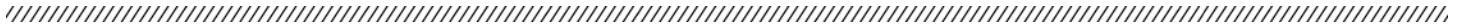
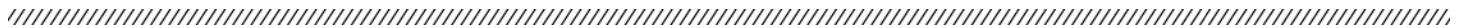


Quarter Three 2011 Report to the Oregon Public Utility Commission



ENERGY TRUST OF OREGON
NOVEMBER 15, 2011

This report covers activity between July 1 and September 30, 2011

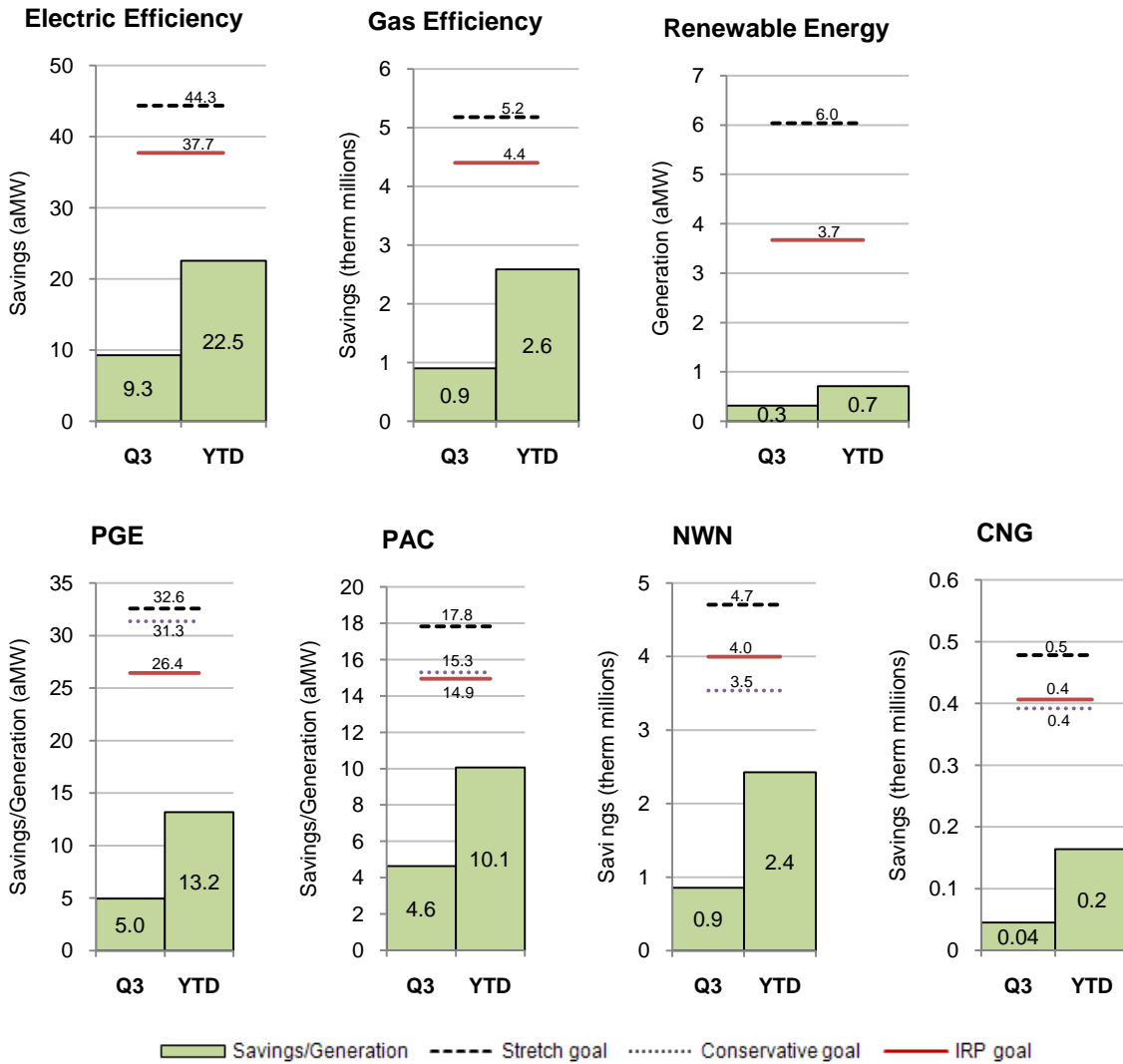


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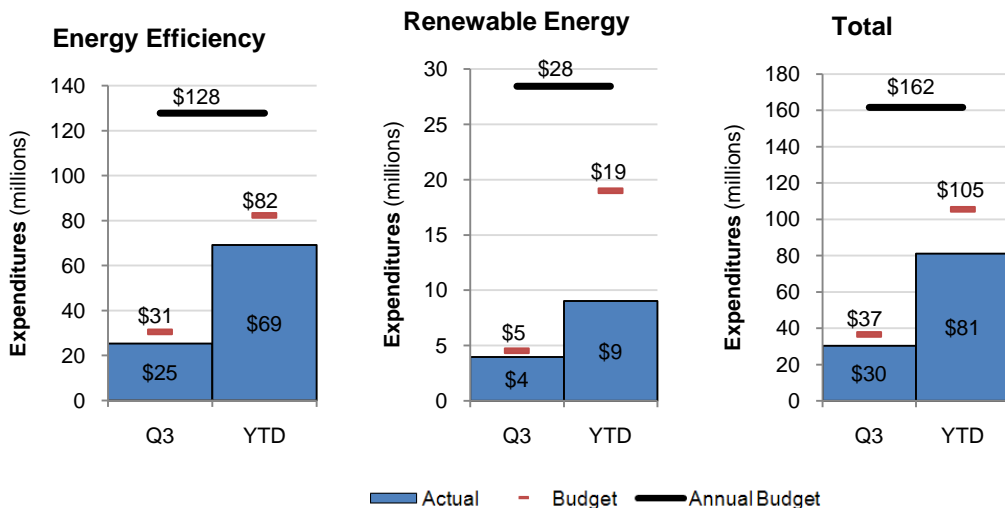


I. Q3 2011 ACTIVITY AT A GLANCE

Savings and Generation



Expenditures



Residential activity in Q3 2011

New homes	382
New manufactured homes	25
Weatherization retrofits	1,913
Single-family site-built	1,196
Manufactured or mobile	717
Solar electric installations	345
Home Energy Reviews	1,098
TOTAL SITES	3,393
Heating systems	579
Water heaters	466
Solar	33
High-efficiency products	10,133
Washing machines	4,624
Dishwashers	227
Refrigerators	5,282
High-efficiency lighting*	60,123
Refrigerators, freezers recycled	6,446
Energy Saver Kits sent	24,993
TOTAL OTHER ACTIVITY	42,617

* Lighting excluded from totals

Commercial activity in Q3 2011

High-efficiency new buildings	70
Solar	35
Solar water heating installations	13
Solar electric installations	22
Retrofits	1,013
Institution/government	5
Lodging	31
Multifamily buildings	148
Offices	145
Restaurants	118
Retail	197
School/college	43
Other commercial	450
Studies	43
TOTAL	1,161

Industrial/Agricultural activity in Q3 2011

Projects	226
Custom capital ¹	28
Custom O+M ²	4
Strategic Energy Management ³	0
Industrial lighting	66
Small industrial ⁴	40
Prescriptive ⁵	88
Strategic Energy Management participating companies	35
Studies	42

¹ Top measures are compressed air system improvements, process upgrades

² Equipment modifications to improve efficiency

³ Savings from no-cost or low-cost operational steps (i.e., turning off equipment when not in use) identified through trainings in Strategic Energy Management approaches/disciplines

⁴ Targets users with gas or electric costs under \$25,000/year; top measures are irrigation system improvements, compressed air system improvements, HVAC

⁵ Top measures are sprinklers, replacement gaskets, nozzles

Renewable energy activity in Q3 2011

Biopower projects	--
Solar electric installations	367
Residential	345
Commercial	22
Other renewables	1
Wind projects	1
Hydro projects	--
Geothermal projects	--
TOTAL	368

