

**Quarter Two 2010 Report to the
Oregon Public Utility Commission**
April 1, 2010, through June 30, 2010

This Energy Trust of Oregon quarterly report covers the period 4/1/10 through 6/30/10, the second quarter of 2010 (Q2). The report presents activity, revenue and expenditure information for the quarter along with progress toward 2010 and 2014 energy-saving and renewable energy generation goals.¹

I. HIGHLIGHTS

1. General

- Including Q2 2010 results, electric efficiency programs have cumulatively saved 236 average megawatts since March 1, 2002. When savings from self-directed industrial projects are added, the total represents 53 percent of Energy Trust's 2014 goal of 479 average megawatts. This is equivalent to the annual electric consumption of approximately 197,000 average Oregon homes.
- Including Q2 2010 results, cumulative savings of 14.6 million annual therms have been realized since gas programs began in 2003, accounting for 42 percent of the 2014 goal of 34.7 million annual therms. This is equivalent to providing gas heat to approximately 29,000 homes.
- Since March 1, 2002, renewable energy efforts have helped develop projects with generation totaling 100 average megawatts, accounting for 81 percent of the 2014 goal of 124 average megawatts. This is equivalent to powering about 78,000 average Oregon homes.
- Electric efficiency expenditures for the quarter were 17 percent under budget, compared to 10 percent under spent in Q1. Programs responsible for the bulk of the shortfall, New Buildings and Production Efficiency, both expect to end the year on track.
- Electric efficiency projects completed during Q2 are expected to save 8.5 average megawatts.
- Gas expenditures for the quarter were 8 percent under budget, compared to 18 percent under spent in Q1. Existing Homes, responsible for about one-half of the underspending, reported call volumes and incentive applications were down, reflecting the slow economy.
- Gas efficiency projects completed during Q2 are expected to save 779,744 annual therms. The total includes annual therms from market transformation (new construction code changes and furnaces) included for the first time in the 2010 quarterly reports.
- Year-to-date gas and electric savings represent about 40 percent of their annual conservative efficiency goals.
- Progress toward 2010 utility Integrated Resource Plan (IRP) goals is shown on table 5, page 7.
- Renewable energy projects completed during Q2 are expected to generate 0.34 average megawatts annually.
- Overall public purpose revenue plus incremental revenue from SB 838 totaled \$31.6 million for Q2, slightly below projections. Revenues for PGE were about \$800,000 less than expected.

² In December 2009, Energy Trust's board of directors adopted a new strategic plan with goals for 2014. Beginning first quarter 2010, we are reporting progress toward those goals.

- Total Energy Trust expenditures for Q2 equaled \$26.1 million, of which \$13.2 million was for incentives.
- The final phases of the Clean Energy Works Portland 500-home pilot launched in Q2. Metropolitan Alliance for Common Good (MACG) is leading outreach to recruit 100 participating homes in the Cully neighborhood of northeast Portland, using volunteers and social marketing approaches. As of June 30, the pilot reported 173 loans signed, of which 114 homes had completed their upgrades; an additional 209 homes were in process.
- A new nonprofit, Clean Energy Works Oregon, made ready to open its doors July 1 to manage a \$20 million ARRA Community Development Block Grant to upgrade 6,000 additional homes and small businesses throughout Oregon over the coming three years. Oregon is one of 25 recipients of such grants nationwide, and the work on the Clean Energy Works Portland pilot is credited for the successful proposal.
- Appendices:
 - Appendix 1 includes reports from Pacific Power and Portland General Electric on Q2 2010 utility activities supported by SB 838 funding.
 - Appendix 2 is a summary by the Northwest Energy Efficiency Alliance of its Q2 2010 market transformation activities.
 - Appendix 3 shows a geographic breakdown of Home Energy Reviews conducted in Q2 2010.
 - Appendix 4 is a quarterly report on the NW Natural–Washington pilot.

2. Business

- Large custom projects now being completed in the Existing Buildings program this year result from capital planning cycles that pre-dated the recession. New projects in 2010 tend to be smaller, take more prescriptive incentives and have accelerated construction schedules so they can be leased and begin generating revenue.
- A \$50 bonus incentive was offered to stimulate activity in the restaurant sector, one of the hardest hit by the recession. Insulation incentives were also increased from \$0.20 to \$0.30 per square foot.
- Uptake of lighting projects has been higher in 2010—359 during the first two quarters compared to 282 during the same period in 2009. Average project size is smaller, however, resulting in 12.6 million kWh in 2010 compared to 16.7 million kWh in 2009.
- New building enrollments are strong due to increased outreach efforts and closer working relationships with participants. In a down economy, measures with a very short payback period are particularly attractive.
- Due to the Oregon Building Code changes, projects submitted for plan review after September 30, 2010, must meet new baseline requirements. Education on code compliance and program measure changes will begin in Q3.

3. Industry and Agriculture

- The 10 companies in the first cohort of the Industrial Energy Improvement (IEI) pilot averaged 7.5 percent reductions in electricity use at their plants through no- and low-cost behavior and operational changes, resulting in first-year savings of over 13 million kWh booked in Q2.
- A limited-duration incentive bonus offer for operations and maintenance measures was launched in April and runs through October. The bonus offer pays for 90 percent of costs for

measures implemented within 90 days of receiving the Energy Trust recommendation. At the end of Q2, over 60 new O&M projects totaling over 18 million kWh of savings were under development in response to this bonus incentive offer.

