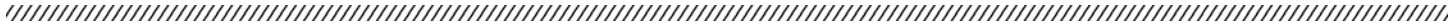
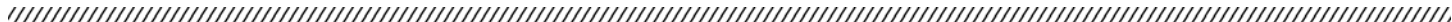


Quarter Three 2013 Report to the Oregon Public Utility Commission & Energy Trust Board of Directors



ENERGY TRUST OF OREGON
NOVEMBER 15, 2013

This report covers activity between July 1 and September 30, 2013



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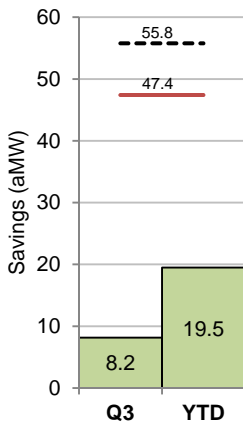
Table of Contents

I. Q3 2013 ACTIVITY AT A GLANCE	3
II. HIGHLIGHTS OF Q3 ACTIVITIES.....	5
A. Savings, generation and general highlights	5
B. Revenues and expenditures	7
C. Commercial sector highlights	7
D. Industry and agriculture sector highlights	10
E. Residential sector highlights	11
F. Renewable energy highlights.....	13
III. TABLES.....	14
A. Revenues	14
B. Expenditures	15
C. Incentives paid	15
D. Savings and generation	15
E. Progress toward efficiency goals by utility	16
F. Incremental utility SB 838 expenditures.....	16
IV. PROGRAM AND OPERATIONS DETAIL	17
A. Q3 revenues and expenditures.....	17
B. Energy efficiency programs.....	17
C. Renewable energy programs	20
D. Highlights of internal operations.....	22
Appendix 1: GEOGRAPHIC DISTRIBUTION OF SITES SERVED; CUSTOMER SATISFACTION.....	24
Appendix 2: OPUC 2013 PERFORMANCE MEASURES, 2012 BENEFIT/COST RATIOS	26
Appendix 3: CUMULATIVE AND TOTAL ANNUAL RESULTS	28
Appendix 4: Q3 2013 UTILITY ACTIVITIES SUPPORTED BY SB 838-AUTHORIZED FUNDING.....	29
Appendix 5: NEEA QUARTERLY PERFORMANCE REPORT	42
Appendix 6: Q3 2013 REPORT FOR NW NATURAL WASHINGTON ACTIVITIES	42

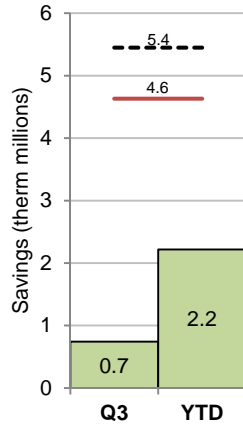
I. Q3 2013 ACTIVITY AT A GLANCE

Savings and generation

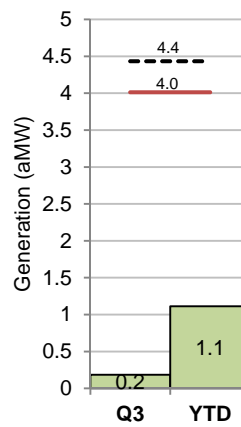
Electric efficiency



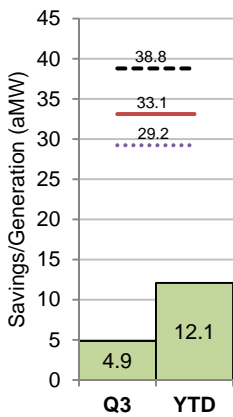
Gas efficiency



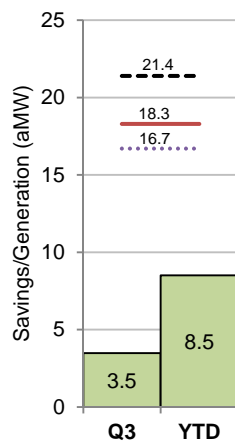
Renewable energy



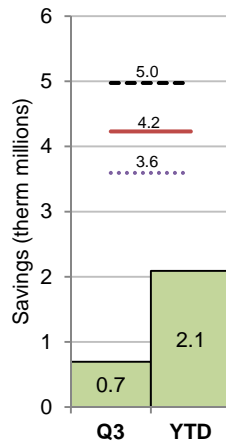
Portland General Electric



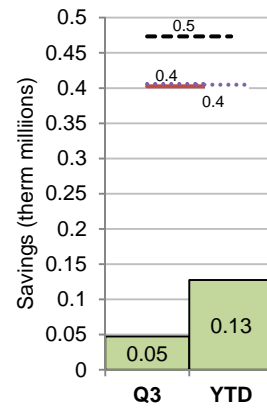
Pacific Power



NW Natural



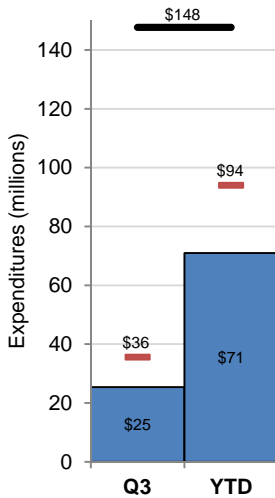
Cascade Natural Gas



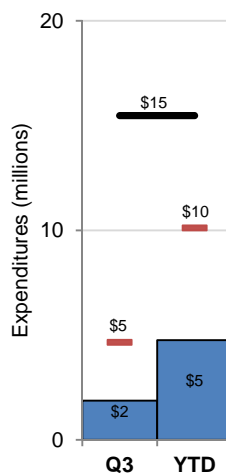
■ Savings
 - - - - Stretch Goal
 — Conservative Goal
 ⋯⋯⋯ IRP Goal

Expenditures

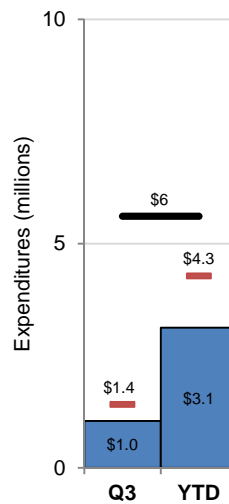
Energy efficiency



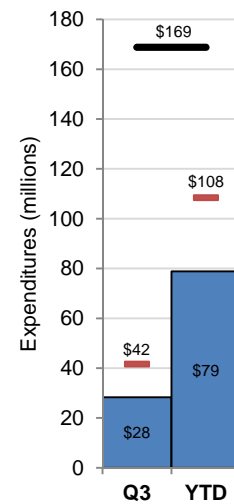
Renewable energy



Administration



Total



■ Actual
 — Budget
 — Annual Budget

Residential activity in Q3 2013

New homes and major remodels	631
New manufactured homes	38
Weatherization retrofits	2,224
Single-family site-built	1,933
Mobile	291
Home Energy Reviews*	317
Total Sites	3,172
Heating systems	1,089
Water heaters	254
Solar	16
High-efficiency products	4,300
Washing machines	3,265
Refrigerators & freezers	1,035
High-efficiency lighting**	368,920
Refrigerators, freezers recycled	4,705
Energy Saver Kits sent	1,569
Total Other Activity	11,917

*Includes in-home reviews only; Home Energy Reviews are also available online and by phone

**Lighting excluded from totals

Commercial activity in Q3 2013

New Buildings sites served¹	54
Whole building approaches	12
Packaged solutions for market segments	2
Standard/system-based approaches	40
Existing Buildings sites served¹	764
Operations and maintenance	50
Custom ²	16
Lighting	398
Prescriptive/standard ³	310
Existing multifamily sites served	382
Solar water heating sites served	6
Sites with technical assistance	128

¹New Buildings and Existing Buildings total sites served may include sites that participated in more than one program track

²The most common custom improvements are building controls and HVAC

³The most common prescriptive/standard improvements are foodservice and grocery equipment

Industrial/agricultural activity in Q3 2013

Projects	246
Custom ¹	37
Strategic Energy Management ²	2
Lighting	56
Streamlined industrial ³	151
SEM participating companies	27
Studies	44

¹The most common custom improvements are compressed air system and process upgrades

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

³The streamlined industrial and agricultural initiative, formerly the small industrial initiative, delivers savings from irrigation measures, small compressed air, variable frequency drives and other prescriptive and calculated measures

Renewable energy activity in Q3 2013

Biopower projects	--
Solar electric installations	228
Residential	219
Commercial	9
Other renewable projects	--
Wind projects	--
Hydropower projects	--
Geothermal projects	--
Total	228

Trade ally activity in Q3 2013

Regional trade ally roundtable meetings	4
Attendance	100
Trainings provided	85
Trade allies added to network	43
Trade allies accessing business development funds	138

Other activity in Q3 2013

Calls	6,627
Website visits	147,936
info@energytrust.org inquiries	329
Customer complaints	3
News stories in print, broadcast	85

II. HIGHLIGHTS OF Q3 ACTIVITIES

A. Savings^{1,2}, generation and general highlights

Summary

- **In the third quarter, progress made toward Energy Trust goals was significant** for three out of four utilities, improving the year-end forecast reported at the close of quarter two. Historically, the majority of annual savings occurs in Q4, and that trend is expected to continue in 2013.
- **By the end of 2013, Energy Trust expects to approach stretch efficiency goals** for Portland General Electric, Pacific Power and NW Natural, and to fall short of its conservative efficiency goal for Cascade Natural Gas, where challenges persist. Year-end efforts are underway in all territories to complete projects and maximize savings and generation, such as bonus incentives for qualifying Existing Buildings and Existing Homes projects.
- **Savings in Cascade Natural Gas territory for 2013 are forecast to fall short of conservative goal**, as a result of delayed customer projects, lower-than-expected activity in weatherization and hearths, and fewer-than-expected savings realized at a single, large industrial project. Efforts are in progress in Cascade Natural Gas territory to drive more insulation projects, aerators, showerheads and hearths for residential customers and to bolster savings in commercial buildings through a year-end bonus.
- **Savings and generation results were affected by a variety of factors outlined in this report**, such as historically low gas prices and regional economic activity. Challenges explained in this report include:
 - The Existing Buildings program achieved fewer savings than expected, impacted by reduced market interest in energy efficiency due to low energy costs
 - Fewer large Production Efficiency projects occurred in rural areas, which may reflect slower rural economic recovery or a shift of manufacturing bases to the Willamette Valley
 - The loss of Existing Homes duct sealing measures and tighter measure standards to meet cost-effectiveness criteria hindered weatherization and Clean Energy Works Oregon project savings
 - Ongoing market challenges, including the loss of the Business Energy Tax Credits and changing market fundamentals, made it difficult for commercial solar and renewable energy custom projects to complete
- **Energy Trust achieved growth and innovation in several programs in Q3.** Accomplishments detailed in this report include:
 - The multifamily initiative continued to grow, bolstered by targeted business development efforts, marketing and distribution strategies for energy-efficiency equipment and direct installations of energy-saving products
 - New Buildings benefited from economic recovery, and experienced strong activity in the low-rise multifamily sector and data centers
 - New Homes and Products experienced high activity in new construction; reached 4,000 homes rated with EPS™, Energy Trust's energy performance score; expanded compact

¹This document reports net savings, which are adjusted gross savings based on results of current and past evaluations.

