

48,000 Oregonians helped change the world in 2007. They took personal steps to save energy and tap into renewable power – our greatest defense against global warming. We each have the power to do our part. *The time is now.*

2007 Annual Report





Our sights are set on
a sustainable energy future.

Dear Oregonians,

In June 2002, Energy Trust mailed its first incentive check. Since then, we've helped a quarter million Oregon homeowners and businesses invest in energy efficiency and clean renewable energy. Besides helping Oregonians reduce energy costs, these investments have reduced Oregon's carbon footprint by 4 million tons.

Growing concern about global warming and rising energy prices are fueling a powerful "green wave" of action. In 2007 alone, Oregonians saved and generated enough electricity to power 64,000 homes and saved enough gas to heat 4,400 homes. Cumulatively, from 2002 through 2007 we saved and generated enough clean electricity to power 170,000 homes and saved enough natural gas to heat 13,000 homes.

These results are possible thanks to Energy Trust's Trade Ally Network, which grew to over 800 in 2007. These businesses, located throughout Oregon, ensure that Energy Trust resources reach Oregonians across the state.

The Oregon Legislature made 2007 a pivotal year. The Renewable Energy Act shifted Energy Trust efforts away from large utility-scale renewable projects to smaller-scale projects and paved the way for significantly more electric energy efficiency funds in 2008. Going forward, Energy Trust will be able to serve even more Oregonians with our programs.

Global warming presents a daunting challenge to our state, our nation and our world. And Oregonians are proving that we're up to the task. With determination, innovation and financial investment, we are using energy efficiency and renewable energy to reduce the need for fossil fuels that produce global warming gases.

Energy Trust is committed to making that change possible. And we're honored to join the many Oregonians who see that the power of one can – and must – change the world. Thank you.



Margie Harris EXECUTIVE DIRECTOR



John Reynolds PRESIDENT, BOARD OF DIRECTORS

Our mission

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

Global warming gives this mission growing urgency. With citizens and leaders from around the state and the region, we're building momentum to transform the power of one into the collective power of many.

The road ahead may be challenging. Our sights are set on the destination: a sustainable energy future.



Robert Shroyer

Parr Lumber
Hillsboro, Oregon

Parr Lumber makes sustainability a part of its business strategy. The company installed high-efficiency lighting in 11 Oregon stores in 2007 and a solar electric system at its NW Portland store in 2008.

“We’re working to reduce our footprint across the board,” says Robert Shroyer, Parr’s facilities manager. “Energy Trust incentives allow us to have a greater impact with our resources.”

Benefit to the planet? 280,000 pounds of CO₂ emissions offset each year

Investment: High-efficiency lighting in 11 stores

Energy cost savings: \$12,200 a year

Energy Trust incentive: \$20,047



One person can start a movement

From zero to a quarter million in six years

Energy Trust paid its first financial incentive in June 2002 to encourage positive energy investments. Since then, nearly 250,000 Oregonians have become energy leaders. They're demonstrating that saving energy and generating renewable power makes financial and environmental sense.

2007 Accomplishments

Energy Trust programs achieved the following:

- >> Helped 48,000 Oregonians save energy and money
- >> Saved 35 average megawatts of electricity – a 37 percent increase over 2006
- >> Saved nearly 2.3 million annual therms of gas
- >> Supported completion of Portland General Electric's 47 average megawatt Biglow Canyon Wind Farm
- >> Increased solar electric installations by 40 percent and nearly doubled solar water heating installations
- >> Maintained low administrative costs
- >> Supported the growth of over 800 Oregon businesses that strengthen Oregon's economy as trade allies in local communities
- >> Made progress toward 2012 goals: achieved 59 percent of electricity savings, 32 percent of therm savings and 43 percent of renewable generation goals
- >> Offset over 450,000 tons of CO₂ generated by fossil fuels, equal to taking over 80,000 cars off the road
- >> Generated \$35 million in wages and \$75 million in new business income; created 850 new jobs

2012 Goals

Energy Trust is working to meet the following goals by 2012. We are currently updating our strategic plan and corresponding goals in light of the Renewable Energy Act passed by the Oregon Legislature in 2007.

