

## Quarter Three 2010 Report to the Oregon Public Utility Commission

July 1, 2010, through September 30, 2010

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This Energy Trust of Oregon quarterly report covers the period 7/1/10 through 9/30/10, the third quarter of 2010 (Q3). 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.<sup>1</sup>

### I. HIGHLIGHTS

#### 1. General

##### ***Savings and generation***

- Electric efficiency projects completed during Q3 are expected to save 8.4 average megawatts. Year-to-date electric savings represent about 65 percent of Energy Trust's 2010 conservative electric efficiency goal. We currently forecast saving 41.7 average megawatts by year end, 93 percent of the 2010 electric stretch goal of 45 average megawatts.
- Gas efficiency projects completed during Q3 are expected to save 837,789 annual therms<sup>2</sup>. Year-to-date gas savings represent about 61 percent of Energy Trust's 2010 conservative gas efficiency goal. We currently forecast saving 4.5 million annual therms by year end, which is 94 percent of the stretch goal of 4.8 million annual therms.
- Renewable energy projects completed during Q3 are expected to generate 0.87 average megawatts. We currently are on track to achieve 3 average megawatts, averaged over three years, by the end of 2010.
- Status of progress toward utility integrated resource plan goals is shown on page 8.
- Including Q3 2010 results, electric efficiency programs have cumulatively saved 244 average megawatts since March 1, 2002. When savings from self-directed industrial projects are added, the total represents 55 percent of Energy Trust's 2014 goal of 479 average megawatts. This is equivalent to the annual electric consumption of approximately 204,000 average Oregon homes.
- Including Q3 2010 results, cumulative savings of 15.3 million annual therms have been realized since gas programs began in 2003, accounting for 44 percent of the 2014 goal of 34.7 million annual therms. This is equivalent to providing gas heat to approximately 30,000 homes.
- Since March 1, 2002, renewable energy efforts have helped develop projects with generation totaling 101 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.

##### ***Revenues and expenditures***

- Overall public purpose revenue plus incremental revenue from SB 838 totaled \$27.4 million for Q3, less than one percent above forecast.

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<sup>1</sup> 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.

<sup>2</sup> The Q3 therm savings total includes annual therms from market transformation (new construction code changes and furnaces) included for the first time in the 2010 quarterly reports.

- Electric efficiency expenditures for the quarter were 13 percent under budget for the quarter and 14 percent below the year-to-date budget.
- Gas efficiency expenditures for the quarter were 17 percent under budget for the quarter and 15 percent below the year-to-date budget.
- Total Energy Trust expenditures for Q3 equaled \$30.0 million; of which, \$16.9 million or 56 percent was for incentives.

### ***Other general highlights***

- By the end of Q3, 257 home retrofits in the Clean Energy Works Portland pilot were complete, 327 participants had signed loans and an additional 70 projects were in process toward the 500-home goal. These numbers include initial results from targeted outreach and social networking by volunteers with the Metropolitan Alliance for Common Good (MACG) aimed at retrofitting 100 homes in the Cully neighborhood of northeast Portland. Pilot managers added a bridge phase, using funds from the Portland Development Commission and the \$20 million federal Clean Energy Works Oregon grant, to provide continuity in the market for contractors between now and when Clean Energy Works Oregon expands the program statewide starting in Q1 2011.
- The newly formed nonprofit Clean Energy Works Oregon hired key staff, began developing a strategic business plan and convened several meetings of its board of directors, which includes Energy Trust Executive Director Margie Harris among its eight members.
- Energy Trust completed a report to the Oregon Public Utility Commission on its experience conducting a pilot in investor-owned utility service territory as required under the Energy Efficiency and Sustainable Technology (EEAST) Act of 2009 (HB 2626). While approximately 12 communities around the state expressed interest in pursuing an EEAST pilot, Portland was the only jurisdiction with adequate funding available—\$2.5 million in American Recovery and Reinvestment Act funds and other resources—to allow a pilot program to proceed.
- Appendices:
  - Appendix 1 includes reports from Pacific Power and Portland General Electric on Q3 2010 utility activities supported by SB 838 funding, which provides additional support for energy efficiency acquisition beyond amounts collected through the public purpose charge.
  - Appendix 2 is a summary by the Northwest Energy Efficiency Alliance of its Q3 2010 market transformation activities in PGE and Pacific Power Oregon service territories, funded by Energy Trust.
  - Appendix 3 shows a geographic breakdown of Home Energy Reviews and Solar Energy Reviews conducted in Q3 2010.
  - Appendix 4 is the fourth quarter report on the NW Natural–Washington pilot program.

## **2. Business**

- Overall, Business sector programs are on track to achieve 95 percent of stretch case savings for the year.
- Existing Buildings expects the final quarter of 2010 to produce more than 50 percent of the annual savings. The program expects the curve of the blade on the proverbial “hockey stick” will be even steeper this year as participants complete previously delayed projects.
- A limited-time bonus of an extra \$5 per fixture for T12 to high-efficiency T8 lighting conversions was initiated to stimulate market activity prior to when new federal

manufacturing standards bar T12s in 2012. Initial results demonstrate that the bonus allowed a number of projects to move forward. The bonus incentive also will help influence suppliers in our region to stock high-efficiency T8s.