- Although gas efficiency projects have been slow to complete in the first half of 2010, there is a robust pipeline of projects with planned completion dates in the second half of the year. At the end of Q2, 44 projects were in development under the NW Natural Industrial Demand-side Management pilot, representing savings well in excess of the stretch goals for this pilot.
- Projects in Cascade Natural Gas territory have lagged behind expectations for this time of year. Increased focus on new opportunities in this territory by contractors, combined with the recent award of ARRA funding to several existing projects, have already begun to address this lag and move toward project completion.

4. Homes

- In Q2, 375 participants attended workshops and presentations delivered by the Existing Homes program.
- Regional representatives for the Existing Homes program were hired in Pendleton, Bend, Klamath Falls and Medford to help enroll participants in these outlying areas.
- The Energy Performance Score was featured on 12 homes, or about 20 percent of homes, in the Portland Home Builders Association's Ultimate Open House show.
- The New Homes program presented Green Building Awards at the Portland Home Builders Association Excellence Awards Banquet.
- The Products program has been promoting efficient appliances, lighting and refrigerator recycling at retailer events in Phoenix, Bend, Medford, Corvallis, Albany and Coos Bay.

5. Renewable Energy

- Nearly 500 residential Solar Energy Reviews were conducted in Q2 2010, compared to 29 in Q2 2009, reflecting dramatic growth stemming from multiple neighborhood Solarize strategies.
- Two large projects were dedicated: Swalley Irrigation District 750 kW hydro project north of Bend, and Oregon's first combined heat and power geothermal project, a low temperature 280 kW unit on the Oregon Institute of Technology campus in Klamath Falls. The OIT project, our first geothermal effort, received an Energy Trust incentive of \$487,000 and Swalley received an incentive of \$916,386.
- A \$2.33 million payment was made for phase two (2.4 MW) of Portland General Electric's solar project completed on seven ProLogis warehouse rooftops. It is the largest rooftop solar project in the Northwest.
- Staff convened an initial meeting of biopower industry stakeholders with the goal of identifying common objectives and opportunities to help move the market.
- Federal Energy Regulatory Commission specifically noted the high quality of a permitting application they received from a project that utilized Energy Trust's FERC Permitting Guide to assist it through the process.
- U.S. Department of Agriculture's Rural Energy for America Program awarded grants to four small wind projects that received Energy Trust grant writing assistance.
- Coos Bay's IBEW electrical training center received a grant from Energy Trust for a small solar electric system to support new hands-on photovoltaic installation training courses.

- An online solar project database tool was implemented to reduce data entry work for program staff and improve solar trade allies' ability to track project status.

6. Projects completed this quarter²

	Total	Electric-only	Gas-only	Both
ENERGY EFFICIENCY				
Commercial projects				
Existing buildings retrofitted	299	234	39	26
Efficient new buildings constructed	43	17	3	23
Multifamily buildings retrofitted	71	59	4	8
New multifamily buildings constructed	8	0	0	8
Solar water heating commercial installations	3	1	2	0
Subtotal Commercial	424	311	48	65
Industrial projects	193	189	3	1
Residential projects				
Efficient new homes constructed	146	16	23	107
Efficient new manufactured homes purchased	30	27	3	0
Home energy reviews conducted	1,433	369	69	995
Single-family homes retrofitted	2,830	1,090	1,676	64
Manufactured homes retrofitted	640	609	5	26
Residential solar water heating installations	30	13	17	0
ENERGY STAR appliance rebates	10,538	7,365	330	2,843
Subtotal Residential	15,647	9,489	2,123	4,035
TOTAL EFFICIENCY	16,264	9,989	2,174	4,101
RENEWABLE ENERGY INSTALLATIONS				
Biopower project installations	0	0	0	0
Solar energy reviews performed	499	499	0	0
Solar electric residential installations	171	171	0	0
Solar electric commercial installations	33	33	0	0
Other renewable project installations	4	4	0	0
TOTAL RENEWABLES	707	208	0	0
TOTAL EFFICIENCY & RENEWABLES	16,971	10,197	2,174	4,101

7. Revenues and expenditures

- \$31.6 million in public purpose and incremental revenues were received during Q2, with expenditures at \$26.1 million.
- A total of \$13.2 million in incentives was paid.

² We define "projects" to be completed installations or services at one location with certain exceptions:

- A Home Energy Review, with CFL installation, counts as one project. If that home subsequently installs one or more measures, this installation counts as a separate project.
- See Appendix 3 for a geographical breakdown of Home Energy Reviews.
- Each apartment unit treated counts as one project.
- Each manufactured home counts as one project.
- Measures installed in separate facilities within a large industrial complex count as separate projects.
- Project totals do not include 213,666 CFL packages sold/provided nor 3,472 old refrigerators/freezers recycled during the quarter.

8. OPUC performance measures

- Following are the most recent performance measures established by OPUC for Energy Trust. Comparison of performance against these measures for 2010 will be reported in the 2010 annual report.

Category	Measures
Energy Efficiency	<ul style="list-style-type: none"> • Obtain at least 31 aMW computed on a three-year rolling average • Levelized cost not to exceed 3.5 cents/kWh
Natural Gas	<ul style="list-style-type: none"> • Obtain at least 1.8 million annual therms computed on a three-year rolling average • Levelized cost not to exceed 60 cents/therm
Renewable Energy	<ul style="list-style-type: none"> • Achieve at least 3 aMW from small-scale projects, computed on a three-year rolling average
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 11 percent of annual revenue
Customer Satisfaction	<ul style="list-style-type: none"> • Demonstrate reasonable rates
Benefit/Cost Ratios	<ul style="list-style-type: none"> • Report both utility system and societal perspective on an annual basis
Incremental Electric Efficiency Funding	<ul style="list-style-type: none"> • Report annually energy savings achieved as a result of SB 838

9. Benefit/cost ratios for 2009 (will be updated for 2010 in the 2010 annual report)³

Program	Utility System Benefit/Cost Ratio	Societal Benefit/Cost Ratio
New Homes and Products	1.9	1.7
Existing Homes	1.8	1.4
Existing Buildings	3.4	1.8
New Buildings	2.6	2.2
Production Efficiency	3.1	1.8
NW Energy Efficiency Alliance	9.0	3.0

³ By law, Oregon public purpose funds may be invested only in cost-effective energy-efficiency measures—that is, efficiency measures must cost less than acquiring the energy from conventional sources.