- >> Save 300 average megawatts of electricity
- >> Save 21 million annual therms of natural gas
- >> Help Oregonians meet 10 percent of their electricity needs from renewable resources
- >> Expand participation by customers that have been hard to reach historically
- >> Help businesses thrive by promoting energy efficiency and renewable energy
- >> Encourage Oregonians to integrate energy efficiency and renewable energy in daily life

Oregon

Ask Oregonians why they live here, and "natural beauty" is usually part of the answer. The nearness of nature draws us to settle here, convinces us to stay and inspires us to protect this place called home.

Working with Oregonians to protect this "home" and build a more sustainable future is an essential part of Energy Trust's mission.



The McLennans

Scott & Marleen
Bend, Oregon

With winter coming and federal tax credits expiring, Scott McLennan decided it was time to replace his 22-year-old furnace. He hired Bend Heating to install a high-efficiency gas furnace, then added an energy-saving tankless gas water heater.

“It’s been a good way to save on operating expenses,” Scott says. “Plus, we were able to take advantage of tax credits on top of the Energy Trust incentives.”

Benefit to the planet? Over 2,000 pounds of CO₂ emissions offset each year

Investment: High-efficiency gas furnace, tankless gas water heater

Energy cost savings: \$210 a year

Energy Trust incentives: \$400



The power of one home

Spreading good energy one family at a time

It can start with a step as simple as replacing a light bulb. Saving energy and money feels so good it just makes sense to exercise other energy-saving choices. Since 2002, 240,000 households across Oregon have discovered the good sense of good energy.

2007 Accomplishments

In 2007 Energy Trust residential energy efficiency programs achieved the following:

- >> 923,714 compact fluorescent light bulbs installed or purchased
- >> 5,665 Home Energy Reviews completed for homeowners
- >> 40,087 households used the online Home Energy Analyzer evaluations
- >> 19,878 ENERGY STAR® clothes washers purchased
- >> 17,273 households completed energy-efficiency improvements
- >> 236 solar heating systems installed
- >> 82,500 tons of CO₂ emissions offset by energy savings

Home Energy Solutions Programs

Existing Homes

We identify energy-saving opportunities in existing single-family, multifamily and manufactured homes, offer referrals to qualified contractors and provide cash incentives for improvements.

ENERGY STAR® Products

In 2007, we offered cash incentives to help Oregonians purchase ENERGY STAR clothes washers and lighting. The program also provides free or discounted compact fluorescent light bulbs through Energy Trust's online Home Energy Analyzer and the Change a Light, Change the World fundraising program.

ENERGY STAR New Homes

We help Oregon builders construct new single-family, multi-family and manufactured homes that meet ENERGY STAR standards.

Solar Water Heating

This program provides incentives to help homeowners preheat their water with the warmth of the sun.

Central Oregon

The high desert of Central Oregon is the state's year-round playground. Visitors flock to Mt. Bachelor to ski, to Smith Rock to climb, and to the area's 150 lakes and rivers for fishing and boating in a climate with 300 clear days a year.

In Central Oregon, Energy Trust serves customers of Cascade Natural Gas and Pacific Power with more than 340 trade allies.



The power of one business

Leading by example to a better bottom line

Southern Oregon

Stunning Southern Oregon scenery shares the stage with culture.

Here it's possible to fish on the Umpqua or hike at Crater Lake one day, then enjoy the Oregon Shakespeare Festival or a world-class winery the next.

In Southern Oregon, Energy Trust serves customers of Pacific Power and, to a limited extent, Avista, with more than 285 trade allies.



Energy efficiency is no longer just a “do good” business strategy. Companies that invested in energy-saving improvements a few years ago are reaping the rewards of lower energy costs and fewer carbon emissions every year. Since 2002, over 7,000 businesses have led by example.

2007 Accomplishments

In 2007, Energy Trust commercial and industrial energy efficiency programs achieved the following:

- >> 1,901 commercial buildings installed high-efficiency measures such as energy-efficient lighting and heating, ventilating and air conditioning equipment
- >> 200 highly efficient new commercial buildings completed
- >> 226 production efficiency projects completed at manufacturing sites
- >> 11 commercial solar water heating systems installed

Business Energy Solutions Programs

Existing Buildings

We provide electric and gas energy-saving services and incentives for existing Oregon commercial and institutional facilities.

New Buildings

Financial incentives for high-efficiency electric and gas equipment, energy modeling and design assistance help customers maximize efficiency of new construction projects, major renovations and additions to existing buildings.

Production Efficiency

Technical assistance and incentives help Oregon manufacturers and industrial, agricultural and wastewater operations improve electrical process efficiency.