- The Existing Buildings program is combining strategic outreach with creative solutions in Cascade Natural Gas territory, which has been hit especially hard by the recession. In one example, a new Instant Savings Measure was offered to nearly 100 foodservice clients at no cost. By cooking food faster, the “turbo pots” are producing an estimated savings of 7,750 annual therms.
- In July, the Energy Trust board approved an increase of more than 80 percent in expected New Buildings NW Natural gas savings (from 338,030 to 623,039 annual therms) and commensurate incentive spending. The increase reflects the success of program outreach offering simple, prescriptive measures with short paybacks.
- New Buildings closed 82 projects in Q3, nearly twice the number completed in Q2 2010.
- New Buildings has developed new measures and updated existing measures to incent projects exceeding the 2010 Oregon commercial building code that took effect October 1. New projects that employ energy modeling will tap enhanced professional support incentives, tiered to reward buildings that will exceed the new code by more than 15 percent (equivalent to exceeding the former code by more than 30 percent).
- A request for proposals to manage the commercial multifamily efficiency activities within the Existing Buildings program was released in late July. Proposals from three teams were received. The successful contractor will be announced in November.

### 3. Industry and Agriculture

- The Production Efficiency program expects to meet annual stretch goals for electric savings.
- A robust pipeline of gas efficiency projects may help the program meet the NW Natural stretch goal, if all current projects proceed as projected. While progress has lagged behind expectations for Cascade Natural Gas, reflecting challenges in identifying eligible industrial sites, three new projects representing 70,000 annual therms are slated to complete in 2011.
- A bonus offer for custom operations and maintenance measures—covering up to 90 percent of costs for projects implemented within 90 days of receiving Energy Trust’s recommendation—attracted 54 projects by close of enrollment in Q3. An average incentive payment of \$15,000 per project is forecast to yield 24 million kWh in first-year savings.
- The program completed its 2,000<sup>th</sup> project since transitioning management in house in early 2008. The number of projects completed annually has doubled over this period, reflecting new offerings and outreach to small industry and agriculture.
- Energy Trust’s first industrial solar thermal project, at a Washington County nursery, is scheduled to complete in Q4. Production Efficiency contractors routinely explore solar thermal opportunities when working with nurseries, food processors, industrial laundries and other appropriate applications.

### 4. Homes

- Electrical savings for the year are expected to exceed stretch goals, while gas savings will reach conservative goals. Shifting the launch of the OPOWER pilot (letters that invoke peer comparison to motivate energy-efficient behavior) into 2011 reduced 2010 results. The economic downturn has disproportionately impacted Cascade Natural Gas territory, significantly slowing consumers’ ability to invest.

- An online trade ally rating system, deployed July 2 for Existing Homes trade allies, assigns ratings of 1-3 stars based upon contractor experience, observed quality of work and commitment to customer service. The search engine also shows distance from the customer's home to the trade ally's location, making it easier for customers to find local installers.
- A statewide "Free Your Home" marketing campaign, launched in September, promotes free Energy Saver Kits, showerheads, Home Energy Reviews and refrigerator recycling, each of which is now supported by online customer request forms.
- Energy Trust developed and led an employee-focused corporate energy efficiency and solar effort in collaboration with Columbia Sportswear Company. Of 260 employees who participated in workshops and presentations, 92 requested Home Energy Reviews and 103 requested solar assessments.
- The Existing Homes program launched a prescriptive duct sealing and repair pilot in eastern Oregon, providing training for HVAC trade allies and a \$350 payment for duct repairs in eligible homes using the training protocol. The model being tested is an alternative to the Performance Tested Comfort System (PTCS) approach, which requires more expensive training, diagnostics and specialized equipment.
- Energy Trust was a sponsor of the City of Portland's Build It Green tour, which featured 21 homes demonstrating energy-efficiency and renewable energy features and attracted 1,000 registrants.
- The New Homes program published a new Best Practices Guide and accompanying training course for new home builders.
- Energy Performance Scores were provided to 167 new homes in Q3.

## 5. Renewable Energy

- The Interconnection Guidebook for small-scale generators was completed and provided to project owners and developers to help them navigate the complexities of the interconnection process.
- An Energy Trust workshop for lenders from seven institutions provided information about incentives, project financing and project development risks. Lenders are more apt to support innovative projects when they understand risks and mitigation strategies.
- Energy Trust is working with three of 10 announced Business Energy Tax Credit Tier 2 projects (with costs ranging from \$0.5 million to \$6 million). Ten additional projects in discussions with Energy Trust were not included in the June 30 selection by the Oregon Department of Energy but plan to resubmit for the October round. There were no Energy Trust projects selected in the Oregon Department of Energy's Tier 3 allocation of Business Energy Tax Credits, which covers projects with costs greater than \$6 million.
- A resource document to help counties understand and establish permitting requirements for small wind systems was developed and is available on the Energy Trust website.
- New descriptions of the PGE and Pacific Power solar feed-in tariff incentives that launched July 1 were developed for customers, describing this alternative to Energy Trust's incentive program.
- Solarize Salem, another community-driven initiative to install residential solar electric systems, launched in August with education and promotional support provided by Energy Trust staff.

- Applications for incentive funding for electricity generation from methane were received from two municipal wastewater treatment plants, one each in Medford and Pendleton.
- Energy Trust’s board authorized funding of up to \$1.9 million for phase 2 of the Oregon Department of Transportation solar highway project, 1.7 to 1.9 megawatts on two Oregon Department of Transportation properties.
- The board also approved a payment of up to \$2 million over five years for a 3.5 megawatt hydropower facility near Madras.