II. TABLES

1. Revenues

Source	Actual revenues received Q2	Budgeted revenues Q2
Portland General Electric	\$8,525,541	\$9,397,948
Pacific Power	\$5,300,531	\$5,207,866
PGE Incremental	\$4,805,582	\$4,701,072
Pacific Power Incremental	\$5,096,906	\$4,733,346
Cascade Natural Gas	\$205,866	\$433,049
NW Natural	\$7,220,941	\$7,178,756
NW Natural DSM Pilot	\$437,499	\$437,500
Total	\$31,592,867	\$32,089,536

2. Expenditures

Type	Actual Expenditures Q2	Budgeted Expenditures Q2
Energy Efficiency programs	\$21,001,635	\$24,838,538
Renewable Energy programs	\$4,045,914	\$8,785,811
Administration	\$1,030,325	\$1,270,189
Total	\$26,077,874	\$34,894,538

3. Incentives paid

Quarter	Energy Efficiency					Renewable Energy		Total
	PGE	Pacific Power	NW Natural	Cascade Natural Gas	Avista	PGE	Pacific Power	
Q1	\$2,786,944	\$1,657,987	\$1,480,359	\$65,463	\$77	\$1,837,910	\$681,261	\$8,510,001
Q2	\$5,171,975	\$2,897,205	\$1,685,276	\$183,388	\$0	\$1,822,681	\$1,486,366	\$13,246,891
Q3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Q4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$7,958,919	\$4,555,192	\$3,165,635	\$248,851	\$77	\$3,660,591	\$2,167,627	\$21,756,892

4. Savings and generation

Electric Efficiency Savings	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses	mil \$ / aMW	Levelized Cost/kWh
Commercial	1.59	0.69	2.28	\$6,196,251	\$2.7	3.2 ¢
Industrial	2.17	0.79	2.96	\$3,546,614	\$1.2	2.3 ¢
Residential	1.87	1.42	3.29	\$7,916,931	\$2.4	3.6 ¢
Total Energy Efficiency programs	5.63	2.90	8.53	\$17,659,796	\$2.1	3.1 ¢

Gas Efficiency Savings	NW Natural Therms	Cascade Natural Gas	Avista	Total Savings Therms	Expenses	\$ / Therm	Levelized Cost/Therm
Commercial	263,946	77,640	0	341,586	\$1,432,324	\$4.2	35 ¢
Industrial	10,571	891	0	11,462	\$199,325	\$17.4	112 ¢
Residential	388,003	38,678	15	426,696	\$2,573,977	\$6.0	41 ¢
Total Energy Efficiency	662,520	117,209	15	779,744	\$4,205,626	\$5.4	40 ¢

Renewable Energy Generation	PGE aMW	Pacific Power aMW	Total Generation aMW	Expenses	mil \$ / aMW	Levelized Cost/kWh
Biopower	0.000	0.000	0.000	\$ 316,717	n/a	n/a
Solar Electric Program	0.150	0.090	0.240	\$ 2,940,653	\$12.3	11.0 ¢
Other Renewables	0.010	0.090	0.100	\$ 955,088	\$9.6	9.7 ¢
Total Renewable Programs	0.160	0.180	0.340	\$ 4,212,458	\$12.4	11.8 ¢

5. Progress toward goals by utility

	Quarter Savings	Annual Savings Year-to-date	Energy Trust Annual Goal (Conservative)		Annual IRP Goal	
			Goal	% Achieved YTD	Goal	% Achieved YTD
PGE	5.6 aMW (49,454 MWh)	8.6 aMW (75,634 MWh)	20.4 aMW (178,301 MWh)	42%	26.7 aMW (233,892 MWh)	32%
PAC	2.9 aMW (25,501 MWh)	4.9 aMW (42,707 MWh)	13.4 aMW (117,230 MWh)	36%	17.0 aMW (148,920 MWh)	29%
NWN	662,520 annual therms	1,321,484 annual therms*	2,857,594 annual therms	46%	2,936,000 annual therms	45%
CNG	117,209 annual therms	158,472 annual therms	379,960 annual therms	42%	317,937 annual therms	50%

*NW Natural Industrial DSM Pilot savings are counted toward the annual conservative goal for NW Natural. They are not counted toward the annual IRP goal for NW Natural.

6. Incremental levelized costs of utility SB 838 expenditures

	Quarter 2 Expenditures	YTD Expenditures	YTD \$M /aMW*	YTD Levelized Cost*
PGE	\$113,325	\$157,366	\$0.02	0.03 ¢
PAC	\$97,215	\$135,769	\$0.03	0.04 ¢
Total	\$210,540	\$293,135	\$0.02	0.03 ¢

* Reflects incremental increase in costs derived from expenditures incurred by Pacific Power and PGE under terms of the agreement described in SB 838. See Appendix 1 for a report from these utilities on their SB 838 activities during the quarter.

