Energy Trust of Oregon, Inc.
2005 Annual Report
April 14, 2006

Energy Trust of Oregon, Inc.
www.energytrust.org

851 SW Sixth Avenue, Suite 1200
Portland, OR 97204

Telephone: (866) 368-7878
Facsimile: (503) 546-6862

Table of Contents

1 Message from the Executive Director

In our third full year of operation, 2005 saw explosive growth in requests for Energy Trust program services and incentives. In response to this unprecedented level of interest, Energy Trust prepared its internal systems and customers for a new era of constrained funding when, for the first time, demand for our services and financial support is exceeding supply. We ended the year having acquired record energy savings beyond all expectations -- 39.1 average megawatts. This accomplishment exceeded our best-case goal and was nearly double the annual performance measure set by the Oregon Public Utility Commission.

The Commission is the agency charged by the Oregon Legislature with responsibility for oversight of Energy Trust. We are pleased to present this report as required under the terms of our joint Grant Agreement. In perusing the report, we believe you will be impressed with the sheer volume of business transacted. In 2005 Energy Trust served over 180,000 Oregon homes and businesses eager to tap Energy Trust funding as an effective way to better manage energy use and costs. It is interesting to note that our investment across the residential, commercial and industrial sectors is well balanced, assuring that each group contributing public purpose funds through their utility bills has access to the programs they make possible.

During 2005, buffeted by rising energy costs and images of natural and manmade disasters worldwide, Oregonians demonstrated ever-greater commitment to alternatives to energy obtained from fossil fuels. Energy Trust is pleased to offer assistance to a wide cross section of individuals and businesses making a clear choice to reduce reliance on conventional power sources. Together, we are creating a future in which Oregonians rely upon energy sources that protect the environment, provide greatest value at lowest cost and help achieve energy independence.

We are especially proud of how our efforts contribute directly to a robust Oregon economy. Hundreds of Oregon businesses throughout the state provide Energy Trust services and financial incentives to their customers. The measures they install – from efficient lighting and heating/cooling equipment to new industrial processes and solar energy systems -- help hundreds of diverse Oregon businesses receive the highest value from their energy use.

There are many individuals and organizations to thank for making our achievements possible. Our talented volunteer board of directors and members of our advisory committees contribute freely of their time and expertise to guide our efforts. Our three utility partners – Portland General Electric, Pacific Power and NW Natural – make certain their customers know about the services we offer. We thank NW Natural for renewing their contract with Energy Trust in 2005. As always, we value the support we receive from a variety of business organizations and public interest groups. We especially appreciate the expert advice and collaboration we receive from the Oregon Department of Energy and other organizations with whom we share similar missions.

As we move into 2006, Energy Trust is employing new reservation systems and other tools to stabilize the flow of funds to projects statewide. Thousands of new projects are underway, with the promise of steady progress toward the clean energy future we are collectively creating here in our state of Oregon. We welcome your comments and look forward to continued guidance.

Margie Harris, Executive Director

II Background, Mission and Goals

A. Background

Energy Trust began collecting public purpose revenues in March 2002 as an independent nonprofit organization dedicated to energy efficiency and renewable energy production. We serve and are funded by Oregon customers of Pacific Power, Portland General Electric and NW Natural.

We manage our programs with a small staff, deliver the majority of our programs through contracts with service providers, and provide services through a network of several hundred small business trade allies around the state. Our work is shaped by two advisory councils and overseen by a volunteer citizen board of directors with diverse expertise.

B. Mission

The mission of the Energy Trust is to change how Oregonians produce and use energy by investing in efficient technologies and renewable resources that save dollars and protect the environment.

C. Goals

Energy Trust is working to fulfill the State of Oregon's vision to meet future energy needs through environmentally sound, clean energy sources. We are investing in energy efficiency and renewable energy to meet the following goals by 2012:

- Save 300 average megawatts of electricity, enough to power over one sixth of Oregon's housing stock.
- Save 19 million annual therms of natural gas – enough to serve 40,000 gas-heated homes.
- Meet 10 percent of Oregon's electric energy from renewable resources.
- Expand participation by underserved consumers in energy efficiency and renewable energy programs.
- Help businesses to succeed and thrive by promoting energy efficiency and renewable energy.
- Encourage Oregonians to integrate energy efficiency and renewable energy into their daily lives.

III 2005 Highlights

A. General

- Helped over 180,000 Oregon homes and businesses save energy and money.
- Saved over 39 average megawatts of electricity at a levelized cost of 1.3 cents per kilowatt hour – significantly exceeding OPUC performance measures.
- Saved 1.4 million therms of natural gas at a levelized cost of 28 cents per therm – meeting OPUC performance measures.
- Made significant progress in utility scale and other renewable energy development, measured on a 3-year rolling average.
- Maintained low administrative costs well within the Oregon Public Utility Commission performance measure.
- Powered the growth of nearly 476 Oregon businesses and strengthened the state's economy through our trade ally program.
- Generated $9.3 million in wages, $1.52 million in new business income and created 187 new jobs[1].
- Progressed toward 2012 energy saving and renewable generation goals.

[1] Source: ECONorthwest 2006. Economic impact numbers are in addition to what would have occurred without Energy Trust's investment of public purpose funds

- Improved air quality by offsetting 223,000 metric tons of carbon dioxide generated by fossil fuels, the equivalent of over half a billion miles not driven[2].

B. Residential efficiency programs

- Conducted 4,002 energy reviews and installed 19,953 compact fluorescent light bulbs in 1,770 electrically heated homes, 2,232 homes with NW Natural heat and electric power from Portland General Electric or Pacific Power.
- Over 13,000 internet users employed the online Home Energy Analyzer.
- Energy Trust rebates helped fund the purchase of 15,526 energy-efficient clothes washers, installed in 6,153 homes with electric hot water and 9,373 homes with gas hot water.
- Energy-efficient measures such as sealed ducts, insulation, high-efficiency space heating equipment and energy-efficient windows were installed in 18,604 single-family homes, 1,700 multifamily units, and 440 manufactured homes. Of these, 11,559 homes received electric efficiency measures, 4,171 received gas efficiency measures, with 5,014 sites saving both gas and electricity.
- Installed solar water heating systems in 55 homes with electric hot water and 40 homes with gas hot water.