**6. Projects completed this quarter<sup>3</sup>**

	Total	Electric-only	Gas-only	Both
<b>ENERGY EFFICIENCY</b>				
<b>Commercial projects</b>				
Existing buildings retrofitted	565	371	120	74
Efficient new buildings constructed	53	25	2	26
Multifamily buildings retrofitted	81	56	7	18
New multifamily buildings constructed	8	1	0	7
Solar water heating commercial installations	3	0	3	0
Subtotal Commercial	710	453	132	125
<b>Industrial projects</b>	234	215	8	11
<b>Residential projects</b>				
Efficient new homes constructed	168	28	25	115
Efficient new manufactured homes purchased	38	34	4	0
Home Energy Reviews conducted	1,219	270	44	905
Single-family homes retrofitted	2,198	895	1,227	76
Manufactured homes retrofitted	607	565	7	35
Residential solar water heating installations	24	8	16	0
ENERGY STAR appliance rebates	12,612	9,257	340	3,015
Subtotal Residential	16,866	11,057	1,663	4,146
<b>TOTAL EFFICIENCY</b>	17,810	11,725	1,803	4,282
<b>RENEWABLE ENERGY INSTALLATIONS</b>				
Biopower project installations	0	0	0	0
Solar energy reviews performed	146	146	0	0
Solar electric residential installations	304	304	0	0
Solar electric commercial installations	37	37	0	0
Other renewable project installations	6	6	0	0
<b>TOTAL RENEWABLE ENERGY</b>	493	347	0	0
<b>TOTAL EFFICIENCY AND RENEWABLE ENERGY</b>	18,303	12,072	1,803	4,282

<sup>3</sup> 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 227,682 CFL packages sold/provided nor 4,795 old refrigerators/freezers recycled during the quarter.

**7. Revenues and expenditures**

- \$27.4 million in public purpose and incremental revenues were received during Q3, with expenditures at \$30.0 million.
- A total of \$16.9 million in incentives was paid.

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

**9. Benefit/cost ratios for 2009 (will be updated for 2010 in the 2010 annual report)<sup>4</sup>**

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

<sup>4</sup> 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	Q3 Actual Revenues Received	Q3 Budgeted Revenues
Portland General Electric	\$ 8,195,898	\$ 9,132,036
Pacific Power	\$ 5,088,354	\$ 5,231,419
PGE Incremental	\$ 6,073,341	\$ 5,118,960
Pacific Power Incremental	\$ 4,890,903	\$ 4,669,313
Cascade Natural Gas	\$ 288,211	\$ 170,054
NW Natural	\$ 2,439,663	\$ 2,482,209
NW Natural DSM Pilot	\$ 437,499	\$ 437,500
<b>Total</b>	<b>\$ 27,413,868</b>	<b>\$ 27,241,491</b>

**2. Expenditures**

Type	Q3 Actual Expenditures	Q3 Budgeted Expenditures
Energy Efficiency programs	\$ 22,232,051	\$ 25,618,360
Renewable Energy programs	\$ 6,794,577	\$ 6,561,423
Administration	\$ 979,290	\$ 1,263,883
<b>Total</b>	<b>\$ 30,005,918</b>	<b>\$ 33,443,666</b>

**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	\$ 5,644,494	\$ 3,037,636	\$ 2,026,441	\$ 122,977	\$ (77)	\$ 3,950,635	\$ 2,154,677	\$ 16,936,783
Q4	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total</b>	<b>\$ 13,603,413</b>	<b>\$ 7,592,828</b>	<b>\$ 5,192,076</b>	<b>\$ 371,828</b>	<b>\$ 0</b>	<b>\$ 7,611,226</b>	<b>\$ 4,322,304</b>	<b>\$ 38,693,675</b>

**4. Savings and generation**

Electric Efficiency Savings	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses	mil \$/aMW	Levelized Cost/kWh
Commercial	1.87	0.86	2.73	\$ 6,822,839	\$ 2.5	2.9 ¢
Industrial	1.42	0.85	2.27	\$ 4,204,722	\$ 1.9	2.9 ¢
Residential	1.99	1.41	3.40	\$ 7,485,449	\$ 2.2	3.3 ¢
<b>Total Energy Efficiency Programs</b>	<b>5.28</b>	<b>3.12</b>	<b>8.40</b>	<b>\$ 18,513,010</b>	<b>\$ 2.2</b>	<b>3.0 ¢</b>

Gas Efficiency Savings	NW Natural Therms	Cascade Natural Gas Therms	Avista Therms	Total Savings Therms	Expenses	\$/Therm	Levelized Cost/Therm
Commercial	419,135	12,670	0	431,805	\$ 1,667,876	\$ 3.9	32 ¢
Industrial	119,578	0	0	119,578	\$ 376,688	\$ 3.2	24 ¢
Residential	276,276	10,138	-8	286,406	\$ 2,411,531	\$ 8.4	57 ¢
<b>Total Energy Efficiency Programs</b>	<b>814,989</b>	<b>22,808</b>	<b>-8</b>	<b>837,789</b>	<b>\$ 4,456,095</b>	<b>\$ 5.3</b>	<b>40 ¢</b>

Renewable Energy Generation	PGE aMW	Pacific Power aMW	Total Generation aMW	Expenses	mil \$/aMW	Levelized Cost/kWh
Biopower	0.000	0.000	0.000	\$ 285,847	n/a	n/a
Solar Electric	0.110	0.100	0.210	\$ 3,012,762	\$ 14.3	13.0 ¢
Other Renewables	0.340	0.320	0.660	\$ 3,738,204	\$ 5.7	5.3 ¢
<b>Total Renewable Programs</b>	<b>0.450</b>	<b>0.420</b>	<b>0.870</b>	<b>\$ 7,036,813</b>	<b>\$ 8.1</b>	<b>7.5 ¢</b>

