a comprehensive review of the architecture and organizational structure for IT to guide operations and address long-term requirements.

To further strengthen customer service in 2007, staff has consolidated efficiency service and program delivery by using a market sector-based approach. The public will see new names for efficiency programs intended to clarify services available and simplify how customers and other market actors engage with Energy Trust. Three flagship programs

will serve the residential, commercial and industrial sectors, each with program tracks within them:

- Home Energy Solutions, including:
    - Existing Homes (Home Energy Savings residential retrofit program)
    - New Homes and Products (Efficient New Homes and Efficient Home Products)
  - Business Energy Solutions, including:
    - Existing Buildings (Building Efficiency and Building Tune-up and Operations for commercial retrofits/replacement and building operations)
    - New Buildings (New Building Efficiency for commercial new construction)
  - Industrial Energy Solutions, including:
    - Production Efficiency (for industrial processes and manufacturing)
7. Advance transmission and distribution (T&D) deferral opportunities – In cooperation with the utilities, Energy Trust intends to analyze at least one location where current transmission and/or distribution conditions are constrained. This effort is dependent upon utility system information that identifies where a concentration of energy efficiency and/or renewable energy could defer an expensive investment in T&D. Energy Trust retains an open interest in pursuing such opportunities, which may also allow the testing of community-based investment strategies.
8. Apply cash reserves guidelines for investing interest earnings - Energy Trust earns interest based upon individual investments made and on committed or escrowed funds awaiting payment once projects are completed. A portion of the earnings is necessary to provide a cash reserve and address potential revenue shortfalls. The balance can be invested to benefit customers and help achieve Energy Trust goals. The guidelines state that investment of earned income should:
- a. Respond to opportunities that further achieve Energy Trust strategic goals
  - b. Enable Energy Trust to meet customer expectations and fulfill project commitments
  - c. Maintain market momentum and opportunities to acquire savings/generation
  - d. Provide stability for program budgets that would otherwise be reduced or eliminated
  - e. Consider a balanced investment between both renewable and efficiency program opportunities over time
  - f. Enable the organization to explore new directions and enterprise opportunities

The 2007 budget assumes investment of a portion of earned revenues consistent with these guidelines.

9. Pursue Bonneville Power Administration conservation rate credit funds - In cooperation with PGE, Pacific Power and the Bonneville Power Administration, Energy Trust has the opportunity to receive approximately \$2M in conservation rate credit (CRC) funds. This additional revenue would be available for electric energy efficiency programs. Funds must be invested in a manner consistent with federal guidelines. Energy Trust is collaborating with the utilities to prioritize where CRC dollars could be leveraged to provide the greatest benefit to customers and achieve additional savings. Assuming such

funds are accepted, the budget would be amended early in 2007.

### **III. 2007-2008 PROGRAM/DEPARTMENT SUMMARIES AND CORRESPONDING BUDGET DETAIL**

The following section contains 1-page, 2-sided descriptions for each program and major department plus corresponding proposed 2007 budget details. Each description contains a short statement of purpose, a list of top strategies and actions anticipated and the proposed budget, savings or generation targets, where applicable. Activities anticipated for 2008 are identified as well, along with projected budget. This information allows a comparison between current and future resources.

### **IV. 2008 PROJECTED HIGHLIGHTS**

#### **Energy Efficiency**

- Maintain steady state for all energy efficiency programs, with activity levels corresponding to available revenues
- Refine and continue to rely upon the program reservation and forecasting system to closely manage available resources with demand
- Continue to balance program expenditures commensurate with funding from PGE and Pacific Power
- Increase gas marketing, investments and savings acquisition
- Test community energy strategy and activities
- Refine program integration and consolidation to optimize customer service delivery across sectors
- Consider implementing other program delivery models

#### **Renewable Energy**

- Continue efforts in the utility-scale program to implement the utility master agreements and begin to define a strategy to support other utility-scale generation
- Mature the biopower program based on the experience over the first two years and where possible, expand services and standardize offerings
- Continue to ramp the solar program to a long-term, stable budget, adjusting marketing, incentives and program services to respond to changing consumer needs
- Complete community wind projects funded in 2007, transition to more standardized offerings and development paths and define an incentive for small wind based 2007 market tests
- Target PGE service territory for open solicitation program and support, while also focusing on irrigation hydro-power for Pacific Power territory

#### **Other**

- Plan for increased management and general costs stemming from health care and potential operations plan improvements

Appendix I  
**Energy Trust of Oregon**  
**Mission Statement and Strategic Plan Goals**

**Mission statement:**

To change how Oregonians produce and use energy by investing in efficient technologies and renewable resources that save dollars and protect the environment.

**Strategic Plan Goals:**

- Goal 1:** By 2012, deliver programs to help consumers save 300 average megawatts (2.6 million annual megawatt hours) of electricity and 19 million annual therms of natural gas\* from long-lasting energy efficiency measures. Targets are for a weighted average measure life of 14 years for electric savings and 20 years for gas savings.
- Goal 2:** Provide 10% of Oregon's electric energy from renewable resources by 2012, (approximately 450 average megawatts for PacifiCorp and PGE if Energy Trust programs are complemented by state, federal and other policies and programs, or 150 average megawatts by Energy Trust effort alone).
- Goal 3:** Extend energy efficiency and on-site renewable energy programs and benefits to underserved consumers.
- Goal 4:** Contribute to the creation of a stable environment in which businesses that promote energy efficiency and renewable energy have the opportunity to succeed and thrive.
- Goal 5:** Encourage and support Oregonians to integrate energy efficiency and renewable resources into their daily lives.

\*Subject to change based on further analysis of program implementation experience, expanded gas utility participation and other factors.

Appendix 2

**2007 Anticipated OPUC Energy Trust of Oregon Performance Measures**

<b><u>Category</u></b>	<b><u>Measures</u></b>	<b><u>2007 Proposed Revised Budget March 28, 2007</u></b>
Energy Efficiency	Obtain at least 20 aMW computed on three year rolling average  Levelized cost not to exceed \$0.02/KWh	25-33 aMW  \$0.015 - \$.02/kwh
Natural Gas	Obtain at least 700,000 annual therms  Levelized cost not to exceed \$0.30/therm *	1.8-2.4 million annual therms  \$0.28 - \$0.37/therm
Renewable Resources Energy	Secure at least 9 aMW computed on a three year rolling average from utility scale projects  Secure at least 3 aMW computed on a three year rolling average from small scale projects	103 - 153 aMW  12 - 38 aMW
Financial Integrity	Receive an Unqualified financial opinion from independent auditor on annual financial statements	Accounting conforms with Generally Accepted Accounting Principles (GAAP)
Administrative and Program Support Costs	Keep below 11% of annual revenue	8.1% - 8.4%
Customer Satisfaction	Achieve reasonable rates	Includes customer satisfaction research
Benefit/Cost Ratios	Report both utility system and societal perspective on an annual basis and report significant changes, if any, on quarterly statements	

\* The OPUC and Energy Trust are exploring whether the \$.30/annual therm saved should remain or change in order to capture additional gas savings.

**Tab # 5**

**Energy Efficiency**





**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**PROGRAM: HOME ENERGY SOLUTIONS- EXISTING HOMES** **SECTOR: RESIDENTIAL**

**PURPOSE:** Acquire cost-effective electric and gas savings by providing energy efficiency services and incentives for existing single-family, multifamily and manufactured homes. Contributes to Strategic Plan goals 1, 3, 4, 5.

**PROGRAM STRATEGY:**

1. Offer incentives for a wide variety of efficiency measures for single-family, multifamily, and manufactured homes.
2. Offer Nexus online home energy analyzer to Energy Trust public purpose funding contributors.
3. Work with each participating utility to create promotions targeted to their customers.
4. Promote Solar Water Heating measures to existing residential homes.
5. Coordinate with ODOE to reward participants in the State Home Weatherization Program (SHOW) from Energy Trust service territories with compact fluorescent light bulbs.
6. Continue expansion of Home Performance with ENERGY STAR®, a comprehensive, whole-house approach to single family residential energy efficiency that utilizes diagnostic equipment and generates a home analysis assessment.
7. Offer low-interest financing as an option for program customers.

**2007 ACTIONS:**

1. Add a new incentive to ensure quality heat pump installations by participating HVAC contractors.
2. Expand training of trade allies to become certified Home Performance contractors in southern and eastern Oregon.
3. Effectively leverage utility and manufacturer promotional activities.
4. Engage in promotional activities with gas utilities to promote efficient gas furnaces and other efficient gas applications.
5. Accept trade ally-initiated residential solar water heating projects that conform to Energy Trust standards.
6. Sponsor events with Oregon Remodeling Association, the Remodelers Council and other organizations that support activities of trade allies.
7. Provide full program services to Cascade service territory including Home Performance with ENERGY STAR.
8. Enhance the existing cooperative marketing program with a production and performance-based program that provides cooperative advertising opportunities to contractors that submit a minimum number of jobs.
9. Provide 6000 CFLs to State Home Oil Weatherization (SHOW) customers.
10. Pursue more opportunities for gas efficiency measures.
11. Evolve multifamily program services to focus on high value measures such as lighting, appliances and HVAC.
12. Conduct a refrigerator replacement pilot in Pendleton with CAPECO community action agency.

**TARGETS:**

**2007 Proposed Budget**

Energy Savings 2.0 – 2.6 aMW (17,250 – 22,999 MWh);  
 Range \$4.7 - 3.5 mil/aMW; \$0.027 - 0.020/kWh, levelized  
 559,198 – 745,597 therms; \$8.01-6.01/therm; \$0.43 - 0.32/therm, levelized  
 Benefit/Cost (utility) Electric: 2.1 – 1.6  
 Gas: 5.7 – 1.7  
 Budget \$13.8 million

**2006 Actual**

Energy Savings 1.7 aMW (15,246 MWh); \$2.6 mil/aMW; \$0.014/kWh, levelized  
 502,546 therms; \$8.69/therm; \$0.45/therm, levelized  
 Total Expense \$8.8 million

**2008 PLANNED ACTIVITIES:**

1. In 2008 a larger portion of the program savings will be coming from Home Performance with ENERGY STAR.
2. In 2008 the program funding level and commensurate activities are expected to remain similar to 2007.