Solar Water Heating

This program provides incentives to help businesses preheat their water with the warmth of the sun.



Doug Feldkamp

Umpqua Dairy
Roseburg, Oregon

At Umpqua Dairy, president Doug Feldkamp and his team dished up a double win with a refrigeration system upgrade that boosted production capacity and reduced energy costs.

“Over the years we’ve completed a number of upgrades,” Doug says. “With Energy Trust incentives, we can see a shorter payback so we have greater opportunity to make investments.”

Benefit to the planet? 285,000 pounds of CO₂ emissions offset each year

Investment: High-efficiency compressor, condensing unit, variable frequency drives on premium motors and control system

Energy cost savings: \$12,500 a year

Energy Trust incentive: \$19,686

The Kerrs

Andy & Kathy
Portland, Oregon

Andy and Kathy Kerr have been making energy-saving home improvements for years. In 2007, they added insulation, high-efficiency windows and a second 2 kilowatt solar electric system.

“Once you get the panels, you pay more attention to your usage and you cut down more and more,” Kathy says.

Benefit to the planet? 5,000 pounds of CO₂ emissions offset each year

Investment: 2 kW solar electric system, high-efficiency windows, insulation

Energy cost savings: \$410 a year

Energy Trust incentive: \$4,839



The power of energy around us

Harvesting energy from the sun, wind and more

Since 2002, more than 700 homeowners and businesses have tapped into Oregon's clean, renewable energy resources. They see the wisdom of moving toward greater energy independence, reducing our reliance on fossil fuels and producing energy free of carbon emissions.

2007 Accomplishments

In 2007, Energy Trust renewable energy programs achieved the following:

- >> 175 solar electric systems installed on homes, a 50 percent increase over 2006
- >> 51 solar electric systems installed on commercial buildings
- >> Invested \$6 million in Portland General Electric's Biglow Canyon Wind Farm
- >> Invested in Energy Trust's first small hydro project
- >> Developed new programs for dairy biomass and small-scale wind development

Renewable Energy Programs

Solar Electric

Cash incentives, technical services, industry support and referrals to qualified contractors help homeowners and businesses tap into the power of the sun.

Wind

This program supports single or small clusters of wind turbines through cash incentives and assistance, and provides anemometers to measure wind quality at proposed sites.

Biopower

Financial incentives and other support help launch projects that use organic waste as fuel to generate electricity.

Utility Scale Generation

This program, which has helped spur large-scale utility wind projects, will end when Pacific Power's Goodnoe Hills wind project comes online in 2008.

Open Solicitation

Incentives and other support for innovative renewable energy projects that aren't a part of other Energy Trust renewable programs.

Portland Metro Area

Ranked one of the nation's most livable cities, Portland is a mix of walkable neighborhoods, extensive bike paths, a growing rail transit system and a lively downtown that stretches along the Willamette River.

In the Portland area, Energy Trust serves customers of NW Natural, Pacific Power and Portland General Electric with more than 550 trade allies.



Dave Harman

Wallowa Memorial Hospital
Enterprise, Oregon

Groundwater, just seven feet below the new Wallowa Memorial Hospital, is an innovative heating and cooling source. It's tapped by a ground-source heat pump that delivers year-round comfort and energy savings, as do high-efficiency lighting and insulation.

"It makes good common sense that we use energy-efficient methods, both for our bottom line and for the environment," Dave says.