²This report includes the best available energy savings data as of the date of submission. Energy savings reported here for periods prior to January 1, 2013, 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 2013 Report will be available online at www.energytrust.org/reports.

fluorescent light bulb, CFL, and LED lighting efforts and conducted a successful refrigerator recycling promotion

- Energy Trust added a first lender ally for commercial projects, TIP Capital, bringing the total number of lender allies to six
- Outreach in rural communities included outreach to Existing Buildings customers in Southern and Northeastern Oregon; trade ally roundtables in Klamath Falls, Baker City and Clatsop County; increased outreach to potential New Buildings customers in Southern, Eastern and Central Oregon; and outreach to new homes builders in Eastern and Central Oregon

Progress to Goals

- **Electric efficiency improvements completed during Q3** are expected to save 8.2 average megawatts, aMW, of electricity, about 17 percent of the 2013 electric conservative goal and 15 percent of the 2013 electric stretch goal of 56 aMW. Q3 2013 electric savings are roughly consistent with savings in Q3 2012.
- **Gas efficiency improvements completed during Q3** are expected to save 742,982 annual therms of natural gas³, about 16 percent of the 2013 gas conservative goal and 14 percent of the 2013 stretch goal of 5.4 million annual therms. Q3 savings are on par with savings in Q3 2012.
- **Renewable energy systems installed during Q3** are expected to generate 0.2 aMW of electricity, 5 percent of the 2013 renewable energy conservative goal of 4.0 aMW. Q3 renewable generation activity is 30 percent lower than activity in Q3 2012. The decrease is addressed in section 2F.
- **Overall, Energy Trust expects to achieve** 96 percent of PGE stretch efficiency goal, 96 percent of Pacific Power stretch efficiency goal, 96 percent of NW Natural stretch goal and 77 percent of Cascade Natural Gas stretch goal. Efforts are underway to boost results, particularly for Cascade Natural Gas.
- **Progress to goals by sector include the following.** See sections 2C, 2D, 2E and 2F for detailed explanations.
 - The commercial sector is on track to exceed stretch goals for Pacific Power and Cascade Natural Gas, and exceed conservative goals for PGE and NW Natural.
 - The industrial and agricultural sector expects to approach stretch goals in PGE and NW Natural territories and fall short of conservative goals in Pacific Power and Cascade Natural Gas territories.
 - The residential sector is on track to exceed stretch goal for NW Natural and approach stretch goals for the other utilities.
 - The renewable energy sector is expected to fall short of conservative goals in PGE and Pacific Power territories.

Highlights

- **Work continued in Q3 to establish internal access to utility data** for program planning, marketing and evaluation purposes. Efforts to reconcile multiple utility data sets continued, while staff began work to identify and develop processes to support future data uses, particularly for targeted marketing purposes.
- **Energy Trust, the OPUC and utility representatives completed discussions** and agreed on a new goal framework for implementation in 2014, establishing a single Energy Trust goal for each

³The gas savings do not include NW Natural results in Washington. These results are reported in Appendix 6.

utility approximating the utility's annual Integrated Resources Plan target. Additionally, Energy Trust Board of Directors reviewed and amended its reserves policy to clarify reserves usage and access. These activities completed follow-up from stakeholder comments received during 2013 annual budget and 2013-14 action plan outreach last fall.

- **Energy Trust staff began draft 2014 annual budget and 2014-15 action plan development**, presenting initial program concepts to each of the four utilities, Conservation Advisory Council and Renewable Advisory Council and inviting feedback in Q3. The draft budget will be presented to the board, advisory councils, OPUC, utilities, stakeholders and the public in presentations from late October through late November, with final proposed drafts of both documents presented to the board of directors on December 13. All budget and outreach information is available at www.energytrust.org/about/budget.
- **To address cost-effectiveness challenges, staff provided a work plan** detailing the schedule and tasks to be completed leading to submittal of a report on measure and program cost-effectiveness and strategy to the OPUC by July 1, 2014.
- **In Q3, selection processes concluded with board of directors approval** of staff recommendations to contract with four custom track Program Delivery Contractors, PDCs, to deliver custom Production Efficiency services, and to contract with PECl for management and delivery of the New Buildings program.
- **This report addresses OPUC requests** regarding deep retrofit projects in commercial and residential sectors, computer system upgrades and lender ally promotions. Find more information in sections 2C, 2E and 4D.

B. Revenues and expenditures

- **Overall public purpose revenue plus incremental electric revenue** from SB 838 totaled \$35.2 million for Q3 2013, approximately 4 percent more than budgeted revenues. Revenue projections are estimates provided by utilities; typically, actual revenues vary by a few percentage points from budgeted revenue.
- **Q3 expenditures totaled \$28.3 million**, of which \$13.2 million or 46 percent was for incentives. Q3 2013 incentives paid were down 8 percent from Q3 2012.
- **Q3 electric efficiency expenditures** were 27 percent under budget.
- **Q3 gas efficiency expenditures** were 34 percent under budget.
- **Q3 renewable energy expenditures** were 60 percent under budget.

C. Commercial sector highlights

- **The commercial sector, comprising the Existing Buildings program**, New Buildings program and multifamily initiative, is on track to exceed stretch goals for Pacific Power and Cascade Natural Gas territories, and exceed conservative goals in PGE and NW Natural territories. The New Buildings program and multifamily initiative are strong. The Existing Buildings program achieved fewer savings than expected from custom projects, the Strategic Energy Management initiative, LED street lighting conversions and rooftop HVAC unit tune-ups.
- **In Q3, the sector developed a request for proposals, RFP, for a Pay for Performance pilot**, with proposals due in Q1 2014. The Pay for Performance pilot will determine if paying incentives for capital and operations and maintenance improvements over a multiyear period will generate additional energy savings and more comprehensive projects, and if longer-term incentives help service providers sell energy-efficiency projects.

- **The sector continued to coordinate with the Oregon Department of Energy** to serve schools throughout the state. In 2013, the sector worked with 12 school districts in support of Governor Kitzhaber's Cool Schools initiative, and expects to serve nearly 170 schools through Existing Buildings and New Buildings projects combined. The program completed 101 school projects through Q3.
- **The sector completed six deep retrofit⁴ projects** out of 30 projects identified as renovations. The six projects completed upgrades to at least two major building systems.

Existing Buildings

- **The Existing Buildings program is on track to exceed gas efficiency conservative goals,** and to fall slightly short of electric efficiency conservative goals.
- **To help reach goals by year-end, staff is focusing on closing** lighting, custom and SEM projects and planning a bonus incentive to close custom projects by year-end and reach gas stretch goals.
- **The low cost of natural gas and uncertainty about project economics** made it difficult to sell energy-efficiency projects, especially custom gas and dual fuel projects.
- **The majority of Existing Buildings electric savings** were composed of custom and lighting improvements, though Q3 activity was lower than anticipated. New LED products and lighting plug load solutions rounded out electric sources of savings.
- **Gas savings are largely from prescriptive improvements,** including from active foodservice equipment vendors bringing in savings for NW Natural and Builder Operator Certifications.
- **Strategic Energy Management continued to generate cost-effective savings** in Q3. Recruiting the planned volume of customers was difficult due to required customer commitment, and the program will respond by highlighting the benefits of SEM and engaging early executive sponsorship. Integrated in Q2, a bonus for SEM customers who implement custom capital projects identified on their action plans will continue through 2013 and beyond.
- **In Q3, Existing Buildings introduced an SEM introductory pilot offering** for smaller commercial customers who are not able to commit the staff time required for the full SEM offering and can still benefit from short-term operations and maintenance solutions.
- **Rooftop HVAC unit tune-up activity decreased in 2013,** primarily due to less market potential than expected and evaluation efforts indicating rooftop tune-ups achieve fewer savings than expected. In Q4, the program will no longer accept new rooftop tune-up applications and will make up the significant portion of gas savings previously from rooftop tune-ups through custom, standard and SEM projects.
- **The program achieved success with utility-owned and operated streetlight improvements in Q3.** In Q4, the program expects to achieve additional savings from both utility-owned and city-owned streetlights.
- **Existing Buildings adjusted to the Program Management Contractor transition,** completed in Q1, and the PMC is gaining momentum in the market. However, savings were impacted by

⁴Based on a working definition of commercial deep retrofits developed for the purpose of OPUC reporting, deep retrofit projects typically achieve approximate savings of 40 percent beyond market average by following a number of pathways. A project must be a major renovation of an existing commercial building and receive incentives for one of the following: Market Solutions package, Leadership in Energy and Environmental Design achieving a 25 percent reduction for Energy and Atmosphere credit 1 points, Path to Net Zero or upgrades to at least two major building systems (such as HVAC, lighting or shell measures). The building can be large or small and the project can be simple or complex, applying multiple system-level upgrades or more holistic, customized energy-efficiency strategies.

other factors, including a maturing market with fewer large custom efficiency projects, transition away from rooftop tune-ups and fewer SEM projects than anticipated.

- **Existing Buildings added a first commercial-only lending ally, TIP Capital**, which specializes in commercial lighting, HVAC and data center equipment leasing. TIP Capital collaborated with Energy Trust to promote its new lender ally status in a press release that received coverage in Oregon business media.
- **Leveraging Energy Trust incentives, Lincoln City began offering zero percent** energy-efficiency loans to commercial property owners and business owners within its Urban Renewal District.
- **Existing Buildings outreach representatives in Southern and Northeastern Oregon** continued to serve schools through coordination with the Oregon Department of Energy, provide customer service and identify project opportunities in the region.
- **The multifamily initiative expects to approach stretch goals** in PGE, Pacific Power and Cascade Natural Gas territories and to fall short of stretch goal in NW Natural territory due to several custom projects moving into 2014. Multifamily will implement a targeted limited-time steam trap initiative in NW Natural territory to push savings to reach stretch goal.
- **Multifamily momentum continued to grow in Q3**, due to targeted business development efforts for assisted living and small multifamily market segments and focused marketing and distribution strategies that include midstream buy-down promotions of energy-efficient equipment, focus on common-area and outdoor lighting, and integration of water-efficiency benefits and programs into materials and outreach efforts.
- **Direct installations of energy-saving products**—light bulbs, showerheads and faucet aerators—comprised the majority of multifamily savings for both gas and electric territories. In Q4, staff expects common-area lighting improvements to increase significantly as a source of electric savings and custom and prescriptive offerings to comprise the majority of gas savings.
- **MPower Oregon, a pilot using an on-bill repayment mechanism** to serve residents in affordable housing developments, enrolled one project and engaged with two potential projects in Q3.
- **Multifamily designed services to support individual condominium unit owners**, including walkthrough surveys and direct installations of energy-saving products in Q4.
- **Building on the success of previous midstream buy-down promotions**, the multifamily initiative launched a water heater buy-down promotion with two national water heater distributors, HD Supply and Wilmar. A buy-down is an incentive paid directly to distributors and applied automatically at point-of-purchase, reducing the cost of equipment for customers.

New Buildings

- **New Buildings is on track to exceed stretch goals for Pacific Power** and Cascade Natural Gas territories, and to exceed conservative goals for PGE and NW Natural territories, due to anticipated completion of three large projects in Q4.
- **New Buildings activity was driven by economic recovery**, which occurred at different rates across the state, and by a few large projects that brought in highly cost-effective savings.
- **The program experienced especially strong activity in the low-rise multifamily sector**. By contrast, no large healthcare and hospitals—historically a good source of gas savings—were completed in Q3.
- **New Buildings anticipates significant savings from data centers in 2013**, especially in Pacific Power territory. Energy Trust serves data centers ranging from small server rooms using

10 kilowatt or less annually to large enterprise facilities using up to 250 MW annually. In 2013, a majority of data center savings are expected to come from large enterprise facilities.