<b>2008 PROJECTION:</b>	\$ M	aMW	Therms
	\$11.8	1.5 – 2.0	599,702 – 799,603

(see budget details on reverse)

**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Home Energy Solutions - Existing Homes**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Program Management	\$237,971	\$352,340	\$311,410	\$302,340
Delivery	1,613,045	2,337,794	2,270,367	2,204,794
Marketing-PMC	248,448	626,843	393,298	381,843
Performance Comp	117,826	239,896	225,051	218,496
Incentives	4,814,968	7,255,240	5,852,407	6,182,240
	-----	-----	-----	-----
<b>Program Management</b>	<b>7,032,259</b>	<b>10,812,114</b>	<b>9,052,533</b>	<b>9,289,714</b>
<b>Staffing</b>	<b>299,698</b>	<b>284,617</b>	<b>295,167</b>	<b>280,575</b>
<b>Marketing</b>	<b>154,790</b>	<b>386,700</b>	<b>387,126</b>	<b>375,850</b>
<b>Services</b>				
Evaluation and Planning Services	162,874	695,990	588,034	634,166
QA-Subcontracted	37,580	75,000	77,250	75,000
Customer Service & Trade Ally Support	268,069	333,558	335,948	325,477
Legal Services	6,004	5,120	5,274	5,120
Other Professional Services	13,106	45,400	46,762	45,400
	-----	-----	-----	-----
<b>Total Other Services</b>	<b>487,633</b>	<b>1,155,068</b>	<b>1,053,268</b>	<b>1,085,163</b>
<b>General</b>				
General Program Support Costs	73,777	115,520	101,576	98,670
Shared	50,165	42,488	44,378	42,488
IT Services	308,226	354,839	369,911	353,855
	-----	-----	-----	-----
<b>Total General</b>	<b>432,168</b>	<b>512,846</b>	<b>515,865</b>	<b>495,013</b>
	=====	=====	=====	=====
<b>PROGRAM DIRECT COSTS</b>	<b>8,406,548</b>	<b>13,151,345</b>	<b>11,303,959</b>	<b>11,526,315</b>
	=====	=====	=====	=====
Allocated mgmt & general marketing	401,289	606,204	460,151	
	=====	=====	=====	
<b>TOTAL EXPENSE, FULLY ALLOCATED</b>	<b>8,807,837</b>	<b>13,757,549</b>	<b>11,764,110</b>	
	=====	=====	=====	

**HOME ENERGY SOLUTIONS- NEW HOMES AND PRODUCTS** **SECTOR: RESIDENTIAL**

**PURPOSE:** New combined program targeting lost energy efficiency opportunities in the residential sector. Provide the residential new home market with services and incentives with focus on EPA ENERGY STAR® regional specifications, reaching home buyers, builders, multifamily developers, and manufactured home retailers. Overcome market barriers to the purchase of energy efficient products through product incentives, consumer awareness and education, focusing on ENERGY STAR label and corresponding benefits of products and services that display it. Contributes to Strategic Plan goals 1, 3, 4, 5.

**PROGRAM STRATEGY:**

1. Provide market support (e.g., building diagnostics and equipment installation support, market-based verifier oversight, training, co-op marketing funds, retailer training, lighting support, realtor training, outreach to industry organizations)
2. Develop and implement elements to overcome barriers (e.g., education, lighting, HVAC, solar, employee turnover).
3. Provide incentives (e.g., homes, stand-alone measures, clothes washers, light bulbs, duct sealing, commissioning (Cx)).
4. Conduct marketing to create consumer demand (e.g., ads, website, education, school outreach).
5. Simplify program administration (e.g., streamlined forms, online incentive applications, cross cutting PMC delivery).
6. Leverage other related programs and organizations (e.g., NEEA, Earth Advantage, NEEM).

**2007 ACTIONS:**

1. Increase market share and long-term viability of ENERGY STAR homes in the new construction market place, 2.0 MEF clothes washers in the appliance marketplace, and CFLs in the home lighting market.
  - a) Provide incentives for ENERGY STAR single and multi-family homes, high efficiency gas furnaces, hearths, zonal electric homes, high efficiency heat pumps, commissioning and/or duct sealing for 60 heat pumps, manufactured homes, tankless hot water heaters, and clothes washer incentives on ultra-high efficiency models (2.0+ MEF).
2. Provide performance testing and duct sealing training to HVAC installers.
3. Offer technical training and incentives to builders for solar water heating systems to ENERGY STAR homes.
4. Provide free boxes of four CFLs to consumers who complete the on-line home energy analyzer.
5. Buy-down the cost of CFLs in conjunction with the Northwest regional Savings with A Twist campaign and the BPA Change and Light spring lighting campaign.
6. Implement sustainable community development program.
7. Initiate technical school outreach program and deliver fall workshops to identified schools.
8. Provide training to PV and solar water system installers through a partnership with Solar Oregon and OSEIA.

**TARGETS:**

**2007 Proposed Budget**

Energy Savings	2.5 – 3.3 aMW (21,863 – 29,151 MWh);
Range	\$2.6 - 2.0 mil/aMW; \$0.043 - 0.032/kWh, levelized;
	526,816 – 702,421 therms; \$6.82-5.11/therm; \$0.40 - 0.30/therm, levelized
Benefit/Cost (utility)	Electric: 2.3 – 1.5 Gas: 2.9 – 1.2
Budget	\$10.2 million

**2006 Actual**

Energy Savings	3.2 aMW (28,301 MWh); \$1.6 mil/aMW; \$0.018/ kWh, levelized;
	402,029 therms; \$6.59/therm; \$0.39/therm, levelized
Total Expense	\$7.7 million

**2008 PLANNED ACTIVITIES:**

1. Maintain new home market transformation efforts while increasing focus on alternative strategies toward achieving low-energy homes and green communities.
2. Increase installations of solar thermal systems and provide support for direct application renewable strategies.
3. Begin promoting LED lighting options and next generation CFL technologies.
4. Promote new viable technologies (e.g., heat pump water heaters, non-condensing gas water heaters).

**2008 PROJECTION:**

\$ M	aMW	Therms
\$9.4	2.0 – 2.6	609,873- 813,163

(see budget details on reverse.)

**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Home Energy Solutions - New Homes & Products**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Program Management	\$570,422	\$411,384	\$375,287	\$364,356
Delivery	2,067,054	3,001,671	2,612,398	2,539,326
Marketing-PMC	542,481	630,050	592,074	579,058
Performance Comp		276,355	245,809	248,087
Incentives	3,242,999	4,069,805	3,833,851	3,992,186
	-----	-----	-----	-----
<b>Program Management</b>	<b>6,422,956</b>	<b>8,389,266</b>	<b>7,659,420</b>	<b>7,723,013</b>
<b>Staffing</b>	<b>226,605</b>	<b>193,278</b>	<b>199,045</b>	<b>189,299</b>
<b>Marketing</b>	<b>147,316</b>	<b>107,000</b>	<b>106,605</b>	<b>103,500</b>
<b>Services</b>				
Evaluation and Planning Services	137,854	419,406	466,347	399,278
QA-Subcontracted	11,767	68,000	30,000	30,000
Customer Service & Trade Ally Support	74,816	85,999	81,060	78,533
Legal Services	5,161	5,120	5,274	5,120
Other Professional Services	2,445	13,610	2,060	2,000
	-----	-----	-----	-----
<b>Total Other Services</b>	<b>232,042</b>	<b>592,135</b>	<b>584,741</b>	<b>514,931</b>
<b>General</b>				
General Program Support Costs	26,857	37,000	34,505	33,500
Shared	37,759	27,409	28,752	27,409
IT Services	246,075	356,635	373,928	357,701
	-----	-----	-----	-----
<b>Total General</b>	<b>310,692</b>	<b>421,045</b>	<b>437,185</b>	<b>418,610</b>
	=====	=====	=====	=====
<b>PROGRAM DIRECT COSTS</b>	<b>7,339,610</b>	<b>9,702,723</b>	<b>8,986,997</b>	<b>8,949,354</b>
	=====	=====	=====	=====
Allocated mgmt & general marketing	357,983	449,612	371,042	
	=====	=====	=====	
<b>TOTAL EXPENSE, FULLY ALLOCATED</b>	<b>7,697,593</b>	<b>10,152,335</b>	<b>9,358,039</b>	
	=====	=====	=====	



**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Market Transformation (NEEA) - Residential**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Delivery	\$1,149,634	\$1,024,957	\$950,401	\$939,338
<b>Program Management</b>	<b>1,149,634</b>	<b>1,024,957</b>	<b>950,401</b>	<b>939,338</b>
<b>Staffing</b>	<b>12,674</b>	<b>17,557</b>	<b>18,437</b>	<b>17,547</b>
<b>Services</b>				
Evaluation and Planning Services		14,423	15,768	15,347
<b>Total Other Services</b>		<b>14,423</b>	<b>15,768</b>	<b>15,347</b>
<b>General</b>				
General Program Support Costs	448	933	961	933
Shared	1,511	2,364	2,484	2,364
<b>Total General</b>	<b>1,958</b>	<b>3,297</b>	<b>3,446</b>	<b>3,297</b>
<b>PROGRAM DIRECT COSTS</b>	<b>1,164,265</b>	<b>1,060,234</b>	<b>988,052</b>	<b>975,529</b>
Allocated mgmt & general marketing	55,571	48,310	40,705	
<b>TOTAL EXPENSE, FULLY ALLOCATED</b>	<b>1,219,836</b>	<b>1,108,544</b>	<b>1,028,757</b>	

**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**PROGRAM: BUSINESS ENERGY SOLUTIONS- EXISTING BUILDINGS      SECTOR: COMMERCIAL**

**PURPOSE:** Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency equipment and energy efficient operating practices existing commercial facilities. Contributes to Strategic Plan goals 1, 3, 4, 5.

**PROGRAM STRATEGY:**

1. Target decision makers of existing commercial renovation projects including owners and installation contractors.
2. Deliver program directly to owners and developers by utilizing Program Management Contractor (PMC) and a statewide comprehensive network of trade allies, leveraging existing market relationships and professional service channels.
3. Maintain and expand successful state-wide Trade Ally Network of installation and technical assistance contractors to further deliver program services to the public.
4. Create outreach program utilizing direct calls and emails, referrals, mass emails, cold calls, news releases, direct mailings, case studies, advertisements in trade publications, program seminars, sponsorships of events and organizations, web site, articles, bill inserts and partnerships with related organizations.
5. Incorporate operation and maintenance, boiler tune-ups and recommissioning services and incentives formerly offered by Building Tune-Up and Operations pilot program.
6. Incorporate Solar Water Heating (SWH) measures to leverage existing outreach and management resources.
7. Coordinate with ODOE to package program offerings.

