Quarter One 2013 Report to the Oregon Public Utility Commission & Energy Trust Board of Directors

ENERGY TRUST OF OREGON
MAY 15, 2013
This report covers activity between January 1 and March 31, 2013

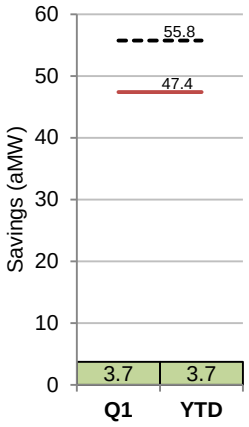
Energy Trust of Oregon
421 SW Oak St., Suite 300, Portland, OR 97204
1.866.368.7878 503.546.6862 fax
energytrust.org

Energy Trust of Oregon

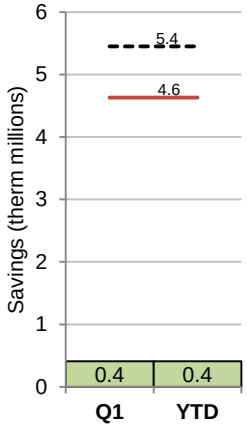
I. Q1 2013 ACTIVITY AT A GLANCE

Savings and generation

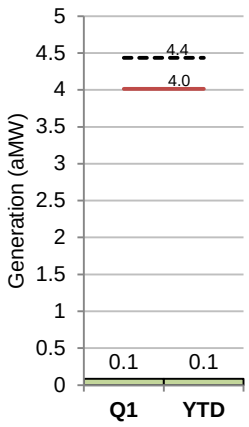
Electric efficiency



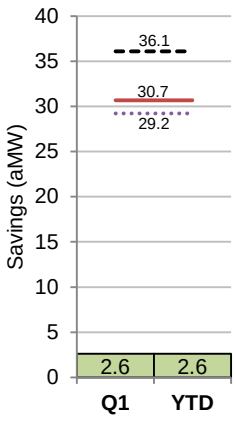
Gas efficiency



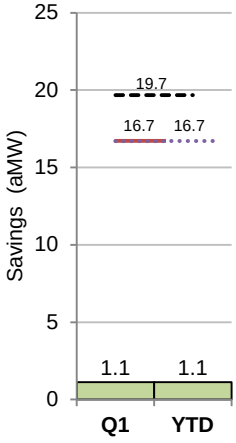
Renewable energy



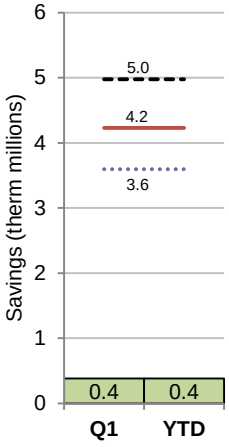
Portland General Electric



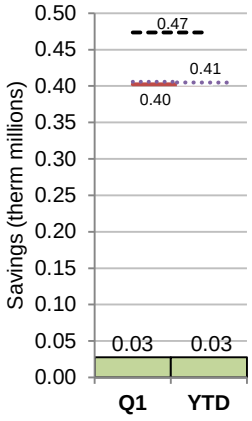
Pacific Power



NW Natural

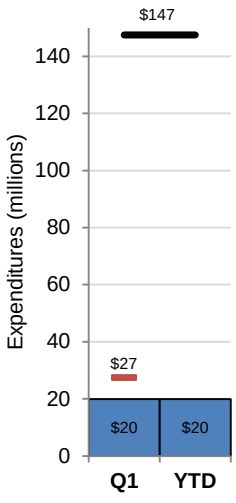


Cascade Natural Gas

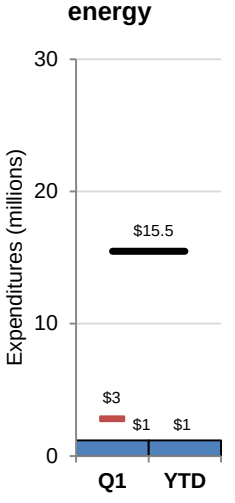


Expenditures

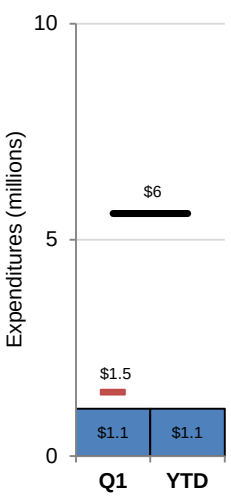
Energy efficiency



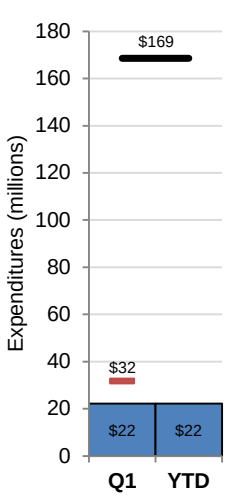
Renewable energy

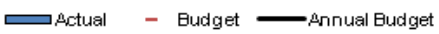


Administration



Total





Residential activity in Q1 2013

New homes and major remodels	**396**
New manufactured homes	16
Weatherization retrofits	**683**
Single-family site-built	543
Mobile	140
Home Energy Reviews	**505**
Total Sites	**1,584**
Heating systems	**336**
Water heaters	**58**
Solar	5
High-efficiency products	**3,614**
Washing machines	2,893
Refrigerators & freezers	721
High-efficiency lighting*	**99,593**
Refrigerators, freezers recycled	**2,661**
Energy Saver Kits sent	**2,500**
Total Other Activity	**9,169**

* Lighting excluded from totals

Commercial activity in Q1 2013

New Buildings sites served	**40**
Whole building approaches	10
Packaged solutions for market segments	--
Standard/system-based approaches	30
Existing Buildings sites served	**130**
Operations and maintenance	1
Custom[1]	--
Lighting	103
Prescriptive/standard[2]	26
Existing multifamily sites served	**276**
Solar water heating sites served	**--**
Sites with technical assistance	**73**

[1]The most common custom improvements are building controls and HVAC

[2] The most common prescriptive/standard improvements are foodservice and grocery equipment

Industrial/agricultural activity in Q1 2013

Projects	**87**
Custom[1]	19
Strategic Energy Management[2]	--
Lighting	34
Small industrial and agricultural[3]	34
SEM participating companies	**34**
Studies	**19**

[1] Top actions are compressed air system improvements, process upgrades

[2] Savings from no-cost or low-cost operational steps (i.e., turning off equipment when not in use) identified through trainings in SEM approaches/disciplines

[3] Targets users with gas or electric costs under $25,000/year; top improvements are irrigation system improvements, compressed air system improvements, HVAC

Renewable energy activity in Q1 2013

Biopower projects	**--**
Solar electric installations	**114**
Residential	108
Commercial	6
Other renewable projects	**2**
Wind projects	2
Hydropower projects	--
Geothermal projects	--
Total	**116**

Trade ally activity in Q1 2013

Regional trade ally roundtable meetings	**5**
Attendance	200
Trainings provided	**25**
Trade allies added to network	**65**
Trade allies accessing business development funds	**61**

Other activity in Q1 2013

Calls	**6,958**
Website visits	**176,890**
info@energytrust.org inquiries	**440**
Customer complaints	**6**
News stories in print, broadcast	**60**

II. HIGHLIGHTS OF Q1 ACTIVITIES

A. Savings[1,2], generation and general highlights

Quarter 1

- **Lower-than-expected energy-efficiency savings in Q1 were due to transitions** to new Existing Buildings and Existing Homes Program Management Contractors and corresponding data entry and verification process changes to maintain Energy Trust's internal auditing standards. These factors delayed closing projects and processing incentive payments for projects in Q1. In Q2, staff will process the backlog of incentives and expects to bring achieved savings into closer alignment with expectations during the remainder of 2013.
- **Lower-than-expected renewable energy generation is attributed** to a stagnant commercial solar market and the delay of two large projects. Program staff expects to bring achieved generation back into alignment with expectations during the remainder of 2013 through increased incentives for commercial solar systems and expansion of allowed system sizes for businesses.
- **Significant activity was observed across most program offerings** in Q1, as reflected in program pipelines that show forecasted projects at any given time. The New Buildings program enrolled 115 projects and has seen an increase in businesses considering projects deferred prior to the recession. The Production Efficiency program reports strong pipelines for two utilities and significant penetration in the high-tech sector. The New Homes program continued to generate savings from the Q4 2012 launch of LED products, and processed 270 homes rated with EPS™, an energy performance score. EPS also launched for existing homes. The pipeline for custom renewable projects was stronger than expected, with 12 applications received. Energy Trust also engaged with four lender allies and 145 minority, women and emerging small business certified trade allies. Additional achievements are described throughout this report.
- **Electric efficiency projects completed during Q1** are expected to save 3.7 average megawatts, aMW, of electricity, about 8 percent of the 2013 electric conservative goal and 7 percent of the 2013 electric stretch goal of 56 aMW. Q1 2013 electric savings are approximately 32 percent lower than savings in Q1 2012.
- **Gas efficiency projects completed during Q1** are expected to save 410,926 annual therms of natural gas[3], about 9 percent of the 2013 gas conservative goal and 8 percent of the 2013 gas stretch goal of 5.4 million annual therms. Q1 savings are 24 percent lower than savings in Q1 2012.
- **Renewable energy projects completed during Q1** are expected to generate 0.09 aMW of electricity, 2 percent of the 2013 renewable energy conservative goal of 4.0 aMW. Q1 renewable generation is 82 percent lower than generation in Q1 2012.
- **Staff developed options to clarify how annual efficiency goals, and reserve amounts and usage, are defined and established** for discussion at an Energy Trust Strategic Utility Roundtable in Q2.

[1]This document reports net savings, which are adjusted gross savings based upon results of current and past evaluations.
[2]This report includes the best available energy savings data as of the date of submission. Energy savings reported here for periods prior to January 1, 2012, may be different than previously reported as a result of applying updated evaluation factors to Energy Trust funded program savings in Oregon through the annual true up process. The full True Up 2012 Report is available online at www.energytrust.org/library.
[3]The gas savings do not include NW Natural results in Washington. These results are reported in Appendix 5.

- **This and subsequent quarterly reports address OPUC requests** received during the 2013-2014 budget and action plan comments period regarding computer system upgrades, deep retrofit pilot projects and lender ally promotions.
- **To better serve customers, staff coordinated with utilities to notify customers of new data sharing agreements** in effect May 1, 2013, and developed processes to honor requests from customers electing not to be contacted by Energy Trust for marketing purposes. In Q1, approximately 2,020 customers requested not to be contacted by Energy Trust, approximately 0.1 percent of utility customers.