- **The Market Solutions offering—which provides market-specific packages** with standard tiered incentives for restaurant, grocery, multifamily, office, school and retail buildings under 70,000 square feet—garnered high participation from multifamily and office sectors. However, participation from grocery, restaurant and retail sectors lagged. To increase activity from these sectors, New Buildings launched a marketing campaign in Q3 targeting small commercial building owners and designers.
- **The program increased outreach efforts to potential New Buildings customers** in Southern, Eastern and Central Oregon to spur activity in Pacific Power and Cascade Natural Gas territories.
- **New Buildings trade ally trainings—including an Allies for Efficiency training series**—resulted in record attendance of 369 trade allies, new trade ally enrollments and increased engagement with the design community. The training series included events in Bend, Medford, Wilsonville and Portland.

D. Industry and agriculture sector highlights

Production Efficiency

- **The Production Efficiency program expects to approach stretch goals** in PGE and NW Natural territories, and to fall short of conservative goals in Pacific Power and Cascade Natural Gas territories.
- **The shortfall in Pacific Power and Cascade Natural Gas territories** is due to several projects moving completion from 2013 to 2014. Outreach efforts in Q2 and Q3 resulted in identifying projects for 2014, but not 2013. In Cascade Natural Gas territory, a large project brought in less than half of expected savings, underachieving by more than 30,000 therms.
- **Given the long development cycle for Production Efficiency projects**, the program will focus on customer interactions at sites with projects already in the pipeline to increase the completion rate of projects in Q4.
- **Production Efficiency saw fewer large projects in rural areas in Q3.** This may be due to the program's prior success in achieving savings from large customers or a shift of the manufacturing base to the Willamette Valley.
- **Production Efficiency completed its 2,000th small industrial project** through the Streamlined Initiative, formally the Small Industrial Initiative. Launched in 2009, the Streamlined Initiative provides trade allies with training, tools and a streamlined incentive approval process to achieve saving through industrial measures such as irrigation and small compressed air systems.
- **Custom projects comprised 58 percent of electric savings**, followed by lighting and streamlined industrial projects with 16 percent of savings each. Streamlined industrial projects accounted for 70 percent of gas savings—primarily from greenhouse improvements in NW Natural territory—followed by custom projects with 28 percent of savings. These results are similar to prior years.
- **Ten customers completed the first cohort of the Core Improvement pilot**, a track of Strategic Energy Management services designed for small- to medium-sized industrial customers. The first cohort achieved on average 6 percent electric savings and 3 percent gas savings. Twelve participants began the second cohort of the Core Improvement pilot in August.
- **The Champion quarterly newsletter was emailed to 2,300 program participants** and stakeholders in September. In response, two potential customers expressed interest in participating in Energy Value Stream Mapping, which helps participants discover how complex

processes use energy, identify energy waste and prioritize actions to reduce waste and increase revenue.

E. Residential sector highlights

- **The residential sector, comprising Existing Homes and New Homes and Products** programs, is expected to exceed stretch goal for NW Natural and approach stretch goals for the other utilities. The New Homes and Products program bolstered the sector's achievements due to a rebounding housing market, increased savings achieved per home and expanded lighting efforts. Existing Homes savings were lower than expected due to decreased savings from weatherization projects, especially for gas utilities; fewer-than-forecasted Clean Energy Works Oregon projects completed; elimination of a duct sealing measure and a planned decrease in the proportion of savings from Energy Saver Kits.
- **Due to national economic recovery, a robust housing market and reduced gas prices,** remodeling projects without energy-efficiency components may be more appealing for homeowners. Anecdotal reports indicate a decrease in project volume for Home Performance with ENERGY STAR® contractors and an increase in new construction and remodeling activity without qualifying weatherization measures.

Existing Homes

- **Existing Homes is expected to reach stretch goal in NW Natural territory,** reach conservative goal in PGE territory and fall short of conservative goals in Pacific Power and Cascade Natural Gas territories. The program is implementing strategies to reach conservative goals in Pacific Power territory by year-end through identified additional promotions, marketing, retailer outreach, trade ally support and customer engagement strategies.
- **Existing Homes made a decision to diversify savings** sources in 2013 by limiting Energy Saver Kits to not more than 35 percent of savings. However, because other measures such as weatherization and Clean Energy Works Oregon projects underperformed, the program developed plans in Q3 to promote kits through year-end to help achieve annual savings goals.
- **The Opower persistence study,** which aims to determine persistence of behavioral energy savings resulting from Personal Energy Reports mailed to PGE and NW Natural customers, continued in Q3. In Q3, the program also launched a similar behavioral-change pilot in Pacific Power territory for 15,000 high energy-using homes.
- **While still a significant share of savings, weatherization savings** are lower than anticipated. The loss of the duct sealing incentive and more stringent requirements for ceiling and floor insulation measures to meet cost-effectiveness criteria hindered efforts to engage the Home Performance with ENERGY STAR market.
- **To boost weatherization projects,** the program implemented year-end bonuses on insulation and hearths.
- **Fewer-than-expected Clean Energy Works Oregon projects with fewer qualifying measures** were completed in Q3. Clean Energy Works Oregon received 687 applications and completed 201 projects in Q3, with 1,495 additional projects in process as of the end of the quarter.⁵ These projects used financing to complete whole-home energy-efficiency improvement projects utilizing

⁵"In process" refers to Clean Energy Works Oregon homes that had completed a Home Performance test-in audit but had not closed as of September 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.

standard Existing Homes incentives and installed by Home Performance with ENERGY STAR trade allies. Clean Energy Works Oregon also processed a backlog of projects completed in Q1 and Q2.

- **In Q3, ductless heat pumps accounted for roughly one-third of all electric savings.** Weatherization measures—windows and ceiling insulation—comprised the majority of gas savings and the program installed a robust 741 gas hearths in NW Natural territory.
- **In Q3, the program launched a Nest pilot,** which will garner savings by installing Nest thermostats in 200 homes with whole-house heat pumps. Participants learn how to maximize heat pump efficiency and monitor their heat pump's performance.
- **Existing Homes developed an initiative with Community Action Partnership of Oregon** to deliver energy-efficiency curriculum in fifth grade classrooms in Q4, including a homework assignment inviting parents to order Energy Saver Kits online. This curriculum replaces the previous kit-based LivingWise curriculum for sixth grade students.
- **The program conducted outreach in Eastern Oregon to promote Savings Within Reach,** which offers higher incentives for moderate-income residents.
- **Existing Homes entered into a unique sales promotion agreement with George Morlan** to support water heater savings goals. Under this model, George Morlan receives a bonus sales performance incentive for high-performance 0.70 Energy Factor gas tank water heaters installed. The program is looking to expand the offering to additional high volume contractors in Q4.
- **In Q3, Energy Trust completed 382 residential deep retrofits.**⁶

New Homes and Products

- **New Homes and Products is expected to exceed stretch goals in all four utilities.** Overall economic outlook is trending up, especially in new construction, and remains slower for appliances.
- **In Q3, increased activity occurred in new construction and EPS-rated homes,** air sealing projects, refrigerator and freezer recycling and new manufactured homes. The program saw a decrease in retail lighting, showerheads and appliances and expects activity to increase in Q4.
- **Growing new home construction and increased penetration of EPS** is expected to result in a record 1,530 EPS-rated homes in 2013, exceeding the goal of 1,100. Home builders are constructing homes with higher levels of energy efficiency and achieving 10 percent more savings per home than projected. In October, an EPS marketing campaign is expected to increase awareness of EPS for both new construction and existing homes.
- **The 4,000th new home rated with EPS was issued** in September, and the market share for EPS-rated homes is on track to reach 20 to 23 percent. The Central Oregon Builders Association tour of homes featured the first two Live Net Zero homes—homes that earned a superior EPS—presented in the state.
- **Lighting offers introduced in late Q3 will result in savings in Q4** and include the addition of more types of general purpose CFLs and LEDs, and additional lighting retail promotions. In Q3, the program increased savings from products through several retail promotions, including LED and CFL promotions at Costco, LED promotions at The Home Depot, lighting and showerhead promotions at BiMart and Orchard Supply and a showerhead promotion at Goodwill.

⁶Consistent with the definition developed in Q1 for the purpose of OPUC reporting, deep retrofits are defined as energy-efficiency actions in existing homes that include two or more shell or heating measures installed at the same time, and achieve a 20 percent or greater reduction in estimated heating load.

- **The Fill a Fridge promotion, which allows customers to donate incentives** for retired refrigerators and freezers to the Oregon Food Bank, attracted 314 participants and raised \$12,560 in Q3—the equivalent of 37,680 meals. Based on positive customer response, the opportunity to donate incentives to the Oregon Food Bank was extended from July 31 to December 31.
- **To increase activity outside the metro region, New Homes and Products** conducted outreach in Eastern and Central Oregon. In Pendleton and Hermiston, outreach generated builder interest—the first three homes in the area were submitted for EPS. The program presented on benefits of building with EPS at the Oregon Housing Industry Conference in Bend.

F. Renewable energy highlights

- **Solar Electric, Biopower and Other Renewables programs will fall short** of generation goals for 2013 due to challenging market conditions and project delays.
- **Solar Electric underperformance is primarily due to a diminished commercial solar market** and the loss of Business Energy Tax Credits in 2012. Residential solar continues a steady rate of growth, and is behind past record-breaking performance given a reduction in incentive amounts as system costs declined.
- **Three Biopower and Other Renewables projects were delayed** due to a variety of development challenges. Projects with long development timelines were negatively impacted by the decrease in energy prices, particularly avoided costs for Qualifying Facilities. The program will address this challenge by requiring that projects be closer to commercial operation prior to receiving funding commitments from Energy Trust.
- **The pipeline for new generation is strong for 2014 and 2015.** Staff reviewed six project proposals expected to result in funding authorizations in Q4. Projects under review represent a range of technologies in both PGE and Pacific Power territories.

Solar Electric

- **The Solar Electric program is expected to meet 90 to 95 percent of conservative goals.** Meeting conservative goals will require residential activity to continue at a strong pace through year-end and a number of dedicated commercial projects to stay on track for 2013 completion.
- **Solar system leases continue** to be an attractive option for PGE residential customers, and direct-owned projects in Pacific Power territory were driven by lower installation costs, including external sources of funding such as Pacific Power Blue Sky and the Oregon Department of Energy Renewable Energy Development grants.
- **The program is working to re-establish a pipeline of projects** lost by the significant reduction in 2012 incentives. While Pacific Power activity remained relatively strong, commercial activity in PGE territory slowed substantially.
- **Solar Electric staff and Portland metro-area trade allies collaborated** on responding to the slow commercial market. This exchange resulted in increased understanding of customer requirements and improved program design to expand this key market.
- **The program presented software systems to improve customer and site identification** of solar resources in specific geographic areas, an example of reducing soft costs associated with solar installations. The presentation was attended by staff from PGE, the City of Portland and trade allies.
- **The Solar Electric program received an application for the 5,000th solar home system** in September. The program leveraged this milestone by developing a residential marketing

campaign that celebrates Oregon solar progress and trades allies and customers involved in the first 5,000 installations. The campaign will launch in Q4.

- **The program sponsored and presented at Solar Now! University in Coos Bay.** The conference, led by nonprofit Solar Oregon, provided opportunities for local decision-makers from Southern Oregon to learn how to support solar growth in their communities.

Biopower

- **In Q3, Energy Trust and JC-Biomethane planned an open house** to showcase innovations and promote Energy Trust’s support for biopower projects. JC-Biomethane will begin producing energy from anaerobic digestion of post-consumer commercial food waste in Q4.