**5. Progress toward goals by utility**

	Q3 Savings	YTD Annual Savings	Energy Trust		Annual IRP Goal	
			Annual Goal (Conservative)		Annual IRP Goal	
			Goal	YTD % Achieved	Goal	YTD % Achieved
Portland General Electric	5.3 aMW (46,282 MWh)	13.9 aMW (121,916 MWh)	20.4 aMW (178,301 MWh)	68%	26.7 aMW (233,892 MWh)	52%
Pacific Power	3.1 aMW (27,354 MWh)	8.0 aMW (70,061 MWh)	13.4 aMW (117,230 MWh)	60%	17.0 aMW (148,920 MWh)	47%
NW Natural	814,989 annual therms	2,136,471 annual therms*	2,857,594 annual therms	75%	2,936,000 annual therms	73%
Cascade Natural Gas	22,808 annual therms	181,280 annual therms	379,960 annual therms	48%	317,937 annual therms	57%

\*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**

	Q3 Expenditures	YTD Expenditures	YTD \$M/aMW*	YTD Levelized Cost*
PGE	\$ 151,178	\$ 308,544	\$ 0.02	\$0.03
PAC	\$ 122,411	\$ 258,090	\$ 0.03	\$0.05
<b>Total</b>	<b>\$ 273,589</b>	<b>\$ 566,633</b>	<b>\$ 0.03</b>	<b>\$0.04</b>

\* 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

### Q3 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.*

#### 1. **Pacific Power Energy Efficiency Activities in Third Quarter 2010** (for submission with Energy Trust Quarterly Report)

##### **SB 838 General**

- Pacific Power's Energy Trust liaison participated in several meetings with rural jurisdictions on their potential participation in the Clean Energy Works Oregon program and the possibility of some of them going solo to do their own localized EEAST program. Conversations included South Central Oregon Economic Development District, Klamath County Economic Development Association, Hood River County and City of Astoria.
- Pacific Power's Energy Trust liaison participated in a joint meeting between Energy Trust and Pacific Power to review future collections under Schedule 297. Items discussed a review of PacifiCorp's IRP and resource assessment update, funding requirements for 2011 and 2012, and a review of the budget and potential adjustment cycle timelines.
- Pacific Power's Energy Trust liaison coordinated and participated in several EEAST utility roundtable meetings to discuss the potential impacts of rulemaking in addition to actual and continued impacts of the Clean Energy Works programs.
- Pacific Power's Energy Trust liaison coordinated Pacific Power's response to the CEWO program on their IT implementation and program development. Pacific Power remains concerned about the potential of a complicated program set up and multiple parties taking part in CEWO and EEAST making for a difficult payment remittance and account management process. Pacific Power as stated the need to utilize/work with one, single entity to check credit histories, send customer loan payments to, uniform reporting, and bill Pacific Power program administrative costs – regardless of the parties participating.
- Pacific Power's Energy Trust liaison participated in the EEAST rulemaking advisory meetings convened by the Oregon Department of Energy.
- Pacific Power's Energy Trust liaison attended the Conservation Advisory Council meetings.

##### **SB838 Commercial efficiency programs**

- Pacific Power's Energy Trust liaison coordinated a meeting with all Pacific Power corporate account managers and Energy Trust industrial and commercial program managers. The corporate account managers are the key group within Pacific Power that can drive energy efficiency at the industrial and large commercial level. Items covered during the meeting: Current industrial kwh savings compared to goal; Current commercial kwh savings compared to goal; Plans/programs to get to goal by end of year; New industrial/commercial initiatives and pilots that PP customers can participate in; and, How Pacific Power can help move customers into the ETO pipeline.

- Pacific Power's Energy Trust liaison kicked off a coordinated effort with Oregon Main Street, Energy Trust, ODOE and USDA to look at small to mid-size commercial retrofit opportunities throughout the Oregon Main Street communities in spring 2011. The project has been well received and participants are looking forward to a localized effort to promote energy efficiency in the "downtown" environment. Pacific Power has over 20 Oregon Main Street communities that will be targeted.
- Pacific Power's Energy Trust liaison participated in the City of Portland's BEST Business Center Program review. The city facilitated discussion to review the Best Business Center Program's offerings and discuss how to leverage our collective services to better serve businesses.
- Pacific Power's Energy Trust liaison completed the RFP contracting process for 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.
- 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**

- Pacific Power's Energy Trust liaison and corporate account managers met with ECOS / Industrial Efficiency Alliance to review potential industrial energy efficiency training offerings for the mid-Willamette Valley for fall 2010.
- Pacific Power's Energy Trust liaison began coordinating efforts for a Central Oregon Irrigation and Agriculture Energy Efficiency Forum. The forum is a partnership between Pacific Power, Energy Trust of Oregon, Central Oregon Intergovernmental Council, Wy'East Resource Conservation & Development, OSU Energy Efficiency Center, ODOE and USDA. The forum will cover energy efficiency topics relating to production efficiency, scientific

irrigation scheduling, rural energy audits, USDA and ODOE grant and tax incentive programs.