Appendix 1

Q2 2010 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.

Pacific Power Energy Efficiency Activities in Second Quarter 2010 (for submission with Energy Trust Quarterly Report)

SB 838 General

- Pacific Power's Energy Trust liaison participated in several workshops that were also attended by Energy Trust and Oregon Public Utilities Commission, to discuss customer data transfer issues. Existing rules for utility transfer of customer data is provided in OAR 860-038-0540 Consumer Information. As Pacific Power understands it, the problem for Energy Trust comes when attempting to reconcile SB 838 funding expenditures, of which 1 aMW customers are exempt from paying and therefore exempt from the benefit. The current OAR requires 1 MW customers (not just 1 aMW) customers to voluntarily "opt in" to having their customer data transferred to Energy Trust. According to the OAR, Pacific Power offers this voluntary "opt in" annually in the fall. To date, 121 Schedule 48 (1 MW and above) customers have "opted in" while 98 Schedule 48 customers have not "opted in". Additionally, according to the OAR, Pacific Power offers an annually "opt out" every fall to residential and commercial customers. To date, 25,131 residential customers and 3,420 commercial customers have "opted out" of having their data transferred to Energy Trust.
- Pacific Power's Energy Trust liaison participated in a joint meeting with Energy Trust and Pacific Power to review annual media plans including a review of: Pacific Power creative; Energy Trust's refrigerator recycling; call to action and plans to track effectiveness; update on staffing and structure at Energy Trust; joint fall campaign; and, relationship statements.
- Pacific Power's Energy Trust liaison participated in a joint meeting with Energy Trust and Pacific Power to review: review of yearly forecasts; underlying assumptions; how they are built up; review of activity to date in the three key groups; summary of market conditions and issues for meeting goals; and, an update on Oregon State University's combined heat and power project.
- Pacific Power's Energy Trust liaison attended the final Northwest Energy Efficiency Taskforce executive committee meeting.
- Pacific Power's Energy Trust liaison attended the Conservation Advisory Council meetings.

SB838 Commercial efficiency programs

- Pacific Power's Energy Trust liaison began the process of searching and contracting for tariff approved Field Energy Consultant services to be located in and primarily focus on Southern Oregon. The Field Energy Consultant's scope of work encompasses: Deliver reliable, dependable and exceptional customer service; Proactively develop, manage and expand relationships with Pacific Power small- to mid-size commercial customers; Document and maintain records and report on customers contacted, dates, and outcomes; Develop community-based energy efficiency grant opportunities; Participate in and facilitate meetings with a variety of Pacific Power customer audiences; Provide on-site support for Energy

Trust's "Do It Yourself" energy audit; Provide information on Energy Trust program services and incentives, guiding customers into programs and working with Energy Trust to help facilitate customer involvement; Provide energy outreach to customers, encouraging new customers, deepen the savings from sites and helping speed the adoption of energy efficient practices; Represent Pacific Power and the Energy Trust of Oregon, including the vendor neutral aspects in an accurate, positive professional manner; Maintain working knowledge of current Energy Trust of Oregon and Pacific Power energy efficiency programs; Provide a seamless handoff, deliver project leads to applicable Energy Trust of Oregon program managers; Prepare concise written reports, such as initial site visit reports and post-handoff reports, including suggestions for process improvements as per the requirements and formats provided and updated by Pacific Power and/or Energy Trust of Oregon; and, Participate as required in regular consultant review meetings.

- Pacific Power hosted its first round of 2010 Energy Savings Answers breakfasts in Medford, Grants Pass, Coos Bay and Cottage Grove. Due to time and travel constraints, the Grants Pass session was offered as a luncheon that immediately followed the Medford breakfast. After accounting for presenters, staff, no-shows and walk-ins, we successfully provided small to mid-size commercial energy efficiency information to 151 attendees in Medford, 109 attendees in Grants Pass, 105 attendees in Coos Bay, and 45 attendees in Cottage Grove. In coordinating up to 14 breakout session presenters, breakout sessions at each of the breakfast/luncheon sessions included: Lighting the Way to Energy Savings / Lighting 101; Energy Efficiency on Main Street; Renewable Energy with Energy Trust of Oregon; How Does Your Business Use Energy?; Heating, Ventilation and Air Conditioning / HVAC 101; The Energy-Saving Path for Industrial Facilities; and, Tax Credits, Loans and Grants, hosted by Oregon Department of Energy and United States Department of Agriculture (USDA). While all of the breakfasts went very smoothly, we weren't without a few minor hiccups, including a hotel fire that required us to move our event to another location just three days before Pacific Power staff headed out on the road. Gratefully the call center pitched in and called every registered attendee to alert them to the new location. As part of a drawing, 105 customers signed up for the Business Solutions Toolkit. Feedback surveys were taken at each session and are currently being tabulated.
- Welcome Aboard kits continued to be mailed to all new commercial customers. The kit contains information on Energy Trust programs and incentives to help customers invest in energy efficiency.

SB 838 Industrial efficiency programs

SB 838 Residential efficiency programs

- Pacific Power's Energy Trust liaison continues to support a variety of House Bill 2626 / EEAST / Clean Energy Works Portland/Oregon activities on behalf of Pacific Power. Clean Energy Works Portland has secured seven (7) Pacific Power electrically heated homes into its energy efficiency loan program. The newly formed Clean Energy Works Oregon has plans to incorporate the City of Astoria, Hood River County and Southern Oregon Economic Development District (Klamath and Lake Counties) into its existing program. Support for these rural communities will be more challenging as they were not Energy Efficiency and Conservation Block Grant (EECBG) recipients and do not have funds specifically set aside to

support this program. Pacific Power understands that the Southern Oregon Green Jobs Council will also attempt to create their own program with support from Clean Energy Works Oregon.