Cumulative and Total Annual Results

- **Including Q1 2013 results, total annual savings of 372 aMW** have been realized since electric efficiency programs began in 2002, accounting for 78 percent of Energy Trust's 2014 goal of 479 aMW. This is equivalent to the annual electric consumption of approximately 288,349 average Oregon homes. This total includes 21 aMW of savings from self-direct customers.
- **Including Q1 2013 results, total annual savings of 28.6 million annual therms** have been realized since gas efficiency programs began in 2003, accounting for 82 percent of the 2014 goal of 34.7 million annual therms. This is equivalent to providing gas heat to approximately 56,431 average Oregon homes.
- **Including Q1 2013 results, total annual renewable energy generation of 110 aMW** have been installed since 2002, accounting for 88 percent of the 2014 goal of 124 aMW of installed generation. This is equivalent to powering approximately 84,970 average Oregon homes.

B. Revenues and expenditures

- **Overall public purpose revenue plus incremental electric revenue** from SB 838 totaled $50.2 million for Q1 2013, approximately 3 percent more than budgeted. Revenue projections are estimates provided by utilities; typically, actual revenues vary by a few percentage points.
- **Q1 expenditures totaled $22.2 million**, of which $7.3 million or 33 percent was for incentives. Q1 2013 incentives paid were down 51 percent from Q1 2012.
- **Lower-than-expected energy-efficiency expenditures in Q1 were due to transitions** to new Existing Buildings and Existing Homes Program Management Contractors and corresponding data entry and verification process changes to maintain Energy Trust's internal auditing standards. These factors delayed closing projects and processing incentive payments for projects in Q1. In Q2, staff will process the backlog of incentives and expects to bring achieved expenditures into alignment during the remainder of 2013.
- **Lower-than-expected renewable energy expenditures can be attributed** to a stagnant commercial solar market and the delay of two large projects. Staff expects to bring achieved expenditures back into alignment during the remainder of 2013 through increased incentives for commercial solar systems and expansion of allowed system sizes for businesses.
- **Q1 electric efficiency expenditures** were 25 percent under budget for the quarter, as described above.
- **Q1 gas efficiency expenditures** were 37 percent under budget, as described above.

C. Appendices

- **Appendix 1** shows a geographic distribution of Home Energy Reviews conducted in Q1 2013 and the most recent customer satisfaction results (see page 22).

- **Appendix 2** presents Oregon Public Utility Commission 2013 performance measures for Energy Trust and benefit/cost ratios from Energy Trust's 2012 annual report (see page 24).
- **Appendix 3** includes reports from Pacific Power and Portland General Electric on Q1 2013 utility activities supported by their shares of SB 838 funding, providing additional support for electric efficiency acquisition above funds collected through the public purpose charge (see page 25).
- **Appendix 4** includes a report from the Northwest Energy Efficiency Alliance on its Q1 2013 market transformation activities in PGE and Pacific Power Oregon service territories, funded by Energy Trust (see page 32).
- **Appendix 5** provides the Q1 2013 report on Energy Trust activities serving NW Natural customers in Washington (see page 37).

D. Commercial sector highlights

- **Overall, the commercial sector, comprising Existing Buildings and New Buildings programs, is slightly behind** historical Q1 accomplishments in Pacific Power, NW Natural and Cascade Natural Gas territories.
- **The sector is slightly ahead of historical Q1 accomplishments in Portland General Electric territory**, chiefly due to completion of large grocery and data center projects in the New Buildings program.
- **In Q1, staff coordinated with the OPUC to explore future commercial deep retrofit pilot** opportunities**.** In addition, Energy Trust began work to determine project attributes that define commercial deep retrofits for the purpose of OPUC reporting. Beginning in Q2, reporting capabilities will be developed to provide this additional view of sector activity, including major renovations that exceed requirements of the Oregon code and existing building retrofits installing system-level lighting and HVAC improvements.

Existing Buildings

- **In Q1, Existing Buildings completed transition to a new PMC**, ICF International. ICF International brings existing relationships with national chains in market sectors—including office, grocery, lodging, retail, restaurants and data centers—that will be leveraged to achieve program savings. New staff is in place and actively engaging with customers.
- **Existing Buildings savings to date are behind historical averages** because of delays in closing projects due to the PMC transition and changes to data entry and verification processes in Q1**.** In Q2, staff will process the backlog of incentives.
- **Staff believes that conservative goals for the Existing Buildings program are in reach for all utilities.** The pipeline of completed and forecasted projects for 2013 is similar to previous years for PGE, Pacific Power and NW Natural. Cascade Natural Gas savings are behind Q1 2012 because few large custom projects have been identified to date. Meeting stretch goals is achievable if expected lighting, prescriptive, operations and maintenance and large custom projects are completed.
- **The improving economy has led to more businesses considering projects** deferred prior to the recession.
- **The second commercial Strategic Energy Management, SEM, cohort launched in January** with six participants and is expected to generate 5.6 million kilowatt hours and 112,000 annual therms of savings.
- **The program helped facilitate the City of Portland's *Bucks for Buildings* rebate program**, which paid additional rebates to small commercial facilities for energy-efficiency upgrades

qualifying for Energy Trust incentives. *Bucks for Buildings* was funded by a federal American Recovery and Reinvestment Act grant.

- **The program rolled out an updated roof-top HVAC unit tune-up offering** with a slightly reduced incentive to target larger systems.
- **In coordination with the Oregon Department of Energy on Governor Kitzhaber's Cool Schools** initiative, staff engaged 35 schools in 11 districts to date for project scoping assistance and assigned technical contractors to conduct targeted audits for these projects, which are expected to complete in 2013 and 2014.
- **Existing Buildings program collaborated with lighting manufacturers** to provide special pricing, available through June 2013, for the latest generation T8 high-performance lens retrofit kits. The strategy is expected to produce significant annual savings.
- **Energy-saving products—light bulbs, showerheads and faucet aerators—continued to make up the majority of electric savings** for multifamily projects and are expected to contribute 60 percent of the overall multifamily 2013 electric stretch goal. Staff is taking steps to expand the portfolio of multifamily savings beyond energy-saving products and into other offerings.
- **Savings from multifamily custom and prescriptive measures continued to grow** compared to previous years and are expected to contribute more robust and diversified results as the year progresses.
- **Staff continued work with local, regional and national organizations to develop and implement MPower Oregon**, an on-bill repayment and financing pilot. The first phase of the MPower pilot will focus on streamlining the energy audit process and developing a pipeline of buildings whose utility costs are paid by property owners, such as affordable housing buildings.
- **Outreach efforts have deepened existing relationships** with owners and decision makers at top property management and affordable housing agencies to access the savings opportunities identified through past projects and building assessments.
- **The multifamily weatherization market continued to be negatively impacted** by the 2011 changes in Oregon's Business Energy Tax Credit, particularly increased technical requirements creating a perceived barrier for projects to apply. The majority of historical weatherization projects relied on both Business Energy Tax Credits and Energy Trust incentives to make projects feasible.
- **A promotion with two regional appliance distributors was re-launched in Q1** to buy down the cost of energy-efficient clothes washers. Bringing in additional distributors is expected to boost the number of units incented through the rest of 2013.

New Buildings

- **Small commercial buildings comprised a majority of total projects completed in Q1**, though a few large projects generated a majority of electric savings in the quarter. Gas savings were ahead compared to Q1 2012.
- **New Buildings enrolled 115 projects during Q1**, which is the highest number of new Q1 projects enrolled since 2009 and a good indication of a strong pipeline for 2013 and beyond.
- **New Buildings pipeline of forecasted projects is strong across all four utilities**, and the program ended Q1 with 517 active projects in the pipeline. More than 93 percent of these projects were permitted under 2010 code, an increase of 11 percent over activity in Q1 2012, reflecting a near-complete market transition to compliance with more stringent code requirements.

- **The market has responded positively to the program's new Market Solutions** incentive offerings, which engage New Buildings design and engineering allies. Market-specific packages consist of standard tiered incentives for restaurant, grocery, multifamily, office, school and retail buildings under 70,000 square feet. Market response has been positive among allies and owners, an early indication that simple packages with tiered incentives will be a good pathway to increase program reach and savings. Eleven projects were enrolled through this offer at the end of Q1.
- **Outreach staff engaged with 50 design and engineering firms in Q1** to introduce Market Solutions and strengthen the pool of New Buildings allies, which is over 70 strong and growing as the economy improves.
- **New Buildings and Solar Electric programs began delivering comprehensive and coordinated services**, jointly enhancing and targeting delivery of solar projects through New Buildings.
- **New Buildings was recognized as an Exemplary Program in 2013** by the American Council for an Energy-Efficient Economy, and was one of two new construction programs recognized nationally.

E. Industry and agriculture sector highlights

Production Efficiency

- **In Q1, Production Efficiency tracked well against historical savings** in all four utility territories.
- **The pipelines of potential projects were robust for two of the utilities** for this time of the year, with savings in NW Natural territory projected to reach stretch goal and savings in Portland General Electric territory projected well above conservative goal. The strength of the NW Natural pipeline reflects the carryover of a handful of big projects from 2012 into the current year.
- **The pipeline in Cascade Natural Gas territory is tracking well** and will be monitored closely to help ensure full achievement of annual savings in a territory where there are a limited number of large projects with greater savings.
- **Staff is focused on increasing Pacific Power territory savings to reach stretch goal,** emphasizing completion of near-term activities, including customer follow-ups regarding potential projects, like lighting and operations and maintenance projects that can be easily implemented over the next eight months.
- **Typical for Q1, Production Efficiency incentives outpaced savings**, due to investments in technical studies and services that will produce savings later in the year.
- **The Core Improvement pilot continued offering a specific track of Strategic Energy Management**, SEM, services designed for small- to-medium-sized industrial customers. Customers have been taking ownership of their energy models and planning engagement activities. Including the pilot, 34 industrial customers were enrolled in SEM in Q1, the highest enrollment to date.
- **The third and largest cohort to date of Refrigeration Operator Coaching**, a cohort-based operator training specific to refrigeration specialists, launched in March with seven sites enrolled. Refrigeration Operation Coaching cohorts traditionally achieve greater savings than estimated.
- **Scientific Irrigation Scheduling was made available for the second year.** Customers in multiple regions around the state have enrolled.

- **Significant penetration is occurring in the high-tech sector,** including first-ever custom projects with three new customers.
- **In response to recent market research, the program began in-person delivery of incentive checks** by Program Delivery Contractors for custom projects. This change supports improved customer service.
- **Production Efficiency was recognized as an Exemplary Program** in 2013 by the American Council for an Energy-Efficient Economy, and was one of three industrial programs recognized nationally.

F. Residential sector highlights

- **Overall, the residential sector, comprising Existing Homes and New Homes and Products** programs, is trending behind historical Q1 accomplishments, reflecting the transition to Fluid, the new Existing Homes Program Management Contractor, PMC, and the need to amend incentive processing procedures.
- **New Homes and Products electric savings were down** because retail appliance and specialty compact fluorescent light bulb, CFL, incentive redemptions were lower than in past years. The program lowered retail appliance incentives and increased product specifications in response to increased standards for major appliances, resulting in fewer eligible models. In addition, a number of retailers have switched specialty lighting products from CFLs to LEDs, which impacted savings because the program supports only a limited selection of LEDs at this time. In Q1, several new initiatives were developed that will launch in Q2 to boost savings. New initiatives may include expanded LED offerings, including potential addition of A-lamps and new online distribution channels, stand-alone measures for new homes and manufactured homes, clothes washer recycling and a consumer electronics initiative test with Sears.