C. Commercial efficiency programs

- High-efficiency measures such as energy-efficient lights and efficient heating, ventilating and air conditioning equipment were installed in 1,624 commercial buildings, resulting in average incentive payment per site of nearly $5,900. Of this total, 922 buildings received electric efficiency measures, 702 buildings received gas efficiency measures, and 91 buildings saved both gas and electricity.
- A total of 96 highly efficient new commercial buildings were completed, with an average incentive payment per site of $9,800.
- Installed solar water heating systems in 4 businesses with electric hot water and 5 businesses with gas hot water.

D. Industrial efficiency programs

- Completed electric energy-saving projects at 207 manufacturing firms, with an average incentive payment of $40,000.
- Completed a major manufacturing process improvement project with Blue Heron Paper Company to reduce the company's energy consumption by 25% and save 101 million kilowatt hours annually.

E. Renewable energy programs

- Helped fund installation of solar electric systems in 70 homes and 33 commercial buildings increasing the number of grid-tied solar electric systems in Oregon by more than eight fold since Energy Trust programs began. Cumulatively since the program began, Energy Trust has supported installation of more than 1 megawatt of new solar installations for Portland General Electric and Pacific Power in Oregon.
- Concluded a master agreement with PGE to provide $12.5 million in funding and acquire large-scale renewable energy projects for their customers. The agreement assures funding and allows PGE to more flexibly and quickly bring projects on line.
- Negotiated on a similar master agreement with Pacific Power for their Oregon customers.
- Welcomed the 75 megawatt Klondike II wind project near Wasco, Oregon, to come on line to serve PGE customers. Energy Trust provided technical assistance and potential back-up funding for PGE, enabling them to move forward on the project.

[2] Source: Phil Carver, Oregon Department of Energy

- Completed the first of several biopower projects, dedicating the City of Gresham's wastewater treatment plans (0.363 average megawatts). A biomass cogeneration project in Douglas County supported by Energy Trust (3.23 average megawatts) in 2005 is expected to be on line in 2006. A competitive request for proposals released in 2005 resulted in 25 initial proposals and five finalists.
- Completed several Open Solicitation projects include a 10 kilowatt Bergey wind turbine for the City of Portland and a 1.5 kilowatt African Wind Power turbine at the Griffin residence near Salem, Oregon. Of seven applications for projects in 2005, financing was approved for a 40 kilowatt small hydro project in Hood River, a 66 kilowatt solar electric system for Oregon Health & Science University, and a 47 kilowatt solar electric system at Stoller Vineyards near Dundee. The program also committed to support a solar electric system in Klamath County in partnership with Pacific Power to test applicability of solar for irrigation systems in Oregon.
- Expanded the wind program to include technical assistance for feasibility studies. Energy Trust secured matching funds for federal grants to six rural landowners and issued a guidebook for developing community wind projects. An expanded anemometer loan program has installed 19 systems since the program began.

IV Revenues and Expenditures

- Received $52.6 million during 2005.
- Spent $54.0 million (including carryover funds from prior years).
- Paid $33.5 million in incentives to end users.

A. Revenues

Total 2005 revenues received from each utility were very close to projections.

Source	Actual revenues received in 2005	Budgeted revenues in 2005
Portland General Electric	$27.4 million	$27.4 million
Pacific Power	17.7 million	18.1 million
NW Natural	7.5 million	7.2 million
Total	**$52.6 million**	**$52.7 million**

B. Expenditures

Efficiency spending was below budget, with some larger projects in the industrial, new buildings and new homes sectors being scheduled for completion in 2006. Corresponding incentive expenditures and savings are reported upon project completion.

Renewable incentives, above market cost reimbursements and corresponding generation expenditures are also reported for all programs when projects are completed, resulting in annual expenses being below budget. Such expenditures will be reported as projects are completed in 2006.

Type	Actual expenditures 2005	Budgeted expenditures 2005
Energy Efficiency programs	$49.2 million	$57.6 million
Renewable Resources programs	2.5 million	21.9 million
Administration	2.3 million	3.2 million
Total	**$54.0 million**	**$82.7 million**

Incentives paid 2005						
	Energy Efficiency			Renewable Energy		Total
	PGE	Pacific Power	NW Natural	PGE	Pacific Power	
Q1	$3,053,615	$2,051,347	$926,979	$73,510	$157,058	$6,262,509
Q2	6,353,002	2,999,634	833,628	88,543	91,274	10,366,081
Q3	3,653,330	1,913,103	660,938	88,761	218,758	6,534,890
Q4	5,420,072	3,495,009	960,829	193,746	235,188	10,304,844
Total	**$18,480,019**	**$10,459,093**	**$3,382,374**	**$444,560**	**$702,278**	**$33,468,324**

V Savings and Generation

A. Electric efficiency savings

In 2005, Energy Efficiency programs saved 39.17 average megawatts, achieving 107% of Energy Trust's 2005 "best case" projection of 36.52 average megawatts. Since March 1, 2002, these programs have cumulatively saved 96.4 average megawatts, or 32% of the Energy Trust's 2012 goal. Many projects underway in 2005 will be completed in 2006 and 2007. Savings are tabulated upon project completion and are based on initial projections of savings of installed measures. Actual savings are "trued up" based upon evaluation results, market research and other factors.[3]

Cost per average megawatt of gaining the 39 average megawatts was $1.1 million, a significant improvement over our best case goal of $1.4 million per average megawatt.