**2007 ACTIONS:**

1. Add more equipment to the Standard Track incentive list (e.g. reach-in coolers and refrigerators, appliances, commercial food service equipment, ice-makers, natural gas equipment).
2. Add operation and maintenance, boiler tune-ups and recommissioning services and incentives.
3. Provide targeted incentives for direct-digital control systems, variable air volume conversions, boilers and chillers.
4. Provide targeted outreach and marketing for the foodservice, hospitality, direct-digital controls and lighting markets with additional staff.
5. Support inclusion of SWH measure in energy studies, and accept trade-ally initiated commercial SWH projects.
6. Continue to align with ODOE programs to minimize differences in program requirements (e.g. BETC, SEED, High-Performance Schools).
7. Continue to improve and streamline program rules, forms and participation steps for Trade Allies and participants.

**TARGETS:**

**2007 Proposed Budget**

Energy Savings      2.7 – 3.6 aMW (23,483 – 31,311 MWh);  
 Range                      \$2.3 – 1.7 mil/aMW; \$0.025 – 0.019/kWh, levelized;  
    518,893 – 691,857 therms; \$3.45 – 2.89/therm; \$0.37 – 0.27/therm, levelized  
 Benefit/Cost              Electric: 5.1 – 2.0  
 (utility)                      Gas:    2.1 – 1.9  
 Budget                      \$8.0 million

**2006 Actual**

Energy Savings      4.9 aMW (43,345 MWh);  
    \$1.1mil/aMW; \$0.010/kWh, levelized;  
    639,997 therms; \$2.58/therm;  
    \$0.23/therm, levelized  
 Total Expense              \$6.9 million

**2008 PLANNED ACTIVITIES:**

1. Explore having online forms and tablet computer audit tools for field audits and installation verification.
2. Lower acquisition cost of energy savings by streamlining program operations.

<b>2008 PROJECTION:</b>	\$ M	aMW	Therms
	\$6.2	1.8 - 2.4	587,972 – 783,963

(see budget details on reverse)



**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Existing Buildings**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Program Management	\$ 154,048	\$ 164,977	\$ 169,927	\$ 164,978
Delivery	739,140	972,108	1,001,213	972,107
Marketing-PMC	264,144	283,650	292,159	283,650
Performance Comp	159,489	153,135	147,285	142,996
Incentives	4,463,791	4,901,361	3,140,154	3,691,373
	-----	-----	-----	-----
<b>Program Management</b>	<b>5,780,612</b>	<b>6,475,231</b>	<b>4,750,739</b>	<b>5,255,103</b>
<b>Staffing</b>	<b>275,844</b>	<b>184,916</b>	<b>169,652</b>	<b>161,660</b>
<b>Marketing</b>	<b>19,070</b>	<b>104,662</b>	<b>102,485</b>	<b>99,500</b>
<b>Services</b>				
Evaluation and Planning Services	251,158	488,007	491,047	439,774
QA-Subcontracted	7,393	30,000	30,900	30,000
Customer Service & Trade Ally Support	46,246	38,085	39,255	37,521
Legal Services	3,535	5,120	5,120	5,120
Other Professional Services		82,000	103,000	82,000
	-----	-----	-----	-----
<b>Total Other Services</b>	<b>308,331</b>	<b>643,212</b>	<b>669,322</b>	<b>594,416</b>
<b>General</b>				
General Program Support Costs	32,858	70,662	67,465	65,500
Shared	40,965	19,231	19,974	19,231
IT Services	103,848	134,877	140,078	132,055
	-----	-----	-----	-----
<b>Total General</b>	<b>177,671</b>	<b>224,770</b>	<b>227,517</b>	<b>216,786</b>
	=====	=====	=====	=====
<b>PROGRAM DIRECT COSTS</b>	<b>6,561,528</b>	<b>7,632,791</b>	<b>5,919,714</b>	<b>6,327,466</b>
	=====	=====	=====	=====
Allocated mgmt & general marketing	316,333	352,058	241,853	
	=====	=====	=====	
<b>TOTAL EXPENSE, FULLY ALLOCATED</b>	<b>6,877,861</b>	<b>7,984,849</b>	<b>6,161,567</b>	
	=====	=====	=====	

**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**PROGRAM: BUSINESS ENERGY SOLUTIONS- NEW BUILDINGS      SECTOR: COMMERCIAL**

**PURPOSE:** Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency design and equipment in commercial and industrial new construction and major renovation projects. Contributes to Strategic Plan Goals 1, 3, 4, 5

**PROGRAM STRATEGY:**

1. Target decision makers in commercial and industrial new construction projects and major renovations of existing buildings.
2. Achieve deeper penetration in the market for small and medium-sized construction and renovation projects.
3. Target architects and engineers by providing tools and resources to assist them in selling their clients on high efficiency design and equipment.
4. Deliver program directly to owners and developers by utilizing Program Management Contractors (PMCs) and a statewide comprehensive network of trade allies, leveraging existing market relationships and professional service channels.
5. Create outreach program utilizing direct calls and emails, referrals, mass emails, cold calls, news releases, direct mailings, case studies, advertisements in trade publications, program seminars, sponsorships of events and organizations, web site, articles, bill inserts and partnerships with related organizations.
6. Incorporate solar water heating and photovoltaic measures to leverage outreach and management resources, relying on delivery support from Energy Trust solar program staff.
7. Coordinate with ODOE to package program offerings.

**2007 ACTIONS:**

1. Expand ENERGY STAR® program track.
2. Work with design community to showcase/incorporate better analytical tools for building design (e.g. continue to host energy modeling meetings, update energy modeling tools with Oregon energy code data, develop and incorporate analytical lighting tools for new building design).
3. Continue to develop materials for architects and engineers to promote the program to their clients.
4. Continue to align with ODOE programs to minimize differences in program requirements (e.g. BETC, SEED, High-Performance Schools).
5. Continue to integrate Green Investment Fund projects with program activities.
6. Add more equipment to the Standard Track incentive list as opportunities arise.
7. Incentive dollars originally budgeted for 2007 are moved into 2008 in anticipation of the program expanding into markets for small and medium sized new construction projects and starting to close more of these projects in 2008.

**TARGETS:**

**2007 Proposed Budget**

Energy Savings Range      1.7 – 2.3 aMW (14,932 – 19,909 MWh);  
 \$2.9 – 2.2 mil/aMW; \$0.022 – 0.017/kWh, levelized;  
 209,684 – 279,579 therms; \$3.20 – 2.40/therm; \$0.22 – 0.16/therm, levelized

Benefit/Cost (utility)      Electric: 3.7 – 2.2  
 Gas: 4.2 – 3.8

Budget      \$5.6 million

**2006 Actual**

Energy Savings      2.0 aMW (17,524 MWh);  
 \$1.7mil/aMW; \$0.013/kWh, levelized;  
 604,742 therms; \$1.15 /therm;  
 \$0.08/therm, levelized

Total Expense      \$4.2 million

**2008 PLANNED ACTIVITIES:**

1. Explore having online forms and tablet computer audit tools for field audits and installation verification.
2. Identify and implement strategies to reduce program management and delivery costs.

<b>2008 PROJECTION:</b>	\$ M	aMW	Therms
	\$8.5	2.6 – 3.5	298,606 – 398,141

(see budget details on reverse)

**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
New Buildings**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Program Management	\$36,238	\$22,830	\$23,515	\$22,830
Delivery	833,759	1,008,187	1,041,264	1,008,187
Marketing-PMC	31,325	25,000	25,750	25,000
Performance Comp	92,346	127,558	131,385	127,558
Incentives	2,328,100	2,898,243	5,731,287	4,251,000
	-----	-----	-----	-----
<b>Program Management</b>	<b>3,321,768</b>	<b>4,081,818</b>	<b>6,953,201</b>	<b>5,434,575</b>
<b>Staffing</b>	<b>141,874</b>	<b>136,970</b>	<b>119,549</b>	<b>113,728</b>
<b>Marketing</b>	<b>60,592</b>	<b>84,540</b>	<b>85,933</b>	<b>83,430</b>
<b>Services</b>				
Evaluation and Planning Services	125,682	478,158	465,747	430,774
QA-Subcontracted		15,000	15,450	15,000
Customer Service & Trade Ally Support	8,870	5,529	7,205	6,981
Legal Services	205	5,120	5,274	5,120
Other Professional Services	150,000	325,000	334,750	325,000
	-----	-----	-----	-----
<b>Total Other Services</b>	<b>284,757</b>	<b>828,807</b>	<b>828,425</b>	<b>782,875</b>
<b>General</b>				
General Program Support Costs	23,287	24,610	24,205	23,500
Shared	22,868	16,037	16,822	16,037
IT Services	100,168	147,710	152,786	146,157
	-----	-----	-----	-----
<b>Total General</b>	<b>146,323</b>	<b>188,357</b>	<b>193,813</b>	<b>185,694</b>
	=====	=====	=====	=====
<b>PROGRAM DIRECT COSTS</b>	<b>3,955,314</b>	<b>5,320,493</b>	<b>8,180,921</b>	<b>6,600,302</b>
	=====	=====	=====	=====
Allocated mgmt & general marketing	190,829	243,591	336,253	
	=====	=====	=====	
<b>TOTAL EXPENSE, FULLY ALLOCATED</b>	<b>4,146,143</b>	<b>5,564,084</b>	<b>8,517,174</b>	
	=====	=====	=====	



**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Market Transformation (NEEA) - Commercial**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Delivery	\$1,345,934	\$1,700,742	\$1,701,983	\$1,624,817
<b>Program Management</b>	<b>1,345,934</b>	<b>1,700,742</b>	<b>1,701,983</b>	<b>1,624,817</b>
<b>Staffing</b>	<b>12,311</b>	<b>12,129</b>	<b>12,724</b>	<b>12,123</b>
<b>Services</b>				
Evaluation and Planning Services		9,985	22,414	10,962
<b>Total Other Services</b>		<b>9,985</b>	<b>22,414</b>	<b>10,962</b>
<b>General</b>				
General Program Support Costs	535	933	961	933
Shared	1,415	1,469	1,545	1,469
<b>Total General</b>	<b>1,950</b>	<b>2,403</b>	<b>2,506</b>	<b>2,403</b>
<b>PROGRAM DIRECT COSTS</b>	<b>1,360,194</b>	<b>1,725,259</b>	<b>1,739,627</b>	<b>1,650,304</b>
Allocated mgmt & general marketing	64,924	78,612	71,669	
<b>TOTAL EXPENSE, FULLY ALLOCATED</b>	<b>1,425,118</b>	<b>1,803,871</b>	<b>1,811,296</b>	

**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**PROGRAM: BUSINESS ENERGY SOLUTIONS- PRODUCTION EFFICIENCY    SECTOR: INDUSTRIAL**

**PURPOSE:** Acquire cost-effective electric savings through technical assistance and financial incentives for high-efficiency design and equipment in existing and new industrial processes and facilities.  
 (Industrial gas rate customers are ineligible for program services and incentives). Contributes to Strategic Plan goals 1, 3, 4, 5.