- Pacific Power began coordinating conversations with Energy Trust on a second round of Home Energy IQ sessions for electrically heated, owner occupied homes throughout Oregon. Pacific Power hopes to host 12 sessions this fall.
- Welcome Aboard kits continued to be mailed to all new residential customers. The kit contains information on how Energy Trust helps Pacific Power customers manage their energy costs and benefit from renewable energy.

Portland General Electric Energy Efficiency Activities in Second Quarter 2010 (for submission with Energy Trust Quarterly Report)

General

PGE participated in the second Utility Roundtable at the April Energy Trust Board meeting. The Utility Roundtable then presented at the Energy Trust Board Retreat. Themes of the presentation were around improving planning processes so that the organizations all work better together.

Commercial and Industrial

In April, PGE ran 10 and 15-second radio ads on several topics, including a business tip for installing motion detectors to reduce lighting costs in unoccupied rooms.

PGE's Energize newsletter goes to over 76,000 business customers quarterly in their PGE bill. The May issue of Energize mentioned Energy Trust LED lighting incentive changes in a box on the front page. The back side promoted energy efficiency classes, and information on getting an energy consultation.

PGE's Business Connection e-newsletter is emailed to approximately 12,000 business customers bi-monthly. The April issue featured a case study on Moon Shadow Etchers, which received Energy Trust incentives for a new air compressor, 4 ways to go green (the first being more energy efficient) and a call out to look for the Energy Trust business program overview brochure mailed in April, "Short Term Cash, Long Term Savings." June Business Connection featured a case study on the Meriwether condominium, a new, efficient complex that will still be able to save 25% on its electricity usage by installing LED lighting in stairways and the garage, and plugs for energy consultations and energy efficiency classes.

PGE and Energy Trust jointly developed the "Short Term Cash, Long Term Savings" brochure describing Energy Trust's energy efficiency and renewables programs for business customers (renewables part was not paid for with SB838 funds), and mailed the brochure to 50,000 business customers in April. The brochure now also goes out with PGE's 'Welcome Packet' to new businesses, and the cover letter in this packet highlights the brochure.

PGE repeated the segmented direct mail to business customers conducted in 2009. PGE customers in 7 business segments received the mailings: residential property managers, office, retail, manufacturing, restaurants, lodging and grocery. Each mailing consisted of a teaser

postcard, follow-up letter and insert, and reminder postcard. As of June 30, the mailing generated 62 customer inquiries and 26 qualified leads to the Energy Trust.

PGE held a seminar for residential property managers April 13, “Smart Investments in Energy Efficiency.” Close to 100 property managers attended. Breakout sessions featured opportunities to talk to representatives from Energy Trust and key trade allies.

PGE and Energy Trust held two outreach breakfasts for small business customers, April 16, downtown and June 29 in Hillsboro. Attendance was limited, and while attendees valued the information, further breakfasts are on hold pending more evaluation, including a review of survey results from invitees who opened the email invitation but did not attend.

Verlea Briggs met with City of Hillsboro Sustainability Project Manager Peter Brandom to discuss how to leverage the City’s support targeting and promoting outreach activities following up on their successful Go Green initiative.

Verlea Briggs met with City Annie Gorski of the City of Salem, and Jessica Rose and Ed Wales, Energy Trust to discuss strategy for outreach to business customers to engagement them in potential energy saving lighting projects and other energy saving opportunities. This was as a follow up to the meeting held last quarter discussing the City’s US DOE Energy Efficiency and Conservation Block Grant allocation.

Paula Conway and Mark Fryburg, PGE Government Affairs, met with Jim Hough, City Manager of Banks, Tammy Stempel, Adapt Engineering, and Douglas Tsoi, Partners for a Sustainable Washington County Community to discuss the “Biggest Energy Loser” campaign with City of North Plains. Approximately 10 “volunteer” businesses have been identified for energy walkthroughs. Next steps are for Energy Trust (Lockheed Martin) to put together action plan for campaign.

Measurable Results

PGE Outreach Specialist made the following second quarter presentations reaching 379 total customers:

Organization	Dates	Number of Attendees
Gateway Professional Business Association	04/08/2010	25
Energy Trust & PGE Customer Breakfast	04/16/2010	46
Tualatin Chamber Luncheon	04/22/2010	90
Newberg Kiwanis Breakfast	05/12/2010	15
Newberg Kiwanis Luncheon	05/27/2010	25
Tualatin Chamber Business	06/10/2010	60

Showcase		
Metropolitan Business Association	06/17/2010	38
Hispanic Metropolitan Chamber	06/29/2010	80

- 413 customers were contacted via phone or email regarding the opportunity to participate in the Energy Trust of Oregon programs.
- 77 total qualified project leads to the Energy Trust Program Managers, Contractors and Trade allies.

Residential

PGE re-ran “energy icons,” a 30-second television advertisement, on energy efficiency and renewables in April. A 15-second radio ad featured high performance showerheads in April.

PGE’s residential customer newsletter, Update, is sent monthly to 680,000 customers in their PGE bills. April Update featured home appliances and related Energy Trust incentives. May’s edition featured a ductless mini-split heat pump case study and information on PGE’s heat pump sweepstakes and mentioned Energy Trust incentives.

In April, PGE bills also contained an insert showing all Energy Trust’s appliance programs including a PGE code for refrigerator recycling. May bills contained a heat pump insert.