Electric Efficiency Savings 2005	PGE aMW	Pacific Power aMW	Total Savings* aMW	Expenses	mil $ / aMW	Levelized Cost/kWh
Residential	7.06	4.61	11.67	$12,018,153	$1.03	$0.008
Commercial	4.68	2.32	7.00	11,976,565	$1.71	$0.018
Industrial	14.48	6.02	20.50	20,953,653	$1.02	$0.014
Total Energy Efficiency Programs	**26.22**	**12.95**	**39.17**	**$44,948,371**	**$1.15**	**$0.013**

* Includes transmission and distribution savings

B. Gas efficiency savings

In 2005, efficiency programs saved 1,399,118 annual therms of natural gas, representing 80% of the 2005 best case projection of 1,754,630 million annual therms. Since gas programs began in 2003, cumulative savings of 2,258,422 annual therms have been realized, accounting for 12% of the 2012 goal.

Gas Efficiency Savings 2005	NWN Therms	Expenses	$ /Therm	Levelized Cost/Therm
Residential	931,603	$4,919,343	$5.28	$0.301
Commercial	467,515	1,342,728	$2.87	$0.240
Industrial				
Total Energy Efficiency Programs	**1,399,118**	**$6,262,071**	**$4.48**	**$0.282**

[3] Beginning in 2005, Energy Trust annually applies the results of third-party evaluations of its programs, "as installed" engineering estimates and corrected tracking data to adjust measure savings and generation estimates from the previous years. The "trued-up" numbers are reflected in the annual report. An explanation of the 2006 true-up process will be posted on the Energy Trust website.

C. Renewable energy generation

In 2005, completed renewable energy generation projects fell short of Energy Trust goals. The unavailability of wind turbines and an earlier suspension of the federal production tax credit kept Energy Trust and the utilities from moving more quickly on utility-scale projects, which represent the best opportunity for large-scale generation. The completion of a master agreement with Portland General Electric and promise of a similar agreement with Pacific Power in 2006, along with reinstatement of the federal tax credits, suggest more large-scale projects will come on line. To date, cumulative renewable energy generation totals 14.85 average megawatts, or 9.9 % of the 2012 direct acquisition goal of 150 average megawatts.

Actual	PGE aMW	Pacific Power aMW	Total Generation aMW	Q4 2005 Expenses	mil $ / aMW	Levelized Cost/kWh
Utility Scale	0.0000	0.0000	0.0000	$165,238		
Solar Photovoltaic	0.0152	0.0399	0.0551	1,576,737	$28.61	$0.220
Wind	0.0000	0.0000	0.0000	265,868		
Open Solicitation	0.0000	0.0015	0.0015	248,708	165.81	$1.312
Biopower	0.4053	0.0000	0.4053	490,829	$1.21	$0.009
Total Renewable Programs	**0.4205**	**0.0413**	**0.4619**	**$2,747,380**	**$5.95**	**$0.046**

* Projects completed and operating in 2005.

VI 2005 Performance Measures

In September 2004, the Oregon Public Utility Commission established performance measures for the Energy Trust. Performance measures for energy efficiency programs and renewable energy programs are set at an aggregated level rather than at a sector level. This allows the Energy Trust to pursue programs in different sectors as market forces and technological advances dictate.

The following performance measures apply in 2005.

Electric Efficiency Performance Targets

- Electricity efficiency savings of at least 20 average megawatts, computed on a two-year rolling average

  Exceeded, with 2003-2005 average annual electric efficiency savings = 27.15 average megawatts

- Performance measure: average levelized life-cycle cost should not exceed 2 cents per kilowatt hour

  Exceeded, with 2005 average levelized life-cycle cost = 1.3 cents per kilowatt hour

Natural Gas Efficiency Performance Targets

- Natural gas efficiency savings of at least 700,000 therms, computed on a three-year rolling average

  Exceeded, with 2003-2005 average annual gas efficiency savings = 752,807 therms

- Average levelized life-cycle cost should not exceed 30 cents per therm

  Exceeded, with 2005 average levelized life-cycle cost = 28 cents per therm

Renewable Resource Development Targets

- Annual new renewable resource development of 15 average megawatts, computed on a three-year rolling average, from a variety of renewable resources

  In progress, with 2003-2005 average renewable resource development of 4.95 average megawatts

Financial Integrity

- Demonstrate financial integrity by obtaining an unqualified financial audit opinion annually

  Full compliance, with an unqualified financial audit opinion for 2005

Program Delivery Efficiency

- Keep administrative and program support costs[4] below 11 percent of annual revenues

  Exceeded, with 2005 administrative and program support costs at 6.8 percent of annual revenues

Customer Satisfaction

- Demonstrate reasonable customer satisfaction rates with Energy Trust services[5]

  Demonstrated through evaluation results documenting high levels of customer satisfaction:

  In 2005 90% of commercial customers were satisfied or very satisfied with programs overall, and 70-80% or more of the customers were satisfied or very satisfied with program services such as the application process, incentives, helpfulness, courtesy, etc.

  Nearly 100% of industrial customers were satisfied or very satisfied with most aspects of that program. 80% rated it more highly than past utility programs, and 20% rated it on par with past utility programs.

  Over 90% of residential customers were satisfied or very satisfied with the performance of installed measures. 80% were satisfied or very satisfied with other aspects of Energy Trust services such as courtesy, responsiveness and timeliness. 10-15% of respondents were dissatisfied or very dissatisfied with the energy efficiency information they were given. Energy Trust is taking steps to research and lessen this issue.