### **SB 838 Residential efficiency programs**

- Pacific Power continued coordinating conversations with Energy Trust on a second round of Home Energy IQ sessions for electrically heated, owner occupied homes throughout Oregon. Pacific Power is hosting 12 sessions this fall.
- The July/August issue of Voices newsletter featured an article on purchasing a manufactured home. “Choose an Earth Advantage or eco-rated certified manufactured home for maximum energy efficiency, unrivaled comfort, water savings and healthier indoor air. As an Oregon Pacific Power customer, you’ll also earn a \$700 cash-back incentive from Energy Trust of Oregon.
- In August, a postcard promoting Energy Trust’s home energy review was delivered. “Did you know your home could be wasting up to 60 percent of the energy you pay for? Leaky ducts, inefficient equipment, air leaks and poor insulation are often the cause. Learn how to use less energy and keep dollars in your pocket with a Home Energy Review.”
- In August, a postcard promoting Energy Trust’s energy saver kits was delivered. “Reduce energy use with a twist of your wrist. Receive a free Energy Saver Kit from Pacific Power and Energy Trust of Oregon.”
- In August, a bill insert was delivered for Energy Trust’s See Ya Later Refrigerator program. “Let us do the heavy lifting. We pick up your old fridge. You pick up \$50. Recycle your old fridge or freezer with help from Pacific Power and Energy Trust of Oregon. You’ll pocket a \$50 cash incentive and save up to \$200 a year in energy costs.”
- The September issue of Voices newsletter featured an article on Energy Trust incentives when improving insulation and air leaks. “Insulate and get cash back. Sealing air leaks and improving insulation are two of the most affordable ways to make your home more comfortable. They typically pay for themselves within a few years with the money you’ll save on heating and cooling.”
- In September, a bill insert promoting Energy Trust insulation incentives was delivered. “Why insulate now? Get a \$300 bonus, year-round comfort and savings. Seal air leaks and improve your home’s insulation by October 31, 2010. Then cash in on a \$300 bonus on top of other incentives – all brought to you by Pacific Power and Energy Trust of Oregon.”
- In September, a bill insert promoting the Home Energy IQ workshops throughout Oregon was delivered. “This is one class where the subject matter will save you plenty of money. Pacific Power is pleased to present The Home Energy IQ Workshops in your area. Please join us for an enlightening evening of tips, advice and some tasty refreshments.” Energy Trust has provided the presenters and on-site energy saver kits.
- 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.

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

**Commercial and Industrial**

PGE's Energize newsletter goes to approximately 76,000 business customers quarterly in their PGE bill. The August issue of Energize gave a preview of the fall "Save More, Matter More™" promotion, a case study on the Meriwether Condominium common area lighting retrofit, and September energy-efficiency seminars.

PGE's Business Connection e-newsletter is emailed to approximately 15,000 business customers bi-monthly. The August issue featured a case study on North Portland Veterinary Hospital, Energy Trust's \$50 Restaurant/Lodging bonus, and September energy-efficiency seminars. 312 customers clicked-through for more information on these topics.

PGE's third fall "Save More, Matter More"(SMMM) campaign launched September 15 and will run through November 15. Energy Trust and PGE worked together to improve the campaign, changing the call to action from "make a pledge" to "sign up for a free energy consultation" (delivered by PGE Outreach staff). The campaign launched with a direct mail pieces to 53,424 PGE general small and medium sized business customers, and a targeted piece to 1,308 PGE commercial renewable customers. The letter was signed by Margie Harris of Energy Trust and Carol Dillin of PGE. The letter came with a brochure highlighting energy-efficiency opportunities and featuring a small card with cut-outs to help customers identify whether they have inefficient T-12 fluorescent lights. September bills also included an insert outlining SMMM. PGE is also conducting outbound calls to previous year participants, offering to sign-up customers on in-bound calls to the contact center, and Green Mountain Energy business reps are telling customers about the promotion when they make sales calls for Renewable energy. PGE is testing on-line advertising for the promotion as well.

Results through the end of September were promising, with 525 hits to the SMMM-specific web pages, including 101 plays of a "card your lights" video demonstrating how to use the mailed card, 139 entries only for the sweepstakes for a \$3000 energy-efficiency retrofit, and 385 requests for a free energy-efficiency consultation (which also enters customers in the sweepstakes).

In the third quarter, customers selected links from PortlandGeneral.com to Energy Trust's business web pages 253 times.

PGE hired two additional Outreach Specialists and they began work in August, one based in Salem and one based in Portland.

Verlea Briggs and Andrew Schafer met with the Christine Dieker, Executive Director of the Keizer Chamber and Bruce Anderson, NW Natural, Alan Pennington, Marion County, Carol Brown, PGE to plan the 2011 Keizer Sustainability Summit. The Summit was first held last year

with great success. The City of Salem has joined the planning committee and the event will be opened for participation from the Willamette Valley.

### Measurable Results

PGE Outreach Specialists made the following presentations reaching 814 total customers in the third quarter.

Organization	Date	Number of Attendees
Tualatin and Wilsonville Joint Chamber	7/13/10	75
North Salem Business Association	7/28/10	27
Oregon Association for Minority Entrepreneurs	8/24/10	32
Central Eastside Industrial Council	9/08/10	25
SEDCOR	9/09/10	120
Silverton Chamber of Commerce	9/10/10	68
Wilsonville, Tigard, Tualatin Joint Chamber Meeting	9/17/10	49
Salem Chamber of Commerce	9/20/10	340
North Salem Business Association	9/22/10	18
Washington County	9/23/10	25
Tualatin Energy Fair	9/23/10	26
City of Portland (BEST)	9/30/10	9

- 559 customers were contacted via phone or email regarding the opportunity to participate in the Energy Trust of Oregon programs.
- Outreach specialists sent 82 qualified project leads to the Energy Trust Program Managers, contractors and trade allies.
- PGE created 87,382 impressions among business customers for Energy Trust through its newsletters.