PGE’s residential e-newsletter, Home Connection, is sent monthly to about 247,000 customers. In April Home Connection featured appliance incentives and specialty CFLs. In May, Home Connection featured Energy Trust Home Energy Reviews, the ductless mini-split case study also in Update, and plugs for the refrigerator recycling program and energy efficiency videos on PGE’s website. In June, Home Connection listed energy savings tips for when you’re on vacation.

PGE, Energy Trust, George Morlan Plumbing and PGE’s plumber network have teamed up to do several showerhead promotions. Starting in June, George Morlan is offering a special price on high performing showerheads, and the price gets better if customers bring in their old showerhead. Also starting in June, PGE’s plumber network is offering free showerhead installations when on residential jobs in PGE’s service territory.

PGE has added short energy efficiency tip videos to its web site on CFLs, programmable thermostats, weatherization, air conditioning, refrigerators and water heating. Each video lasts under 3 minutes and gives useful information such as how to adjust your water heater temperature.

PGE is now providing on-bill repayment services to Clean Energy Works Portland customers. PGE will support next phase with direct mail to electrically heated customers in Lents and North Portland.

PGE is participating with Energy Trust and Northwest Natural in an OPower pilot. PGE's contract with OPower was completed in May, and the project had a kickoff day in June where IT, communications and project management personnel were able to meet and get questions answered.

Measurable Results

- 1,326 customers have used the PGE promotion code while recycling their refrigerator since the appliance insert dropped in April.
- 129 PGE customers requested a Home Energy Review in the first 24 hours after Home Connection was published.

Appendix 2



At a Glance: Q2 2010 Summary Report for Energy Trust of Oregon

NEEA's 2009 Annual Report, available on line or by request, highlights how NEEA exceeded its 2005-2009 Business Plan savings goals with your support.

Major shifts in programs

- **2011 operations planning well underway.** NEEA is currently engaged in planning, with plan complete in Q4 for Board adoption.
- **Commercial sector “redesign” underway and expected to be clarified in Q4, with 2010 market initiatives continuing according to plan.** Proposed new focus areas are “Building Lifecycle Management” and “Next Generation Commercial.” The Commercial Advisory Council will review and provide input to the proposals, which the Regional Portfolio Advisory Committee must then approve. Despite many positive highlights in the current work, it remains difficult to capture meaningful data, and NEEA's commercial sector focus is considered likely to fall short of planned 2010 energy savings objectives.

New initiatives

- **Planning inaugural Energy Efficiency Conference Dec. 1-2 in Seattle.** NEEA is collaboratively planning this event with support from a program committee of representatives from seven utilities, Bonneville Power Administration (BPA) and Energy Trust of Oregon. Our collective vision for the event is to facilitate networking and information sharing among attendees, provide learning opportunities on current program best practices, and generate new ideas and ways of thinking about energy efficiency.
- **Eleven new emerging technology projects underway, after approval by the Regional Emerging Technologies Advisory Committee.** NEEA continues its market transformation work within sectors, while advancing its new project portfolio. New projects underway include high-performance window market research, market transformation opportunity assessment in agricultural markets, green pumps, simulation and testing of northern climate-compliant heat pump water heaters, development of a revised water heater test standards, and market characterization of the business IT market. To capture regional innovation, NEEA restarted its unsolicited proposal process, already receiving 28 proposals for emerging technologies.
- **Issued request for quotation for prospectus for 2011 natural gas pilots.** As part of its Strategic Plan, NEEA established a “fuel-neutral” approach. To test market transformation in dual-fuel markets, NEEA will pilot selected projects in 2011. NEEA has received seed money commitments from Puget Sound Energy, Energy Trust of Oregon, NorthWestern Energy and Avista.
- **Launched an Initiative Lifecycle Process Portfolio Management system** that provides a structured process for initiative planning, development and risk management. Formal milestone reviews facilitate approval of further investment as initiatives progress.

Innovation

- **Collaborating with BPA, Lawrence Berkeley National Laboratory and contractors to develop heat pump water heaters for the Northwest, with the goal of influencing a federal standards change.** Efforts include lab and field testing, computer modeling, test standard development, supply chain training, consumer training and manufacturer engagement.
- **Increasing market availability of “super-efficient” televisions** with three “big box” retailers signed, Walmart in process, and expansion into rural markets through a new partnership with Brandsource dealers.
- **Co-recipient of two ARRA awards for a total of \$1.3M to support commercial building operations curriculum, education and expansion.** The first funded project will expand the capacity of the national Building Operator Certification program by enhancing curriculum and developing a commercialization strategy to expand the program.
- **Through our commercial building initiative, BetterBricks, delivered value to Oregon through education and training events, office real estate and healthcare initiatives.** NEEA delivered over 70 partnered education and training events for over 2,200 commercial building professionals throughout Oregon. The Office Real Estate Initiative introduced two tools for real estate professionals—the “Kennedy Associates Sustainable Tenant Improvements Manual,” and the “Green Building Opportunity Index” in partnership with Cushman & Wakefield. NEEA also completed the third annual BOMA Portland Office Energy Showdown, with 32 commercial office buildings representing 20 percent of the market participating. The healthcare initiative continues to work with leading healthcare systems including Providence, Legacy and PeaceHealth to implement strategic energy management plans impacting business practices in facilities throughout Oregon. NEEA also launched the Region 10 - Energy Efficiency Commitment campaign, which supports training and education of hospital engineering professionals to benchmark and reduce energy consumption with the goal of 10 percent regional energy savings by the end of 2011. Twelve Oregon hospitals are registered to date.
- **Continuous Energy Improvement is now being leveraged by the California Public Utilities Commission** and by CEE as a framework for industrial energy savings.

