

Quarter One 2006 Report to the Oregon Public Utility Commission

January 1, 2006 to March 31, 2006

This Energy Trust quarterly report covers the period January 2006 through March 2006, the first quarter of the year (Q1). The report addresses progress toward 2006 and 2012 energy saving and generation goals and includes corresponding costs. The report also includes the number of completed projects, the amount of incentives paid, cost-benefit ratios for the three largest Energy Trust programs, and activity highlights from the quarter.

I. QUARTERLY HIGHLIGHTS

I. General

- Electricity efficiency projects completed during the quarter are expected to save 4.03 average megawatts at an estimated cost of \$2.0 million per average megawatt. This savings represents approximately 23% of the 2006 conservative case electric energy savings target.
- Gas efficiency projects completed during the quarter will save 440,839 annual therms at a cost of \$4.75 per annual therm. This savings represents approximately 17% of the 2006 conservative case gas savings target.
- To assure funds will be available for all committed projects, reservation systems were put in place for new commercial and industrial projects.
- No large-scale renewable energy projects were completed during the quarter.
- Public purpose revenues received were \$17.9 million for the quarter and total expenditures were \$10.5 million.
- A total of \$5.3 million in incentive payments was made during the quarter.

2. Residential programs

- Energy Trust rebates helped fund the purchase of 4,918 energy-efficient clothes washers, installed in 1,935 homes with electric hot water and 2,983 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 3,137 single-family homes, 1,037 multifamily units, and 60 manufactured homes. Of these, 1,566 homes received electric efficiency measures and 1,788 received gas efficiency measures, with 880 sites saving both gas and electricity.
- Energy Trust incentives helped fund the construction of 216 efficient new homes, 88 with electricity-saving measures, 13 with gas-saving measures, and 115 with both electricity and gas-saving measures. Incentives helped purchase 57 electrically heated and 1 gas heated new efficient manufactured homes.
- Solar water heating systems were installed in 19 homes with electric hot water and 33 homes with gas hot water.

3. Commercial programs

- High-efficiency measures such as energy-efficient lights and HVAC equipment were installed in 776 commercial buildings, resulting in average incentive payment per site of \$996.68. Of this

total, 366 buildings received electric efficiency measures, 26 buildings received gas efficiency measures, and 384 buildings saved both gas and electricity.

- A total of 24 highly efficient new commercial buildings were completed this quarter, with an average incentive payment per site of \$12,831.79.

4. Industrial programs

- Electric energy-saving projects were completed at 46 manufacturing firms, with an average incentive payment per site of \$40,537.52.

5. Renewable energy programs

- Solar electric systems were installed in 17 homes and 5 commercial buildings.
- The community wind RFP was launched to identify projects of 10 MW and less that are in need of project assistance or could qualify for direct funding. Goals of the RFP are to identify and fund 1-3 example projects completed in 2007, while also identifying what else Energy Trust can do to support this emerging market. The intent is to demonstrate the value of this application and jump-start the market with real, viable project examples.
- Energy Trust and Pacific Power successfully concluded negotiations on a \$4.5 million master agreement providing potential funding for renewable energy projects selected by the utility to benefit their Oregon customers.
- PGE continued to negotiate on two wind projects with potential funding support from the Energy Trust.

6. Revenues and expenditures

- \$17.9 million in public purpose funds were received during the quarter, with expenditures at \$10.5 million.
- A total of \$5.3 million in incentives was paid.

7. OPUC performance measures

- Performance against the following 2006 Performance Measures will be reported in the Energy Trust 2006 annual report.

Category	Measures
Energy Efficiency	At least 20 aMW computed on 3-year rolling average Levelized cost of not more than two cents per kWh
Natural Gas	700,000 therms computed on 3-year rolling avg. Levelized cost of not more than 30 cents per therm
Renewable Resources	At least 15aMW At least 9 aMW from projects in utility Integrated Resource Plans At least 3 aMW from a variety of small-scale projects Both computed on 3-year rolling average
Financial Integrity	Unqualified financial audit
Administrative & Program Support Costs	Keep below 11% of revenues
Customer Satisfaction	Demonstrate reasonable customer satisfaction rates through program evaluation customer surveys; report complaint statistics
Benefit/Cost Ratios	Compare to ratios from 2005 reported in #8 below

8. Benefit-cost ratios for 2005 (year-end data)

Program	Utility system benefit-cost ratio	Societal benefit-cost ratio
1. Efficient Home Products	2.4	3.8
2. Home Energy Savings	2.9	1.3
3. Building Efficiency	3.5	1.5
4. New Building Efficiency	2.5	1.4
5. Production Efficiency	4.1	2.8
6. NW Energy Efficiency Alliance	10.3	5.5

II. TABLES

I. Revenues

Source	Actual revenues received Q I	Budgeted revenues Q I
Portland General Electric	\$8,311,978	\$7,965,348
PacifiCorp	5,477,561	5,179,743
NW Natural	4,104,391	3,738,661
Total	\$17,893,930	\$16,883,752