### Residential

From mid-August through mid-September, almost 50 Portland area bus shelters displayed new Portland General Electric ads promoting energy efficiency, with streamlined versions running on the sides of TriMet and Salem buses. The transit ads recommended turning down water heater thermostats to 120 degrees, and the value of weatherizing and insulating homes.

PGE's residential customer newsletter, Update, is sent monthly to 625,000 customers in their PGE bills. August Update featured Energy Trust's \$300 insulation incentive. September's edition featured Energy Trust's Refrigerator Recycling program.

PGE's residential e-newsletter, Home Connection, is sent monthly to about 250,000 customers. In August Home Connection featured heat pump sweepstakes winners. In September, Home Connection featured Refrigerator Recycling, with 247 click-throughs to Energy Trust.

PGE, Energy Trust, George Morlan Plumbing and PGE's plumber network have teamed up to do several showerhead promotions. Starting in June, George Morlan offered 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 began offering free showerhead installations when working on residential jobs in PGE's service territory. Through the end of September, 2,490 high performance showerheads have reached customers through these channels.

PGE supported Energy Trust's Energy Saver Kit promotion (free CFLs, showerhead and faucet aerators) by sending direct mail to 77,460 customers and direct email to an additional 17,294 customers. Through the end of September, 24,550 kits were requested.

PGE is now providing on-bill repayment services to Clean Energy Works Portland customers. PGE supported "Phase VI" with direct mail to electrically heated customers in Lents and North Portland. PGE remains a top channel for Clean Energy Works, accounting for about 13% of all referrals.

PGE is participating with Energy Trust and Northwest Natural in an OPower pilot. The company is now sending customer data to OPower, and PGE has supported communications planning.

In the third quarter, 1042 customer "clicked through" from PortlandGeneral.com to residential portions of EnergyTrust.org. PGE's call center transferred 29 customers to Energy Trust call centers during the third quarter.

#### Measurable Results

- 2,708 customers have used the PGE promotion code while recycling their refrigerator.
- 24,550 Energy Savers kits were requested by PGE customers from direct marketing.
- 2,490 high performance showerheads have reached residential customers through PGE's plumber network and retail partner George Morlan.
- PGE created 2,625,000 impressions for Energy Trust through its newsletters and direct promotions.

## Appendix 2



# NEEA Q3 2010 Summary Report for Energy Trust of Oregon

## Major shifts in programs

- **NEEA has signed a “green lease” and moved to new offices in the Commonwealth Building, 421 Sixth Ave, (503) 688-5400** to maximize the opportunities of NEEA’s expiring lease, accommodate its growing staff and increased regional activity, and walk its talk. The new space has been designed with NEEA values in mind: sustainability, teamwork/collaboration and open and transparent operations. NEEA has also updated its visual identity including logo, website look, etc.
- **Recently-formed Regional Portfolio Advisory Committee (RPAC) recommends approval of NEEA’s initiative portfolio** using the new NEEA Portfolio Management System. RPAC is comprised of the conservation managers of all funding utilities.
- **NEEA commercial sector review complete.** A detailed review and redesign of NEEA’s commercial sector activity was completed as a result of RPAC’s recommendation to approve the NEEA initiative portfolio. Important changes include sun setting the ongoing healthcare initiative over the next three years, reducing effort in Integrated Design, and moving Operations and Maintenance from initiative to infrastructure support status. Several new initiatives have been approved and are detailed below.

## New initiatives

- **Inaugural regional efficiency conference—EFFICIENCY CONNECTIONS NORTHWEST—December 1-2 in Seattle, WA.** Facilitated planning and delivery of the event via 11-member program committee that fostered regional information sharing and collaboration. More information at [www.encyciencyconnections.com](http://www.encyciencyconnections.com)
- **Existing Building Renewal.** A major shift from new building design to existing buildings reflects a national interest in the standing building stock. NEEA intends to explore the possibility of developing deep retrofit “packages” that can reduce costs and risks for building owners, recognized as a difficult challenge. The initiative will also work to reduce financing barriers to retrofit.
- **Business IT.** Building on the work of the 80 PLUS® program, NEEA will seek to change management practices to increase the efficiency of IT products and services within commercial building environments through a new Business IT initiative. Working on both demand and supply, NEEA hopes to bring significant gains in energy efficiency.
- **Commercial Lighting Solutions.** After initial attempts to advance this initiative through ad hoc regional coordination, NEEA was asked to lead it. The project will create simple lighting design tools for smaller and mid-sized retrofits. The intent of this initiative is to prepare the market for utility-incented projects. It is the first initiative in NEEA’s portfolio to take advantage of NEEA’s value to serve as a “regional coordinator.”
- **Small and Medium Business Energy Management (SMB).** Building on the success of work with food processors, NEEA intends to bring strategic energy management practices to small and medium businesses and has partnered with the region’s Manufacturing Extension Programs to deploy this initiative. The first cohort group to engage is the Oregon Association of Nurseries.
- **Heat Pump Water Heaters.** While the development of a northern-tier specification is underway, early initiative development has also begun. Due to the early presence of some heat pump water

heater products in the market, NEEA is engaged to assist in appropriate market development. Planning support is underway for a regional heat pump water heater initiative to launch in 2011.