Existing Homes

- **Q1 gas and electric savings were artificially low** because approximately 400 Clean Energy Works Oregon projects completed in Q1 were not captured in Energy Trust data systems. The delay was due to changes in administrative processes associated with the PMC transition. These savings will book in Q2.
- **Clean Energy Works Oregon project activity continued to grow** with Energy Trust support, with 1,555 applications and 347 completed projects reported in Q1, and 1,000 additional projects in process as of the end of the quarter.[1] Clean Energy Works Oregon projects are whole-home energy-efficiency improvement projects accessing standard Existing Homes incentives and Home Performance with ENERGY STAR® trade allies.
- **EPS, an energy performance score, launched in Q1 for existing homes.** The first EPS was awarded in January to a home served by PGE and NW Natural. EPS for existing homes was developed by Energy Trust and Earth Advantage and is available through Home Performance with ENERGY STAR contractors.
- **Existing Homes implemented new, more efficient processes in the field** by collecting Home Energy Review data using mobile tablets and delivering Custom Home Energy Reports to customers via email. While implementing these processes required significant resources in Q1,

[1]"In process" refers to Clean Energy Works Oregon homes that had completed a Home Performance test-in audit but had not closed as of March 31, 2013. There is a lag between the time Clean Energy Works Oregon records a completed project and when Energy Trust enters the project into its data tracking system. Clean Energy Works Oregon project counts may include activity outside Energy Trust territory.

they are expected to lead to an annual program delivery savings of about 1,500 hours of PMC staff time.

- **Existing Homes delivered Custom Home Energy Reports to customers** receiving onsite Home Energy Reviews; the reports are now created in Energy Trust data systems using savings estimates from evaluation studies. Custom Home Energy Reports present customers with savings estimates, over one and five years, associated with recommended energy-saving measures and provide information on energy-saving opportunities in their homes.
- **In Q1, Energy Trust developed a definition of residential deep retrofit** for the purpose of OPUC reporting. A residential deep retrofit is defined as an energy-efficiency action in an existing home that includes two or more shell or heating measures, installed at the same time during the reporting period, that achieve a 20 percent or greater reduction in estimated heating load. In Q1, Energy Trust completed 79 deep retrofits consistent with this definition.
- **Existing Homes concluded the first phase of a pilot** managed in cooperation with the Massachusetts Institute of Technology. Launched in Q1 2012, the pilot compares effectiveness of several Home Energy Review follow-up strategies in motivating customer engagement. Results will be available in fall 2013.

New Homes and Products

- **Q1 savings are lower than expected** because receipt of a large February retail lighting invoice—and associated savings—was delayed to Q2.
- **LED products launched in Q4 2012 continued to generate savings in Q1,** with 5,859 LED bulbs sold at retail stores during January. LED lighting sales increased from January to February by 72 percent.
- **In Q1, 270 EPS-rated new homes were submitted and processed**, compared to 205 in Q1 2012, putting the program on track to achieve the goal of 1,100 homes for the year.
- **In coordination with the Northwest Energy Efficiency Alliance**, NEEA, the program developed a strategy to implement a digital platform for online submission of EPS projects for new homes, which will be rolled out by year end.
- **New Homes and Products launched an effort to increase the market share of qualifying CFLs** at select Kmart stores. In subsequent quarters, six participating stores will receive incentives, and activity at those stores will be compared to four stores not receiving incentives.
- **Fourteen new solar-ready homes were completed in Q1.** This is a significant increase over the five solar-ready homes completed in 2012, and it appears that prior outreach efforts have had an impact.
- **In Q1, the program concluded an evaluation of an air sealing pilot** and determined that the measure is cost effective and viable in new homes. Air sealing will become a regular offering in Q2.

G. Renewable energy highlights

- **The renewable energy sector expects to reach 88 percent of stretch goal** and 97 percent of conservative goal in 2013. The projected shortfall is due to a stagnant commercial solar market and the delay of two large projects. The 0.87 aMW Oregon Institute of Technology geothermal project, originally expected to complete in Q3 2013, is facing higher-than-anticipated costs and is now expected to complete in mid-2014. Commercial operation of the 0.45 aMW Revolution Energy Solutions Coleman biogas project is expected to move from Q4 2013 to Q4 2014.

- **The pipeline for custom projects has been stronger than anticipated,** with 12 applications received in Q1. However, market fundamentals were poor and many proposals showed weak financial performance, limiting Energy Trust's ability to provide incentives.
- **In Q1, 2 percent of the expected 2013 generation was installed** in Portland General Electric and Pacific Power territories. This is largely due to minimal commercial solar activity.
- **Standard commercial solar activity has stagnated at current incentive rates.** In Q2, staff will implement an incentive change and an expansion of the allowed system size to spur activity. Residential solar market activity remained at expected levels.

Solar Electric

- **A $1 million request for proposals, RFP, for custom solar projects in PGE territory** was launched and closed in Q1. Four proposals were received for projects up to 10 MW in capacity. Staff will review and rank proposals in Q2 to determine which projects to pursue and take forward for consideration by the board of directors.
- **Solar completed installation of 0.05 aMW in PGE territory and 0.04 aMW in Pacific Power territory.** Standard residential and commercial solar installations are expected to generate 0.58 aMW for PGE and 0.41 aMW for Pacific Power in 2013.

Biopower

- **The 0.69 aMW Farm Power biogas project in Tillamook reached commercial operation** in February, several months later than expected. The program expects to pay an incentive in Q2 when final paperwork is complete.
- **Two municipal biogas custom project applications were received in Q1.** One of the biogas projects is still under evaluation and an incentive is being negotiated for the other.

Other

- **A $2.5 million RFP for custom projects in Pacific Power territory** was launched and closed in Q1. Five applications were received, including a hydropower project, a community wind project and three geothermal projects. Staff will finalize reviews of the projects in Q2 and bring successful proposals to the board of directors meeting in May.

III. TABLES[1]

A. Revenues

Source	Q1 Actual Revenues Received	Q1 Budgeted Revenues
Portland General Electric	$ 9,983,661	$ 9,984,493
PGE Incremental*	$ 14,211,393	$ 12,860,468
Pacific Power	$ 7,327,869	$ 6,889,995
Pacific Power Incremental*	$ 7,316,361	$ 7,162,136
Cascade Natural Gas	$ 955,182	$ 1,432,505
NW Natural	$ 10,444,861	$ 10,397,579
Total	**$ 50,239,327**	**$ 48,727,176**

*Incremental revenues are those authorized under SB 838 to support capturing additional cost-effective energy-efficiency savings above the 3 percent allowed under SB 1149.

B. Expenditures

Type	Q1 Actual Expenditures	Q1 Budgeted Expenditures
Energy Efficiency Programs	$ 19,961,903	$ 27,354,687
Renewable Energy Programs	$ 1,188,815	$ 2,778,205
Administration	$ 1,092,706	$ 1,465,645
Total	**$ 22,243,424**	**$ 31,598,536**

Source	Q1 Actual Expenditures	Q1 Budgeted Expenditures
Portland General Electric	$ 12,259,609	$ 16,359,652
Pacific Power	$ 6,691,944	$ 9,989,043
Cascade Natural Gas	$ 207,897	$ 477,858
NW Natural	$ 2,909,433	$ 4,350,433
NW Natural Industrial DSM	$ 174,541	$ 421,549
Total	**$ 22,243,424**	**$ 31,598,536**

C. Incentives paid

	Energy Efficiency				Renewable Energy		Total
Quarter	PGE	Pacific Power	NW Natural	Cascade Natural Gas	PGE	Pacific Power	
Q1	$ 4,101,652	$ 1,433,889	$ 964,458	$ 57,157	$ 476,302	$ 252,458	$ 7,285,916
Q2	$	$	$	$	$	$	$
Q3	$	$	$	$	$	$	$
Q4	$	$	$	$	$	$	$
Total	**$ 4,101,652**	**$ 1,433,889**	**$ 964,458**	**$ 57,157**	**$ 476,302**	**$ 252,458**	**$ 7,285,916**

[1]Columns may not total due to rounding.

D. Savings and generation

Q1 Electric Efficiency Savings	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses
Commercial	1.3	0.5	1.8	$ 7,031,178
Industrial	0.6	0.2	0.8	$ 4,909,939
Residential	0.7	0.5	1.1	$ 5,760,716
Total Electric Efficiency Programs	**2.6**	**1.1**	**3.7**	**$ 17,701,832**

Q1 Gas Efficiency Savings	NW Natural Therms	Cascade Natural Gas Therms	Total Savings Therms	Expenses
Commercial	76,331	10,544	86,875	$ 487,607
Industrial	125,539	2,282	127,821	$ 556,715
Residential	181,241	14,989	196,230	$ 2,247,549
Total Gas Efficiency Programs	**383,111**	**27,815**	**410,926**	**$ 3,291,871**

Q1 Renewable Energy Generation	PGE aMW	Pacific Power aMW	Total Generation aMW	Expenses
Biopower	0.0	0.0	0.0	$ 73,183
Other Renewable Programs	0.002	0.000	0.003	$ 268,804
Solar Electric Program	0.05	0.04	0.08	$ 907,733
Total Renewable Programs	**0.05**	**0.04**	**0.09**	**$ 1,249,721**

E. Progress toward efficiency goals by utility

	Q1 Savings	YTD Savings	Energy Trust Annual Stretch Goal		Annual IRP Goal	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Portland General Electric	2.61 aMW	2.61 aMW	36.08 aMW	7%	29.22 aMW	9%
Pacific Power	1.12 aMW	1.12 aMW	19.68 aMW	6%	16.70 aMW	7%
NW Natural	383,111 annual therms	383,111 annual therms	4,975,055 annual therms	8%	3,593,679 annual therms	11%
Cascade Natural Gas	27,815 annual therms	27,815 annual therms	473,330 annual therms	6%	405,844 annual therms	7%

F. Incremental utility SB 838 expenditures[1]

Utility	Q1 2013 SB 838 Expenditures	YTD SB 838 Expenditures
Portland General Electric	$ 171,349	$ 171,349
Pacific Power	$ 85,267	$ 85,267
Total	**$ 256,617**	**$ 256,617**

[1] Reflects expenditures by Pacific Power and PGE in support of utility activities described in SB 838. See Appendix 3 for reports from these utilities on their SB 838 activities during the quarter.

IV. PROGRAM AND OPERATIONS DETAIL

A. Q1 revenues and expenditures

- Received $50.2 million in public purpose and incremental SB 838 revenues, 3 percent more than the $48.7 million budgeted. Revenue projections are estimates provided by utilities; typically, actual revenues vary by a few percentage points.
- Spent $22.2 million in Q1, 30 percent below the $31.6 million budgeted.
- Reduced energy-efficiency spending was due to transitions to new Existing Buildings and Existing Homes Program Management Contractors and corresponding incentive process changes.
- Lower-than-expected renewable energy expenditures can be attributed to a stagnant commercial solar market and the delay of two large projects.
- Incentives paid totaled $7.3 million, 33 percent of total expenditures.
- Total electric expenditures for efficiency and renewable energy were 28 percent under budget for Q1.
- Gas efficiency expenditures were 37 percent under budget for Q1.