2. Expenditures

Type	Actual Expenditures Q I	Budgeted Expenditures Q I
Energy Efficiency programs	\$9,456,716	\$12,511,665
Renewable Resources programs	515,009	6,483,597
Administration	551,479	701,602
Total	\$10,523,204	\$19,696,864

3. Incentives Paid

	Energy Efficiency			Renewable Energy		Total
	PGE	Pacific Power	NW Natural	PGE	Pacific Power	
Q1	\$2,364,680	\$1,682,363	\$1,077,337	\$79,167	\$112,425	\$5,315,972
Q2						
Q3						
Q4						
Total	\$2,364,680	\$1,682,363	\$1,077,337	\$79,167	\$112,425	\$5,315,972

4. Savings and Generation

Electric efficiency savings. In the first quarter of 2006, energy efficiency programs achieved 23% of the 2006 conservative goal of 17.25 aMW. Since March 1, 2002, these programs have cumulatively saved 100.27 aMW, or 33% of the Energy Trust's 2012 goal.

Electric Efficiency Savings QI 2006	PGE aMW	Pacific Power aMW	Total Savings* aMW	Expenses	mil \$ / aMW	Levelized Cost/kWh
Residential	1.05	0.62	1.67	\$2,631,590	1.57	0.016
Commercial	0.64	0.38	1.02	2,086,715	2.05	0.018
Industrial	0.66	0.68	1.34	3,153,421	2.35	0.027
Total Energy Efficiency Programs	2.35	1.68	4.03	\$7,871,726	1.95	0.020

Gas efficiency savings. In the first quarter of 2006, efficiency programs saved 440,839 annual therms of natural gas, representing 17% of the conservative goal 2006 goal of 2.6 million annual therms. Since gas programs began in 2003, cumulative savings of 2,699,260 annual therms have been realized, accounting for 14% of the 2012 goal.

Gas Efficiency Savings QI 2006	NWN Therms	Expenses	\$ / Therm	Levelized Cost/Therm
Residential	290,389	\$1,682,442	5.79	0.315
Commercial	150,449	410,266	2.73	0.268
Industrial	n/a	n/a	n/a	n/a
Total Energy Efficiency Programs	440,839	\$2,092,708	4.75	0.297

Renewable energy generation. In the first quarter of 2006, renewable energy generation projects completed account for 0.05% of the 2006 goal of 32.98 aMW. This primarily reflects the lack of activity in utility-scale projects requiring Energy Trust above-market cost subsidy during the quarter.

Actual	PGE aMW	Pacific Power aMW	Total Generation aMW	QI 2006 Expenses	mil \$ / aMW	Levelized Cost/kWh
Utility Scale	0.000	0.000	0.000	\$25,043	n/a	n/a
Solar Photovoltaic	0.0066	0.0090	0.0156	299,210	19.20	0.147
Wind	0.000	0.000	0.000	85,616	n/a	n/a
Open Solicitation	0.000	0.000	0.000	15,739	n/a	n/a
Biopower	0.000	0.000	0.000	133,160	n/a	n/a
Total Renewable Programs	0.0066	0.0090	0.0156	\$558,768	35.86	0.275

* Includes transmission & distribution savings

5. Projects completed this quarter

Energy Efficiency Installed Projects	Total Sites	Sites by Measures Installed		
		Electric-only	Gas-only	Both
Residential				
Efficient Home Products appliance rebates	4918	1935	-	2983
Efficient New Home enhancements	172	27	100	45
Efficient New Homes constructed	216	88	13	115
Efficient New Manufactured Homes purchases	58	57	-	1
Home Energy Reviews conducted	1827	926	117	784
Manufactured Homes refitted	60	57	-	3
Multifamily units retrofitted	1037	916	106	15
Promotional CFLs provided	989	989	-	-
CFL coupons redeemed	-	-	-	-
Retail Fixtures, CFLs, and CFL packages bought-down	34,500	34,500	-	-
Residential Solar Hot Water installations	52	19	33	-
State Home Oil Weatherization program CFL packages mailed	263	263	-	-
Single family homes retrofitted	3137	593	1682	862
Commercial sites treated				
Building Efficiency sites treated	776	366	26	384
New Building Efficiency sites treated	24	15	2	7
Solar Hot Water Commercial installations	-	-	-	-
Communities installing LED Traffic Signals	-	-	-	-
Industrial sites treated	46	-	-	-
TOTAL EFFICIENCY	48,075	40,797	2,079	5,199
Renewable Energy Installed Projects				
Utility-scale projects installed	-	-	-	-
Solar Electric residential installations	17	17	-	-
Solar Electric commercial installations	5	5	-	-
Community wind projects installed	0	0	-	-
Biopower projects installed	1	1	-	-
Open Solicitation projects installed	-	-	-	-
TOTAL RENEWABLES	23	23	-	-

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

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