## Innovation

- **Collaborating with Bonneville Power Administration, Lawrence Berkeley National Laboratory and energy efficiency consultants 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, desktop computers and monitors with all major “big box” retailers and Brandsource buying group signed.** Participating retailers represent 81% of the consumer electronics revenue generated in the Northwest. New consumer messaging and retail signage are rolling out to retailers; Costco will run an in-store video highlighting the new messaging and campaign.
- **NEEA code training supports new Oregon commercial energy code effective July 1.** NEEA helped create curriculum and deliver training for the new code, with more than 500 people attending trainings at seven locations across the state.
- **NEEA continues to develop Continuous Energy Improvement strategic energy management system.** The second version of this system will include three configurations: an online version for small- to medium-sized manufacturing businesses; a consultant-only version for firms seeking ISO 50001 registration; and an online/consultant delivered hybrid system for medium- and large-sized manufacturers.
- **Northwest not selected for U.S. Department of Energy Hub.** An extensive effort led by Pacific Northwest National Laboratory (PNNL) brought together many Northwest interests in a proposal for a major DOE grant. The proposal fared well but was not selected. Following its decision, DOE asked PNNL to proceed with some components of the HUB, which NEEA and PNNL are working on now.

## Major market trends

- **Expanded the market’s capacity to deliver DHPs through NEEA’s Northwest Ductless Heat Pump (DHP) Project.** At the end of Q3, NEEA has exceeded its goal to increase HVAC contractor participation by 20 percent. NEEA has worked closely with CSG, Energy Trust of Oregon’s contractor, to support installation efforts by providing marketing and collateral templates, technical training assistance, and quality assurance.
- **Northwest ENERGY STAR® Homes market share for Oregon reached 9.9 percent through August.** Through the initiative, NEEA partnered with the Oregon verifier Earth Advantage on co-branded advertising. 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.
- **Sustainability is an increasingly significant trend in the manufacturing arena:** “In today’s economic environment, the term green is used often. Green is about an organization improving its impact on the environment. A company can produce less waste, consume fewer inputs (such as raw materials, energy and packaging materials) and utilize resources more efficiently. Green not only improves internal operations, it looks at external factors such as the supply chain to reduce the impact on the environment. Green initiatives also often lower costs,” (McGladrey 2010)

Questions or comments? Contact Aaron Cohen, Corporate Communications, (503) 688-5480, [acohen@neea.org](mailto:acohen@neea.org)



**Appendix 3****Home Energy Reviews and Solar Energy Reviews in Q3 2010**

Service Region	HERs Completed	SERs Completed	Total
1 - North Coast (Astoria)	19		19
2 - South Coast (Coos Bay, North Bend)			0
3 - Portland Metro	845	124	969
4 - Mid-Willamette (Salem, Dallas)	114	5	119
5 - Southern Willamette (Eugene, Corvallis, Albany)	85		85
6 - Southern (Medford, Roseburg, Grants Pass)	46		46
7 - Columbia Basin (Hood River, The Dalles)	3		3
8 - Central (Bend, Redmond, Prineville)	78	6	84
9 - Klamath Basin (Klamath Falls, Lakeview)	8		8
10 - Northeast (Pendleton, Enterprise)	13	10	23
11 - Eastern (Baker City, Ontario, Vale)	8	1	9
<b>Total</b>	<b>1,219</b>	<b>146</b>	<b>1,365</b>

**Appendix 4****Quarter Four 2009-2010 NW Natural Washington Pilot  
Report to NW Natural**

July 1, 2010, through September 30, 2010

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This Energy Trust of Oregon quarterly report covers the period 7/1/10 through 9/30/10, the fourth quarter of the NW Natural Washington pilot program's first year. This report addresses progress toward goals for the initial 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.

Energy Trust is preparing an annual report for the NW Natural fiscal year for submission January 1, 2011. The narrative in this quarterly report is purposefully curtailed in order not to compete for attention with the annual report.

**I. QUARTERLY HIGHLIGHTS****1. General**

- Q4 of pilot year 1 brought in significant savings for a total annual therm savings of approximately 76,000. This placed Energy Trust on track to exceed the 97,500 goal.
- Therm savings in Q4 were mostly dominated by the commercial sector, as the projects moved from the pipeline to completion. The residential sector continued to be steady, pulling in savings during usually slow summer months.
- Q4 is also a time for 2011 planning efforts. By request of NW Natural, Energy Trust has planned for the full 2011 year, building off successful strategies in pilot year 1 and introducing new ideas for 2011.
- A total of 132 trade allies now serve the SW Washington territory. Of these, 32 are Washington-based trade allies. In a recent Energy Trust Trade Ally Network survey sent to both Oregon- and Washington-based trade allies, 34 of the 273 respondents stated that they perform services in Washington.
- Energy Trust will continue to administer the pilot through 2011 while the pilot's Energy Efficiency Advisory Group and NW Natural determine the best solution forward for SW Washington energy-efficiency programs.

**2. Commercial**

- The commercial sector produced an estimated 65,000 annual therms saved in Q4.
- The Steam Trap pilot, begun in Q3, accounted for savings of 5,758 annual therms by the end of Q4. Recommendations drawn from lessons learned during this pilot will be integrated and the steam trap offer continued in 2011.
- Five high-efficiency boilers, six domestic tank water heaters and 12 insulation projects were completed during Q4.
- Two school districts took advantage of the incentive for boilers and insulation, adding more than 6,000 annual therms in Q4.