**PROGRAM STRATEGY:**

1. Continue to target key decision makers of existing industrial process projects, including owners and Chief Financial Officers.
2. Deliver program to owners, plant engineers and design process engineers through the Program Delivery Contractors (PDCs) assigned to key sectors and geographic territories.
3. Promote program participation through developing a broad offering of services that include premium lighting and high efficiency motor incentives with a focus toward smaller industrial customers.
4. Consider approval of large-scale projects (either a mega-project or CHP) to achieve program value through large-scale savings.

**2007 ACTIONS:**

1. Promote service delivery and market penetration for small to medium sized industrial customers.
2. Explore new strategies targeting the underserved smaller industrial market.
3. Develop additional potential prescriptive measures for compressed air, refrigeration, and hydraulic systems.
4. Continue cooperative marketing by both the Energy Trust and the Program Management Contractor (PMC).
5. Monitor project commitment level expenditures relative to utility funding territory and adjust PDC marketing to balance revenue project funding.
6. Continue to offer Irrigation Initiative Pump Repair/Replacement track and Nozzle Exchange through December 2007..
7. Develop strategies to reduce program management and delivery costs.

**TARGETS:**

**2007 Proposed Budget**

Energy Savings	10.2 – 13.6 aMW (89,165 – 118,887 MWh);
Range	\$1.4 – 1.0 mil/aMW; \$0.017 – 0.013/kWh, levelized
Benefit/Cost (utility)	6.4 – 4.3
Budget	\$13.9 million

**2006 Actual**

Energy Savings	7.9 aMW (69,277 MWh); \$1.8 mil/aMW; \$0.022/kWh, levelized
Total Expense	\$14.2 million

**2008 PLANNED ACTIVITIES:**

1. Expand services that will be coordinating efforts with the potential Community Energy and T&D deferral projects.
2. Focus on delivering lower cost savings opportunities to achieve program delivery goals.
3. Implement strategies to reduce program management and delivery costs.

**2008 PROJECTION:**

\$ M	aMW
\$12.7	9.3 – 12.4

(see budget details on reverse)

**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Business Energy Solutions - Production Efficiency**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Program Management	\$318,449	\$103,290	\$106,317	\$103,290
Delivery	1,569,874	2,250,020	1,807,508	1,980,020
Marketing-PMC	40,635	5,434	5,434	5,434
Performance Comp	118,079	127,796	125,234	121,586
Incentives	10,849,112	9,879,400	9,188,700	9,279,400
<b>Program Management</b>	<b>12,896,149</b>	<b>12,365,940</b>	<b>11,233,193</b>	<b>11,489,730</b>
<b>Staffing</b>	<b>253,466</b>	<b>209,063</b>	<b>195,005</b>	<b>185,794</b>
<b>Marketing</b>	<b>19,321</b>	<b>35,000</b>	<b>36,050</b>	<b>35,000</b>
<b>Services</b>				
Evaluation and Planning Services	174,198	451,980	456,383	443,468
QA-Subcontracted		50,000	51,500	50,000
Customer Service & Trade Ally Support	1,024	614	905	873
Legal Services	1,927	5,120	5,274	5,120
Other Professional Services	(49)	7,500	7,560	7,500
<b>Total Other Services</b>	<b>177,100</b>	<b>515,215</b>	<b>521,622</b>	<b>506,961</b>
<b>General</b>				
General Program Support Costs	11,156	26,200	40,080	26,200
Shared	36,620	22,426	23,496	22,426
IT Services	150,885	166,960	173,934	167,952
<b>Total General</b>	<b>198,660</b>	<b>215,586</b>	<b>237,510</b>	<b>216,578</b>
<b>PROGRAM DIRECT COSTS</b>	<b>13,544,696</b>	<b>13,340,804</b>	<b>12,223,380</b>	<b>12,434,063</b>
Allocated mgmt & general marketing	634,195	606,945	503,427	
<b>TOTAL EXPENSE, FULLY ALLOCATED</b>	<b>14,178,891</b>	<b>13,947,749</b>	<b>12,726,807</b>	





**ENERGY EFFICIENCY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Market Transformation (NEEA) - Industrial**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Delivery	\$843,820	\$987,407	\$939,017	\$928,923
<b>Program Management</b>	<b>843,820</b>	<b>987,407</b>	<b>939,017</b>	<b>928,923</b>
<b>Staffing</b>	<b>9,588</b>	<b>9,638</b>	<b>10,105</b>	<b>9,634</b>
<b>Services</b>				
Evaluation and Planning Services		14,423	15,768	15,347
<b>Total Other Services</b>		<b>14,423</b>	<b>15,768</b>	<b>15,347</b>
<b>General</b>				
General Program Support Costs	448	933	961	933
Shared	1,096	1,086	1,143	1,086
<b>Total General</b>	<b>1,543</b>	<b>2,019</b>	<b>2,105</b>	<b>2,019</b>
<b>PROGRAM DIRECT COSTS</b>	<b>854,951</b>	<b>1,013,488</b>	<b>966,994</b>	<b>955,923</b>
Allocated mgmt & general marketing	40,808	46,180	39,838	
<b>TOTAL EXPENSE, FULLY ALLOCATED</b>	<b>895,759</b>	<b>1,059,668</b>	<b>1,006,832</b>	

**Tab # 6**

**Renewable Energy**



**PROGRAM: UTILITY-SCALE PROGRAMS**

**PURPOSE:** Low-cost, resource acquisition program designed to move the market for large-scale renewable resources to parity using alternative generation sources. Contributes to Energy Trust Strategic goal #2.

**PROGRAM STRATEGY:**

1. Support utility Integrated Resource Plan (IRP) acquisition goals.
2. Partner with Portland General Electric and PacifiCorp on request for proposals (RFP) processes, relying on direct competition.
3. Foster utility experience by helping position Portland General Electric and PacifiCorp to acquire increasing amounts of renewable resources.
4. Support Oregon's large-scale renewables industry.

**2007 ACTIONS:**

1. Complete project commitments in 2006 for Pacific Power for GoodNoe Hills East and West wind projects (112 MW).
2. Complete commitments from 2006 for PGE for the proposed 126 MW Biglow Canyon wind project or develop alternatives for that portion of the funding and the remaining amount in the Master Agreement.
3. Develop and complete commitments for a new, follow-on project for Pacific Power.
4. Revise the expiring master agreement with PGE to support new projects in 2008.
5. Establish green tag reporting in coordination with the western regional generation information systems (WREGIS).
6. Work with utilities on any updates to their IRP action plans.
7. Initiate a market assessment for geothermal in Oregon.
8. Define a market strategy for supporting the next generation of possible projects for utility systems.
9. Participate in the regional efforts to define and address transmission issues for renewable resources.
10. Reserve funds in 2007 for new projects, in expectation that the federal production tax credits are renewed and extended.

**TARGETS:**

**2007 Proposed Activity Budget**

Energy	103-153 aMW (902,280-1,340,280 MWh);
Generation	\$0.172- 0.120 mil/aMW; \$0.002 – 0.001/kWh, levelized
Budget	\$17.74 million

**2006 Actual Activity**

Energy	38 aMW (332,800 MWh); \$0.125
Generation	mil/aMW; \$0.001/kWh, levelized
Total Expense	\$4.70 million

**2008 PLANNED ACTIVITIES:**

1. Complete project commitments from 2007.
2. Address results of geothermal study.
3. As appropriate, implement new market strategies.

**2008 PROJECTION:**

	\$ M	aMW
	2.90	16-24

(see budget details on reverse)

Note: Budget figures include dedicated funds

**RENEWABLE ENERGY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Utility Scale**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Incentives		\$3,963,250	\$16,300,000	\$4,700,000
<b>Program Management</b>		<b>3,963,250</b>	<b>16,300,000</b>	<b>4,700,000</b>
<b>Staffing</b>	<b>77,707</b>	<b>87,211</b>	<b>91,504</b>	<b>87,166</b>
<b>Marketing</b>		<b>10,700</b>	<b>8,200</b>	<b>10,700</b>
<b>Services</b>				
Evaluation and Planning Services		22,189	24,780	24,116
Legal Services	43,563	35,000	36,050	35,000
Other Professional Services	32,070	174,100	136,100	174,100
<b>Total Other Services</b>	<b>75,633</b>	<b>231,289</b>	<b>196,930</b>	<b>233,216</b>
<b>General</b>				
General Program Support Costs	3,453	20,360	22,450	20,360
Shared	9,369	10,734	11,254	10,734
IT Services	15,238	21,560	24,125	23,077
<b>Total General</b>	<b>28,060</b>	<b>52,654</b>	<b>57,829</b>	<b>54,171</b>
<b>PROGRAM DIRECT COSTS</b>	<b>181,400</b>	<b>4,345,104</b>	<b>16,654,463</b>	<b>5,085,253</b>
Allocated mgmt & general marketing	15,949	197,869	546,689	
<b>TOTAL EXPENSE, Accounting Perspective</b>	<b>197,349</b>	<b>4,542,973</b>	<b>17,201,152</b>	
Plus/minus dedicated funds committed for future yr	4,500,000	13,200,000	(14,300,000)	
<b>TOTAL EXPENSE, Action Plan Perspective</b>	<b>4,697,349</b>	<b>17,742,973</b>	<b>2,901,152</b>	

**PROGRAM: SOLAR ELECTRIC PROGRAM**

**PURPOSE:** Transform the solar electric market for all sectors in Oregon by expanding participation, providing quality standards and ensuring there is a strong qualified installer base for consumers. Contributes to Energy Trust goals 2, 3 and 5.

**PROGRAM STRATEGY:**

1. Build upon recent heightened interest among consumers, and move past the early adopters in the market transformation.
2. Provide quality standards for consumers to rely on.
3. Foster growth in the installer base.
4. Concentrate outreach efforts to increase participation among PGE customers.
5. Expand market opportunities to include homebuilders and commercial architects/engineers.

**2007 ACTIONS:**

1. Adjust incentives to respond to possible market factors:
  - a) Elevated equipment costs
  - b) Increase in net metering size limit
  - c) Proposed changes to BETC
2. Expand market opportunities:
  - a) Consider higher incentive for government/nonprofit, and raise incentive cap for net metered commercial systems.
  - b) Move large solar projects from OSP into PV program, with budget set aside.
  - c) Offer intensive support for selected home builders. Promote successful solar home developments.
  - d) Streamline application process for solar on new commercial buildings. Conduct participant focus group.
  - e) Respond to impact evaluation, conduct follow up on process evaluation.
3. Maintain high level of publicity for solar. Continue targeted outreach to PGE customers:
  - a) Continue coop ad incentives and marketing training for trade allies.
  - b) Continue effective solar seminars and support for solar home tours.
  - c) Develop new messages to differentiate and reach PGE customers.
4. Expand the installer base:
  - a) Sponsor efforts to expand LRT apprenticeship program and recruitment.
  - b) Continue to train new entrants in best installation practices.
  - c) Foster relationship with solar equipment suppliers to make product available to mainstream electrical/plumbing contractors.