Benefit to the planet: 1.2 million pounds of CO₂ emissions offset each year

Investment: Ground-source heat pump system, high-efficiency lighting, insulation

Energy cost savings: \$52,000 a year

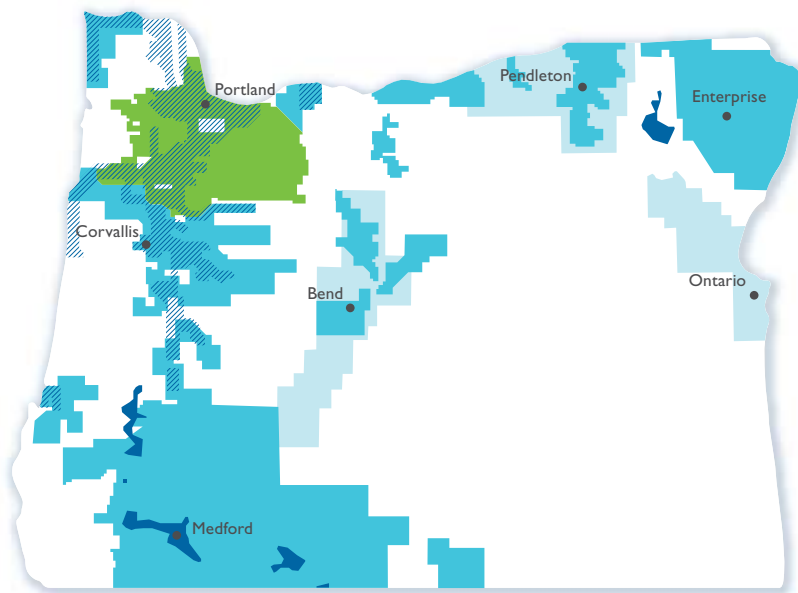
Energy Trust incentive: \$77,792



1.4 million Oregonians have the power

Making a difference across the state

Energy Trust serves 1.4 million Oregon customers of Pacific Power, Portland General Electric, NW Natural, Cascade Natural Gas and Avista, who fund our services through utility bills.








Northeastern Oregon

Pioneer spirit meets breathtaking beauty in Northeastern Oregon. Beyond the peaks of the Wallowa Mountains, the rutted tracks of the Oregon Trail still stretch out toward rolling wheat fields and arid expanses of ranchland.

In Northeastern Oregon, Energy Trust serves customers of Pacific Power, Cascade Natural Gas and, to a limited extent, Avista, with more than 130 trade allies.



UTILITY	ENERGY SAVED	ENERGY GENERATED
 Pacific Power	23 aMW	47.07 aMW
 Portland General Electric	13 aMW	.08 aMW
 NW Natural	2,100,000 annual therms	NA
 Cascade Natural Gas	150,000 annual therms	NA
 Avista (ENERGY STAR New Homes and Products programs only)	8,200 therms	NA

1 average megawatt (aMW) of electricity is enough to power 775 homes. 1 million annual therms of natural gas is enough to heat 1,972 homes.

Verl Holden

Holden Wholesale Growers
Silverton, Oregon

Verl Holden has glowing reviews for the solar electric system he installed at his Silverton nursery to power his lights, water pumps and equipment.

“Our return on investment is far better than leaving the money in the bank. You’re not going to get a return like that any place,” says Verl. “As a company that produces trees, we’re green anyway. Now we’re even greener.”

Benefit to the planet? Over 5,000 pounds of CO₂ emissions offset each year

Investment: 29.6 kW solar system

Energy generated: 34,000 kWh a year

Energy cost savings: \$2,200 a year

Energy Trust incentive: \$43,478



2007 Energy Savings & Generation

Electricity Savings & Costs

SECTOR	SAVINGS/AVG MW	LEVELIZED COST/KWH
Residential	13.0	1.6 ¢
Commercial	6.2	1.8 ¢
Industrial	16.0	1.1 ¢
Total	35.2	1.4 ¢

Natural Gas Savings & Costs

SECTOR	SAVINGS/THM	LEVELIZED COST/THM
Residential	1,100,000	46 ¢
Commercial	1,100,000	19 ¢
Industrial	3,100	79 ¢
Total	2,203,100	33 ¢

Renewable Energy Generation & Costs

PROGRAM	AVG MW GENERATED	LEVELIZED COST/KWH
Solar Electric	0.14	16 ¢
Utility Scale	47.00	.10 ¢
Open Solicitation	00.01	N/A
Total	47.15	.20 ¢

Performance Measures – Oregon Public Utility Commission (OPUC)

2007 ENERGY TRUST PERFORMANCE RESULTS	2007 OPUC PERFORMANCE MEASURE
34 aMW electricity saved ('05-'07 average)	At least 20 aMW electricity saved (3-yr average)
1.4¢/kWh average levelized life-cycle exceeding cost ('07)	Average levelized life-cycle cost not exceeding 2¢/kWh
2.0 million annual therms natural gas saved ('05-'07 average)	At least 700,000 annual therms natural gas saved (3-yr average)
33¢/therm average levelized life-cycle exceeding cost ('07)	Average levelized life-cycle cost not exceeding 40¢/therm
16 aMW from utility-scale projects ('05-'07 average)*	9 aMW of new utility-scale projects (3-yr average)
.09 aMW from new smaller-scale projects ('05-'07)*	3 aMW of new smaller-scale projects (3-yr average)
Unqualified financial audit opinion	Unqualified financial audit opinion
Administrative costs were 6 percent of 2007 revenues	Administrative costs below 11 percent of annual revenues
High levels of customer satisfaction documented in evaluation results	Reasonable customer satisfaction rates
Value of energy saved exceeded cost	Value of energy saved must exceed cost

* Utility-scale development more than exceeded the shortfall in small-scale projects completed. Projects generating 19 aMW are committed for completion in 2008 and 2009.