  Energy Trust recorded seven complaints from new participants in 2005

Benefit/Cost Ratios

- Report benefit/cost ratios for larger conservation acquisition programs for 2005.[6]

Program	Utility System Test	Societal Test
Efficient Home Products	2.4	3.8
Home Energy Savings	2.9	1.3
Business Efficiency	3.5	1.5
New Business Efficiency	2.5	1.4
Production Efficiency	4.1	2.8
NW Energy Efficiency Alliance	10.3	5.5

[4] Program support costs are defined as all program costs except the following accounts: program management, program incentive, program payroll and related expenses, call center and program outsource services.

[5] To measure, survey customers as part of program evaluations and allow for open-ended responses. Report salient statistics regarding complaints received directly and from utility customer services.

[6] By law, Oregon public purpose funds may be invested only in cost-effective energy efficiency measures – that is, efficiency measures must cost less than acquiring the energy from conventional sources.

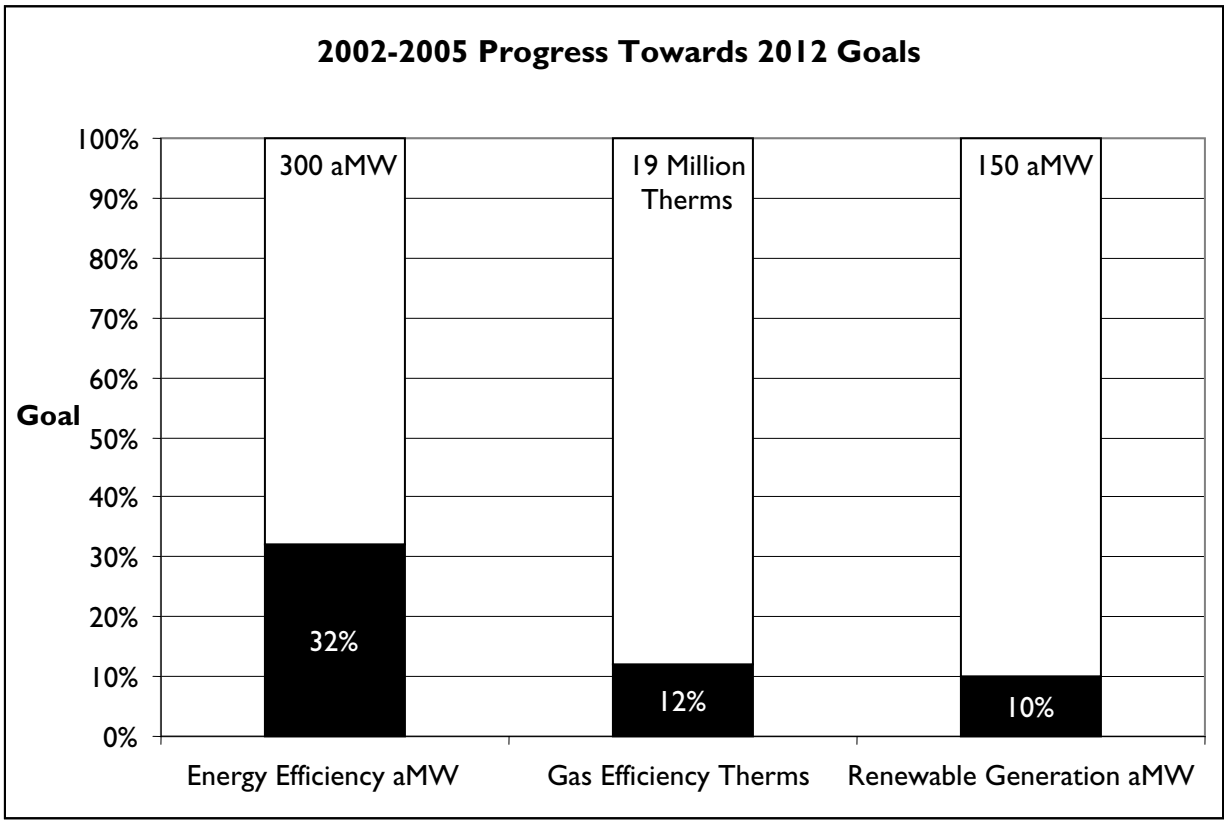
VII Projects Completed

Energy Efficiency Installed Projects	Total Sites	Sites by Measures Installed		
		Electric-only	Gas-only	Both
Residential				
Efficient Home Products appliance rebates	15,526	6,153	24	9,349
Efficient New Home enhancements	638	43	387	208
Efficient New Homes constructed	491	245	8	238
Home Energy Reviews conducted	4,002	1,770	837	1,395
Manufactured Homes refitted	440	432	6	2
Multifamily units retrofitted	1,700	1,383	296	21
Promotional CFLs provided	1,052	1,052	-	-
CFL coupons redeemed	709	709	-	-
Retail Fixtures, CFLs, and CFL packages bought-down	136,346	136,346	-	-
Residential Solar Hot Water installations	95	55	40	-
State Home Oil Weatherization program CFL packages mailed	1,064	1,064	-	-
Single family homes retrofitted	18,604	9,744	3,869	4,991
Commercial sites treated				
Building Efficiency sites treated	1,715	922	702	91
New Building Efficiency sites treated	96	74	5	17
Solar Hot Water Commercial installations	9	4	5	-
Communities installing LED Traffic Signals	10	10	-	-
Industrial sites treated	207	207	-	-
TOTAL EFFICIENCY	**182,704**	**160,213**	**6,179**	**16,312**
Renewable Energy Installed Projects				
Utility-scale projects installed	-	-	-	-
Solar Electric residential installations	70	70	-	-
Solar Electric commercial installations	33	33	-	-
Community wind projects installed	1	1	-	-
Biopower projects installed	2	2	-	-
Open Solicitation projects installed	2	2	-	-
TOTAL RENEWABLES	**108**	**108**	-	-

We define "projects" to be completed installations or services at one location ("site"), with certain exceptions:

- A Home Energy Review, with CFL installation, counts as one project. If that home subsequently installs one or more measures, this installation counts as a separate project.
- Each apartment unit treated counts as one project.
- Each manufactured home counts as one project.
- Some sites are both gas and electric customers and save gas and electricity.
- A CFL package counts as one project. A customer may purchase more than one CFL package.