**TARGETS:**

<b>2007 Proposed Activity Budget</b>		<b>2006 Actual Activity</b>	
Energy	0.139 – 0.186 aMW (1,219 – 1,626 MWh);	Energy Savings	0.080 aMW (705 MWh); \$19.5
Generation Range	\$21.4 – 16.0 mil/aMW; \$0.164 – 0.123/kWh, levelized		mil/aMW; \$0.149/kWh, levelized
Budget	\$3.02 million	Total Expense	\$1.56 million

**2008 PLANNED ACTIVITIES:**

1. Continue to ramp to long-term, stable program budgets.
2. Adjust marketing to respond to changing supply and consumer needs.
3. Incorporate results from program and system evaluations.

<b>2008 PROJECTION:</b>	<b>\$ M</b>	<b>aMW</b>
	\$3.03	0.1-0.2

(see budget details on reverse)

**RENEWABLE ENERGY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Solar Electric**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Delivery	\$59,515	\$70,565	\$72,682	\$70,565
Incentives	957,220	2,168,185	2,232,898	2,168,185
<b>Program Management</b>	<b>1,016,736</b>	<b>2,238,750</b>	<b>2,305,580</b>	<b>2,238,750</b>
<b>Staffing</b>	<b>136,070</b>	<b>185,413</b>	<b>194,935</b>	<b>185,294</b>
<b>Marketing</b>	<b>65,605</b>	<b>166,250</b>	<b>114,588</b>	<b>111,250</b>
<b>Services</b>				
Evaluation and Planning Services	36,123	65,314	58,899	57,241
Customer Service & Trade Ally Support	39,287	42,382	58,537	56,719
Legal Services	442			
Other Professional Services	62,752	74,800	77,044	74,800
<b>Total Other Services</b>	<b>138,604</b>	<b>182,496</b>	<b>194,480</b>	<b>188,760</b>
<b>General</b>				
General Program Support Costs	20,988	29,200	30,076	29,200
Shared	26,223	28,112	29,488	28,112
IT Services	29,785	56,466	61,651	58,976
<b>Total General</b>	<b>76,996</b>	<b>113,778</b>	<b>121,215</b>	<b>116,288</b>
<b>PROGRAM DIRECT COSTS</b>	<b>1,434,010</b>	<b>2,886,688</b>	<b>2,930,798</b>	<b>2,840,342</b>
Allocated mgmt & general marketing	123,277	132,424	96,242	
<b>TOTAL EXPENSE, FULLY ALLOCATED</b>	<b>1,557,287</b>	<b>3,019,112</b>	<b>3,027,040</b>	

**PROGRAM: WIND**

**PURPOSE:** Expansion of the opportunities for wind from the current market models, transforming markets to bring development of distributed generation and projects of varying, smaller sizes and alternative ownership models. Contributes to Strategic Plan goals 2, 3, 5.

**PROGRAM STRATEGY:**

1. Confirm sufficient wind resources through anemometer loans and support for Oregon State University’s wind monitoring lab.
2. Develop simplified wind resource tool for small wind.
3. Develop financial and business models to help rural Oregon communities and landowners become project sponsors.
4. Define a standard incentive offer or use successive RFPs to seed market development.
5. Build the pipeline of future projects, partnering with USDA on feasibility grants and analyses.
6. Break down knowledge barriers by providing consolidated, Oregon-specific information for project sponsors.

**2007 ACTIONS:**

1. Bring to fruition 2-3 projects from the 2006 Community Wind RFP.
2. Identify 2-3 PGE 10 MW projects for 2008.
3. Continue the expanded anemometer loan program to support community wind with data analysis and taller anemometers for the tier-two projects from the 2006 RFP.
4. Provide support for additional feasibility studies to continue building the pipeline of potential Community Wind projects.
5. Republish the Community Wind Guidebook.
6. Continue to partner with ODOE to gain federal co-funding of projects and studies.
7. Partner with Oregon farm groups and state agencies to co-promote the program.
8. Conduct one in-depth case study with financial fact sheet.
9. Address transmission and distribution barriers to bring BPA and Co-op wind resources to PGE.
10. Continue providing the industry with support to address interconnection issues.
11. Expand program to include small-scale, on-site generation.
12. Evaluate the use of alternative tools for evaluating wind resources for small wind.
13. Identify five small wind projects and provide support to obtain USDA 9006 grants.

**TARGETS:**

**2007 Proposed Activity Budget**

Energy	8.1-17.6 aMW (71,241–154,653 MWh);
Generation Range	\$0.98 – 0.45 mil/aMW; \$0.008 – 0.004/kWh, levelized
Budget	\$7.94 million

**2006 Actual Activity**

Energy	0 aMW
Generation	
Total Expense	\$0.34 million

**2008 PLANNED ACTIVITIES:**

1. Have a fully operational program for community wind development with standard incentive or succession of RFP’s.
2. Implement program revisions based on 2006/2007 experience.
3. Bring projects to fruition that were proposals in 2005 and 2006.
4. Continue expanding the program to include small-scale on-site generation.

**2008 PROJECTION:**

\$ M	aMW
<b>\$3.23</b>	<b>6-8</b>

(see budget details on reverse)

Note: Budget figures include dedicated funds



**RENEWABLE ENERGY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Wind**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Delivery	(\$4,624)	\$173,600	\$148,600	\$173,600
Incentives	45,900	700,800	4,240,800	700,800
<b>Program Management</b>	<b>41,276</b>	<b>874,400</b>	<b>4,389,400</b>	<b>874,400</b>
<b>Staffing</b>	<b>127,626</b>	<b>149,090</b>	<b>156,480</b>	<b>149,009</b>
<b>Marketing</b>	<b>3,470</b>	<b>10,425</b>	<b>10,425</b>	<b>10,425</b>
<b>Services</b>				
Evaluation and Planning Services	10,425	52,685	51,914	51,011
Legal Services	3,217	30,560	31,477	30,560
Other Professional Services	81,977	105,600	68,200	105,600
<b>Total Other Services</b>	<b>95,619</b>	<b>188,845</b>	<b>151,591</b>	<b>187,171</b>
<b>General</b>				
General Program Support Costs	14,489	16,325	16,325	16,325
Shared	18,912	19,040	19,971	19,040
IT Services	7,619	38,243	42,888	41,027
<b>Total General</b>	<b>41,020</b>	<b>73,608</b>	<b>79,184</b>	<b>76,392</b>
<b>PROGRAM DIRECT COSTS</b>	<b>309,011</b>	<b>1,296,367</b>	<b>4,787,079</b>	<b>1,297,397</b>
Allocated mgmt & general marketing	27,388	59,426	157,106	
<b>TOTAL EXPENSE, Accounting Perspective</b>	<b>336,399</b>	<b>1,355,793</b>	<b>4,944,185</b>	
Plus/minus dedicated funds committed for future yrs	-	6,580,000	(1,720,000)	
<b>TOTAL EXPENSE, Action Plan Perspective</b>	<b>336,399</b>	<b>7,935,793</b>	<b>3,224,185</b>	

**PROGRAM: OPEN SOLICITATION PROGRAM**

**PURPOSE:** Develop a portfolio of market-defining installations, each element of which demonstrates a new application, technology or business model not otherwise covered by Energy Trust programs, provides insight on whether and how to launch new, technology-specific Energy Trust programs, and/or secures a low-cost renewable energy resource. Contributes to Energy Trust strategic goals 2,3 and 5.

**PROGRAM STRATEGY:**

1. Offer a program to ensure that eligible good ideas do not “fall through the cracks.”
2. Make funds available for renewable energy projects with economic development characteristics.
3. Focus on outreach and lead generation.
4. Make funds available for feasibility studies.
5. Assist selected applicants in further developing proposals.

**2007 ACTIONS:**

1. Complete the approved projects (Albany Hydro).
2. Market to defined, specific audiences in the PGE service territory, including selected on-site applications and municipalities.
3. Update Open Solicitation website with new project summaries.
4. Develop and disseminate case studies with two detailed project case studies targeted to engineering and municipal decision makers.
5. Develop hydropower projects – As applications for solar, biomass, and wind projects are moved into the respective programs, OSP will focus on hydro and other technologies while still promoting new ideas.
  - a) Conclude evaluation of the applications from Swalley Irrigation District, Central Oregon Irrigation District, and St. Laurent Ranch.
  - b) Build relationships and conduct outreach through hydro and irrigation district associations.
  - c) Fund 3-4 feasibility studies.
  - d) Work with planning and evaluation staff on an assessment of the hydropower potential in Oregon.
6. Monitor technologies that are emerging in Oregon (e.g. wave power).

**TARGETS:**

**2007 Proposed Activity Budget**

Energy 0.70 - 1.10 aMW (6,132 – 9,636 MWh); \$4.8  
 Generation Range – 3.1 mil/aMW; \$0.037 – 0.024/kWh,  
 levelized  
 Budget \$3.38 million

**2006 Actual Activity**

Energy 0.267 aMW (2,339 MWh); \$2.62  
 Generation mil/aMW; \$0.020/kWh, levelized  
 Total Expense \$0.7 million

**2008 PLANNED ACTIVITIES:**

1. Complete projects approved in 2007.
2. Continue the targeted marketing rolled out in 2006.

**2008 PROJECTION:**

\$ M                      aMW  
 \$2.08                      0.4 - 0.7

(see budget details on reverse)

Note: Budget figures include dedicated funds

**RENEWABLE ENERGY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Open Solicitation**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Delivery		\$24,000	\$24,720	\$24,000
Incentives	21,286	1,646,353	2,461,793	799,603
<b>Program Management</b>	<b>21,286</b>	<b>1,670,353</b>	<b>2,486,513</b>	<b>823,603</b>
<b>Staffing</b>	<b>50,631</b>	<b>121,093</b>	<b>127,143</b>	<b>121,025</b>
<b>Marketing</b>	<b>235</b>	<b>15,320</b>	<b>15,320</b>	<b>15,320</b>
<b>Services</b>				
Evaluation and Planning Services		47,548	48,893	48,472
QA-Subcontracted	360	12,600	12,600	12,600
Legal Services	292	16,400	16,892	16,400
Other Professional Services	46,289	90,000	114,000	90,000
<b>Total Other Services</b>	<b>46,940</b>	<b>166,548</b>	<b>192,385</b>	<b>167,472</b>
<b>General</b>				
General Program Support Costs	3,355	15,000	15,000	15,000
Shared	7,727	16,101	16,887	16,101
IT Services	14,338	32,340	37,526	35,898
<b>Total General</b>	<b>25,420</b>	<b>63,440</b>	<b>69,413</b>	<b>66,999</b>
<b>PROGRAM DIRECT COSTS</b>	<b>144,513</b>	<b>2,036,754</b>	<b>2,890,774</b>	<b>1,194,418</b>
Allocated mgmt & general marketing	14,146	93,943	95,058	
<b>TOTAL EXPENSE, Accounting Perspective</b>	<b>158,659</b>	<b>2,130,697</b>	<b>2,985,832</b>	
Plus/minus dedicated funds committed for future yr	550,110	1,249,407	(911,593)	
<b>TOTAL EXPENSE, Action Plan Perspective</b>	<b>708,769</b>	<b>3,380,104</b>	<b>2,074,239</b>	

**PROGRAM: BIOPOWER**

**PURPOSE:** Acquisition of significant amounts of renewable energy from wood-fired and other biomass generation; and development of markets for less mature energy resources such as dairy manure and forest biomass.