Financial Highlights

Balance Sheet – December 31, 2007

Assets	\$66,364,927
Liabilities	\$6,745,690
Net Assets	\$59,619,237

Net Assets

Unrestricted	\$59,619,237
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Expenses by Utility Service Territory

Portland General Electric	\$30,611,527
Pacific Power	\$16,171,313
NW Natural	\$9,080,207
Cascade Natural Gas	\$581,370
Avista	\$88,933
Total	\$56,533,350

Expenses by Division

Energy Efficiency	\$46,149,855
Renewable Energy	\$10,383,495
Total	\$56,533,350

Public Purpose Revenue by Utility Service Territory

Portland General Electric	\$32,414,944
Pacific Power	\$20,196,049
NW Natural	\$9,622,649
Cascade Natural Gas	\$934,266
Avista	\$160,163
PGE Conservation Rate Credit	\$550,000
Total	\$63,878,071



The Burnett Family

Kevin & Brooke with kids,
Brigitte & Roan
Beaverton, Oregon

Green features were part of the reason the Burnetts chose a new house built by Intex Homes. Their ENERGY STAR and Earth Advantage® home is good for their budget and the environment.

“We’re so happy with our new house,” Brooke says. “It was so warm during our first winter, and because it’s built green, we know it’s healthier, too.”

Benefit to the planet? 4,822
pounds of CO₂ emissions offset
each year

Investment: ENERGY STAR
qualified new home

Energy cost savings: Approximately
\$380 a year (assuming average
energy usage)



Powered by our people

Energy Trust's work is guided by a volunteer citizen board of directors and two advisory councils, with oversight from the Oregon Public Utility Commission. We manage our programs with a dedicated staff. Most of our efficiency programs are delivered by contracts with service providers and a network of over 800 business trade allies that provide program services throughout Oregon.

Board Members

Photo at near left, pictured left to right: Treasurer, John Klosterman; Jason Eisdorfer, Citizen's Utility Board of Oregon; Al Jubitz, Jubitz Family Foundation; Special Advisor, Betty Merrill, Oregon Department of Energy (joined in 2008); Roger Hamilton, University of Oregon (joined in 2008); Caddy McKeown, Oregon Student Assistance Commission; Dan Enloe, Intel Corporation (joined in 2008); Julie Hammond, Sage Insurance Company; Vice President, John Reynolds, FAIA; Alan Meyer, Weyerhaeuser Company; Vickie Liskey, Liskey Farms. Not pictured: Rick Applegate, City of Portland Bureau of Environmental Services; President, Tom Foley, Tom Foley Consultants (retired from board in 2008); Secretary, Debbie Kitchin, InterWorks LLC; Preston Michie, Bonneville Power Administration consultant; Ex-officio, John Savage, Oregon Public Utility Commission

Conservation Advisory Council

Steve Bicker, NW Natural; Jeff Bissonnette, Fair and Clean Energy Coalition; Julie Brandis, Associated Oregon Industries; Gary Curtis, D&R International; Suzanne Dillard, Oregon Department of Energy; Michael Early, Industrial Customers of Northwest Utilities; Thomas Eckhart, UCONS LLC; Tom Eckman, Northwest Power Planning Council; Andria Jacob, City of Portland, Office of Sustainable Development; Don Jones, PacifiCorp; Karen Meadows, Bonneville Power Administration; Lori Koho, Oregon Public Utility Commission; Mat Northway, Eugene Water & Electric Board; Paul Olson, Oregon Remodelers Association; Stan Price, Northwest Energy Efficiency Council; Lauren Shapton, Portland General Electric; Susan Steward, BOMA; Steve Weiss, Northwest Energy Coalition

Renewable Energy Advisory Council

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

Energy Trust Staff

Pictured far left, Energy Trust staff members manage our programs from offices in downtown Portland.



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