Other Renewables

- **The program will fall short of conservative goals** due to one geothermal and two biopower projects that were delayed to 2014 and 2015. These delays are due to challenging market conditions caused by low Qualifying Facilities energy rates and uncertain federal incentives.
- **New biopower and hydropower activity is on the horizon.** Staff is evaluating five project proposals and expects year-end commitments to result in several project completions in 2014 and 2015.
- **An RFP for project development assistance attracted four proposals** in Q3, two of which were funded. Since then, two more proposals were submitted and are being evaluated. Staff is finalizing a plan to receive applications and distribute remaining incentives outside of an RFP process.
- **Applications are primarily from the government sector** where projects serve multiple needs, such as managing a waste stream in addition to generating electricity. Much of this activity is the culmination of several years of outreach and feasibility studies. To continue to keep this pipeline full, the program plans to increase outreach in 2014.

III. TABLES⁷

A. Revenues

Source	Q3 Actual Revenues Received	Q3 Budgeted Revenues
Portland General Electric	\$ 7,937,371	\$ 7,754,574
PGE Incremental	\$ 11,574,662	\$ 11,712,133
Pacific Power	\$ 6,298,575	\$ 6,148,940
Pacific Power Incremental	\$ 6,276,979	\$ 6,109,200
Cascade Natural Gas	\$ 220,580	\$ 319,259
NW Natural	\$ 2,365,537	\$ 1,168,918
NW Natural Industrial DSM	\$ 575,946	\$ 797,028
Total	\$ 35,249,651	\$ 34,010,051

*Incremental revenues are those authorized under SB 838 to support capturing additional cost-effective electric efficiency savings above the amount supported by funding through SB 1149.

⁷Columns may not total due to rounding.

B. Expenditures

Type	Q3 Actual Expenditures	Q3 Budgeted Expenditures
Energy Efficiency Programs	\$ 25,410,686	\$ 35,593,308
Renewable Energy Programs	\$ 1,866,973	\$ 4,653,673
Administration	\$ 1,045,017	\$ 1,413,072
Total	\$ 28,322,677	\$ 41,660,053

Source	Q3 Actual Expenditures	Q3 Budgeted Expenditures
Portland General Electric	\$ 14,380,333	\$ 21,046,913
Pacific Power	\$ 9,574,216	\$ 13,996,353
Cascade Natural Gas	\$ 301,877	\$ 601,776
NW Natural	\$ 3,676,764	\$ 5,449,425
NW Natural Industrial DSM	\$ 389,487	\$ 565,586
Total	\$ 28,322,677	\$ 41,660,053

C. Incentives paid

Quarter	Energy Efficiency				Renewable Energy		Total
	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	\$ 5,538,043	\$ 3,568,819	\$ 2,412,322	\$ 120,252	\$ 592,955	\$ 673,506	\$ 12,905,897
Q3	\$ 5,986,467	\$ 3,748,265	\$ 1,890,320	\$ 133,226	\$ 729,026	\$ 675,469	\$ 13,162,775
Q4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 15,626,163	\$ 8,750,973	\$ 5,267,100	\$ 310,635	\$ 1,798,284	\$ 1,601,433	\$ 33,354,588

D. Savings and generation

Q3 Electric Efficiency Savings	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses
Commercial	2.3	1.3	3.6	\$ 9,489,620
Industrial	0.8	0.9	1.6	\$ 5,019,309
Residential	1.7	1.2	2.9	\$ 7,506,084
Total Electric Efficiency Programs	4.7	3.4	8.2	\$ 22,015,013

Q3 Gas Efficiency Savings	NW Natural Therms	Cascade Natural Gas Therms	Total Savings Therms	Expenses
Commercial	196,237	14,444	210,681	\$ 1,024,717
Industrial	159,374	5,130	164,504	\$ 362,285
Residential	340,022	27,775	367,797	\$ 2,981,126
Total Gas Efficiency Programs	695,632	47,350	742,982	\$ 4,368,128

Q3 Renewable Energy Generation	PGE aMW	Pacific Power aMW	Total Generation aMW	Expenses
Biopower	0.0	0.0	0.0	\$ 352,831
Other Renewable Programs	0.00	0.00	0.00	\$ 248,003
Solar Electric Program	0.12	0.06	0.19	\$ 1,338,702
Total Renewable Programs	0.12	0.06	0.19	\$ 1,939,535

E. Progress toward efficiency goals by utility

	Q3 Savings	YTD Savings	Energy Trust Annual Stretch Goal		Annual IRP Goal	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Portland General Electric	4.74 aMW	11.82 aMW	36.08 aMW	33%	29.22 aMW	40%
Pacific Power	3.42 aMW	7.67 aMW	19.68 aMW	39%	16.70 aMW	46%
NW Natural	695,632 annual therms	2,089,801 annual therms	4,975,055 annual therms	42%	3,593,679 annual therms	58%
Cascade Natural Gas	47,350 annual therms	127,596 annual therms	473,330 annual therms	27%	405,844 annual therms	31%

F. Incremental utility SB 838 expenditures⁸

Utility	2013 Q3 SB 838 Expenditures	YTD SB 838 Expenditures
Portland General Electric	\$206,835	\$609,940
Pacific Power	\$204,996	\$604,691
Total	\$411,831	\$1,214,631

⁸Reflects expenditures by Pacific Power and PGE in support of utility activities described in SB 838. See Appendix 4 for reports from these utilities on their SB 838 activities during the quarter.

IV. PROGRAM AND OPERATIONS DETAIL

A. Q3 revenues and expenditures

- Received \$35.2 million in public purpose and incremental SB 838 revenues, which is approximately 4 percent more than the \$34.0 million budgeted. Revenue projections are estimates provided by utilities; typically, actual revenues vary by a few percentage points from budgeted revenues.
- Spent \$28.3 million in Q3, which is 32 percent below the \$41.7 million budget.
- Incentives paid totaled \$13.2 million, which was 46 percent of total expenditures.
- Total electric expenditures (efficiency and renewable energy) were 32 percent under budget for Q3.
- Gas efficiency expenditures were 34 percent under budget for Q3.
- Q3 renewable energy expenditures were 60 percent under budget for Q3.

B. Energy efficiency programs⁹

1. Total energy efficiency Q3 2013 savings and expenditures

	Q3 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	8.2 aMW	19.5 aMW	47.4 aMW	41.1%	55.8 aMW	35.0%
Gas	742,982 annual therms	2,217,397 annual therms	4,631,127 annual therms	47.9%	5,448,385 annual therms	40.7%

	Q3 Expenditures	Variance from Q3 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 22,015,013	\$ 8,212,500	27.2%	\$ 60,685,433	\$ 19,494,548	24.3%
Gas	\$ 4,368,128	\$ 2,248,659	34.0%	\$ 13,208,915	\$ 4,514,303	25.5%
Total	\$ 26,383,141	\$ 10,461,160	28.4%	\$ 73,894,348	\$ 24,008,851	24.5%

2. Existing Buildings Q3 2013 savings and expenditures

	Q3 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	2.6 aMW	5.0 aMW	13.1 aMW	38.1%	15.4 aMW	32.3%
Gas	160,849 annual therms	401,439 annual therms	1,444,984 annual therms	27.8%	1,699,981 annual therms	23.6%

⁹Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

	Q3	Variance from Q3 Budget		YTD	Variance from YTD Budget	
	Expenditures			Expenditures		
Electric	\$ 6,354,439	\$ 2,795,275	30.6%	\$ 15,351,772	\$ 7,022,281	31.4%
Gas	\$ 829,813	\$ 869,801	51.2%	\$ 2,558,907	\$ 1,539,751	37.6%
Total	\$ 7,184,252	\$ 3,665,076	33.8%	\$ 17,910,679	\$ 8,562,032	32.3%

- **Existing Buildings spending was lower than expected** because the program completed fewer custom, lighting and rooftop HVAC unit tune-up projects than anticipated.
- **To accelerate project completions in Q4, the program will release a bonus** for custom non-lighting measures that complete before year-end.

3. New Buildings Q3 2013 savings and expenditures

	Q3 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.7 aMW	2.9 aMW	4.9 aMW	60.5%	5.7 aMW	51.5%
Gas	49,832 annual therms	230,173 annual therms	393,405 annual therms	58.5%	462,829 annual therms	49.7%

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

	Q3	Variance from Q3 Budget		YTD	Variance from YTD Budget	
	Expenditures			Expenditures		
Electric	\$ 2,133,559	\$ 2,031,683	48.8%	\$ 7,612,072	\$ 3,994,104	34.4%
Gas	\$ 194,904	\$ 130,484	40.1%	\$ 568,408	\$ 251,005	30.6%
Total	\$ 2,328,463	\$ 2,162,166	48.1%	\$ 8,180,480	\$ 4,245,109	34.2%

- **New Buildings spending was lower than anticipated** because some projects reached an incentive cap or were more cost-effective than estimated. In PGE and Pacific Power territories, several large data center projects reached incentive caps, so incentive spending is expected to be well below budget even though savings remain high. In NW Natural territory, incentive spending is lower than predicted due to an incentive cap applied to a large major renovation project. In Cascade Natural Gas, incentive spending is slightly behind savings due to one project that will receive funding through the Oregon Department of Energy instead of an incentive from Energy Trust, and another project that was very cost-effective.
- **Incentive spending will increase in Q4, but will not realign with budget in 2013.**

4. Production Efficiency Q3 2013 savings and expenditures

	Q3 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	1.6 aMW	3.7 aMW	13.8 aMW	26.6%	16.3 aMW	22.6%
Gas	164,504 annual therms	583,105 annual therms	971,159 annual therms	60.0%	1,142,540 annual therms	51.0%

	Q3 Expenditures	Variance from Q3 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 4,733,186	\$ 879,725	15.7%	\$ 13,117,283	\$ 2,743,551	17.3%
Gas	\$ 362,285	\$ 294,445	44.8%	\$ 1,644,236	\$ 221,860	11.9%
Total	\$ 5,095,471	\$ 1,174,170	18.7%	\$ 14,761,519	\$ 2,965,411	16.7%

5. Existing Homes Q3 2013 savings and expenditures

	Q3 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.6 aMW	1.7 aMW	5.2 aMW	31.9%	6.2 aMW	27.1%
Gas	134,772 annual therms	412,050 annual therms	1,073,250 annual therms	38.4%	1,262,647 annual therms	32.6%

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

	Q3 Expenditures	Variance from Q3 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 3,043,211	\$ 1,559,595	33.9%	\$ 8,502,708	\$ 2,613,170	23.5%
Gas	\$ 1,993,927	\$ 840,265	29.6%	\$ 5,467,377	\$ 2,222,950	28.9%
Total	\$ 5,037,138	\$ 2,399,860	32.3%	\$ 13,970,085	\$ 4,836,121	25.7%

- **Existing Homes gas spending was lower than expected** because gas water heating and weatherization measures underperformed compared to historical achievements. In Cascade Natural Gas territory, a large custom weatherization project comprising approximately 30 percent of the incentive budget was delayed and will not occur in 2013. More projects than expected did not qualify for incentives due to changes that made insulation measure thresholds (existing condition R-Values) more stringent.
- **Existing Homes electric spending was lower than expected** because the program installed fewer heat pumps, ductless heat pumps and heat pump water heaters than expected. Incentive spending is expected to increase in Q4, and spending is expected to be approximately 10 percent below budget for the year.