B. Energy efficiency programs[1]

1. Total energy efficiency Q1 2013 savings and expenditures

			Annual Goal (Conservative)		Annual Goal (Stretch)	
	Q1 Savings	YTD Savings	Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	3.7 aMW	3.7 aMW	47.4 aMW	7.9%	55.8 aMW	6.7%
Gas	410,926 annual therms	410,926 annual therms	4,631,127 annual therms	8.9%	5,448,385 annual therms	7.5%

	Q1 Expenditures	Variance from Q1 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	$ 17,701,832	$ 5,748,203	24.5%	$ 17,701,832	$ 5,748,203	24.5%
Gas	$ 3,291,871	$ 1,957,969	37.3%	$ 3,291,871	$ 1,957,969	37.3%
Total	**$ 20,993,704**	**$ 7,706,172**	**26.9%**	**$ 20,993,704**	**$ 7,706,172**	**26.9%**

2. Existing Buildings Q1 2013 savings and expenditures

			Annual Goal (Conservative)		Annual Goal (Stretch)	
	Q1 Savings	YTD Savings	Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.6 aMW	0.6 aMW	13.1 aMW	4.5%	15.4 aMW	3.8%
Gas	29,560 annual therms	29,560 annual therms	1,444,984 annual therms	2.0%	1,699,981 annual therms	1.7%

[1] Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

	Q1 Expenditures	Variance from Q1 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	$ 3,935,670	$ 1,356,015	25.6%	$ 3,935,670	$ 1,356,015	25.6%
Gas	$ 372,359	$ 602,911	61.8%	$ 372,359	$ 602,911	61.8%
Total	**$ 4,308,030**	**$ 1,958,926**	**31.3%**	**$ 4,308,030**	**$ 1,958,926**	**31.3%**

- **Gas and electric spending were lower than expected because of delays in closing** projects, reflecting the transition to a new PMC and associated data entry and verification processing changes.
- **Gas measures installed for multifamily projects** in Q1 resulted in lower incentives per unit of savings than anticipated and budgeted. This trend is not expected to continue as the year progresses.

3. New Buildings Q1 2013 savings and expenditures

	Q1 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	1.0 aMW	1.0 aMW	4.9 aMW	20.6%	5.7 aMW	17.5%
Gas*	57,316 annual therms	57,316 annual therms	393,405 annual therms	14.6%	462,829 annual therms	12.4%

*****Includes gas market transformation savings associated with changes to the 2010 commercial code.

	Q1 Expenditures	Variance from Q1 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	$ 2,485,225	$ 1,599,133	39.2%	$ 2,485,225	$ 1,599,133	39.2%
Gas	$ 115,248	$ 113,482	49.6%	$ 115,248	$ 113,482	49.6%
Total	**$ 2,600,473**	**$ 1,712,616**	**39.7%**	**$ 2,600,473**	**$ 1,712,616**	**39.7%**

- **Electric expenditures lagged during Q1 due to the delay of two large data center projects** expected to complete later in the year.
- **Gas expenditures were lower than expected because of delays in certification** for several Leadership in Energy and Environmental Design projects. Certification is required before Energy Trust distributes incentive payments.
- **Fewer projects than expected closed in Q1.** Staff expects to increase spending in subsequent quarters to close more projects and be in alignment with budget by year-end.

4. Production Efficiency Q1 2013 savings and expenditures

	Q1 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.7 aMW	0.7 aMW	13.8 aMW	5.2%	16.3 aMW	4.4%
Gas	127,821 annual therms	127,821 annual therms	971,159 annual therms	13.2%	1,142,540 annual therms	11.2%

	Q1 Expenditures	Variance from Q1 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	$ 4,532,430	$ 14,484	0.3%	$ 4,532,430	$ 14,484	0.3%
Gas	$ 556,715	$ (9,866)	-1.8%	$ 556,715	$ (9,866)	-1.8%
Total	**$ 5,089,145**	**$ 4,619**	**0.1%**	**$ 5,089,145**	**$ 4,619**	**0.1%**

5. Existing Homes Q1 2013 savings and expenditures

	Q1 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.3 aMW	0.3 aMW	5.2 aMW	5.9%	6.2 aMW	5.0%
Gas*	73,170 annual therms	73,170 annual therms	1,073,250 annual therms	6.8%	1,262,647 annual therms	5.8%

*****Includes gas market transformation savings from high-efficiency gas furnaces.

	Q1 Expenditures	Variance from Q1 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	$ 2,196,307	$ 1,040,182	32.1%	$ 2,196,307	$ 1,040,182	32.1%
Gas	$ 1,339,767	$ 1,072,848	44.5%	$ 1,339,767	$ 1,072,848	44.5%
Total	**$ 3,536,074**	**$ 2,113,030**	**37.4%**	**$ 3,536,074**	**$ 2,113,030**	**37.4%**

- **Electric and gas underspending was a result of fewer applications processed in Q1** than estimated, reflecting the transition to a new PMC and the need to amend incentive processing audit procedures for Clean Energy Works Oregon projects. The delay in Clean Energy Works Oregon projects had the greatest impact in gas expenditures. Transition-related issues are being fully addressed and Clean Energy Works Oregon will work with the new PMC to process remaining incentive applications in Q2. The program expects spending to align with budget by year-end.

6. New Homes and Products Q1 2013 savings and expenditures

	Q1 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.6 aMW	0.6 aMW	5.7 aMW	9.8%	6.7 aMW	8.3%
Gas*	123,060 annual therms	123,060 annual therms	748,330 annual therms	16.4%	880,388 annual therms	14.0%

*****Includes gas market transformation savings associated with the 2008 and 2011 residential code changes.

	Q1 Expenditures	Variance from Q1 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	$ 2,231,246	$ 2,036,030	47.7%	$ 2,231,246	$ 2,036,030	47.7%
Gas	$ 907,782	$ 178,593	16.4%	$ 907,782	$ 178,593	16.4%
Total	**$ 3,139,028**	**$ 2,214,623**	**41.4%**	**$ 3,139,028**	**$ 2,214,623**	**41.4%**

- **Electric efficiency underspending reflects reductions in retail appliance and specialty CFL incentive redemptions.** The program lowered retail appliance incentives and increased product specifications in response to increased standards for major appliances, resulting in fewer eligible models. In addition, a number of retailers have switched specialty lighting products from CFLs to LEDs, which impacted savings because the program supports only a limited selection of LEDs at this time.
- **Q1 savings were artificially low** because the receipt of a large February retail lighting invoice—and associated savings—was delayed to Q2. The program expects the budget to be in alignment by Q2.
- **Staff will implement new initiatives in Q2 to increase electric savings.** Initiatives may include expanded LED offerings, stand-alone measures for new homes and manufactured homes, clothes washer recycling and a consumer electronics initiative test with Sears.

7. Northwest Energy Efficiency Alliance Q1 2013 savings and expenditures

			Annual Goal (Conservative)		Annual Goal (Stretch)	
	Q1 Generation	YTD Generation	Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.55 aMW	0.55 aMW	4.68 aMW	11.8%	5.51 aMW	10.0%

	Q1 Expenditures	Variance from Q1 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	$ 2,320,953	$ (297,642)	-14.7%	$ 2,320,953	$ (297,642)	-14.7%

C. Renewable energy programs[1]

1. Total renewable energy Q1 2013 generation and expenditures

			Annual Goal (Conservative)		Annual Goal (Stretch)	
	Q1 Generation	YTD Generation	Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.09 aMW	0.09 aMW	4.01 aMW	2.1%	4.43 aMW	1.9%

	Q1 Expenditures	Variance from Q1 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	$ 1,249,721	$ 1,648,940	56.9%	$ 1,249,721	$ 1,648,940	56.9%

2. Biopower Q1 2013 generation and expenditures

			Annual Goal (Conservative)		Annual Goal (Stretch)	
	Q1 Generation	YTD Generation	Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.00 aMW	0.00 aMW	2.32 aMW	0.0%	2.32 aMW	0.0%

[1] Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

	Q1 Expenditures	Variance from Q1 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	$ 73,183	$ 572,096	88.7%	$ 73,183	$ 572,096	88.7%

- **Completion of a large biopower project was postponed** until summer because of financing delays.
- **The program spent less than budgeted** on project application review and other consulting.

3. Solar Electric Q1 2013 generation and expenditures

			Annual Goal (Conservative)		Annual Goal (Stretch)	
	Q1 Generation	YTD Generation	Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.08 aMW	0.08 aMW	0.73 aMW	11.4%	1.12 aMW	7.4%

	Q1 Expenditures	Variance from Q1 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	$ 907,733	$ 1,065,353	54.0%	$ 907,733	$ 1,065,353	54.0%

- **Commercial solar received fewer project applications in Q1 than anticipated** due to incentive reductions in 2012. In Q2, the program will raise incentives and caps on allowed system sizes for businesses and extend availability of current residential incentive rates to stimulate the solar market.
- **Incentive reservations were cancelled for several large commercial solar projects**, totaling $275,000. Typically, approximately 20 percent of 50 kW or larger commercial solar projects with reserved incentives are terminated prior to installation. Projects are discontinued for a variety of business reasons including changing company financial circumstances, unanticipated construction requirements and constraints related to building lease agreements.