**PROGRAM STRATEGY:**

1. Perform targeted market analyses where necessary to fill in knowledge gaps.
2. Focus on sawmills and facilities using other sources of wood waste to acquire significant quantities of renewable energy.
3. Target upgrades at existing wastewater treatment plants to build capacity in PGE territory, and explore opportunities at such facilities in Pacific Power territory.
4. Work with dairy community to define a strategy to generate interest among Oregon dairymen in digester projects
5. Offer cost-shared support for feasibility analyses to help potential applicants identify opportunities, where possible by leveraging other sources of funding (e.g., U.S. Department of Agriculture, Western Governors' Association and the Oregon Economic and Community Development Corporation).
6. Where appropriate, provide facilities that lack technical resources with assistance in applying for Energy Trust or other funding.
7. Remain engaged in forest biomass, participating in state initiatives while continuing to engage the Lake County Initiative and Warm Springs Forest Products efforts.
8. Address Goal #2 in the existing Strategic Plan, to position Oregon to achieve 10% of its electricity supply from new renewables by 2012.

**2007 ACTIONS:**

1. Begin commercial operation at Rough & Ready and Columbia Blvd. Projects.
2. Complete policy on eligible renewable waste, and identify initial opportunities.
3. Explore potential for standard financial incentive offer, based, if appropriate, on revised green tag policy.
4. Commit funding for 5 projects, totaling 3 – 19 aMW, and 15 feasibility studies, including:
  - a) In partnership with state agricultural interests launch a Dairy Power initiative, resulting in 3 feasibility studies and 2 complete applications in 2007.
  - b) Identify strategies for upgrades at 4 wastewater treatment plants, resulting in incremental generation of 1.5 aMW.

**TARGETS:**

**2007 Proposed Activity Budget**

Energy	2.98 – 19.46 aMW (26,105 – 170,470 MWh)
Generation Range	\$1.70 million – \$0.26 mil/aMW \$0.013 – 0.002/kWh, levelized
Budget	\$5.06 million

**2006 Actual Activity**

Energy	4.43 aMW (38,806 MWh)
Generation	\$0.567 mil/aMW \$0.004/kWh, levelized
Total Expense	\$ 2.45 million

**2008 PLANNED ACTIVITIES:**

- Continue program direction established in 2006 and complete 2007 activities.

**2008 PROJECTION:**

\$ M	aMW
<b>\$4.49</b>	<b>3 – 17</b>

(see budget details on reverse)

Note: Budget figures include dedicated funds

**RENEWABLE ENERGY 2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expense  
2007 Budget Reallocated  
Biopower**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>PMC</b>				
Incentives	\$24,814	\$879,453	\$2,948,016	\$879,453
<b>Program Management</b>	<b>24,814</b>	<b>879,453</b>	<b>2,948,016</b>	<b>879,453</b>
<b>Staffing</b>	<b>135,923</b>	<b>173,807</b>	<b>182,282</b>	<b>173,721</b>
<b>Marketing</b>	<b>4,908</b>	<b>43,935</b>	<b>43,935</b>	<b>43,935</b>
<b>Services</b>				
Evaluation and Planning Services	30,020	30,861	34,661	33,819
QA-Subcontracted		6,000	6,000	6,000
Legal Services	21,944	27,760	27,760	27,760
Other Professional Services	95,175	216,920	211,920	216,920
<b>Total Other Services</b>	<b>147,140</b>	<b>281,541</b>	<b>280,341</b>	<b>284,499</b>
<b>General</b>				
General Program Support Costs	8,739	22,700	22,700	22,700
Shared	18,873	20,317	21,312	20,317
IT Services	15,238	40,810	45,569	43,591
<b>Total General</b>	<b>42,849</b>	<b>83,827</b>	<b>89,581</b>	<b>86,608</b>
<b>PROGRAM DIRECT COSTS</b>	<b>355,633</b>	<b>1,462,564</b>	<b>3,544,155</b>	<b>1,468,216</b>
Allocated mgmt & general marketing	31,947	67,533	116,350	
<b>TOTAL EXPENSE, Acctng. Perspective</b>	<b>387,580</b>	<b>1,530,097</b>	<b>3,660,505</b>	
Plus/minus dedicated funds committed for future yr	2,062,000	3,525,000	825,250	
<b>TOTAL EXPENSE, Action Plan Perspective</b>	<b>2,449,580</b>	<b>5,055,097</b>	<b>4,485,755</b>	

**Tab # 7**

**Other Programs**



## 2007 ACTION PLAN & REALLOCATED BUDGET



**DEPARTMENT:** **PLANNING AND EVALUATION** **ALL PROGRAMS**

**PURPOSE:** To provide strategic and quantitative planning, reporting, and evaluation for Energy Efficiency and Renewable Resources. Contributes to all Energy Trust Strategy Goals.

**STRATEGY:**

1. Provide program design staff with expert feedback to enhance programs from evaluations and market studies.
2. Expand the list of qualifying prescriptive measures, with a particular focus on gas measures.
3. Work with utilities to integrate efficiency and renewable energy as options considered through the integrated resource planning process, as a means of possibly determining future Energy Trust funding levels.
4. Explore, with utilities, demand-side options to defer transmission and distribution investments and the value of efficiency and renewables as a hedge against fuel prices.
5. Develop the capability to respond quickly to changes in the scope of Energy Trust mission and funding levels should they occur.
6. Streamline cost-effectiveness and above-market cost procedures to improve consistency, simplify documentation, and improve record-keeping.

**2007 ACTIONS:**

1. Help utilities served by Energy Trust integrate efficiency and (for the electric companies) renewable energy into their current resource planning processes. This will include dealing with the inconsistencies in avoided cost and discount rate between the utilities and each other and the Energy Trust.
2. Work locally, regionally, and nationally to bring promising new technologies to market and into widespread use over the next several years. These include efficient gas water heaters, fireplaces, and commercial heating, as well as promising electric efficiency measures such as rooftop cooling tune-ups for commercial buildings.
3. Provide process evaluations for programs that are beginning, rapidly changing, or have undergone management changes, to provide quick independent feedback regarding progress and of opportunities to improve program management and marketing.
4. Work with PacifiCorp to develop and consider demand-side options and proceed toward program activity as appropriate. Respond if similar opportunities occur with PGE.
5. Publish a set of final impact evaluations for all major programs and complete the second and third-year impact evaluations where possible. Summarize actual program savings for 2006 in the Annual Report and for prior years through the accompanying true-up report.
6. Work with PUC for approval of the use of the Energy Trust analysis of the value of energy efficiency as a fuel price hedge in cost/benefit modeling and valuation of renewable resources. Explore how a similar analysis might be done for gas.
7. Complete market transformation analyses for additional markets to assess the relationship between Energy Trust goals and market transformation.
8. Finalize estimates of savings overlap between Energy Trust and Oregon Department of Energy programs, for use in reporting combined emission reductions.
9. Develop, for selected programs, a second estimate of savings that is comparable to the 2005 power plan (frozen efficiency baseline).

**TARGETs:**

<b>2007 Proposed Budget</b>	<b>2006 Actual</b>
Budget <span style="float: right;">\$2.8 million</span>	Total Expense <span style="float: right;">\$1.3 million</span>

**2008 PLANNED ACTIVITIES:**

- Several impact and process evaluations
- Market studies and market transformation forecasts.
- Support to utility integrated resource planning and utility transmission and distribution planning.
- Updated tools for cost-effectiveness and above-market cost analysis

**2008 PROJECTION:**

\$ M  
\$2.8



**2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expenses  
Reallocated Budget  
Planning & Evaluation**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
<b>Pooled planning and evaluation costs <sup>1</sup></b>				
Staffing	\$400,180	\$548,508	\$575,713	\$548,210
General Evaluation and Planning Services		329,500	339,385	329,500
<b>General</b>				
General Program Support Costs		20,000	20,600	20,000
Shared		70,280	71,601	70,280
IT Services		141,165	130,155	128,208
<b>Total General</b>		231,445	222,356	218,488
Program specific planning & evaluation services	<b>928,336</b>	<b>1,701,486</b>	<b>1,625,728</b>	<b>1,469,500</b>
<b>TOTAL EXPENSE <sup>2</sup></b>	<b>\$ 1,328,516</b>	<b>\$ 2,810,939</b>	<b>\$ 2,763,182</b>	<b>\$ 2,565,698</b>

<sup>1</sup> Prior to 2007, all Evaluation and Planning expenses were charged directly to programs on a line-by-line basis. Beginning in 2007, general planning and evaluation costs are pooled, and are charged a proportionate share of general office and IT costs. Costs directly allocable to specific programs continue to be charged to benefitting programs.

<sup>2</sup> 100% of these costs are allocated to programs, either as program-specific costs or pooled costs

## 2007 ACTION PLAN & REALLOCATED BUDGET



**DEPARTMENT: COMMUNICATIONS & OUTREACH**

**PURPOSE:** Energy Trust outreach and communications activities in 2007 support coordination across programs and general Energy Trust outreach. The 2007 budget provides for staff, services and materials necessary to achieve this purpose. Contributes to all strategic goals.

**STRATEGY:**

1. Cooperate with utilities through co-branded activities to reach their customers with Energy Trust program messages.
2. Cooperatively sponsor outreach and recognition events with peer and stakeholder organizations.
3. Position Energy Trust in local energy-themed publications with news releases, story placement and limited advertising.
4. Leverage relationships with associations representing niche market groups to reach those prospective customers.
5. Keep website and publication costs to a minimum by supplementing on-staff resources with free-lance contractors.
6. Reach out to and educate stakeholders, trade allies and participants with e-newsletters.
7. Offer excellent customer service through call centers and email.
8. Coordinate and develop Energy Trust trade ally network.
9. Implement outreach activities in support of community energy project(s) identified through NW Natural or other utilities.
10. Use market research tools to refine strategies for program outreach to prospective participants.