6. New Homes and Products Q3 2013 savings and expenditures

	Q3 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	YTD	Goal	YTD
Electric	1.4 aMW	3.8 aMW	5.7 aMW	67.3%	6.7 aMW	57.2%
Gas	233,025 annual therms	590,630 annual therms	748,330 annual therms	78.9%	880,388 annual therms	67.1%

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

	Q3 Expenditures	Variance from Q3 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 3,530,099	\$ 614,596	14.8%	\$ 9,629,725	\$ 2,960,952	23.5%
Gas	\$ 987,199	\$ 113,664	10.3%	\$ 2,969,988	\$ 278,737	8.6%
Total	\$ 4,517,298	\$ 728,261	13.9%	\$ 12,599,713	\$ 3,239,690	20.5%

7. Northwest Energy Efficiency Alliance Q3 2013 savings and expenditures

	Q3 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	1.30 aMW	2.40 aMW	4.68 aMW	51.3%	5.51 aMW	43.6%

	Q3 Expenditures	Variance from Q3 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 2,220,519	\$ 331,626	13.0%	\$ 6,471,873	\$ 160,488	2.4%

C. Renewable energy programs¹⁰

1. Total renewable energy Q3 2013 generation and expenditures

	Q3 Generation	YTD Generation	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.19 aMW	1.11 aMW	4.01 aMW	27.7%	4.43 aMW	25.1%

	Q3 Expenditures	Variance from Q3 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 1,939,535	\$ 2,876,216	59.7%	\$ 4,950,260	\$ 5,553,024	52.9%

¹⁰Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

2. Biopower Q3 2013 generation and expenditures

	Q3 Generation	YTD Generation	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.00 aMW	0.69 aMW	2.32 aMW	29.7%	2.32 aMW	29.7%

	Q3 Expenditures	Variance from Q3 Budget	YTD Expenditures	Variance from YTD Budget		
Electric	\$ 352,831	\$ 567,584	61.7%	\$ 861,786	\$ 937,253	52.1%

- **Completion of two biopower projects was delayed until 2014** due to permitting issues and changing market fundamentals. Both projects were budgeted to receive first incentive payments of \$250,000 in Q3.

3. Solar Electric Q3 2013 generation and expenditures

	Q3 Generation	YTD Generation	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.19 aMW	0.42 aMW	0.73 aMW	57.7%	1.12 aMW	37.6%

	Q3 Expenditures	Variance from Q3 Budget	YTD Expenditures	Variance from YTD Budget		
Electric	\$ 1,338,702	\$ 540,451	28.8%	\$ 3,381,964	\$ 2,644,411	43.9%

- **Solar Electric spending was less than budgeted** because the year began with a diminished project pipeline and low reservations due to poor market conditions and incentive reductions in 2012. The pipeline doubled since the start of the year and continues to grow. Because solar projects take time to develop—an average of 90 days for residential and 180 days for commercial—many new reservations and installations will complete in 2014.

4. Other renewable energy Q3 2013 generation and expenditures

	Q3 Generation	YTD Generation	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.000 aMW	0.003 aMW	0.96 aMW	0.3%	0.99 aMW	0.3%

	Q3 Expenditures	Variance from Q3 Budget	YTD Expenditures	Variance from YTD Budget		
Electric	\$ 248,003	\$ 1,768,182	87.7%	\$ 706,510	\$ 1,971,360	73.6%

- **A geothermal project expected to complete in July** and receive \$1.55 million in incentives was pushed back to spring 2014, due to delays in awarding a construction contract and interconnection work.

D. Highlights of internal operations

1. Communications, Customer Service and Trade Ally Network

- **Received 6,627 calls to the main hotline in Q3**, compared to 7,499 in Q3 2012. Residential inquiries continued to dominate calls to the Energy Trust hotline. 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 329 inquiries via info@energytrust.org in Q3**, compared to 317 in Q3 2012. The most common requests were for information on residential cash incentives and solar.
- **Received three customer complaints in Q3 that were escalated.** All complaints have been resolved.
- **Received 147,936 website visits in Q3**, compared to 118,442 in Q3 2012. Much of the increase is attributable to refrigerator recycling campaign activity and the launch of the 2012 online annual report—a first for Energy Trust. Besides the increase in refrigerator recycling traffic, overall visits remained steady for the residential audience while commercial and multifamily saw a slight increase in visits compared to the same period in 2012.
- **Provided media outreach and responses to reporter inquiries**, resulting in 85 news stories about Energy Trust in print and broadcast with a media value of \$30,000—what it would have cost to purchase the equivalent advertising space and air time.
- **Completed five press releases** in Q3, featuring energy-saving showerheads, residential solar water heating, an energy-efficient addition at Bay Area Hospital in Coos Bay, Energy Trust's 2012 public annual report and lighting upgrades at Willamette University's Hallie Ford Museum of Art in Salem.
- **Maintained collaborations with Cascade Natural Gas district staff** through Energy Trust Eastern Oregon outreach manager, and provided outreach tools and training for district staff to facilitate referrals to Energy Trust.
- **Met with 100 trade allies at roundtables in Portland, Medford, Bend and Baker City.** Discussions included program updates, information on lending ally resources, a speaker from the NW Ductless Heat Pump Project and an update on the Smart Water Heat project. Provided quality management training for select Existing Homes trade allies in Portland and Baker City. Hosted planning sessions with program trade ally teams to continue to improve content of future roundtables.
- **Held initial intake sessions for a project to enhance trade ally experience.** Met with trade ally staff for all Energy Trust programs to determine common strengths and opportunities to improve trade ally services. Held seven intake sessions with program, Program Management Contractor and Program Delivery Contractor representatives who work closely with trade allies.
- **Provided opportunities for trade allies to connect with lending allies.** New commercial lender ally TIP Capital spoke at a commercial roundtable and staff provided the ally's information and materials at Medford and Bend roundtables.
- **Finalized residential lending ally initiative plans with Existing Homes**, including an initiative to connect lending allies with trade ally contractors through trainings, networking sessions and lending allies attending trade ally roundtables.

- **Launched an improved template for incentive application forms**, which included consolidating six forms into the new template and archiving five forms.
- **Approved prototype direct marketing efforts for Q4 development** to reach targeted residential and commercial customers. The prototypes will help staff identify system changes and new business processes to target customers and track results using the Customer Relationship Management system, utility data and “do not contact” preferences.

2. IT

- **Processed 17,527 customer requests for Energy Trust services and products**, including 9,559 submitted through web applications.
- **In Q3, continued investment in foundational improvements to IT systems** to accommodate future program needs and reduce future costs of integrating functionality, including:
 - **Began first stage of project to replace or improve FastTrack**—Energy Trust’s current measure and project tracking system—with a more flexible and efficient tool. The first stage of the project, which will conclude in Q4, includes analysis, assessment and determination to replace or improve FastTrack.
 - **Expanded integration of Customer Relationship Management system**—Energy Trust’s system to track current, past and potential customers—with other IT systems to provide a more robust view of participant engagement.
 - **Improved Energy Trust’s capacity to integrate its IT systems** with PMC systems to facilitate efficient performance and collaboration.
 - **Launched a major release of Business Intelligence**—Energy Trust’s reporting platform—enabling staff to track projects by utility territory, track budget to actual expenditures and develop iterative versions of budgets.
- **To fulfill data sharing requirements in collaboration with PGE**, Pacific Power, NW Natural and Cascade Natural Gas, integrated “do not contact” web form with Energy Trust’s CRM system to facilitate removal of customers who requested not to be contacted from future direct marketing efforts.
- **To ensure the security of utility data, conducted sensitive data training** for all Energy Trust staff and utility data training for Energy Trust and PMC staff.
- **Created a new web form to support distribution of Energy Saver Kits in schools**. The web form design can be repurposed for future initiatives.
- **Launched updates to the Existing Homes web form**, including the addition of Home Performance projects.

3. Planning and Evaluation

- **Created 61 new energy-efficiency measures and revised 78 measures.**
- **Completed 2013 True Up of savings reflected in 2012 and in prior years.**
- **Began development of a new 20-year efficiency resource assessment study** and modeling tool.
- **Supported Energy Trust’s board Strategic Planning Committee** in scoping and defining process and outreach plans for the development of the 2015-2019 Strategic Plan.
- **Presented on emerging energy-efficient technologies in utility planning** at the American Council for an Energy-Efficient Economy “Efficiency as a Resource” conference.

Appendix 1: GEOGRAPHIC DISTRIBUTION OF SITES SERVED; CUSTOMER SATISFACTION

1. Energy Trust sites served by region

Region	Commercial sites served	Industrial sites served	Residential sites served	Total sites served
Central Oregon	55	13	690	758
Eastern Oregon	16	18	155	189
Metro/Hood River	857	113	8,073	9,043
North Coast	31	4	276	311
Southern Oregon	86	24	1,969	2,079
Willamette Valley	222	80	2,551	2,853
Total	1,267	252	13,714	15,233

2. Customer satisfaction

From the end of June 2013 through the end of September 2013, Energy Trust delivered a short telephone survey to 1,520 randomly selected participants in five programs who completed projects between January and June 2013. Below are results from surveys of these customers. Satisfaction was not included in the Q2 2013 report due to a transition to a new research contractor, which delayed surveying.

The survey asked participants about overall satisfaction with Energy Trust. Satisfaction rates for Q1 and Q2 remained consistent with past quarters. Participants in the Existing Buildings, Solar Electric and Production Efficiency programs were also asked about satisfaction with program representatives.¹¹

Q1 2013 Results

Program	Respondent Count	Percent Satisfied Overall	Percent Satisfied with Program Representative
Existing Buildings, including multifamily	54	93%	89%
Production Efficiency	43	95%	97%
New Homes and Products ¹²	214	93%	N/A
Existing Homes	362	87%	N/A
Solar	32	100%	N/A ¹³

Q2 2013 Results

Program	Respondent Count	Percent Satisfied Overall	Percent Satisfied with Program Representative
Existing Buildings, including multifamily	62	90%	93%
Production Efficiency	42	95%	95%
New Homes and Products ¹²	207	93%	N/A
Existing Homes	467	85%	N/A
Solar	37	97%	N/A ¹⁴

New Buildings projects often involve numerous market actors (architect, engineer, developer, owner and more) at different project stages, so it is difficult to reach a project representative who is able to respond to questions about satisfaction. As of Q2 2012, New Buildings participant satisfaction is obtained through annual program process evaluations. In the 2012 process evaluation, 14 project owners surveyed indicated both overall satisfaction and satisfaction with program representatives to be 100 percent.

¹¹Since 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.

¹²Only Home Products customers were surveyed. Energy Trust does not track purchasers of new homes.

¹³Only commercial solar participants are surveyed about satisfaction with program representatives. In Q1 2013, no commercial solar respondents were surveyed due to a small number of commercial solar projects completed.

¹⁴Only commercial solar participants are surveyed about satisfaction with program representatives. In Q2 2013, one commercial solar respondent was surveyed due to a small number of commercial solar projects completed. The customer reported that this question was not applicable.

Appendix 2: OPUC 2013 PERFORMANCE MEASURES AND 2012 BENEFIT/COST RATIOS

1. OPUC 2013 Performance Measures

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	<ul style="list-style-type: none"> • Obtain at least 47 aMW in 2013 • Levelized cost not to exceed 3.9 cents/kWh
Natural Gas Efficiency	<ul style="list-style-type: none"> • Obtain at least 4.6 million annual therms in 2013 • Levelized cost not to exceed 57 cents/therm
Renewable Energy	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Receive an unqualified financial opinion from an independent auditor on annual financial statements
Administrative/Program Support Costs	<ul style="list-style-type: none"> • Keep below 9 percent of annual revenues
Customer Satisfaction	<ul style="list-style-type: none"> • Demonstrate greater than 85 percent satisfaction rates for: <ul style="list-style-type: none"> - Interaction with program representatives - Overall satisfaction
Benefit/Cost Ratios	<ul style="list-style-type: none"> • Report both utility system and societal perspective • Report significant mid-year changes as necessary in quarterly reports

2. Benefit/Cost ratios for 2012¹⁵

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. OPUC also requires Energy Trust to report significant mid-year changes in quarterly reports. No significant changes were reported mid-year 2013.