4. Other renewable energy Q1 2013 generation and expenditures

			Annual Goal (Conservative)		Annual Goal (Stretch)	
	Q1 Generation	YTD Generation	Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.003 aMW	0.003 aMW	0.96 aMW	0.3%	0.99 aMW	0.3%

	Q1 Expenditures	Variance from Q1 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	$ 268,804	$ 11,491	4.1%	$ 268,804	$ 11,491	4.1%

D. Highlights of internal operations

1. Communications and Customer Service

- **Received 6,958 calls to our main hotline in Q1,** compared to 10,696 in Q1 2012. Residential inquiries continued to dominate calls to the Energy Trust hotline. The reduction in calls appears to be a steady trend, as customers increasingly choose online communications. In addition, more customers call individual program hotlines directly once they are engaged with Energy Trust.
- **Received and responded to 440 inquiries via info@energytrust.org in Q1,** compared to 547 in Q1 2012. The most common requests were for information on residential cash incentives.
- **Received six customer complaints in Q1 that were escalated.** Five complaints have been resolved or closed. One complaint was received at the end of the quarter, and staff continues to work with the customer toward resolution.
- **Provided customer experience training for 40 new program representatives**, including new representatives from Existing Homes and Existing Buildings Program Management Contractors, PMCs. To date, more than 350 staff and representatives have taken this training, which equips all representatives to provide basic information about Energy Trust and its range of programs and offers for all customer types.
- **Received 176,890 website visits in Q1**, compared to 145,956 in Q1 2012 and 125,750 in Q1 2011. Web visits in Q1 of this year were particularly high compared to last year due to heavily visited new tools like the Energy Trust historical and program timeline and the utility data sharing agreement “do not contact” form, as well as ongoing promotional activities related to refrigerator and freezer recycling.
- **Launched a mobile-optimized version of www.energytrust.org,** which provides a streamlined user experience for website visitors using mobile phones.
- **Completed a web design and re-launch of New Buildings program pages** in order to drive customers to the web, deliver information effectively and reduce program delivery costs as project volume picks up.
- **Provided media outreach and responses to reporter inquiries**, resulting in 60 news stories about Energy Trust in print and broadcast with a media value of $34,000—what it would have cost to purchase the equivalent advertising space and air time.
- **Completed nine press releases** in Q1.
- **Met with approximately 200 trade allies at five roundtables** in Pendleton, Portland, Medford and Bend to introduce new PMC trade ally teams, provide new contact information and discuss program updates.
- **Engaged with a total of 145 minority, women and emerging small business, MWESB, certified trade allies**. Efforts to recruit additional MWESB certified trade allies included attendance at Governor Kitzhaber’s Marketplace Conference and an invitation to the Office of Economic & Business Equity to participate in upcoming trade ally roundtables.
- **Starting with this quarter, expanded information on lender ally promotions.** In Q1, Energy Trust worked with four lender allies that provided residential or commercial loan products with reduced interest rates, reduced fees or preferred loan terms for energy-efficiency or solar projects qualifying for Energy Trust incentives, including Directors Mortgage Inc., Green Mortgage Northwest, First Security Bank of Washington and GreenStreet Lending from Umpqua Bank.

- **Coordinated marketing efforts with Clean Energy Works Oregon**.
- **Through rural outreach staff, began developing closer collaborations with Cascade Natural Gas** district staff through two meetings in February, one in Ontario and a second in Pendleton. Attendees discussed opportunities for Energy Trust program promotion and other areas of expanded collaboration. Planning began for a third meeting to be held in April in the Bend area.

2. **IT**
   - **Worked with new PMC operations staff to integrate IT systems** to track project and customer information and pay incentives in a timely manner.
   - **In coordination with Existing Homes, created a web-based savings calculator** that estimates energy savings for recommended measures based on average savings seen by past participants who installed the same improvements.
   - **Implemented a Custom Home Energy Report** to provide residential customers with estimated potential savings per recommended measures based on the web-based savings calculator, as noted in the residential highlights.
   - **Architected an improved database to fulfill utility data sharing requirements** in collaboration with Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas. Initial transfer of data is expected to be on time for each utility on May 1, 2013.
   - **Installed software to track and manage electronic documents** in all Energy Trust systems.
   - **Updated reports to show Energy Trust activity** by counties and legislative districts, enabling the communications team to respond to stakeholder requests for information.
   - **Created a draft trade ally map** to display locations of trade allies throughout the state using Google Maps, enabling future enhancement of trade ally and stakeholder communications.
   - **Processed 31,491 requests for Energy Trust services and products**, including 10,918 submitted through web applications.
   - **Successfully closed 1,483 help tickets** in Q1, supporting system users including Energy Trust and PMC staff.
   - **Starting with this quarter report, expanded information on the status of computer systems upgrades**, including cost reductions, increased savings and ratepayer benefits for the purpose of OPUC reporting. Energy Trust has and continues to invest in foundational IT infrastructure improvements to accommodate future program needs and reduce future costs of integrating functionality.
   - **Completed system improvements that allow staff to perform forecasting** and data analysis in new and more effective ways.
   - **Continued to support the financial system, Great Plains**, and employed the least-cost approach by upgrading to a new version of existing software.
   - **Continued to expand the Customer Relationship Management system** since its roll-out in Q3 2012 as a tool that staff can use to better understand, track and communicate with customers. This customer engagement and account management tool will also be foundational for linking to utility data sharing and marketing activities.
   - **Continued to evaluate the current measure and project tracking system, FastTrack**, to determine the best approach to update or replace the outdated system and establish a more flexible and efficient tool.

3. Planning and Evaluation

- **Created 23 new measures and revised 201 measures.**
- **Provided support to PGE for development of PGE's 2013 Integrated Resource Plan,** including energy resource deployment plans indicating how much cost-effective efficiency resource is available through 2023.
- **Supported development of new renewable energy metrics** for the 2013 OPUC Performance Measures.
- **Continued to provide planning support for the Washington Utilities and Transportation Commission** gas cost-effectiveness workshops.
- **Analyzed reporting metrics for the 2012 Annual Report to the OPUC**, including benefit/cost ratios for major programs, economic impacts and cumulative participant bill savings.
- **Completed eight evaluations and planning reports** and posted them on the Energy Trust website in Q1:
  - Key Findings and Recommendations from the Process Evaluation of Clean Energy Works Oregon
  - Process Evaluation of Building Performance Tracking and Control Systems Pilot
  - Evaluation of the Path to Net Zero Pilot Program
  - 2012 Existing Multifamily Process Evaluation
  - Personal Energy Report – March 2012 Survey Report
  - Industrial Market Research Results March 2012
  - Commercial Sector Focus Group Research December 2011
  - New Buildings Market Research Results November 2012
  - Report to Legislative Assembly on Public Purpose Expenditures, January 2011 – December 2012

Appendix 1

GEOGRAPHIC DISTRIBUTION OF HOME ENERGY REVIEWS; CUSTOMER SATISFACTION

1. Home Energy Reviews in Q1 2013

Service Region	In-Home Reviews	Telephone Reviews	Online Reviews
1 - North Coast (Astoria)	5	0	28
2 - South Coast (Coos Bay, North Bend)	8	0	23
3 - Portland Metro	287	36	1,176
4 - Mid-Willamette (Salem, Dallas)	49	6	218
5 - Southern Willamette (Eugene, Corvallis, Albany)	32	4	200
6 - Southern (Medford, Roseburg, Grants Pass)	32	4	226
7 - Columbia Basin (Hood River, The Dalles)	0	1	18
8 - Central (Bend, Redmond, Prineville)	36	3	150
9 - Klamath Basin (Klamath Falls, Lakeview)	1	1	37
10 - Northeast (Pendleton, Enterprise)	3	1	23
11 - Eastern (Baker City, Ontario, Vale)	0	0	5
Total*	505	84	2,218

*Totals include 52 homes that received in-home reviews, 28 homes that received telephone reviews and 114 homes that received online reviews with missing or mistaken zip codes that did not map to any of the 11 regions.

2. Customer satisfaction

From mid-November 2012 through early February 2013, Energy Trust delivered a short telephone survey to 761 randomly selected participants in five programs who completed projects between October and December 2012. Below are results from this most recent quarterly survey.

The survey asked selected participants about overall satisfaction with Energy Trust. Satisfaction rates for this period have remained consistent with past quarters. Participants in Existing Buildings, Solar and Production Efficiency programs also were asked about satisfaction with program representatives.[1] This is the first quarterly report to include satisfaction with program representatives. Comparisons with past quarter results on this topic will begin in Q2.

Program[2]	Respondent Count	Percent Satisfied Overall	Percent Satisfied with Program Representative
Existing Buildings, including multifamily	87	93%	95%
Production Efficiency	60	100%	98%
New Homes and Products[3]	165	95%	N/A
Existing Homes	414	94%	N/A
Solar	35	91%	N/A[4]

[1]Since residential customers have varying degrees of interaction with program representatives (many may not have any interaction), and because it is not possible to identify customers who did have interaction to survey, residential customers are not questioned on this topic.

[2]New Buildings projects often involve numerous market actors (architect, engineer, developer, owner and more) at different project stages; it is difficult to reach a project representative who is able to respond to questions about satisfaction. New Buildings achieved 81 percent overall satisfaction in 2012 determined through Fast Feedback surveys. We will no longer be surveying New Buildings participants through Fast Feedback; in the future, satisfaction with the New Buildings program will be drawn from annual program process evaluations.

[3]Only Home Products customers were surveyed. Energy Trust does not track purchasers of new homes.

[4]Only commercial solar participants are surveyed about satisfaction with program representatives. In Q4 2012, both commercial solar respondents surveyed indicated they were satisfied with program representatives. We were able to survey only two commercial solar participants due to a small number of commercial solar projects completed in Q4 2012.

Appendix 2

OPUC 2013 PERFORMANCE MEASURES AND 2012 BENEFIT/COST RATIOS

Following are the 2013 performance measures established by the OPUC for Energy Trust. Comparison of 2013 performance against these measures will be reported in the 2013 annual report.

Category	Measures
Electric Efficiency	• Obtain at least 47 aMW in 2013 • Levelized cost not to exceed 3.9 cents/kWh
Natural Gas Efficiency	• Obtain at least 4.6 million annual therms in 2013 • Levelized cost not to exceed 57 cents/therm
Renewable Energy	• For project and market development assistance, report annual results, including number of projects supported, milestones met and documentation of results from market and technology perspective • For standard, net-metered projects, including solar and small wind, obtain at least 0.66 aMW in installed generation • For non-solar custom projects, the three-year rolling average incentive is not to exceed $40/allocated MWh • For innovative and custom solar projects, report sources of funding for projects and the selection criteria
Financial Integrity	• Receive an unqualified (unmodified) financial opinion from an independent auditor on annual financial statements
Administrative/Program Support Costs	• Keep below 9 percent of annual revenues
Customer Satisfaction	• Demonstrate greater than 85 percent satisfaction rates for: - Interaction with program representatives - Overall satisfaction
Benefit/Cost Ratios	• Report both utility system and societal perspective • Report significant mid-year changes as necessary in quarterly reports

Benefit/Cost ratios for 2012[1]

The following benefit/cost ratios were calculated for and published in Energy Trust's 2012 Annual Report to the OPUC, which requires their publication as one element of its performance oversight. The OPUC also requires Energy Trust to report significant mid-year changes in quarterly reports.

Program	Combined Utility System Benefit/Cost Ratio	Combined Societal Benefit/Cost Ratio
New Homes and Products	1.8	2.0
Existing Homes	2.2	1.8
Existing Buildings	2.4	1.7
New Buildings	3.5	2.5
Production Efficiency	3.0	2.0
Northwest Energy Efficiency Alliance	3.7	1.2

[1] 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.

Appendix 3

Q1 2013 UTILITY ACTIVITIES SUPPORTED BY SB 838 – AUTHORIZED FUNDING

Per agreement with the OPUC, Pacific Power and Portland General Electric report their SB 838 program support activities in Energy Trust's quarterly and annual reports. Content and format were developed by the utilities, following a sector outline suggested by Energy Trust, and appear here as received.