**2007 ACTIONS:**

1. Design, review, approve and keep track of all Energy Trust events, ads and other materials across all programs.
2. Manage Energy Trust media relations on behalf of all programs; produce or support media events including 5<sup>th</sup> year anniversary.
3. Develop limited general advertising, general information and educational pieces.
4. Manage content and look, ensure accuracy and improve usability of [www.energytrust.org](http://www.energytrust.org).
5. Build and maintain image library of representative Energy Trust projects.
6. Produce and disseminate public annual report; help prepare quarterly reports and other special reports.
7. Produce participant mailings and acknowledgements.
8. Publish monthly e-newsletter SYNERGY (general audience) and bimonthly INSIDER (trade allies).
9. Support annual publications Green + Solar Building Oregon and Green Living.
10. Develop and maintain cooperative relationships with utilities, Oregon Department of Energy and other stakeholder and peer groups; coordinate development of co-branded materials and joint outreach/communications initiatives.
11. Participate in community activities and organizations.
12. Manage services provided by contracted creative and public relations professionals to programs.
13. Update, disseminate marketing and communications guidelines to assure consistent look and feel in all Energy Trust material.
14. Support trade ally activities through training and coordination with PMC trade ally managers; conduct annual trade ally survey.
15. Provide customer support through oversight of call center operations; work with utilities on service enhancements.
16. Team with evaluation group to conduct market research and focus groups to refine market segmentation and messaging for solar, residential efficiency and commercial efficiency programs.

**TARGETS:**

<b>2007 Proposed Budget</b>	<b>2006 Actual</b>
Budget \$ .8 million	Total Expense \$ .7 million

**2008 PLANNED ACTIVITIES:**

- No major changes planned for 2008

**2008 PROJECTION:**

\$ M  
\$ .8 million

(see budget on reverse side of page)

**2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expenses  
Reallocated Budget  
Communications and Outreach**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
Staffing	\$309,461	\$347,177	\$364,806	\$347,188
Public Rel/Creative	46,528	22,700	23,381	22,700
Creative Services		21,000	21,630	21,000
Media Advertising	17,590	50,275	44,573	43,275
Events Co-Sponsor	14,200	15,450	15,913	15,450
Marketing	78,318	109,425	105,498	102,425
<b>Services</b>				
Legal Services		3,840	3,955	3,840
Website Design & Maintenance	99,751	95,500	98,365	95,500
Other Professional Services	27,200	35,000	36,050	35,000
Total Other Services	126,951	134,340	138,370	134,340
<b>General</b>				
General Program Support Costs	45,581	76,665	75,051	72,865
Shared	46,654	47,024	47,907	47,024
IT Services	54,069	94,453	96,320	94,874
Total General	146,304	218,142	219,278	214,763
<b>TOTAL EXPENSE</b>	<b>661,036</b>	<b>809,084</b>	<b>827,952</b>	<b>798,717</b>

**2007 ACTION PLAN & REALLOCATED BUDGET**



**DEPARTMENT: MANAGEMENT AND GENERAL ALL PROGRAMS**

**PURPOSE: To Provide Overall Management, Direction and Resources to ETO Operations. Contributes to all Strategic Goals.**

**STRATEGY:**

1. Create a highly efficient, cost effective internal organization that provides guidance, resources and operational processes to the board and staff of the Energy Trust and related Program Management Contractors (PMC's).
2. Develop both an internal and external reporting process that provides all stakeholders with timely and transparent information relating to the Energy Trust Activities.
3. Ensure that all financial data and operational systems are operating effectively and securely and producing highly reliable information in a timely manner.
4. Ensure that all contracts, employee relations and general operations are conducted in compliance with all applicable laws and regulations.
5. Ensure Energy staff receive training and resources to foster continued maximum performance.
6. Provide infrastructure to allow for adaptive management in both contracting and reporting.

**2007 ACTIONS:**

1. Achieve an unqualified audit opinion for 2006 from the independent CPA firm and an evaluation of internal controls.
2. Assess and analyze all the internal control processes of the Energy Trust and its data integration points with contractors.
3. Improve the internal financial systems by investing in software development that will improve reporting and monitoring capabilities, especially external financial reporting and internal contract tracking.
4. Invest in employee leadership and management training to set direction for the organization, define expected behaviors consistent with ETO values, improve management communication, define authority for decision-making, foster employee trust and improve morale.
5. Enhance the performance review and work plan process for 2007 to reward the performance of those individuals and encourage embracing ETO Value Plan Goals.
6. Develop training plan based on needs identified during performance review process.
7. Achieve both PUC and JLAC/PUC performance measures for Administrative plus Program Support Costs.

**TARGETS:**

<b>2007 Proposed Budget</b>		<b>2006 Actual</b>	
Budget	\$ 2.2 million	Total Expense	\$ 1.6 million

**2008 PLANNED ACTIVITIES:**

- Enhance treasury management as available reserves shrink.

**2008 PROJECTION:**

\$ M  
\$ 2.2

(see budget on reverse side of page)

**2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expenses  
Reallocated Budget  
Management and General**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
Staffing	\$965,069	\$1,006,075	\$1,053,463	\$1,005,762
<b>Services</b>				
Evaluation and Planning Services		19,970	22,529	21,924
Legal Services	74,928	105,840	109,015	105,840
Accounting Services	101,803	123,120	126,814	123,120
Other Professional Services	72,411	288,015	296,656	288,015
	-----	-----	-----	-----
Total Other Services	249,142	536,945	555,013	538,899
<b>General</b>				
General Program Support Costs	108,841	228,225	229,922	223,225
Shared	138,474	116,282	118,474	116,282
IT Services	152,364	284,898	291,556	287,186
	-----	-----	-----	-----
Total General	399,679	629,404	639,951	626,693
	=====	=====	=====	=====
<b>TOTAL EXPENSE</b>	<b>1,613,890</b>	<b>2,172,425</b>	<b>2,248,427</b>	<b>2,171,354</b>
	=====	=====	=====	=====

## 2007 ACTION PLAN & REALLOCATED BUDGET



**DEPARTMENT: INFORMATION TECHNOLOGY** **ALL PROGRAMS**

**PURPOSE: Contribute to Strategic Goals by Providing Information Technology Support to all Energy Trust Operations.**

**STRATEGY:**

1. Apply Information Technology to enable Energy Trust to achieve its goals.
2. Implement system improvements to improve data quality and streamline program operations and reporting.
3. Enhance secured systems to protect confidential information.
4. Partner with staff and PMCs to facilitate their activities.
5. Champion appropriate and efficient use of technology resources.
6. Promote data quality and consistency.
7. Provide reliable communication systems.
8. Operate systems to enable distributed program delivery.
9. Refresh hardware and software for efficient and reliable operations.
10. Communicate technology issues, challenges, and progress to stakeholders.

**2007 ACTIONS:**

1. Facilitate regular meetings of the IT Advisory Committee to provide a forum for innovative ideas and strategic direction.
2. Engage consultant for IT Enterprise Architecture (EA) review of existing systems and to provide recommendations for future technology evolution.
3. Develop plan for long-term information systems enhancement incorporating recommendations from EA review.
4. Enhance capabilities and skills of IT staff and contractors to provide efficient maintenance and support to the growing databases.
5. Publish a suite of error and exception reports to facilitate data quality.
6. Evaluate FastTrack and develop an enhancement plan for immediate efficiency improvement, forms data capture automation, and platform evolution.
7. Minimize manual tasks and streamline production of required PUC, utility, and management reports.
8. Write a new integration package between FastTrack and the proposed new project accounting module for contract tracking.
9. Eliminate separate PMC project tracking system for New Building Efficiency by generating all required information directly from FastTrack.
10. Strengthen FastTrack application administration tools to streamline configuration and maintenance tasks.

**TARGETS:**

<b>2007 Proposed Budget</b>		<b>2006 Actual</b>
Budget	\$ 1.9 million	Total Expense
		\$1.3 million

**2008 PLANNED ACTIVITIES:**

1. Deploy enhanced information systems in accordance with Enterprise Architecture plan.
2. Operate and maintain databases with a high level of reliability and data integrity.

**2008 PROJECTION:**

\$ M  
\$ 2.0

(see budget on reverse side of page)

**2007 ACTION PLAN & REALLOCATED BUDGET**



**Energy Trust of Oregon  
Statement of Functional Expenses  
Reallocated Budget  
Information Technology<sup>1</sup>**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Projection</b>	<b>2007 previous Budget</b>
Staffing	\$414,664	\$648,669	\$682,149	\$648,243
<b>Services</b>				
Other Professional Services	415,911	836,000	861,080	836,000
Total Other Services	415,911	836,000	861,080	836,000
<b>General</b>				
General Program Support Costs	362,031	313,954	323,373	313,954
Shared	76,308	100,565	102,458	100,565
Total General	438,339	414,519	425,831	414,519
<b>TOTAL EXPENSE</b>	<b>1,268,914</b>	<b>1,899,189</b>	<b>1,969,060</b>	<b>1,898,762</b>

<sup>1</sup> 100% of these costs are allocated to programs and other support functions

The Energy Trust of Oregon  
Capital Purchases

	<u>2007 budget</u>
Server upgrade and replacement (four)	40,000
Contract accounting software	30,000
Desktop / laptop replacements	20,000
Software enhancements	60,000
Solar project management software	30,000
Total capital purchases	<u><u>180,000</u></u>
	<u>2008 Projection</u>
nature of projects to be determined in mid 2007	<u><u>185,000</u></u>

all hardware and software is depreciated over 3 years, straight line





**Tab # 9**

**2008 Projections**



The Energy Trust of Oregon  
Year to Date by Program / Service Territory - joint costs allocated at program level  
Budget 2008-P-04.0 March rebudget  
For the Twelve Months Ending December 31, 2008  
(Unaudited)