Appendix


2002-2005 Progress Towards 2012 Goals
Goal
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
300 aMW
32%
19 Million Therms
12%
150 aMW
10%
Energy Efficiency aMW
Gas Efficiency Therms
Renewable Generation aMW

Energy Efficiency Program Descriptions

Home Energy Savings. Residential utility customers can take advantage of energy-saving recommendations, referrals to qualified contractors and cash incentives for qualified improvements from insulation to duct sealing to energy-efficient electric and gas water heaters. The program started in March 2003 and is managed by Conservation Services Group Inc.

Efficient Home Products. This program offers cash incentives for purchase of ENERGY STAR® qualified clothes washers and lighting. The program also offers a web-based Home Energy Analyzer to help residential customers learn how they can improve the efficiency of their homes. In 2005, the program launched "Lights for Learning" – a school fundraising opportunity where students sell CFLs to raise money while also learning about energy efficiency. The program began in January 2004, and is managed by Portland Energy Conservation, Inc.

Efficient New Homes. This program is designed to expand the market share of ENERGY STAR qualified homes in Oregon by creating a homebuyer demand for them and the building infrastructure to aid in the construction. The program is utilizing whole-house and stand-alone incentives to aid builders in overcoming some of the larger hurdles, performance testing incentives and training, and overall marketing support efforts. In 2005, this program also launched a manufactures homes component in order to advance the sale of energy efficient manufactured homes. The program began in April 2004, and is managed by Portland Energy Conservation, Inc.

Building Efficiency. This program provides a range of electric and gas energy-saving services and incentives for existing Oregon commercial facilities. Incentives are offered for qualified improvements such as lighting, HVAC, motors, controls and natural gas space and water heaters, restaurant equipment and insulation. Services include energy surveys and technical analysis, contractor referrals, project management and post-installation assistance. The program began in February 2003 and is managed by Lockheed Martin.

New Building Efficiency. Financial incentives for high efficiency equipment, energy modeling and design assistance help customers maximize efficiency of commercial and industrial new construction projects, major renovations and additions to existing buildings. This program was launched in October 2003 and is managed by Science Applications International Corporation.

LED Traffic Signals. This program replaces incandescent traffic signals with LED bulbs. These bulbs use 90% less electricity and last more than 3 times longer than conventional incandescent green traffic lights. Due to the success of retrofitting a large number of green traffic signals to LEDs, this program expired at the end of 2005.

Building Tune Up and Operations. This program provides financial incentives to help building owners and operators maximize efficiency through operations and maintenance at their facilities. The program offers incentives for boiler tune-ups, incentives for building retrocommissioning, and assistance for buildings participating in the Northwest Energy Efficiency Alliance's commercial sector activities. This program was launched in fall 2005 and is managed by Portland Energy Conservation, Inc.

Production Efficiency. This program provides technical assistance and incentives to improve the electrical process efficiency of manufacturing, water and wastewater treatment and agricultural systems. Measures include energy-efficient pumps, fans, refrigeration, controls and material transport. The program launched in May 2003 and is managed by Lockheed Martin.

Solar Water Heating. This energy efficiency incentive program uses the warmth of the sun to pre-heat water for domestic and commercial uses, offsetting the need for electric or gas power.

Northwest Energy Efficiency Alliance. The Energy Trust supports the market transformation work of the Northwest Energy Efficiency Alliance, and an Energy Trust representative serves on the Alliance board of directors. The Alliance influences regional energy-efficient design and purchasing practices by providing training and coordinating regional marketing plays. The Alliance is funded by BPA, Energy Trust and regional utilities.

Renewable Energy Program Descriptions

Utility-Scale. The Utility-Scale renewables program facilitates partnerships between utilities and developers of wind and other large-scale projects and provides incentives to cover the above-market costs for generation. Projects are acquired through a competitive solicitation processes in partnership with PacifiCorp and Portland General Electric.

Solar Electric. This program provides cash incentives and referrals to qualified solar contractors to help homeowners and businesses tap into the pollution-free power of the sun.

Open Solicitation. The Open Solicitation program provides incentives for innovative applications of renewable technology. It was designed to support renewable energy projects that are not eligible for incentives through Energy Trust's other renewables programs, and to provide experience in renewable energy sectors that may in the future merit their own programs, such as the Biopower program launched in 2005 and the Community Wind program scheduled for launch in 2006.

Biopower. The Biopower program provides financial incentives, cost-shared grants for feasibility studies, and other support for projects that generate electric power from organic wastes. Eligible fuels include digester gas from sewage treatment facilities or dairies, wood waste from mills or forest operations, and landfill gas, among others.

Wind Program. There are four elements of the wind program, including: 1) funding support for on-site use as well as local projects in clusters up to 10 megawatts delivering power to the grid; 2) resource assessment through anemometer loans, managed by Oregon State University's Energy Resource Research Laboratory, to help landowners determine whether sites have sufficient wind generation potential; 3) co-funding for specific feasibility studies and project technical analyses; and 4) guidebooks for wind project development.

2005 Energy Trust of Oregon Board of Directors

PRESIDENT[7] **– Tom Foley** has over 26 years of experience in the field of energy analysis and management, including 10 years as manager of conservation and generating resources analyses for the Northwest Power Planning Council and 10 years at Battelle Northwest. He presently runs Tom Foley Consultants, which provides resource planning and consultation with utilities throughout the country. *Tom was re-elected to a new three year term in 2005.*

VICE-PRESIDENT – John Reynolds is professor of architecture emeritus at the University of Oregon and has been involved in energy issues in Oregon since 1972, when he was elected to the Eugene Water and Electric Board. Since then he has served as the president of the Pacific Northwest Solar Energy Association and of the subsequent Solar Energy Association of Oregon. He also serves on the Energy Committee of the Building Codes Structures Board.