1. Pacific Power SB 838 Energy Efficiency Activities and Results Q1 2013
(for submission with Energy Trust quarterly report)

Pacific Power utilized several approaches to support and deliver energy efficiency communications, advertising and outreach to residential and small- and mid-size commercial customers.[1]

***Voices* residential newsletter insert**

- **Q1**
  - Resolve to get the most for your money
  - Just a few dollars powers your day
  - Save with cash back incentives / Energy Trust
  - Spruce up your savings / Energy Trust
  - Efficient new homes / Energy Trust

***Energy Connections* commercial e-newsletter**

- **Q1**
  - Energy-Saving Resolutions for 2013
  - The Impact of Federal Lighting Legislation on Your Facility
  - Conduction Your Own Energy Audit
  - LEDs Add Shine to Auto Dealership / Energy Trust
  - Advanced Power Strips: A Smarter Way to Save
  - Spring Clean Your Facility
  - Strategies to Reduce Demand Charges

***Energy Insights* large C&I / communities newsletter**

- **Q1**
  - Electricity: What's ahead for customers
  - Cabinet maker cuts energy waste / Energy Trust

Bill inserts

- **Q1**
  - The weather outside is frightful, but the cash incentives are delightful / Energy Trust
  - How comfortable are you with saving money? / Energy Trust
  - Keeping you informed: Changes to how Pacific Power shares information with Energy Trust of Oregon

Direct mail

- **Q1**

Direct email

- **Q1**

Mass media

- **TV** - **Bend, Medford, Eugene and Albany/Corvallis DMAs**

[1] Some activities are funded outside of SB 838 funds.

- **Q1**
  - "Motel"
  - "Little Hero"
  - "Porch Light"
  - "Small Changes"
  - "Sweet Savings"

- **Radio – Bend, Eugene and Medford DMAs**
  - **Q1**
    - "Jess Conserve Energy Answers"
    - "Teamwork" / Energy Trust, Trailblazers
    - "Phil Answers – Energy Efficiency"
    - "Lori Answers – Energy Efficiency"

- **Print**
  - **Q1**
    - "Grants Pass Chamber Directory" ad
    - "Medford Chamber Membership Guide" ad / Energy Trust
    - "Pendleton Chamber Economic Outlook Luncheon" ad / Energy Trust
    - "Cottage Grove Community Guidebook" ad

Outdoor
- **Q1**

Websites / Social Media (continuous energy efficiency and Energy Trust content)
- pacificpower.net/wattsmart
- bewattsmart.com
- Pacific Power wattsmart Facebook page
- Twitter

Call Center
- **Q1**

Chambers of Commerce, Business and Community outreach: Q1 – Q4
Pacific Power continues to host multiple energy efficiency focused meetings with business and community leaders across the state utilizing existing relationships with local Chambers of Commerce and economic development groups. These presentations focus on small- to mid-size commercial customers and how they can improve energy efficiency. Energy efficiency presentations were delivered in Corvallis (2), Cottage Grove (2), Junction City, Pendleton, Portland, Sprague River, Stayton, and Warrenton, Oregon. The presentations highlighted Pacific Power's relationship with Energy Trust and available programs and incentives to save energy and money. Pacific Power also offered:

- A one hour on-site walk through with Pacific Power to document information about the customer's building and how they use energy. We reviewed lighting, office equipment, HVAC and foodservice equipment. Pacific Power also provided practical no cost/low cost ideas for saving energy and a review of which improvements were eligible for Energy Trust cash incentives. (Utilizing Energy Trust's "Do it yourself" energy audit)
- Additional support for on-site assistance from Energy Trust of Oregon and local contractors.
- Regular checkups with Pacific Power on recommended energy saving improvements.

Mass Media[1]

	2013 – Impressions (Q1)
TV	
Radio	
Print	26,534
Digital	
TOTAL	26,534

Outreach

Locations	Chambers of Commerce, business / community groups (2013)	Be ***watt***smart / HEIQ / other residential (2013)	TOTAL (Q1)
Corvallis	850		850
Cottage Grove	320		320
Junction City	30		30
Pendleton	160		160
Portland	25		25
Sprague River	30		30
Stayton	317		317
Warrenton	90		90
TOTAL	1,822		1,822

"Warm Leads" / Customer Response

	2013 (Q1)
"Warm Leads" provided to ETO	113
Consultations	314

Other Energy Efficiency Coordination / Support

- Internal Pacific Power support for ETO programs
- Weekly / Monthly ETO coordination meetings
- ETO Conservation Advisory Council
- EEAST implementation
- On-Bill Financing support
- CEWO implementation, contracting, support
- ETO / Utility Data Transfer coordination
- Opower pilot
- 1aMW / Self Direct reconciliation
- Lloyd EcoDistrict

[1] SB 838 funded mass media only

2. Portland General Electric SB 838 Energy Efficiency Activities and Results Q1 2013 (for submission with Energy Trust quarterly report)

Commercial and Residential SB838 Efforts

Introduction

PGE collaborates with the Energy Trust utilizing SB838 funding in residential and small to mid-sized commercial energy efficiency marketing and outreach activity.

PGE marketing plans are created based on market conditions and projected Energy Trust program goals. PGE focuses on promoting Energy Trust programs to customers based on Energy Trust program offerings and potential for its customers to participate in the programs. Furthermore, PGE works to promote specific programs when PGE is an appropriate channel to promote specific programs. PGE makes changes to planned activity when there is a need shift focus based on new Energy Trust programs that are offered or focus is shifted throughout the year. Ongoing meetings between PGE and the Energy Trust guide the direction of marketing activity to meet changing market conditions.

Summary of SB838 Activities

PGE utilizes many communication channels and approaches. Some activities can be directly identified as driving customer participation in Energy Trust program. Specific promotions are developed based on the outcome of previous promotions. These are evaluated based on metrics appropriate for the specific promotion. Other activities are related to awareness of specific Energy Trust programs and are tracked via impressions. PGE also considers timing of communications based on quantity of content that specific customers receive on specific promotions.

2013 Annual Goals and Metrics:

Residential

- ≥ Seven million impressions about ETO residential programs generated via email, direct mail, newsletters, and bill inserts
- ≥ 2,000 heat pumps installed by PGE-approved heat pump contractors in support of Energy Trust heat pump program
- ≥ 500 heat pump quality control inspections in support of Energy Trust heat pump program
- Enrollments or referrals to Energy Trust such as click-throughs are determined for specific promotions

Commercial

- ≥ One million Energy Trust impressions via email, direct mail, newsletters, and bill inserts
- ≥ 40 outreach presentations and networking events that increase awareness of Energy Trust programs
- ≥ 6,000 customers with increased awareness of Energy Trust through commercial outreach specialists
- ≥ 540 qualified leads delivered to the Energy Trust to increase program participation

Q1 Residential Activity Summary

PGE's residential customer newsletter, *Update*, is sent monthly to approximately 600,000 customers in their PGE bills. PGE's residential e-newsletter, *Home Connection*, is sent monthly to about 385,000 customers. In January, an Energy Trust 2013 program overview was covered in Update and Home Connection. A January bill insert covering Energy Trust 2013 program overview insert was sent to 630,000 customers. March editions of Update and Home Connections mentioned Energy Trust Home Energy Reviews.

Activity	Impressions	Channels
Residential	2.6 million	Newsletters and bill inserts

PGE Call Center Activity	Call transfers to ETO
Transfers to Appliance Program (PECI)	23
Transfers to Fluid Market Strategies	93
Customers calling about OPOWER	114

Q1 2013 Energy Trust Program Participation*

- 1,606 Energy Saver Kits have been sent to PGE residential customers
- 1,698 PGE customers participated in the Energy Trust's Refrigerator Recycling program
- 43 customers received an Energy Trust water heater incentive
- 5 customers received an Energy Trust heat pump water heater incentive
- 22 Savings Within Reach homes have been weatherized
- 5,000 CFL's distributed through PGE Community Offices

*Energy Trust provided information on Q1 participation among PGE customers. Weatherization measures are among electrically-heated homes.

PGE-Approved Heat Pump Contractors

Hybrid Heating and Heat Relief have been included on the PGE-Approved Heat Pump Contractors list which has completed the alignment with the most active Energy Trust heat pump trade allies.

There were several major consolidations and expansions of heating and cooling contracting companies that occurred in Q4 2012 or Q1 2013. As a result, there was a spike in the number of failed inspections among the PGE-Approved contractors during Q1 2013. Almost all these were due to improperly configured auxiliary heat lockout settings that were either field corrected by the Quality Assurance Specialist team or immediately by the installing contractor. We worked with the Approved Contractors to initiate weekly training sessions for the installers of affected companies. The deficiencies inspectors identify in the field are passed on to the Approved Contractors, requiring the contractor to address what the inspectors are not able to correct in the field. The communication of deficiencies serves to educate their installers to reduce the likelihood of the errors occurring again. The quantity of failed inspections has historically been low (less than a fraction of 1%). The current Q1 results at 4% are significantly higher than past failure percentages.

Key Objectives	Results 1/01/2013 to 3/31/2013
Heat Pump installations as reported by PGE Approved Contractors	296
Inspections of Heat Pump installations	76
Failed inspections	13

Q1 Commercial Activity Summary

PGE utilizes its business newsletters (both print and email) to promote Energy Trust programs to business customers. PGE's business newsletter, *Energize*, is sent quarterly to 75,000 customers in their bills. PGE's business e-newsletter, *Business Connection*, is sent bi-monthly to 15,000 business customers.

Activity	Impressions	Channels
Commercial	231,042	Newsletters, direct mail, and email

The February *Business Connection* featured: "Limited-time energy rebates" about the City of Portland Bucks for Buildings rebate. PGE sent an email blast in February to 765 Portland business customers who had expressed interest in EE in the past to make them aware of the limited-time City of Portland "Bucks for Buildings" rebate offer. The email was designed to drive customers to request an energy efficiency consultation and had a 29.9% open rate. PGE continued support of the "Bucks for Buildings" and sent another 2,717 email in March and had an 18.7% open rate.

PGE launched direct mail in February to 5,557 customers, using an "In Your Neighborhood" approach. The envelope was imprinted with "FREE LED OFFER". The letter explained that the PGE Energy Experts could show the business how to cut energy use by upgrading to LED lamps (light bulbs). While on site, the Energy Expert could offer customers a free LED lamp. Portland businesses received a letter with a postscript message mentioning the City of Portland's "Bucks for Buildings" rebate. Non-Portland businesses in the first drop received a letter with a postscript message mentioning a PGE "Understanding LEDs" webinar on February 21st. 131 customers requested a free energy efficiency consultation, 10 LED lamps were given out and PGE sent 41 qualified leads to Energy Trust.

PGE sent an irrigation efficiency direct mail in March to 3,154 customers. The envelope included a letter and an Energy Trust *Reduce Irrigation Energy Costs* brochure.

Through direct regional mail marketing efforts in Q1, 131 customers requested a free energy efficiency consultation and PGE sent 41 qualified leads to Energy Trust, for a 31.3% conversion rate.