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

¹⁵By 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: CUMULATIVE AND TOTAL ANNUAL RESULTS

- **Including Q3 2013 results, total annual savings of 397 aMW** have been realized since electric efficiency programs began in 2002, accounting for 83 percent of Energy Trust's 2014 goal of 479 aMW. This is equivalent to the annual electric consumption of approximately 307,639 average Oregon homes. This total includes 21 aMW of savings from self-direct customers.
- **Including Q3 2013 results, total annual savings of 30.0 million annual therms** have been realized since gas efficiency programs began in 2003, accounting for 86 percent of the 2014 goal of 34.7 million annual therms. This is equivalent to providing gas heat to approximately 59,090 homes.
- **Including Q3 2013 results, total annual renewable energy generation of 111 aMW** has been installed since 2002, accounting for 89 percent of the 2014 goal of 124 aMW of installed generation. This is equivalent to powering approximately 85,737 average Oregon homes.

Appendix 4: Q3 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. Portland General Electric SB 838 Energy Efficiency Activities and Results Q3 2013

PGE Commercial and Residential SB838 Efforts

Introduction

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

PGE marketing and outreach plans are created based on market conditions, Energy Trust program goals and projected results. PGE focuses on promoting Energy Trust programs to customers based on potential for its customers to participate in the programs and when PGE is an appropriate and effective communication channel. 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 programs. All activity is designed to also increase general awareness of Energy Trust programs. Specific promotions are often developed based on lessons learned from the outcome of previous promotions. Promotions 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.

PGE also uses its existing residential and commercial newsletters to enhance SB838 activities without directly utilizing SB838 funds.

Q3 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 August, water saving showerheads were covered in *Update* and *Home Connection*.

A windows promotion began in July which offers contractor discounts for Energy Trust qualifying windows. The windows offer was covered in *Update* and *Home Connection*. An email was sent to 65,000 customers for the promotion. The promotion ends on December 31, 2013.

Awareness is a key metric for SB838 activity and is measured by impressions.

Impressions	Q1 Impressions	Q2 Impressions	Q3 Impressions	YTD Impressions	2013 Goal	Channels
Residential	2.6 million	3.94 million	3 million	9.54 million	7 million	Newsletters, bill inserts, email and direct mail

Customers call PGE for help with energy usage and we send them to the Energy Trust when appropriate.

PGE Call Center Activity	Q1 Call transfers to ETO	Q2 Call transfers to ETO	Q3 Call transfers to ETO	YTD Call center activity
Transfers to Appliance Program (PECI)	23	23	28	74
Transfers to Fluid Market Strategies	93	46	77	216
Customers calling about OPOWER	114	83	77	274

2013 Energy Trust Residential Program Participation*

	Q1	Q2	Q3	YTD
PGE customers who received Energy Saver Kits from ETO	1,660	1,073	761	3,494
PGE customers who participated in ETO Refrigerator Recycling Program	1,698	2,519	3,119	7,336
PGE customers who received ETO water heater incentive	43	132	178	353
PGE customers who have received heat pump water heater incentive	5	31	26	62
PGE customers who have participated in Savings Within Reach	22	60	27	109
CFLs distributed at PGE community offices (SB838 funds not used)	5,000	5,520	14,984	25,504

Showerheads distributed at PGE community offices (SB838 funds not used)	0	3,995	0	3,995
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*Energy Trust provided information on YTD participation among PGE customers. Weatherization measures are among electrically-heated homes.

Heat Pump Quality Assurance and Vendor Management

- Q3 had a significant increase in the quantity of heat pump installations by PGE-Approved Heat Pump Contractors. One contractor alone had over 154 installations in September. Many of the contractors report that Q3 had been the busiest they have had in years.
- PGE's quality assurance inspections revealed installations on one multi-tenant project that had several corrective actions needed, primarily due to improper thermostats being installed that lacked auxiliary heat lockout ability and/or manual auxiliary heat lockout outdoor thermostats were not installed.
- There has been an increase in the quantity of ductless heat pumps being installed in attached housing including condos and apartments. Several PGE Approved Contractors have been successful in working with the governing HOAs and are able to influence this traditionally difficult market.

Key Objectives	Q1 Activity	Q2 Activity	Q3 Activity	YTD Activity	2013 Goal
Heat pump installations as reported by PGE approved Contractors	315*	354*	616	1,285	2,000 (Energy Trust goal)
Inspections of heat pump installations	75**	149**	92	316	500 (based on 25% of Energy Trust goal)
Failed installations	12**	7**	2	21	Track

*Numbers revised to reflect installation documentation received date rather than installation date

**Numbers revised to reflect actual quarterly activity

Q3 Commercial Activity Summary

PGE utilizes its business newsletters 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. Success is measured in part by number of impressions, a proxy for awareness.

Activity	Channels	Q1 Impressions	Q2 Impressions	Q3 Impressions	YTD Impressions	2013 Goal
Commercial	Newsletters, direct mail and email	231,042	285,555	294,500	811,097	900,000

In July, PGE launched an “In Your Neighborhood” campaign including a direct mail to 19,500 customers. The campaign highlighted LED benefits for business customers as well as offering free in-person consultations from the PGE outreach team while the specialists are in the business’ neighborhood. Articles about LEDs and ETO incentives for businesses also appeared in *Business Connection* and *Energize*.

PGE’s key marketing metric is customer requests for energy efficiency consultations. Consultations lead to qualified leads to the Energy Trust.

Commercial Energy Efficiency Requests for Consultations:

Q1	Q2	Q3	YTD	2013 Goal
152	280	523	955	800

SB838 Commercial Energy Efficiency Outreach

PGE Outreach Specialists engage and facilitate customer participation in Energy Trust programs. The primary results are qualified leads to the Energy Trust. Another important metric is increased awareness of Energy Trust programs. 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 Contact Center and transferred to Outreach Specialists
- 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	Q1 Results	Q2 Results	Q3 Results	YTD Results	2013 Goals
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Increased participation-qualified leads delivered to Energy Trust	119	96	106	321	540
Increased awareness of Energy Trust programs- number of customers contacted by <ul style="list-style-type: none"> • Phone • Email • On-site Consultations • Outreach Presentations • Summer Hire Canvassers 	500	572	5,249	6,321	6,000
Increased awareness of Energy Trust programs - outreach presentations and networking	13	8	17	38	40

Q3 Outreach Presentations, Networking, Trade Associations and Events

These activities elevate Energy Trust program awareness and engage customers in identifying potential energy saving opportunities.

T&E Seminar: Energy & Water Trends
Beaverton Chamber of Commerce
ORLA - Golf Tournament - Langdon Farms
North Clackamas Business Assoc.
Wilsonville Chamber Greeters
Sherwood Chamber
Hillsboro Chamber of Commerce
Wilsonville Chamber
PGE T&E EV Seminar
PGE T&E Strategic Energy Management Seminar
T&E Human Centric Lighting Workshop
Training & Education - Exterior Lighting / Stan Walerczyk
Training & Education - Exterior Lighting / Stan Walerczyk
Spanish Speaking Sustainability Event

2. Pacific Power SB 838 Energy Efficiency Activities and Results Q3 2013

Pacific Power utilized several approaches to support and deliver energy efficiency communications, advertising and outreach to residential and small- and mid-size commercial customers.¹⁶

In the media

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

- **Q1**
 - “Motel”
 - “Little Hero”
 - “Porch Light”
 - “Small Changes”
 - “Sweet Savings”
- **Q2**
 - “Contractor-ETO” / Energy Trust
 - “Cookies” / Energy Trust
 - “Motel” / Energy Trust
 - “Little Hero” / Energy Trust
 - “Porch Light” / Energy Trust
 - “Remodel your energy bill” /Energy Trust
 - “Small Changes”
- **Q3**
 - “Contractor” / Energy Trust
 - “Cookies” / Energy Trust
 - “Motel” / Energy Trust
 - “Little Hero” / Energy Trust
 - “Porch Light” / Energy Trust
 - “Small Changes” / Energy Trust

Radio – Bend, Eugene and Medford DMAs

- **Q1**
 - “Jess Conserve Energy Answers”
 - “Teamwork” / Energy Trust, Trailblazers
 - “Phil Answers – Energy Efficiency”
 - “Lori Answers – Energy Efficiency”
- **Q2**
 - “ETO Home Energy Review” / Energy Trust
- **Q3**
 - “Home review song” / Energy Trust
 - “Upgrade song” / Energy Trust

¹⁶ Some activities are funded outside of SB 838 funds.

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
- **Q2**
 - “Home Energy Review” ad / Energy Trust
 - “City of Bend energy efficiency project” / Energy Trust
 - “Corvallis Knights Baseball” ad
 - “Tadena Kiwanis Track Meet” ad
 - “Deschutes Library energy efficiency project” ad / Energy Trust
 - “Boys & Girls Club of Greater Santiam”
 - “Boys & Girls Club of Albany”
 - “Upper Rogue Independent Destination magazine” ad
- **Q3**
 - “Oregon Jamboree” ad
 - “Ross Ragland Theater” ad
 - “Polk County Festival” ad
 - “Outlet housing/lighting” ad / Energy Trust
 - “City of Bend” / Energy Trust
 - “Historic Preservation & Energy Efficiency” ad
 - “Lebanon Chamber directory” ad

Outdoor

- **Q1**
- **Q2**
 - “Outlet House Poster”
 - “Outlet House Bulletin”
- **Q3**

In customer bills

Voices residential newsletter

- **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
- **Q2**
 - Respect goes a long way / Energy Trust
 - Free Energy Saver Kit / Energy Trust
- **Q3**

- Stay cool with an extra \$140 per year / Energy Trust
- Be a smart homebuyer / Energy Trust
- Weatherize and save / Energy Trust
- One cool move gets you \$40 / 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 / Energy Trust
- **Q2**
 - “**wattsup**” / Energy Trust
- **Q3**
 - “Now you can bathe in the sun’s warmth ” / Energy Trust
 - “Warm up to savings this fall” / Energy Trust

Outbound Envelope

- **Q1**
- **Q2**
 - “Be **wattsmart** – save energy and money”
- **Q3**

In the mail

Direct mail

- **Q1**
- **Q2**
 - Clean Energy Works Oregon letters
 - Central Oregon, Southern Oregon, Portland, Marion & Polk Counties
 - Be **wattsmart** Workshop invitations / Energy Trust
 - Bend & Redmond, Dallas, Grants Pass & Medford, Klamath Falls, Stayton
- **Q3**
 - Personal Energy Reports
 - Personal Energy Report welcome insert
 - Lighten up with LEDs invitations
 - Bend, Redmond, Grants Pass, Medford

On the web

Voices residential e-newsletter

- **Q1**
 - 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

- **Q2**
 - Ready, set, save this summer / Energy Trust
 - Respect goes a long way
 - Fill a fridge by recycling yours / Energy Trust
- **Q3**
 - Cool ways to beat the heat / Energy Trust
 - Be a smart homebuyer / Energy Trust