SECRETARY - Julie Hammond is the vice president of operations at Sage Insurance Center in Bend. She has over 15 years experience in the insurance industry. Julie currently serves on the Safeco Advisory Council and Deschutes United Way. She brings a customer service orientation, small business perspective and regional representation to Energy Trust program delivery.

TREASURER - John Klosterman is vice-president of manufacturing at Rejuvenation Inc., and has been with the company for eight years. As part of a state pilot project, he led his company's implementation of an ISO 14001-based energy management system following the sustainability principles of The Natural Step. He serves on the board of Business for Social Responsibility and is responsible for implementing socially responsible policies and programs at Rejuvenation. *John was re-elected to a new three year term in 2005.*

Al Jubitz is a native Oregonian, recently retired from the family business, the Jubitz Corporation. He is President and Founder of the Jubitz Family Foundation and serves as director of two private start-up companies. He is also past President and an active member of the Rotary Club of Portland, a board member of the Portland Schools Foundation, Director Emeritus of Morrison Child and Family Services, and a trustee of Outward Bound West Wilderness School. Al has an extensive business background and brings a strong business sense to the board. He has a B.S. from Yale University and an MBA from the University of Oregon, School of Business. *Al was elected to a three year term in April 2005 to fill the vacancy created by Steve Schell's resignation. The board also amended its bylaws and expanded its membership to a maximum of 12 directors.*

Preston Michie has more than 25 years experience working in the electric power industry, most of which was spent working as an attorney in the Office of General Counsel at the Bonneville Power Administration (BPA). Currently he works as a consultant with the BPA to help develop Grid West, an electric energy transmission organization, support BPA's demand response programs, and assess the potential for hydrogen in Northwest power applications. He is on the boards of the Northwest Hydrogen Alliance, Inc., the Wetlands Conservancy, and Ridgeline Energy, LLC (a start-up wind developer). Before his time at the BPA, Preston was a research chemist, and is a graduate of Lewis and Clark Law School and the University of Oregon, School of Business. *Preston was elected to a three year term in April 2005 at which time the board amended its bylaws and expanded its membership to a maximum of 12 directors.*

Rick Applegate is the superfund coordinator at the City of Portland Bureau of Environmental Services. He has worked for more than 18 years on energy and environmental issues as an advocate for salmon

[7] *Steve Schell declined election to a new three year term, and remained on the board until his successor was named and took office. He served as president until he officially resigned from the board in March 2005.*

and their watersheds. Rick was the fish and wildlife director for the Northwest Power Planning Council from 1987 to 1995. Before that, he was the chair of the US Southern Stakeholders Pacific Salmon Treaty Negotiations, a member of the Pacific Northwest Comprehensive Energy Review, on the executive committee of For the Sake of Salmon, and on the board of directors for the Sustainable Fisheries Foundation. Currently Rick serves on the board of the Pacific Salmon Watershed Fund.

Jason Eisdorfer is legal counsel and energy program director for the Citizen's Utility Board. He served as the public interest representative in work sessions of the Oregon Legislature's House Committee on Power Deregulation in 1997, and in 1999 helped author Oregon's electricity industry restructuring legislation, which passed into law in July 1999. He is on the executive boards of the Fair and Clean Energy Coalition, the Northwest Energy Coalition and the Renewable Northwest Project.

Debbie Kitchin is the co-owner of InterWorks, L.L.C., a construction company specializing in commercial tenant improvement and renovation and residential remodeling. Prior to joining the family business in 1996, Debbie served as senior economist for the Northwest Power Planning Council for 15 years and was a regional economist for the Bonneville Power Administration for 3 years. Debbie served on the Pacific Northwest Regional Economic Conference board of directors for 8 years. She serves on the board for Commercial Real Estate Women (CREW) and is also on the executive committee of the Portland Metropolitan Small Business Alliance.

Vickie Liskey is a native of Klamath Falls and vice-president of Liskey Farms, a 1,500-acre ranch that uses geothermally heated water to heat ranch houses, greenhouses, tropical fish ponds, cattle watering ponds and irrigated pastures. She has 15 years experience managing commercial greenhouses and a degree in horticulture from North Dakota State University. Vicki brings a small business perspective and regional representation to the Energy Trust Board.

Caddy McKeown is the southern region supervisor of the ASPIRE Program for the Oregon Student Assistance Commission. She is also active in her community serving as a commissioner on the Oregon International Port of Coos Bay and as vice-chair on the board of directors of Bob Belloni Ranch, Inc., a residential treatment facility for adolescent offenders. She is also on the board of directors for the non-profit organization that manages the Coos Bay municipal pool, serves the Oregon Community Foundation as a volunteer grant evaluator, and has previously served on the board of directors for the Coos Bay School District. *Caddy was elected to the board in November to fill the vacancy created by Cheryl Perrin's resignation.*

Alan Meyer is the director of energy management for Weyerhaeuser Company, a diversified pulp, paper and forest products manufacturing company. He is responsible for coordinating energy management activities at hundreds of manufacturing facilities throughout North America. Prior to joining Weyerhaeuser, he was Director of Energy for Willamette Industries, holding similar responsibilities. He also worked for PacifiCorp as the Oregon Large Industrial Accounts Manager. He brings this extensive experience in the energy industry plus sales and marketing experience to the Energy Trust board. *Alan was elected to the board in September to fill the vacancy created by Rick Kroon's resignation.*

ex-officio

John Savage represents the Oregon Public Utility Commission. Now one of three OPUC commissioners, he joined the OPUC staff in 2003 as director of its utility program, after having served as director of the Oregon Department of Energy for the previous decade. He was administrator of the ODOE's policy and planning division from 1987-1993. John received a master's degree in natural resource economics from Oregon State University in 1979 and a bachelor of science degree from OSU in 1975.