Campaign Activities	Requests for Consultations
Total for Campaigns (January through March)	
LED Try It	131
Bucks for Buildings Email	21

SB838 Commercial Energy Efficiency Outreach

PGE Outreach Specialists engage and facilitate customer participation in Energy Trust programs. The results are qualified leads to the Energy Trust. The outreach team utilizes a variety of tactics to engage customers in Energy Trust programs. Qualified leads were generated from but not limited to the following activities:

- Phone and on-site consultations
- Targeted outbound customer calls
- Response to canvassing (summer-hire and outreach rep driven)
- Response to business marketing (i.e. Save More, Matter More, direct mail, etc.)
- Response to customer emails (energy.efficiency@pgn.com)
- Customer calls to PGE Tualatin Call Center
- Business partnerships (i.e. City of Portland BEST program, Clackamas County Office of Sustainable Development, etc.)

- Chamber, Business and Trade Association presentations
- Customer follow-up after PGE Training and Education classes
- Leveraging internal networks (i.e. Key Customer Managers, Governmental Affairs representatives, Service and Design Consultants, Green Mountain Energy, etc.)

Key Objectives	Results 01/01/2013 to 03/31/2013
Increased Awareness of Energy Trust Programs - Outreach Presentations and Networking	13
Increased Participation-Qualified Leads delivered to Energy Trust	119
Increased Awareness of Energy Trust Programs-Number of Customers Contacted by • Phone • Email • On-site Consultations • Outreach Presentations • Summer Hire Canvassers	500

Outreach Presentations, Networking, Trade Associations and Events
These activities elevate Energy Trust program awareness and engage customers in identifying potential energy saving opportunities.

Good Morning Damascus
Keizer Chamber
Tigard Chamber
Westside Economic Alliance
Gresham Chamber
NSBA
PGE Training & Education, Strategic Energy Management
PGE Training & Education, HVAC
Better Lighting, Lower Costs Workshop
MMHA Energy & Water
PGE Training & Education, Multi-Family Water Reduction
Clackamas County: Grow Your Own Business Education
PGE Training & Education, Investment Strategies and Benchmarking

Appendix 4

NEEA Quarterly Performance Report for Energy Trust of Oregon

First Quarter 2013

OVERVIEW

The Northwest Energy Efficiency Alliance (NEEA) is a non-profit organization working to increase energy efficiency to meet the future energy needs of the Northwest. Working in partnership with funders, efficiency allies, and other strategic market partners, NEEA identifies barriers that impede market transformation and then strategically intervenes to remove those barriers on behalf of the entire Northwest.

Among the more than 100 Northwest utilities investing in NEEA, Energy Trust of Oregon is one of NEEA's largest funders. Energy Trust expects to invest close to $40 million to support NEEA from 2010-2014, more than 20 percent of NEEA's budget for the period. This report provides a summary of NEEA's first quarter 2013 activities that delivered value to Energy Trust and its utility partners.

FILLING THE ENERGY EFFICIENCY 'PIPELINE' FOR ENERGY TRUST

NEEA's primary focus, as prioritized by stakeholders, is to bring new energy-efficient technologies and practices to the market in order to deliver long-term energy savings to the region.

First Quarter Technologies and Market Strategies Highlights:

During the first quarter of 2013, NEEA:

- Continued to investigate more than 20 emerging energy-efficient technologies that will have broad benefits for Energy Trust and its consumers, including: home energy management, combined space and water heating, business IT and industrial refrigeration.

- Reviewed 10 unsolicited proposals for emerging technologies to help ensure a continuous pipeline of energy saving opportunities for the region. NEEA continues to investigate three proposals that represent promising energy savings opportunities for Energy Trust and the region as a whole.

- Launched a research effort with Pacific Northwest National Laboratories to study non-invasive load-monitoring systems in residential spaces designed to lower measurement and verification costs and improve the region's ability to capture load-shape data. This research will support Energy Trust in implementing new programs with the aim of reducing individual energy consumption.

- Completed feasibility study of Enlighted product line, revealing that the luminaire level lighting controls technology with dimming ballast can deliver significant energy savings (30 to 60 percent) at relatively low cost. The information collected in this study validated product viability and identified opportunity for potential new luminaire level lighting controls specifications to increase effectiveness of codes and investments across utility programs, including Energy Trust, for long-term savings.

- Initiated lab-testing of a combination heat pump water heater / ductless heat pump system. This emerging technology, developed at NEEA's request by a large manufacturer, is a direct result of NEEA's market influence and strong history of success with the Ductless Heat Pump Initiative. The potential energy savings associated with this technology are estimated at 5000 kWh per year, a significant amount for consumers in Energy Trust territory.

ACCELERATING MARKET ADOPTION FOR ENERGY TRUST

NEEA leverages the power of the Northwest's 12 million energy customers to influence market partners, remove barriers, and build market capacity for energy efficiency. With support from funders like Energy Trust, NEEA designs and executes strategic market interventions to create lasting change and deliver long-term savings to the region. NEEA currently has 19 active market transformation initiatives in the residential, commercial, industrial and agricultural sectors. NEEA is also heavily involved in raising the bar for state energy codes and federal appliance standards.

First Quarter Residential Sector Highlights:

During the first quarter of 2013, NEEA:

- Continued to raise consumer and market awareness of Northwest ENERGY STAR Homes.
    - Co-presented with Energy Trust at a builder recruitment event, which attracted 10 builders from Energy Trust's territory and promoted awareness for the program.
    - Trained and supported builders and realtors (15 in Energy Trust territory) to enable these market actors to effectively communicate the benefits of, and drive demand for, ENERGY STAR Homes to consumers.

  As a result of these and other market transformation initiatives, 166 homes were certified as Northwest ENERGY STAR Homes in Energy Trust territory.

- Continued a market test for heat pump water heater (HPWH) technology to determine the most effective strategies to remove barriers to adoption such as, product performance, distribution channels and product support, and consumer awareness. In Energy Trust territory, NEEA conducted 47 retail and wholesale support visits to raise consumer awareness of efficient water heater technology; provided 44 Tier 1 and Tier 2 HPWH consumer rebates; and, performed 85 quality assurance inspections to verify eligibility and quality of installation. The results of the quality assurance inspections are shared with and utilized by Energy Trust to approve their consumer rebate applications.

- Furthered market adoption of ductless heat pump (DHP) technology in the Northwest.
    - Recruited three Master Installers and performed five site inspections in Energy Trust territory to ensure quality installations and gather customer feedback on DHP technology.
    - Collaborated with Energy Trust to address newly defined BPA-qualified measures for ductless system installations (single-family and manufactured homes with an electric forced-air furnace) by updating the Homeowner Guide and Best Practices Installation Guide. Providing up-to-date information for homeowners and market actors supports greater market capacity and understanding of DHP technology and the program.
    - Piloted two new approaches to increase market adoption of DHPs, including lowering marketing costs to contractors by targeting potential customers via direct mail, and decreasing costs to customers by negotiating volume pricing with distributors. A pilot with Mitsubishi, The Home Depot, and utilities increased customer awareness and demand for DHPs by creating opportunities for in-store interaction with master installers and enhancing product displays. Learnings from both pilots will be applied to advance DHP market adoption in Energy Trust territory.

First Quarter Commercial/Industrial Highlights:

During the first quarter of 2013, NEEA:

- Partnered with Energy Trust, the City of Portland, and Clark Public Utilities to accelerate market adoption of energy management best practices within commercial office buildings through the 2013 Kilowatt Crackdown competition. In Q1, all 83 participating buildings completed the first phase of the competition--establishing ENERGY STAR Portfolio Manager accounts, benchmarking energy use, and sharing data with the program. NEEA ensures that program design incorporates Energy Trust input, facilitating meetings between participants and Energy Trust account representatives for buildings they prioritize. By raising market awareness and skills, the Kilowatt Crackdown will advance deeper engagement through Energy Trust's Strategic Energy Management program.

- Engaged six leading commercial real estate firms in Washington, Oregon and Idaho through NEEA's Market Partner Program in order to accelerate adoption of Strategic Energy Management practices within the commercial real estate industry. Participating firms, representing approximately 170 buildings and 8 million square feet of commercial office space, are establishing energy reduction goals, allocating resources, implementing action plans and reporting on progress. Program results from 2012 show 5 percent annual energy savings by participating firms. One firm, KG Investment Management Company, is located in Energy Trust territory, and the results from this portfolio level energy reduction goal may act as a model for future commercial real estate Energy Trust customers.

- Developed deep energy retrofit technical and financial analysis for one demonstration project site in Energy Trust territory. To address a lack of awareness among commercial building owners and managers, NEEA provides tools and helps identify and leverage key intervention opportunities to perform deep energy efficiency retrofits in a building's lifecycle. This demonstration will help define a market-attractive pathway to integrated deep energy retrofits that can act as a model for existing commercial buildings throughout Energy Trust territory.

- Registered 35 building operators in Energy Trust territory for Building Operators Certification (BOC) courses and delivered two BOC Technical Webinars to 25 operators. BOC courses enable building operators to renew their credential and maintain persistent energy savings in their buildings through the knowledge and capabilities established with the BOC credential, resulting in lasting energy-efficient operation and maintenance of commercial buildings.

- Identified and began regional and budgetary planning for two new commercial lighting initiatives. The first initiative will increase knowledge and capability of trade allies through a new advanced training platform that will directly support Energy Trust programs. The second focuses on accelerating market availability and adoption of commercial lighting technologies through an upstream platform by targeting manufacturers and distributors. Envisioned through an in-depth regional planning process that included significant participation from Energy Trust, the work of these two initiatives will engage the market early and ensure proper training for trade allies to exercise a comprehensive commercial lighting strategy for the Northwest.

- Co-Sponsored the 5th Annual Industrial Energy Summit in Portland, Oregon. The Summit strives to increase regional knowledge of energy-efficient technologies and best practices as it relates to industrial energy management.

- Provided tools and education to four food processing facilities in Energy Trust territory to encourage the implementation of self-sustaining energy management systems. By promoting the application of Strategic Energy Management, energy saving business practices are embedded into the operation of the facility thereby increasing energy efficiency and persistence of savings in the region.
- Delivered industrial training to 143 Energy Trust customers via in-class and webinar sessions to provide professional development and education to industrial end-users, energy professionals, and utility and public benefits administrators. Training and webinars include: Conveyance Systems Energy Management, Adjustable Speed Drives, Advances in Lamps and Ballasts, Developing an Energy Plan, Energy Auditing and Troubleshooting, Energy Efficiency Financial Analysis, Energy Efficiency in Data Centers, and Energy Management Opportunities for Industrial Customers.

First Quarter Codes and Standards Highlights:

During the first quarter of 2013, NEEA:

- Delivered codes training to 60 builders and contractors in Energy Trust territory to support compliance with commercial and residential energy codes.

- Submitted six proposals to the Oregon commercial code development process to continue to raise the bar for energy codes in Oregon. If approved, the proposals will effectively amend current codes to add efficiency requirements for Variable Refrigerant Flow and Computer Rooms, modify the Oregon interior lighting power allowances, adopt new language on building submetering, and modify tables to increase code for energy savings.
- Served as a technical expert to support the federal standard process for clothes dryers. NEEA provided data and analysis on a new clothes dryer testing procedure, which if adopted, will deliver a more accurate estimate of annual energy use. NEEA also acted as a technical expert to the U.S. Department of Energy in regards to commercial and industrial pumps, fans, blowers and fume hoods, which have the potential for substantial future energy savings.