**3. Residential*****Existing Homes***

- The residential sector continued steady throughout Q4, producing approximately 11,000 annual therms during Q4.
- In Q4, 110 incentive applications were processed, including 63 for HVAC, 16 for water heaters and 31 for weatherization projects.

- Instant savings measures installed during Home Energy Reviews contributed to more than 1,000 annual therms during Q4.
- A total of 65 Home Energy Reviews were completed during Q4. To date, a total of 300 have been completed. By the end of Q4, 23 of the homeowners with reviews had installed at least one recommended energy-efficiency measure.

**New Homes and Products**

- The New Homes program offering started July 1 and will continue until the end of pilot year 2.
- During Q4, the first quarter in which we served the Southwest Washington new homes market, builders integrated high-efficiency options into 45 new homes, resulting in savings of 4,050 annual therms.

**4. Revenues and Expenditures<sup>5</sup>**

- \$87,708 in revenues received during Q4.
- Expenditures for Q4, including New Homes expenditures, totaled \$333,000; of which, \$174,000 in incentives was paid during Q4.

**5. Washington Utilities and Transportation Commission Performance Metrics**

The table below compares pilot goals, as established in NW Natural’s Energy Efficiency Plan, with Q4 results. Savings from the recently launched New Homes program is not reflected in these figures and will be included beginning in Q1 of pilot year 2.

Table 1: WUTC performance metrics

Metrics	Goal	Total	Q1 Results	Q2 Results	Q3 Results	Q4 Results
Therms saved	97,500 – 130,000	120,897	7,811	20,086	16,160	76,840
Total program costs	\$780,000 – 1,040,000	\$ 527,168	\$ 52,721	\$ 64,576	\$ 118,624	\$ 291,247
Average levelized cost per Measure	Not to Exceed \$0.65	\$ 0.28	\$ 0.48	\$ 0.20	\$ 0.51	\$ 0.25
Dollars spent per therm saved	Less Than \$8	\$ 4.36	\$ 6.73	\$ 3.21	\$ 7.34	\$ 3.83
% of paid out incentives to total dollars spent**	At Least 60%	53%**	42%**	57%**	38%**	60%**
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.

<sup>5</sup> Total Expenditures and Savings for Q4 are estimated numbers.

## II. QUARTERLY RESULTS

### 1. Expenditures

Table 2: Q4 expenditures

Type	Q4 Actual Expenditures	Q4 Budgeted Expenditures
<b>Residential</b>		
Existing Homes	\$ 109,571	\$ 144,190
New Homes	\$ 43,159	\$ -
<b>Commercial</b>		
Existing Buildings	\$ 181,676	\$ 76,732
<b>Total</b>	\$ 334,406	\$ 220,922

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

### 2. Incentives paid

Table 3: Incentives by quarter

	Q1	Q2	Q3	Q4	Total
<b>Residential</b>					
Existing Homes	\$ 18,950	\$ 17,072	\$ 29,212	\$ 36,217	\$ 101,451
New Homes				\$ 27,000	\$ 27,000
<b>Commercial</b>					
Existing Buildings		\$ 14,440	\$ 9,505	\$ 111,355	\$ 135,300
<b>Total</b>	\$ 18,950	\$ 31,512	\$ 38,717	\$ 174,572	\$ 263,751

Table 4: Quarter 4 percent of paid out incentives to total dollars spent

Program	Total Program Expenditures	Adjusted Program Costs	Incentives	% Incentives
<b>Total</b>	\$291,247	\$247,560	\$147,572	60%

\*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. These expenditures includes Existing Homes and Existing Buildings.

### 3. Savings

Table 5: Q4 savings

Gas Efficiency Savings	NW Natural WA Therms	Expenses	\$/Therm	Levelized Cost/Therm
<b>Residential</b>				
Existing Homes	11,143	\$ 109,571	\$ 9.8	69 ¢
New Homes	4,050	\$ 43,159	\$ 10.7	67 ¢
<b>Commercial</b>				
Existing Buildings	65,697	\$ 181,676	\$ 2.8	18 ¢
<b>Total</b>	80,890	\$ 334,406	\$ 4.1	27 ¢

**4. Projects completed**

Table 6: Project counts by quarter

	Q1	Q2	Q3	Q4
<b>Commercial projects</b>				
Existing buildings retrofitted	0	3	3	21
Subtotal Commercial	0	3	3	21
<b>Residential projects</b>				
Home Energy Reviews conducted	56	111	68	65
Single-family homes retrofitted	80	61	102	112
New Homes Building Option Packages				45
Subtotal Residential	136	172	170	222
<b>TOTAL ACTIVITY</b>	136	175	173	243

**III. YEAR-TO-DATE RESULTS**

**Savings**

	Q4 Savings	YTD Annual Savings	Annual Goal (Conservative)		YTD Levelized Cost	
			Goal	% Achieved YTD	Actual YTD	Action Plan (Conservative)
Gas	80,890 annual therms	124,947 annual therms	97,500 annual therms	128%	30 ¢	65 ¢

Note: YTD total includes New Homes savings.

**Expenditures**

	Q4 Expenditures	Variance from Quarter Budget		YTD Expenditures	Variance from YTD Budget *		YTD \$/Ann Therm
Gas	\$ 334,406	\$ (113,484)	-51.4%	\$ 570,199	\$ 281,954	33.1%	\$ 4.56

**Variance**

- Expenditures in Q4 increased significantly compared to previous quarters and exceeded the Q4 budget, reflecting the heightened activity of final projects completing in the commercial sector and increased incentive payments.

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