Oregon Department of Energy Special Board Advisor

William Nesmith is the assistant director for conservation at the Oregon Department of Energy. Bill has a Master of Science degree and over 20 years experience in the field of energy efficiency. He has worked as a land use planner for local government, been a program manager with state government, and served as a public utilities specialist with the Bonneville Power Administration. In his current position he directs energy efficiency and renewable resource programs for Oregon homeowners, businesses, and public institutions that have a combined budget of over $10 million.

Board Development Guidelines

April 14, 2006

The Energy Trust-Oregon Public Utility Commission grant agreement calls for the Energy Trust board to include the skills, broad representation and diversity necessary to achieve its mission.

The initial board of directors included nine members and one non-voting ex-officio member from the OPUC. The nine members represented a variety of energy and business perspectives, including energy policy and planning, program implementation and evaluation, facility siting, consumer advocacy, renewable energy development and sustainable practices, and commercial and industrial sectors.

The board has experienced expected turnover, and as this has occurred the board has taken steps to broaden its membership even further. In addition to soliciting input through advisory councils and at public board meetings, over a dozen individuals and partner organizations were polled to identify candidates with appropriate experience from throughout the state. At this same time, the board expanded its size to 12 voting members to allow further diversity.

Through these efforts and targeted recruitment, the current board includes voting members with background in business (agriculture, industry, transportation, construction, manufacturing/retail and insurance), government and non-profit energy sectors and higher education. Members come from Coos Bay, Bend, Eugene, Klamath Falls and Portland. Of the voting membership, four are women and eight are men. The board's Oregon Public Utility Commission (OPUC) ex officio member is Commissioner John Savage. The board created an additional non-voting position for an appointee of the Oregon Department of Energy (ODOE). Bill Nesmith, ODOE Assistant Director for Conservation Programs, was appointed to fill this "special advisor" position.

All new members participate in an orientation session and are provided handbooks containing historical information, policies, plans, budgets and program descriptions. The majority of board members also participate on advisory councils and board committees. All regular board and advisory council meetings and background information are public. Advisory council and board meetings are well attended, and public comment is included in every meeting.

In addition, all regular board members complete and sign conflict of interest forms each year. The OPUC ex officio board member and the special advisor from ODOE do not receive confidential information. Once a year, board and staff members participate in a planning session to review progress and discuss the Energy Trust's strategic direction. Board development is a part of this public planning session, as needed.

2005 Advisory Council Members and Meetings

Conservation Advisory Council

Susan Anderson, Portland Office of Sustainable Development
Steve Bicker, NW Natural
Jeff Bissonnette, Fair and Clean Energy
Julie Brandis, Associated Oregon Industries
Gary Curtis, West Wall Group
Suzanne Dillard, Oregon Department of Energy
Thomas Eckhart, UCONS LLC
Tom Eckman, Northwest Power Planning Council
Terry Egner, Micro Grid
Margie Gardner, Northwest Energy Efficiency Alliance
Don Jones, PacifiCorp
Ken Keating, Bonneville Power Administration
Mat Northway, Eugene Water & Electric Board
Paul Olson, Oregon Remodelers Association
Stan Price, Northwest Energy Efficiency Council
Lauren Shapton, Portland General Electric
Steve Weiss, Northwest Energy Coalition
Syed Rezvi, OPUC

Energy Trust board members who regularly attend CAC:
Jason Eisdorfer
Debbie Kitchin
Alan Meyer
John Reynolds

2005 Meeting Dates	CAC Major Discussion Topics
January 19	Building Efficiency and Production Efficiency contract RFP recompete; Commercial and Industrial transition program impact evaluation; CHP policy recommendation
February 11	Program status reports; Building Efficiency and Production Efficiency programs rebids RFPs
March 16	2004 savings results and true-up adjustment; Program ally network development; Management audit findings; Efficient New Homes market transformation analysis
April 20	New Manufactured Homes initiative; Fuel-Switching policy review; Commercial cooking measures update
May 18	Program status reports; Annual board retreat strategic planning items
July 13	Board retreat update; CHP policy direction
August 17	2nd Quarter program updates; Solar thermal market research study; 2006 Action Plan strategic choices; CHP policy direction
September 21	Community Energy; 2nd Quarter program updates; 2006 budget and savings forecast
October 19	Portland city small commercial initiative; Efficient New Homes and Efficient Home Products contract extension; 2006 draft budget and action plan
November 16	Self Direction policy amendment; Building Efficiency and Production Efficiency incentives changes; 2006 final budget and action plan;