Energy Connections mid-size business e-newsletter

- **Q1**
 - Energy-Saving Resolutions for 2013
 - The Impact of Federal Lighting Legislation on Your Facility
 - Conducting Your Own Energy Audit
 - LEDs Add Shine to Auto Dealership / Energy Trust
 - Advanced Power Strips: A Smarter Way to Save
 - Spring Clean Your Facility
- **Q2**
 - Ask an Expert: Improving HVAC System Performance
 - Save Now: Eight **watts**smart Ways to Reduce Energy Use
 - Five Steps to Saving Energy this Summer
 - Learn the ABCs of LEDs
 - City Lights Up Big Savings / Energy Trust
 - Lighting Retrofits: Comparing T8 and T5 Fluorescent Lamps
 - Heats Up on Cooling System Upgrades
- **Q3**
 - Lower Your Cooling Costs: Five Effective Strategies
 - Preventive Maintenance Checklist for Air Conditioning Systems
 - Stay Cool and Save at Home This Summer
 - Circulating Fans Save Energy
 - ENERGY STAR: Resources for Your Business
 - The Latest in Lighting Technologies and Trends
 - Be **Watts**smart with Building Maintenance
 - Medical Lab Puts Energy Use to the Test

Energy Update managed accounts and opinion leaders e-newsletter

- **Q1**
 - The Impact of Federal Lighting Legislation on Your Facility
 - Minimizing Heat Loss: Warehouse Facilities
 - Controlling Energy Costs in Manufacturing Facilities
 - Advanced Power Strips: A Smarter Way to Save
 - Powerful Data for Managing Energy Use
 - Spring Clean Your Facility
 - Ask an Expert: Trends in Lighting Controls
- **Q2**
 - Ask an Expert: Improving HVAC System Performance
 - Benchmarking Helps Save Energy, Study Shows

- Stay Cool with HVAC Economizers
- Learn the ABCs of LEDs
- Stepping Up to the Plate: Baseball Clubs Go Green
- Lighting Retrofits: Comparing T8 and T5 Fluorescent Lamps
- **Q3**
 - Energy Management Systems: Putting You in Control
 - HVAC Systems: Saving Energy at the Zone Level
 - Go With the Flow: Circulating Fans Save Energy
 - The Latest in Lighting Technologies and Trends
 - HVAC Upgrades: Be Sure Your System Measures Up
 - Wireless Technology Improves the Efficiency of Pneumatic Thermostats

Energy Insights large C&I / communities newsletter

- **Q1**
 - Electricity: What's ahead for customers
 - Cabinet maker cuts energy waste / Energy Trust
- **Q2**
 - Balancing energy needs with the environment
 - Energy efficiency powers Oregon sawmill
- **Q3**
 - Harry & David order up savings / Energy Trust
 - Save on cooling system upgrades / Energy Trust

Direct email

- **Q1**
- **Q2**
 - Be **wattsmart** Workshop invitations
 - Bend, Redmond, Dallas, Grants Pass & Medford, Klamath Falls, Stayton
- **Q3**
 - Lighten up with LEDs invitations
 - Bend, Redmond, Grants Pass, Medford, Pendleton, Albany, Corvallis

Online Media

- **Q1**
- **Q2**
 - "Home Energy Review" / Energy Trust
 - "ETO Block" / Energy Trust
- **Q3**
 - "ETO Block/outlet house" / Energy Trust
 - "Energy Savers Kit / Energy Trust
 - "Home Energy Review" / Energy Trust

Websites / Social Media (continuous energy efficiency and Energy Trust content)

- pacificpower.net/wattsmart
- bewattsmart.com
- Pacific Power wattsmart Facebook page

- Twitter

Support materials

Fact Sheets, Flyers, Brochures and More

- Q1
- Q2
 - “Oregon Conservation Report” / Energy Trust
 - “Summer **wattsmart** handout” / Energy Trust
- Q3
 - “Summer **wattsmart** handout” / Energy Trust

Outreach

Chambers of Commerce, Business and Community outreach: Q1 – Q3

Pacific Power continues to host and participate in 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 and event participation occurred in Bend, Coos Bay (2), Corvallis (2), Cottage Grove (2), Grants Pass (2), Independence, Junction City, Lebanon (2), McMinnville, Medford (5), Pendleton (2), Portland (3), Redmond (2), Roseburg, Seaside, Sprague River, Stayton, Wallowa, Warrenton (2), and Wolf Creek, 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:

- An 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.

Be **wattsmart** Workshops: Q1 – Q3

Pacific Power produced and delivered another successful round of Be **wattsmart** Workshops. The workshops were targeted to Clean Energy Works Oregon eligible homeowners to educate them on how to manage energy use and improve energy efficiency. Additional residential customer outreach was performed throughout Oregon through local events. Locations included Albany, Bend, Dallas, Grants Pass, Klamath Falls (2), Medford, Portland (2), Redmond, and Stayton, Oregon. Sessions were presented by Pacific Power.

Mass Media¹⁷

¹⁷ SB 838 funded mass media only

	2013 – Impressions (Q1-Q3)
TV	11,386,000
Radio	1,176,000
Print	566,340
Outdoor	5,851,466
Digital	3,436,214
TOTAL	22,416,020

Outreach

Locations	Chambers of Commerce, business / community groups / conferences (2013)	Be <i>watt</i> smart / HEIQ / other residential (2013)	TOTAL (Q1-Q3)
Albany		450	450
Bend	10	39	49
Coos Bay	60		60
Corvallis	850		850
Cottage Grove	320		320
Dallas		36	36
Grants Pass	95	85	180
Independence	30		30
Junction City	30		30
Klamath Falls		650	650
Lebanon	50	1,000	1,050
McMinnville	30		30
Medford	128	85	213
Pendleton	180		180
Portland	383	4,500	4,883
Redmond	308	39	347
Roseburg	25		25
Seaside	35		35
Sprague River	30		30
Stayton	317	25	342
Wallowa	15		15
Warrenton	100		100
Wolf Creek	17		17
TOTAL	3,013	6,909	9,922

“Warm Leads” / Customer Response

	2013 (Q1-Q3)
“Warm Leads” provided to ETO	439
Consultations	894

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

Appendix 5: NEEA QUARTERLY PERFORMANCE REPORT FOR ENERGY TRUST OF OREGON

Third Quarter 2013

OVERVIEW

The Northwest Energy Efficiency Alliance (NEEA) is a non-profit organization working to accelerate energy efficiency to meet the future energy needs of the Northwest. NEEA is supported by, and works in collaboration with Energy Trust of Oregon, the Bonneville Power Administration and more than 100 Northwest utilities on behalf of 13 million energy consumers.

Energy Trust of Oregon (Energy Trust) is one of NEEA's largest funders and expects to invest slightly more than \$38 million to support NEEA from 2010-2014. This report provides a summary of NEEA's third quarter 2013 activities that delivered value to Energy Trust and its utility partners.

FILLING THE ENERGY EFFICIENCY 'PIPELINE' FOR ENERGY TRUST

NEEA's top focus, as prioritized by its stakeholders, is to scan the market for energy efficiency opportunities and drive the acceptance and availability of promising new technologies and practices. In partnership with its funders, NEEA is now actively investigating 15 emerging energy-efficient technologies that will have broad benefit for Energy Trust and its consumers.

By conducting upfront testing and field studies, and providing stringent product specifications, NEEA helps manufacturers transition their products into the market, while coordinating with utilities to support adoption of these energy-efficient opportunities.

Third Quarter Emerging Technologies and Market Strategies Highlights

- Investigated one unsolicited proposal to develop a standard internet protocol for building equipment to communicate its power status, energy use and other pertinent data. The equipment's energy use could be utilized in a number of ways to save energy across residential, commercial and industrial sectors, offering significant savings to Energy Trust and the region.
- Conducted an independent performance test of manufacturer Rheem's new Tier 1 heat pump water heater to ensure compliance with the Northern Climate Specification. On behalf of Energy Trust, NEEA works directly with manufacturers to conduct product testing and verify the performance of emerging energy-efficient technologies. Rheem's exclusive agreement with The Home Depot means that Tier 1 HPWHs will be available for the first time to Energy Trust consumers through this large market channel.
- Provided field data and worked with a manufacturer to develop a test-methodology for the first dual-purpose (space and water heating) ductless heat pump. This product was originally developed at NEEA's request on behalf of Northwest consumers. Early test results indicate that the product is not yet ready for market introduction and NEEA is working with the manufacturer to improve performance. By speaking with a unified voice on behalf of the region, NEEA is able to influence manufacturers to develop products specifically for Energy Trust's consumers.

ACCELERATING MARKET ADOPTION FOR ENERGY TRUST

NEEA intervenes to remove barriers to market adoption of energy-efficient products, services and practices. In partnership with Energy Trust and its other funders, NEEA designs and executes strategic market interventions to create lasting change and deliver long-term savings to the region.

NEEA currently has 18 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.

Third Quarter Residential Sector Highlights

- Increased market capacity for new residential construction and prepared market for advanced energy codes by providing technical training and support for market actors serving Energy Trust territory.
 - Delivered a variety of training opportunities in Energy Trust territory to strengthen market actor's ability to build, sell, appraise and verify energy-efficient new construction homes. Approximately 140 builders, contractors and verifiers in Energy Trust territory participated in webinar trainings, which included: ventilation commissioning training, realtor and appraiser trainings and HVAC design.
 - Collaborated with Energy Trust New Homes and Architectural Energy Corporation on behalf of the region to develop a Northwest version of their REM/Rate new home modeling software. The software, which analyzes residential energy use, will provide greater flexibility to Northwest builders to become Northwest ENERGY STAR Homes (NWESH) compliant and support NEEA's transition of the NWESH program to the market.

As a result of these and other market transformation activities, 252 homes have been certified as Northwest ENERGY STAR Homes in Energy Trust territory since the beginning of 2013.

- Built market capacity and raised awareness about heat pump water heaters (HPWH) in Energy Trust territory by delivering 17 Smart Water Heat orientations to contractors; performing 117 retail and wholesale support visits to educate sales associates; and, providing 104 Smart Water Heat consumer rebates (numbers year-to-date).
- Leveraged NEEA's relationships with regional DHP installers, distributors and national manufacturers to execute a lead generation program in the Corvallis/Albany area with Energy Trust, Consumers Power Inc., The Resource Innovation Group and The Heat Pump Store (THPS). The program developed and facilitated the delivery of approximately 11,000 direct mail pieces, 400 flyers and 650 door hangers to build consumer awareness, generate demand and provide quality leads. As a result of these activities, THPS reports a total of 73 leads and 36 sales - a 49% conversion rate.

Third Quarter Commercial/Industrial Highlights

- Continued partnership with Energy Trust, the City of Portland, and Clark Public Utilities to implement the 2013 Kilowatt Crackdown competition. Building energy competitions serve to build market knowledge of energy management best-practices in the commercial real estate market. NEEA is coordinating with Energy Trust representatives to attend meetings with property teams and refer qualified participants to Energy Trust's commercial Strategic Energy Management program.
- Continued analysis work for an Existing Building Renewal demonstration project in Energy Trust territory. The demonstration project will establish approaches and tools to support implementation of deep energy retrofit projects in commercial buildings 20,000 square feet or greater. The tools are designed to overcome market barriers associated with deep energy retrofits by providing building owners and investors in Energy Trust territory with a comprehensive business case for deep energy retrofits.
- Initiated development of an e-learning platform for commercial lighting trade allies, and continued support for the Northwest Trade Ally website. These activities provide commercial lighting market actors with the tools and knowledge necessary to further integrate efficient lighting solutions into their own business models, and increase adoption and use of Energy Trust lighting programs.