Major market trends

- **Increasing regulatory engagement.** In June, NEEA presented to WUTC Commissioners and at a WUTC Shareholder Incentives workshop. NEEA is participating in EM&V workshops for the State Energy Efficiency Action Network of the U.S. DOE.
- **Gaining momentum with federal standards.** NEEA is committed to coordinating federal standards with NWPC and the region’s utilities and recently hired a staff member dedicated to expanding the organization’s efforts in this important area.
- **Expanded the market’s capacity to deliver DHPs through NEEA’s Northwest Ductless Heat Pump (DHP) Program.** As of the end of Q2, NEEA is five percent away from its goal to increase HVAC contractor participation by 20 percent, with forty-eight new contractor companies installing DHPs in 2010. More than 5,000 DHP units have been installed to date, many in Oregon.
- **Northwest ENERGY STAR Homes market share reaches 11.2 percent through June.** The number of Northwest ENERGY STAR homes certified through June was 1,607, up 30 percent from 2009. NEEA recruited 51 new builders in Q2, many in Oregon. This initiative has been effective in softening the ground for code changes in Oregon (2008), Washington (2011), Idaho (2011) and Montana (2010) and continues to gain momentum region-wide.

Questions or comments? Contact Aaron Cohen, (503) 827-8416 ext. 228, acohen@nwalliance.org

Appendix 3

Geographic Breakdown of Home Energy Reviews in Q2 2010

Service Region	HERs Completed	SERs Completed	Total
1 - North Coast (Astoria)	7		7
2 - South Coast (Coos Bay, North Bend)	10		10
3 - Portland Metro	983	399	1383
4 - Mid-Willamette (Salem, Dallas)	112	2	114
5 - Southern Willamette (Eugene, Corvallis, Albany)	83		83
6 - Southern (Medford, Roseburg, Grants Pass)	58		58
7 - Columbia Basin (Hood River, The Dalles)	2		2
8 - Central (Bend, Redmond, Prineville)	99		99
9 - Klamath Basin (Klamath Falls, Lakeview)	11		11
10 - Northeast (Pendleton, Enterprise)	64	97	161
11 - Eastern (Baker City, Ontario, Vale)	4		4
Total	1433	498	1931

Appendix 4

Quarter Three 2009-2010 NW Natural Washington Pilot Report to NW Natural

April 1, 2010, through June 30, 2010

This Energy Trust of Oregon quarterly report covers the period 4/1/10 through 6/30/10, the third quarter of the NW Natural Washington Pilot program year. This report addresses progress toward goals for the pilot year of the NW Natural energy-efficiency program in Washington. It includes information on revenues and expenditures, number of completed projects and incentives paid during the quarter, along with highlights of program activity.

I. QUARTERLY HIGHLIGHTS

1. General

- Steady growth continued through Q3, bringing in 10,729 therms saved in the Residential sector and 5,431 therms saved in the Commercial sector. Energy Trust intensified marketing outreach in Q3 to build the project pipeline resulting in an increased cost per therm in Q3. Therm savings are appearing in Q4.
- Planned and launched the New Homes Program in SW Washington on July 1st.
- Developed a marketing and awareness campaign about Energy Trust offerings in SW Washington that has rolled out in Q4. The campaign addresses the misperception that Energy Trust of Oregon is an Oregon-only company and reinforces Energy Trust's commitment to SW Washington customers.
- Home Energy Reviews completed remained steady through the spring and into June, totaling 235. This result is unusual since interest in energy audits usually tapers off as the weather improves.
- The commercial sector added new projects and built a robust pipeline of 65,000 therms which will ensure reaching program goals in Q4.
- Collaboration with Clark utilities, Clark County and City of Vancouver on Project Energy Savings led to additional cross-customer referrals during the Home Energy Review process and between the respective call centers.

2. Commercial Efficiency Programs

- Commercial projects completed in the food service, government and educational market segments in Q3 resulted in more than 5,000 therms saved. The program forecasts a total of 65,000 additional therms to be saved by the end of Q4.
- The commercial pipeline continued to grow. A number of bonus incentives hit the market and are expected to stimulate additional gas-saving projects. Targeted bonus incentives enabled a number of projects to be implemented. The most likely to be completed first are occurring in school districts with a total of over 30,000 projected therms.
- A banner ad for the Greater Vancouver Chamber of Commerce website resulted in more than 34,000 impressions and 172 click-throughs.
- Energy Trust collaborated with the City of Vancouver to promote Energy Trust incentives through its "Land Here Live Here" campaign. The campaign markets directly to new and potential business owners and the Energy Trust has been utilizing this avenue to introduce our program offerings to new customers.

3. Residential Efficiency Programs

Existing Homes

- Q3 saw a steady flow of incentive applications and installed measures. 235 Home Energy Reviews were completed during Q3 ensuring that Energy Trust is building a market presence in SW Washington. Q1 and Q2 experienced a lag in therm savings due to the new market, but Q3 and Q4 savings goals are on target and increased market recognition will continue to draw savings.
- Since the pilot began, 14 residential participants installed one or more incentivized measures after having a Home Energy Review; 8 of those participants implemented during Q3. In Energy Trust experience, 30 percent of Home Energy Reviews lead to implementation of an incentivized measure within 24 months.
- To encourage the installation of multiple measures, Energy Trust launched a \$150 bundled incentive campaign for SW Washington customers from May through September. The incentive encourages the installation of two or more measures and was mailed out to approximately 50,000 SW Washington customers.
- Energy Trust supported Project Energy Savings, a joint energy savings outreach effort between Clark utilities, Clark County and City of Vancouver, during a door-to-door effort in the Hazel Dell neighborhood in June. Energy Trust contractors joined Project Energy Savings contractors during home energy audits to offer suggestions for both electric and gas savings opportunities.