Other activity in Q3 2011

Calls	8,391
Website visits	120,743
info@energytrust.org inquiries	338
Customer complaints	6
Trade ally roundtable meetings	4
Attendance	220
News stories in print, broadcast	121

II. HIGHLIGHTS OF Q3 ACTIVITIES

A. Savings and generation

Quarter 3

- **Electric efficiency projects completed during Q3 are expected to save 9.3 average megawatts, aMW.** Year-to-date electric savings of 22.5 aMW represent 60 percent of the 2011 electric conservative goal and 51 percent of the 2011 electric stretch goal of 44 aMW. Year-to-date 2011 electric savings are slightly above 2010 results for the same period.¹
- **Gas efficiency projects completed during Q3 are expected to save 886,844 annual therms.²** Year-to-date gas savings of 2.6 million annual therms represent 59 percent of the 2011 gas conservative goal and 50 percent of the 2011 stretch goal of 5.2 million annual therms. Year-to-date 2011 gas savings are 13 percent higher than 2010 results for the same period.
- **Renewable energy projects completed during Q3 are expected to generate 0.3 aMW,** about 9 percent of the 2011 renewable energy conservative goal. Year-to-date 2011 renewable energy generation is approximately one-half of 2010 results for the same period. A number of large commercial renewable energy projects were cancelled in 2011 or delayed until 2012 in response to changes in the Oregon Business Energy Tax Credit. As a result, installed generation in 2011 is expected to total 1.6 aMW, less than half the annual goal for installed generation. New commitments in 2011 for construction in 2012 totaled an additional 2.0 aMW by the end of Q3, with another 3.9 aMW still under consideration.

Cumulative

- **Including Q3 2011 results, electric efficiency programs have cumulatively saved 277 aMW since March 1, 2002.** When savings from self-directed industrial projects are added, the total represents 62 percent of Energy Trust's 2014 goal of 479 aMW. This is equivalent to the annual electric consumption of approximately 214,647 average Oregon homes.
- **Including Q3 2011 results, cumulative savings of 20.4 million annual therms have been realized since gas programs began in 2003,** accounting for 59 percent of the 2014 goal of 34.7 million annual therms. This is equivalent to providing gas heat to approximately 40,154 homes.
- **Since March 1, 2002, renewable energy efforts have helped develop projects with installed generation totaling 104 aMW,** accounting for 84 percent of the 2014 goal of 124 aMW of installed generation. This is equivalent to powering approximately 80,398 average Oregon homes.

B. Revenues and expenditures

- **Overall public purpose revenue plus incremental electric revenue** from SB 838 totaled \$27.9 million for Q3 2011, approximately 9 percent less than budgeted revenues. As Q2 revenues were 10 percent over budget, total revenues received for the year align with expectations.
- **Q3 expenditures** totaled \$30.2 million, of which \$16.5 million or 55 percent was for incentives.
- **Q3 electric efficiency expenditures** were 17 percent under budget for the quarter. The Production Efficiency and Existing Buildings programs together account for approximately 86

¹ Comparisons to Q3 2010 savings and generation reflect values modified by the 2011 true-up exercise, which was completed in March 2011. The values may differ from those published in the Q3 2010 report.

² The gas savings do not include NW Natural results in Washington. These results are reported in Appendix 5.

percent of the underspending. These programs and the large, complex projects they supported were especially hard hit by changes in the state energy tax credits.

- **Q3 gas efficiency expenditures** for the quarter were 22 percent under budget. The Existing Homes program, responsible for almost 45 percent of the underexpenditure, attributes this to slower-than-expected completion of the high volume of Clean Energy Works Oregon projects that are in process.

C. Appendices

- **Appendix 1** shows a geographic distribution of Home Energy Reviews conducted in Q3 2011, and the most recent customer satisfaction results (see page 13).
- **Appendix 2** presents Oregon Public Utility Commission performance measures for Energy Trust and benefit/cost ratios from Energy Trust's 2010 annual report (see page 14).
- **Appendix 3** includes reports from Pacific Power and PGE on Q3 2011 utility activities supported by their shares of SB 838 funding, providing additional support for electric efficiency acquisition above funds collected through the public purpose charge (see page 15).
- **Appendix 4** summarizes Northwest Energy Efficiency Alliance Q3 2011 market transformation activities in PGE and Pacific Power Oregon service territories, funded by Energy Trust (see page 19).
- **Appendix 5** provides the Q3 2011 report on Energy Trust activities serving NW Natural customers in Washington (see page 22).