- Collected regional commercial lighting sales data from 12 Northwest electrical distributors (representing 40 percent of the market). Building relationships with leading electrical distributors is an important market transformation strategy, and key to the development of NEEA's upstream lighting platform. BPA's analyses of the sales data revealed new opportunities to shift sales practices in the lamp maintenance market, which is the target market of NEEA's first commercial lighting initiative under the upstream platform.
- Registered 20 building operators in Building Operator Certification (BOC) courses in Energy Trust territory and conducted two BOC continuing education technical webinars serving 205 operators. NEEA's BOC Expansion initiative provides skill enhancement training to improve building energy performance through operation and maintenance best-practices for HVAC, lighting, and controls systems.
- Delivered energy efficiency training to 25 industrial end-users in Energy Trust territory. Trainings include: Energy Efficiency of Cooling Towers, Pumping System Optimization and Developing an Energy Plan and Energy Management Opportunities for Industrial Customers.

Third Quarter Codes and Standards Highlights

- Collaborated with Energy Trust and the Oregon Homebuilders Association (OHBA) to continue to craft a joint proposal for the 2014 residential energy code. A joint vision will increase predictability over the next 10-15 years as to how the residential market will move over this period and help NEEA and Energy Trust ensure future energy savings.
- Participated in the creation and adoption of a new commercial energy code in Oregon, expected to go into effect April, 2014. Substantial savings will result from increased lighting and equipment requirements.
- Delivered codes training to 135 builders and contractors in Energy Trust territory to support compliance with commercial and residential energy codes.
- Participated heavily in US DOE standards rulemakings by providing data and technical expertise. NEEA provided critical data to the US DOE to influence the final rule for dryer test procedures. The final rule aligns closely with the comments NEEA provided and will more accurately reflect real-world energy use by dryers. NEEA also participated in negotiations for fans, a large energy use area previously unregulated by the DOE. This work will establish the product classes that will be regulated and the metrics to be used for ratings.

DELIVERING ON REGIONAL ADVANTAGE FOR ENERGY TRUST

NEEA is the only alliance of public and private electric utilities that represents the entire four-state region in the Northwest. The alliance presents a unified voice in the market, builds relationships with 'upstream' market actors, and mitigates risk to its funders.

Third Quarter Highlights

- Continued to increase the awareness and adoption of energy-efficient televisions by helping Northwest ratepayers and retail sales associates identify and understand the benefits of purchasing most efficient options. As of Q3, NEEA has conducted 715 store visits and 625 trainings in Energy Trust territory to raise awareness of most-efficient televisions among retail sales associates. As a result of these activities, 28 percent of televisions on display at participating retailers in Energy Trust territory currently qualify as most-efficient. By pooling resources, coordinating market interventions and negotiating as a region, Energy Trust, NEEA and its other partners have had a measurable impact on the television market, resulting in lasting energy savings for Energy Trust consumers.

- Conducted 398 commercial building assessments, surpassing third quarter goals by 10 percent. By pooling funds and resources, NEEA's Commercial Building Stock Assessment (CBSA), scheduled for release in 2014, will provide a robust database of commercial building energy-use characteristics that would be difficult for any one organization or utility to gather. CBSA findings will support Energy Trust's power planning, inform conservation targets and help identify conservation program opportunities.
- Published three independent market research and evaluation reports to validate and evaluate NEEA's market transformation work (<http://neea.org/resource-center>):
 - [Residential Building Stock Assessment- Multi-Family Characteristics and Energy Use](#)
 - [Ductless Heat Pump Impact & Process Evaluation- Billing Analysis Report](#)
 - [2012-2013 Northwest Residential Lighting Market Tracking Study](#)

For additional information, NEEA's [2013 Quarterly Performance Reports](#) and the [2012 Annual Report](#) are available online.

Please contact Lindsey Clark, Communications Coordinator at lclark@neea.org, with any questions or comments.

Appendix 6: Q3 2013 REPORT FOR NW NATURAL WASHINGTON ACTIVITIES

July 1 through September 30, 2013

This Energy Trust of Oregon quarterly report covers the period July 1, 2013, through September 30, 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, sites served and incentives paid during the quarter and year to date, along with highlights of program activities.

I. PROGRAM HIGHLIGHTS

A. General

- **Energy Trust saved 28,087 annual therms in Q3**—including 17,248 annual therms in Existing Buildings, 6,491 annual therms in Existing Homes and 4,347 annual therms in New Homes. In total, this represents a 43 percent improvement over Q3 2012.
- **Year to date, Energy Trust saved 89,660 annual therms**, approximately 41 percent of the 2013 conservative goal of 220,421 therms. By the end of 2013, Energy Trust expects to exceed conservative goal.

B. Commercial efficiency

Existing Buildings

- **Existing Buildings saved 17,248 therms in Q3**, with the majority of savings from foodservice equipment, boilers and advanced controls for HVAC systems.
- **Efficient fryer incentives performed well in Q3**, with seven installations. Commercial kitchen equipment remains a strong source of savings, and is an area of focus for outreach and marketing efforts in Q4 2013.
- **The program experienced continued increase in activity from the custom track**, which was redesigned in Q1 to allow for easier access to custom study funding. Program staff worked with clients who completed studies to facilitate installation of recommended measures. The program expects to close more than 50,000 therms from custom path projects in Q4, and is offering an end-of-year bonus to in-progress custom path projects by raising the incentive to \$1.50 per therm.
- **The program completed 12 rooftop HVAC unit tune-ups** in collaboration with Clark Public Utilities.
- **Existing Buildings offered a training webinar for trade ally contractors** on how to increase sales and profits through energy-efficiency improvements.

C. Residential efficiency

Existing Homes

- **Existing Homes saved 6,491 annual therms in Q3**. The savings were achieved primarily through heating equipment, weatherization and direct installation of energy-saving products.
- **Program staff promoted a seasonal fireplace bonus incentive** of \$75 per eligible unit available in Q4 to fireplace retailers, installers and distributors.
- **Program staff promoted seasonal insulation bonus incentives** of \$100 per eligible attic/ceiling, floor and/or wall insulation projects, which can be combined for up to a maximum \$300.

- **Program staff conducted outreach to homeowners through events**, including the Clark County Fair, at which 67 households signed up for Home Energy Reviews or Energy Saver Kits.
- **The program enrolled a new plumbing trade ally** for the Washington service territory.

New Homes

- **New Homes saved 4,347 annual therms in Q3**, primarily through retail showerheads and ENERGY STAR® Builder Option Packages.
- **Builder Option Package incentives were processed for 16 homes**. Program staff worked with builders to facilitate the submission of outstanding Builder Option Package applications in Q4.
- **The program increased new construction permitting in Clark County**, and 1,183 single-family new permits were issued through August.
- **In Q3, the program continued outreach to non-ENERGY STAR builders** and plumbing companies to promote tankless water heaters in new homes.

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 November 29, 2012).

Metrics	Goal	2013 Total YTD	Q1 Results	Q2 Results	Q3 Results	Q4 Results
Therms Saved	220,421 – 259,319	89,660	20,626	40,948	28,087	
Total Program Costs	\$1,430,092 – \$1,613,437	\$722,780	\$190,711	\$291,420	\$240,649	
Average Levelized Cost Per Measure	Less than \$0.65	\$0.649	\$0.826	\$0.573	\$0.648	
Dollars Spent Per Therm Saved	Less than \$6.50	\$8.06	\$9.25	\$7.12	\$8.57	
Total Resource Cost and Utility Costs at Portfolio Level	Greater than 1.0	n/a	Reported Annually	Reported Annually	Reported Annually	Reported Annually

- While year-to-date dollars spent per therm saved are above the performance thresholds set by the Washington Utilities and Transportation Commission, cost-effectiveness metrics will decline as projects close in Q4, when the majority of projects are historically completed. Additional information by program is provided in Section III.

II. QUARTERLY RESULTS

A. Expenditures¹⁸

		Actual Expenditures Q3	Budgeted Expenditures Q3	Variance
Commercial Programs	Existing Buildings	\$ 114,806	\$ 159,431	\$ 44,625
	Subtotal	\$ 114,806	\$ 159,431	\$ 44,625
Residential Programs	Existing Homes	\$ 78,452	\$ 90,842	\$ 12,390
	New Homes	\$ 38,403	\$ 85,850	\$ 47,447
	Subtotal	\$ 116,855	\$ 176,692	\$ 59,838
Administration		\$ 8,988	\$ 11,633	\$ 2,645
TOTAL		\$ 240,649	\$ 347,756	\$ 107,107

- Typically, project completions and expenditures increase in Q4.

B. Incentives paid

		Actual Incentives Q3
Commercial Programs	Existing Buildings	\$ 31,229
	Subtotal	\$ 31,229
Residential Programs	Existing Homes	\$ 22,578
	New Homes	\$ 15,804
	Subtotal	\$ 38,381
TOTAL		\$ 69,610

C. Savings

		Therms Saved Q3	\$/Therm	Levelized Cost/Therm
Commercial Programs	Existing Buildings	17,248	\$ 6.92	53.2 ¢
	Subtotal	17,248	\$ 6.92	53.2 ¢
Residential Programs	Existing Homes	6,491	\$ 12.55	86.6 ¢
	New Homes	4,347	\$ 9.16	78.1 ¢
	Subtotal	10,838	\$ 11.19	82.7 ¢
TOTAL		28,087	\$ 8.57	64.8 ¢

¹⁸ Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

III. YEAR-TO-DATE RESULTS

A. Activity highlights—sites served

Existing Commercial					
School/college retrofits	0	3	0		3
Other commercial retrofits	1	19	13		33
Studies	1	0	1		2
Existing Homes					
Weatherization (insulation, air and duct sealing and windows)	11	33	32		76
Gas hearths	9	26	8		43
Gas furnaces	21	35	28		84
Water heaters	4	6	6		16
Home Energy Reviews	11	14	21		46
New Homes					
Builder Option Packages	5	55	16		76
Clothes washers	159	124	140		423

B. Revenues

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

C. Expenditures¹⁹

		Actual Expenditures YTD	Budgeted expenditures YTD	Variance
Commercial Programs	Existing Buildings	\$ 271,533	\$ 406,840	\$ 135,307
	Subtotal	\$ 271,533	\$ 406,840	\$ 135,307
Residential Programs	Existing Homes	\$ 257,203	\$ 300,586	\$ 43,383
	New Homes	\$ 165,395	\$ 243,631	\$ 78,236
	Subtotal	\$ 422,598	\$ 544,217	\$ 121,619
Administration		\$ 28,650	\$ 39,823	\$ 11,173
Total		\$ 722,781	\$ 990,880	\$ 268,099

¹⁹ Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

D. Incentives paid

		Actual Incentives YTD
Commercial Programs	Existing Buildings	\$ 89,811
	Subtotal	\$ 89,811
Residential Programs	Existing Homes	\$ 56,991
	New Homes	\$ 66,279
	Subtotal	\$ 123,270
TOTAL		\$ 213,081

- **Incentives paid account for 35 percent of year-to-date program expenses.** The program expects an increase in project submissions in Q4, which will result in a greater percentage of program expenses dedicated to incentives.
- **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	49,612	127,500	39%	\$ 5.70	48.4 ¢
	Subtotal	49,612	127,500	39%	\$ 5.70	48.4 ¢
Residential Programs	Existing Homes	21,430	56,409	38%	\$ 12.50	91.1 ¢
	New Homes	18,618	36,513	51%	\$ 9.25	74.4 ¢
	Subtotal	40,048	92,921	43%	\$ 10.99	83.6 ¢
Total		89,660	220,421	41%	\$ 8.06	64.9 ¢