New Homes Program

- The New Homes Program was prepared for launch at the beginning of Q4. SW Washington homebuilders appear interested in taking advantage of Energy Trust incentives, which support building homes that are at least 15 percent above current code standards.

4. Trade Ally Network

- Twelve new trade allies were added to the SW Washington service territory in Q3. Of the 129 trade allies serving Washington, 37 are Washington-based trade allies. During a Q3 review of the trade ally list, Energy Trust found that a number of contractors had expired or non-active licenses in Washington. Energy Trust will contact these contractors in Q4 to encourage them to re-engage in the Washington market.
- A coordinated outreach effort between the residential and commercial programs encouraged contractors in Clark, Skamania and Klickitat counties to join the Energy Trust Trade Ally Network. A few contractors responded, and follow-up outreach will continue through Q4.
- Nine Home Performance contractors work in Washington. These contractors conduct a more in-depth energy audit of the homes resulting in increased measure suggestions from the contractor.

5. Revenues and Expenditures

- No revenues were received during the quarter, with expenditures of \$118,624.
- A total of \$38,717 in incentives was paid during Q3.

6. Washington Utilities and Transportation Commission Performance Metrics

The table below compares pilot goals, as established in NW Natural's Energy Efficiency Plan, with Q3 results.

Metrics	Goal	Total	Quarter 1 Results	Quarter 2 Results	Quarter 3 Results	Quarter 4 Results
Therms Saved	97,500 – 130,000	44,057	7,811	20,086	16,160	
Total Program Costs ⁴	\$780,000 – \$1,040,000	\$324,950	\$71,521	\$96,088	\$157,341	
Average Levelized Cost Per Measure	Not to Exceed \$0.65	\$0.43	\$0.48	\$0.20	\$0.51	
Dollars Spent Per Therm Saved	Less Than \$8	\$6.51	\$6.73	\$3.21	\$7.34	
% of Paid Out Incentives to Total Dollars Spent	At Least 60%	45%*	42%*	57%*	38%*	
Total Resource Cost (TRC) and Utility Costs (UC) at Portfolio Level	Greater than 1.0	n/a	Reported Annually	Reported Annually	Reported Annually	Reported Annually

*Percent of incentives is calculated using the adjusted program expenditures, where total program expenditures are adjusted down by 15% to account for costs that a utility-delivered program would be recovering through base rates.

Additional information that further explains progress toward the year-end metrics is provided in the tables included in sections II and III.

II. QUARTERLY RESULTS

1. Revenues

Source	Actual revenues received Q3	Budgeted revenues Q3
NWN WA	\$0	\$135,833

Variances

- No revenues were received during Q3 from NW Natural. The funding agreement stipulates that the pilot receive funds in two payments. The first was in October 2009 (Q1) and the second in March 2010 (Q2).

2. Expenditures

Type	Actual Expenditures Q3	Budgeted Expenditures Q3
Programs	\$113,845	\$230,712
Administration	\$4,779	\$9,797
Total	\$118,624	\$240,509

*See variance note, Section III, Year-to-Date Results, Expenditures.

3. Incentives Paid

	Q1	Q2	Q3	Q4	Total
NWN WA	\$18,950	\$31,512	\$38,717	\$0	\$89,179

⁴ Total Program Costs include total incentive dollars paid out. Numbers have been changed to reflect this.

Program	Total Program Expenditures	Adjusted Program Costs	Incentives	% Incentives
Total	\$118,624	\$100,830	\$38,717	38%

*Percent of incentives is calculated using the adjusted program expenditures, where total program expenditures are adjusted down by 15% to account for costs that a utility-delivered program would be recovering through base rates.

4. Savings and Generation

Q3 Table

Gas Efficiency Savings	NW Natural WA Therms	Expenses	\$ / Therm	Levelized Cost/Therm
Commercial	5,431	\$40,593	\$7.5	49 ¢
Residential	10,729	\$78,031	\$7.3	52 ¢
Total	16,160	\$118,624	\$7.3	51 ¢

5. Projects Completed

	Q1	Q2	Q3	Q4
Commercial projects				
Existing buildings retrofitted	0	3	3	
Subtotal Commercial	0	3	3	
Residential projects				
Home energy reviews conducted	56	111	68	
Single-family homes retrofitted	80	61	102	
Subtotal Residential	136	172	170	
TOTAL ACTIVITY	136	175	173	

III. YEAR-TO-DATE RESULTS

Savings

	Quarter Savings	Annual Savings Year-to-date	Annual Goal (Conservative)		YTD Levelized Cost	
			Goal	% Achieved YTD	Actual YTD	Action Plan (Conservative)
Gas	16,160 annual therms	36,246 annual therms	97,500 annual therms	37%	43 ¢	65 ¢

Expenditures

	Quarter Expenditures	Variance from Quarter Budget	YTD Expenditures	Variance from YTD Budget *	YTD \$/Ann Therm
Gas	\$118,624	\$121,884 50.7%	\$235,792	\$411,724 63.6%	\$6.51

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

Variance

- Expenditures in Q3 increased compared to previous quarters, reflecting the heightened focus on outreach, developing market penetration strategies and building pipelines in both the residential and commercial sectors. Although incentive payments did not meet projections, Energy Trust expects the increased outreach, along with the bundled incentive, to attract increased participation.