DELIVERING ON REGIONAL ADVANTAGE

NEEA is the only alliance of public and private electric utilities that represents the entire four-state region in the Northwest. NEEA aggregates resources, identifies initiatives and projects with economies of scale, while mitigating risk to individual utilities.

First Quarter Highlights:

During the first quarter of 2013, NEEA:

- Continued to leverage combined market power of Northwest utilities and California to influence retailers to preferentially stock the most-efficient televisions, and manufacturers to prioritize efficiency. As a result of these efforts, 2012 market share of qualifying televisions reached 47 percent. Furthermore, qualifying televisions sold in 2012 were over 15 percent more efficient than in 2011.

- Finalized agreement with Portland General Electric to make its existing energy efficiency training available across the region. Agreement will make a robust curriculum cost-effectively accessible to Energy Trust, Northwest utilities and their customers.

- Continued to disseminate an energy efficiency marketing toolkit to the region through the release of the "Good Place to Be" website and associated Facebook page. Using the messaging strategy developed in 2012 and building on original toolkit elements delivered to the region in the summer of 2012, the tool provides information to utility customers and potential Energy Trust program participants about the benefits of energy efficiency. Toolkit messaging and elements are available to all utilities in the region, including Portland General Electric and Pacific Power.

- Participated on the Northwest Regional Retail Collaborative, which announced two pilots for 2013 designed to increase the sale and presence of energy-efficient products in the retail channel.
    - The first, a "Market Lift" Program coordinated by Energy Trust and Bonneville Power Administration, which will determine the effectiveness of retail incentives in increasing market share of efficient products. NEEA will observe the pilot and leverage its regional advantage to report results and inform market partners.
    - The second, a Retail Contractor Program focusing on the installation of efficient windows by contractors working with Sears, and will evaluate any operational and data collection issues. Results will determine if moving to a full-scale project is warranted.

  One or both of these pilots has the potential to lead to new programs in 2014, generating additional energy savings for Energy Trust and the region.

- Continued to promote Conduit as an online regional tool for information-sharing, coordination and collaboration among energy efficiency stakeholders. Conduit now has over 1,800 energy efficiency stakeholders as registered members to the site. In Q1, upgrades to Conduit include improved site speed and NEEA continues to enhance and refresh content resulting in increased engagement around the region.

- Published three independent market research and evaluation reports to validate and evaluate NEEA's market transformation work:
    - Washington Residential Energy Code Compliance
    - Idaho Residential Energy Code Compliance
    - Residential Building Stock Assessment- Manufactured Homes Characteristics and Energy Use

For more information on this report contact: Lindsey Clark, Marketing Coordinator, 503.688.5476, lclark@neea.org

Appendix 5

Q1 2013 REPORT FOR NW NATURAL WASHINGTON ACTIVITIES

January 1 through March 31, 2013

This Energy Trust of Oregon quarterly report covers the period January 1, 2013, through March 31, 2013. This report addresses progress toward 2013 goals for the NW Natural energy-efficiency program in southwest Washington. It includes information on expenditures, therm savings, projects completed and incentives paid during the quarter and year-to-date, along with highlights of program activity.

I. PROGRAM HIGHLIGHTS

A. General

- **Energy Trust saved 20,626 annual therms in Q1**—including 10,483 annual therms in Existing Buildings, 6,270 annual therms in Existing Homes and 3,873 annual therms in New Homes.
- **Lower-than-expected Q1 results can be attributed to Existing Buildings and Existing Homes transitions to new Program Management Contractors**, which caused delays in processing incentives. Transition activities were completed in Q1 and staff expects savings to be more closely aligned with historical accomplishments in Q2.

B. Commercial efficiency programs

Existing Buildings

- **Existing Buildings completed a large custom controls project in Q1**, resulting in savings of 10,483 annual therms. This private sector project—the first significant custom project to complete since 2011 and one of the few large projects that carried over from 2012—is notable because nearly all custom projects completed to date have been in public buildings.
- **The program successfully negotiated an agreement with Clark Public Utilities** to continue collaboration on rooftop HVAC unit tune-up incentives, with plans to jointly fund up to 116 rooftop tune-ups in 2013. While Existing Buildings delivered rooftop unit tune-up incentives through select experienced trade allies in 2012, all eligible trade allies have been invited to participate in 2013.
- **Existing Buildings has a robust pipeline** of 30 projects in progress or anticipated.
- **In Q1, Existing Buildings redesigned its custom incentive offerings** to provide funding up-front for custom project studies, and allow Existing Buildings and Clark Public Utilities to jointly fund studies for projects delivering both gas and electric savings. The program has already identified several opportunities for joint gas and electric studies.

C. Residential efficiency programs

Existing Homes

- **Existing Homes saved 6,270 annual therms in Q1**, primarily through water-saving products supplied in Energy Saver Kits, which constituted 45 percent of savings, and heating equipment, which made up 40 percent of savings.
- **Existing Homes continued to develop a network of lender allies** to offer lending solutions that help customers overcome initial financial barriers to energy-efficiency retrofits. Staff report a high level of interest in NW Natural's Washington territory from both lenders and contractors.

New Homes

- **New Homes saved 3,873 annual therms in Q1**, primarily through retail showerhead and clothes washer sales.
- **To build market share of ENERGY STAR® homes**, New Homes engaged outreach staff to recruit and provide technical support to builders and ENERGY STAR verifiers in Q1. This will continue for the remainder of 2013.
- **During Q1, New Homes collaborated with Existing Homes** to develop an integrated outreach strategy to promote both programs.

D. Washington Utilities and Transportation Commission Performance Metrics

The table below compares 2013 quarterly results with program goals, as established in NW Natural's Energy Efficiency Plan for Washington (updated December 2012).

Metrics	Goal	2013 Total YTD	Q1 Results	Q2 Results	Q3 Results	Q4 Results
Therms Saved	220,421 – 259,319	20,626	20,626			
Total Program Costs	$1,430,092 – $1,613,437	$190,711	$190,711			
Average Levelized Cost Per Measure	Less Than $0.65	$0.826	$0.826			
Dollars Spent Per Therm Saved	Less Than $6.50	$9.25	$9.25			
Total Resource Cost and Utility Costs at Portfolio Level	Greater than 1.0	n/a	Reported Annually	Reported Annually	Reported Annually	Reported Annually

- While levelized cost and dollars spent per therm saved in Q1 are above the performance thresholds set by the Washington Utilities and Transportation Commission, these cost-effectiveness metrics will decline as projects close in future quarters. Additional information by program is provided in Section III.

II. QUARTERLY RESULTS

A. Expenditures[1]

		Actual Expenditures Q1	Budgeted Expenditures Q1	Variance
Commercial Programs	Existing Buildings	$ 54,611	$ 107,279	$ 52,668
	Subtotal	$ 54,611	$ 107,279	$ 52,668
Residential Programs	Existing Homes	$ 78,039	$ 115,992	$ 37,952
	New Homes	$ 48,958	$ 85,534	$ 36,575
	Subtotal	$ 126,998	$ 201,526	$ 74,528
Administration		$ 9,103	$ 15,688	$ 6,585
TOTAL		$ 190,711	$ 324,492	$ 133,781

[1] Variance is expressed in total dollars *below* budget for (total dollars) *above* budget.

B. Incentives paid

		Actual Incentives Q1
Commercial Programs	Existing Buildings	$ 10,483
	Subtotal	$ 10,483
Residential Programs	Existing Homes	$ 11,368
	New Homes	$ 10,045
	Subtotal	$ 21,413
TOTAL		$ 31,896

C. Savings

		Therms Saved Q1	$/Therm	Levelized Cost/Therm
Commercial Programs	Existing Buildings	10,483	$ 5.47	53.4 ¢
	Subtotal	10,483	$ 5.47	53.4 ¢
Residential Programs	Existing Homes	6,270	$ 13.07	104.1 ¢
	New Homes	3,873	$ 13.28	118.7 ¢
	Subtotal	10,143	$ 13.15	109.0 ¢
TOTAL		20,626	$ 9.25	82.6 ¢

III. YEAR-TO-DATE RESULTS

A. Activity highlights—sites served

	Q1	Q2	Q3	Q4	Total
Existing Commercial					
School/college retrofits	--				**--**
Other commercial retrofits	1				**1**
Studies	--				**--**
Existing Homes					
Weatherization (insulation, air and duct sealing and windows)	10				**10**
Gas hearths	9				**9**
Gas furnaces	21				**21**
Water heaters	4				**4**
Home Energy Reviews	11				**11**
New Homes					
Builder Option Packages	5				**5**
Clothes washers	159				**159**

B. Revenues

Source	Actual Revenue YTD	Budgeted Revenue YTD
NW Natural	$ 645,551	$ 645,551

C. Expenditures[1]

		Actual Expenditures YTD	Budgeted expenditures YTD	Variance
Commercial Programs	Existing Buildings	$ 54,611	$ 107,279	$ 52,668
	Subtotal	$ 54,611	$ 107,279	$ 52,668
Residential Programs	Existing Homes	$ 78,039	$ 115,992	$ 37,952
	New Homes	$ 48,958	$ 85,534	$ 36,575
	Subtotal	$ 126,998	$ 201,526	$ 74,528
Administration		$ 9,103	$ 15,688	$ 6,585
Total		$ 190,711	$ 324,492	$ 133,781

- Expenditures are well below budget because incentive spending was lower than anticipated. See explanation under “Incentives paid” below.

D. Incentives paid

		Actual Incentives YTD
Commercial Programs	Existing Buildings	$ 10,483
	Subtotal	$ 10,483
Residential Programs	Existing Homes	$ 11,368
	New Homes	$ 10,045
	Subtotal	$ 21,413
TOTAL		$ 31,896

- Incentives paid account for 20 percent of year-to-date program expense. This is lower than historical Q1 accomplishments due to Existing Buildings and Existing Homes Program Management Contractor transitions that delayed some incentive processing until Q2. Total program expense is adjusted down by 15 percent to account for costs that a utility-delivered program would recover through rates.

E. Savings

		Therms Saved YTD	Annual Goal (Conservative)	% Achieved YTD	$/Therm	Levelized Cost/Therm
Commercial Programs	Existing Buildings	10,483	127,500	8%	$ 5.47	53.4 ¢
	Subtotal	10,483	127,500	8%	$ 5.47	53.4 ¢
Residential Programs	Existing Homes	6,270	56,409	11%	$ 13.07	104.1 ¢
	New Homes	3,873	36,513	11%	$ 13.28	118.7 ¢
	Subtotal	10,143	92,921	11%	$ 13.15	109.0 ¢
TOTAL		20,626	220,421	9%	$ 9.25	82.6 ¢

[1] Variance is expressed in total dollars *below* budget for (total dollars) *above* budget.