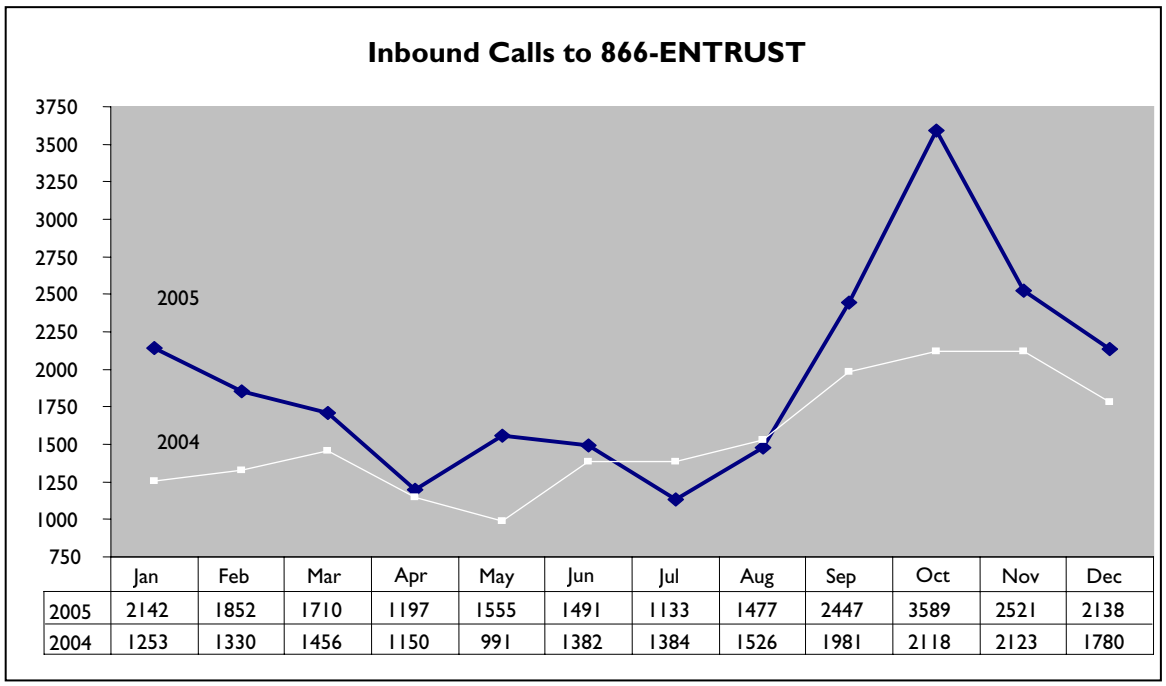
Renewable Resources Advisory Council

Doug Boleyn, Cascade Solar Consulting
Debra Malin, Bonneville Power Association
Angus Duncan, Bonneville Environmental Foundation
Thor Hinkley, Portland General Electric
Jeff King, Northwest Power & Conservation Council
Justin Klure, Oregon Department of Energy
Troy Gagliano, Renewable Northwest Project
Virinder Singh, Pacific Power
Lisa Schwartz, Oregon Public Utility Commission
Frank Vignola, Solar Monitoring, University of Oregon
Chris Taylor, Horizon Wind Energy

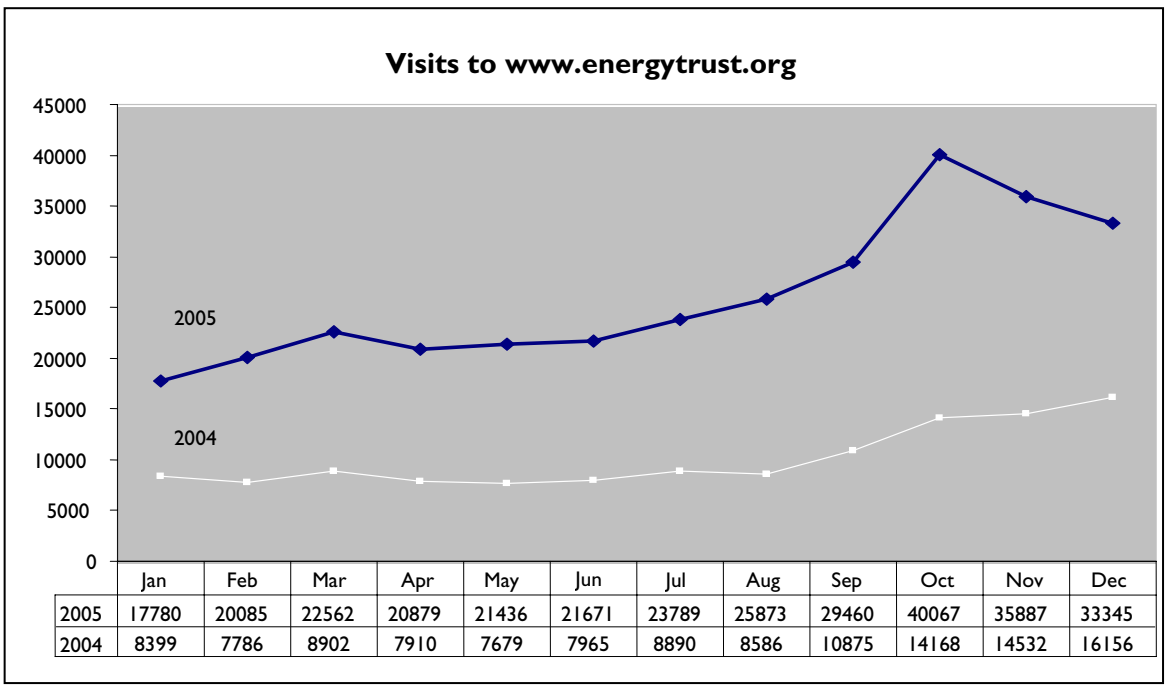
Energy Trust board members who regularly attend RAC:
Alan Meyer
John Reynolds

2005 Meeting Dates	RAC Major Discussion Topics
January 19	OSP projects review, Residential green tag policy changes, Biopower market assessment
March 16	Solar commercial incentive, Solar program evaluation, City of Gresham WWTP & Dry Creek Landfill updates, Community energy study, Program Ally incentive
April 20	BEF biomass activities, CH2M Hill market study, Biopower program design, Management audit results
June 9	Open Solicitation micro hydro project, revised OPUC benchmarks, Biopower program definition of waste, UM 1129, OPUC QF docket
August 17	Stoller Winery update, CHP policy, Above-market cost methodology, OPUC update, Solar thermal review, Legislative update
September 21	Preliminary draft of the 2006/2007 budgets

2005 Call Volumes and Web Visits



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	2142	1852	1710	1197	1555	1491	1133	1477	2447	3589	2521	2138
2004	1253	1330	1456	1150	991	1382	1384	1526	1981	2118	2123	1780



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	17780	20085	22562	20879	21436	21671	23789	25873	29460	40067	35887	33345
2004	8399	7786	8902	7910	7679	7965	8890	8586	10875	14168	14532	16156