	ENERGY EFFICIENCY					RENEWABLE ENERGY			TOTAL 2008				
	PGE	PacifiCorp	NW Natural	Cascade	Avista	Total	PGE	PacifiCorp	Total	Other	All Programs	2008 Prior Proj'n	Change
<b>REVENUES</b>													
Public Purpose Funding	\$24,221,806	\$15,486,240	\$9,525,299	\$916,325	\$668,470	\$50,818,140	\$7,268,940	\$4,670,453	\$11,939,393		\$62,757,533	\$62,757,533	
Revenue from Investments										1,838,247	1,838,247	1,838,247	
<b>TOTAL PROGRAM REVENUE</b>	<b>24,221,806</b>	<b>15,486,240</b>	<b>9,525,299</b>	<b>916,325</b>	<b>668,470</b>	<b>50,818,140</b>	<b>7,268,940</b>	<b>4,670,453</b>	<b>11,939,393</b>	<b>1,838,247</b>	<b>64,595,780</b>	<b>64,595,780</b>	
<b>EXPENSES</b>													
Program Management (Note 4)	1,241,938	763,465	782,387	67,627	25,485	2,880,902	442,312	310,032	752,344		3,633,249	3,633,249	
Program Delivery	5,790,192	4,066,502	2,176,160	207,361	83,934	12,324,149	165,549	80,453	246,002		12,570,152	12,570,152	
Incentives	13,331,068	8,670,522	5,164,532	461,899	118,379	27,746,400	17,360,275	10,823,232	28,183,507		55,929,906	53,977,149	1,952,757
Program Evaluation and Planning Services	1,152,151	691,471	611,363	51,178	15,346	2,521,508	125,941	93,206	219,147		2,740,654	2,740,654	
Program Marketing/Outreach	741,818	404,473	807,483	52,747	20,895	2,027,415	145,547	46,920	192,467		2,219,882	2,219,882	
Program Legal Services	12,194	7,227	6,084	545	165	26,216	69,426	42,753	112,179		138,393	138,393	
Program Quality Assurance	89,812	58,377	52,343	3,622	946	205,100	9,360	9,240	18,600		223,700	223,700	
Outsourced Services	265,259	136,279	83,696	8,324	72	493,631	445,949	161,315	607,264		1,100,896	1,100,896	
Trade Allies & Customer Service Management	169,090	108,122	174,171	10,412	2,578	464,373	34,414	24,123	58,537		522,910	522,910	
IT Services	477,567	351,990	338,594	30,791	11,695	1,210,637	123,669	88,090	211,759		1,422,396	1,422,396	
Other Program Expenses	180,948	115,338	103,455	7,582	1,989	409,311	131,100	74,363	205,463		614,773	614,773	
<b>TOTAL PROGRAM EXPENSES</b>	<b>23,452,038</b>	<b>15,373,766</b>	<b>10,300,267</b>	<b>902,088</b>	<b>281,483</b>	<b>50,309,642</b>	<b>19,053,542</b>	<b>11,753,727</b>	<b>30,807,269</b>		<b>81,116,912</b>	<b>79,164,155</b>	<b>1,952,757</b>
<b>ADMINISTRATIVE COSTS</b>													
Management & General (Note 1 & 3)	650,034	426,081	285,686	24,949	7,750	1,394,501	528,133	325,794	853,927		2,248,427	2,248,427	
Communication & Outreach (Note 2 & 3)	319,555	204,308	125,666	12,089	8,819	670,437	95,898	61,617	157,515		827,952	827,952	
<b>Total Administrative Costs</b>	<b>969,589</b>	<b>630,389</b>	<b>411,352</b>	<b>37,038</b>	<b>16,569</b>	<b>2,064,938</b>	<b>624,031</b>	<b>387,411</b>	<b>1,011,442</b>		<b>3,076,380</b>	<b>3,076,380</b>	
<b>TOTAL PROGRAM &amp; ADMIN EXPENSES</b>	<b>24,421,627</b>	<b>16,004,155</b>	<b>10,711,619</b>	<b>939,126</b>	<b>298,052</b>	<b>52,374,580</b>	<b>19,677,573</b>	<b>12,141,138</b>	<b>31,818,711</b>		<b>84,193,292</b>	<b>82,240,535</b>	<b>1,952,757</b>
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>(199,821)</b>	<b>(517,915)</b>	<b>(1,186,320)</b>	<b>(22,801)</b>	<b>370,418</b>	<b>(1,556,440)</b>	<b>(12,408,633)</b>	<b>(7,470,685)</b>	<b>(19,879,318)</b>	<b>1,838,247</b>	<b>(19,597,512)</b>	<b>(17,644,755)</b>	<b>(1,952,757)</b>
Net Assets from 2006 and prior	11,387,299	(8,447,380)	6,870,552	93,290	117,837	10,021,598	25,517,626	9,189,002	34,706,628	4,348,508	49,076,734	43,259,840	5,816,894
Change in net assets, 2007	(2,201,313)	(3,411,533)	(296,640)	129,068	48,373	(5,732,045)	(508,149)	(879,109)	(1,387,259)	2,325,038	(4,794,266)	(1,020,271)	(3,773,995)
Interest attributed, 2007 and prior	1,740,000	1,160,000				2,900,000		1,100,000	1,100,000	(4,000,000)			
Interest attributed, 2008								1,500,000	1,500,000	(1,500,000)			
<b>TOTAL NET ASSETS CUMULATIVE</b>	<b>10,726,166</b>	<b>(11,216,829)</b>	<b>5,387,593</b>	<b>199,556</b>	<b>536,628</b>	<b>5,633,113</b>	<b>12,600,844</b>	<b>3,439,208</b>	<b>16,040,051</b>	<b>3,011,793</b>	<b>24,684,956</b>	<b>24,594,814</b>	<b>90,142</b>

Note 1) Management and General (Administrative) Expenses have been allocated based on total expenses.  
Note 2) General Communication and Outreach expenses (Administrative) have been allocated based on Public Purpose Revenue from each Territory.  
Note 3) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.  
Note 4) Program Management costs include both outsourced and internal staff.  
Note 5) Cumulative carryover at 12/31/2005 has been adjusted to reflect audited results.



**The Energy Trust of Oregon**  
**Program Budget Expenses by Service Territory**  
**For the Twelve Months Ending December 31, 2008**  
**Projection 2008-P-04 (March reallocation)**  
**with management and general allocated to programs**

	<b>PGE</b>	<b>Pacific Power</b>	<b>Subtotal Elec. Utilities</b>	<b>Northwest Natural Gas</b>	<b>Cascade</b>	<b>Avista</b>	<b>Subtotal Gas Provider</b>	<b>Total</b>	<b>Previous Proj'n</b>	<b>Change</b>
<b>Energy Efficiency</b>										
<b>Residential</b>										
Home Energy Solutions - Existing Homes	4,106,467	2,853,989	6,960,456	4,615,569	186,106	1,980	4,803,655	11,764,111	11,776,793	(12,682)
Home Energy Solutions - New Homes/Products	3,001,200	2,197,825	5,199,025	3,368,021	494,920	296,073	4,159,014	9,358,039	9,368,297	(10,258)
Market Transformation (NEEA)	586,473	442,284	1,028,757	-	-	-	-	1,028,757	1,030,098	(1,341)
<b>Total Residential</b>	<b>7,694,140</b>	<b>5,494,098</b>	<b>13,188,238</b>	<b>7,983,590</b>	<b>681,026</b>	<b>298,053</b>	<b>8,962,669</b>	<b>22,150,907</b>	<b>22,175,188</b>	<b>(24,281)</b>
<b>Commercial</b>										
Business Energy Solutions - Existing Buildings	3,345,235	786,513	4,131,748	1,923,498	106,321	-	2,029,819	6,161,567	6,168,286	(6,719)
Business Energy Solutions - New Buildings	4,970,986	2,589,875	7,560,861	804,533	151,780	-	956,313	8,517,174	7,117,502	1,399,672
Market Transformation (NEEA)	1,032,583	778,713	1,811,296	-	-	-	-	1,811,296	1,813,655	(2,359)
<b>Total Commercial</b>	<b>9,348,804</b>	<b>4,155,101</b>	<b>13,503,905</b>	<b>2,728,031</b>	<b>258,101</b>	<b>0</b>	<b>2,986,132</b>	<b>16,490,037</b>	<b>15,099,443</b>	<b>1,390,594</b>
<b>Industrial</b>										
Production Efficiency	6,804,708	5,922,099	12,726,807	-	-	-	-	12,726,807	12,117,992	608,815
Market Transformation (NEEA)	573,974	432,858	1,006,832	-	-	-	-	1,006,832	1,008,143	(1,311)
<b>Total Industrial</b>	<b>7,378,682</b>	<b>6,354,957</b>	<b>13,733,639</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,733,639</b>	<b>13,126,135</b>	<b>607,504</b>
<b>Energy Efficiency Program Costs</b>	<b>24,421,626</b>	<b>16,004,156</b>	<b>40,425,782</b>	<b>10,711,621</b>	<b>939,127</b>	<b>298,053</b>	<b>11,948,801</b>	<b>52,374,583</b>	<b>50,400,766</b>	<b>1,973,817</b>
<b>Management and General</b>										
<b>Communications and Outreach</b>										
<b>Total Energy Efficiency Costs</b>	<b>24,421,626</b>	<b>16,004,156</b>	<b>40,425,782</b>	<b>10,711,621</b>	<b>939,127</b>	<b>298,053</b>	<b>11,948,801</b>	<b>52,374,583</b>	<b>50,400,766</b>	<b>1,973,817</b>

**The Energy Trust of Oregon**  
**Program Budget Expenses by Service Territory**  
**For the Twelve Months Ending December 31, 2008**  
**Projection 2008-P-04 (March reallocation)**  
**with management and general allocated to programs**

	<b>PGE</b>	<b>Pacific Power</b>	<b>Subtotal Elec. Utilities</b>	<b>Northwest Natural Gas</b>	<b>Cascade</b>	<b>Avista</b>	<b>Subtotal Gas Provider</b>	<b>Total</b>	<b>Previous Proj'n</b>	<b>columns u: Change</b>
Renewables										
Utility Scale Projects	11,121,626	6,079,526	17,201,152	-	-	-	-	17,201,152	\$17,212,539	(\$11,387)
Solar	1,779,442	1,247,598	3,027,040	-	-	-	-	3,027,040	3,029,043	(\$2,003)
Wind	3,357,369	1,586,816	4,944,185	-	-	-	-	4,944,185	4,947,457	(\$3,272)
Open Solicitation	1,108,787	1,877,045	2,985,832	-	-	-	-	2,985,832	2,987,808	(\$1,976)
Biopower	2,310,351	1,350,154	3,660,505	-	-	-	-	3,660,505	3,662,928	(\$2,423)
Renewables Program Costs	19,677,575	12,141,139	31,818,714	0	0	0	0	31,818,714	31,839,775	(21,061)
									0	0
Total Renewables Costs	19,677,575	12,141,139	31,818,714	0				31,818,714	31,839,775	(21,061)
Cost Grand Total	44,099,201	28,145,295	72,244,496	10,711,621	939,127	298,053	11,948,801	84,193,297	82,240,541	1,952,756