D. Commercial sector highlights

- **Changes to the Business Energy Tax Credit significantly affected** quarterly and projected annual results in the commercial sector. The sector is on track to achieve 2011 stretch goals for Pacific Power, meet conservative goals for NW Natural and Cascade Natural Gas, and achieve 98 percent of the PGE conservative goal.
- **Incentive expenditures are tracking savings** for electric utilities and running slightly ahead for gas utilities.

Existing Buildings

- **Overall, the program is on pace or ahead of historical accomplishments** for every utility except PGE. The program has closed 1,660 projects representing 36 million annual kilowatt hours and 490,000 annual therms, compared to 1,035 projects through Q3 2010 with 31 million annual kWh and 312,000 annual therms.
- **Retroactive changes to Oregon energy tax credits have influenced many customers** to cancel or delay projects. On September 1 program staff released bonus incentives—increases ranging from 20 to 50 percent—to help projects proceed without a Business Energy Tax Credit.
- **Since the bonus offers began, the flow of lighting projects rebounded** while large custom projects continued to lag, as is evident in PGE territory. The program is focusing on lighting projects and multifamily custom projects to improve results by year end.
- **The Strategic Energy Management pilot began** enrolling participants. One approach, Commercial Energy Improvement, will engage a cohort of building operators; the other approach, Integrated Energy Management, will be provided to individual companies.
- **Instant savings and direct install improvements continue** to comprise the majority of savings for multifamily properties. In Q3, aggressive team outreach enrolled more than 10

custom HVAC studies, compared to no more than two per year in the past. Results are tracking ahead of prior years in electric territories.

- **Efforts to strengthen relationships with top property management** and affordable housing agencies are allowing the program to gain access across their portfolios rather than working on a site-by-site basis.

New Buildings

- **New Buildings closed 70 projects** in Q3 2011, one-third more than in Q3 2010, for an estimated 180 projects closed to date and projected 309 projects closed by year end.
- **The program's focus on quick-turnaround gas savings projects has been successful** in positioning the program to meet conservative goals for the year. Several additional prescriptive projects and one significant custom project are boosting gas results.
- **During Q3, 21 education projects received more than \$450,000** in incentives, nearly double the number funded in Q2. They include 10 public K-12 schools, four community colleges and seven college and university projects.
- **Other noteworthy New Buildings projects** completed during Q3 include a data center in central Oregon, a LEED[®]-certified public housing project in Portland, a LEED-certified military facility, a large water park and a multifamily complex in the Path to Net Zero pilot that finished 55 percent above code.

E. Industry and Agriculture sector highlights

- **Changes to the Business Energy Tax Credit significantly affected** quarterly and projected annual results in the Industry and Agriculture sector for three utilities. Adjusted forecasts are driving results toward conservative goals in PGE, NW Natural and Cascade Natural Gas territories. Due to a robust pipeline at the beginning of the year with projects able to complete ahead of Business Energy Tax Credit changes, the forecast for Pacific Power territory exceeds stretch goal.

Production Efficiency

- **Three of four service territories have robust pipelines.** Incentive spending is proportional to savings to date except in PGE territory, where incentive spending is trending higher. Program managers expect completion of many low-cost 90 by 90 operations and maintenance projects in PGE territory in Q4 to rebalance the savings to incentives ratio.
- **The impact of the Oregon energy tax credit's retroactive sunset in Q2 is apparent** in program activity metrics. Approximately the same numbers of studies have been performed and incentive offers made in 2011 as in 2010, but 20 percent fewer offers have been accepted by participants year to date.
- **Helping industrial customers navigate the retroactive sunset** of the Business Energy Tax Credit was a major focus of program activity in Q3. Since the majority of industrial customers had applied for or intended to apply for a Business Energy Tax Credit, the introduction of the fall bonus incentive was instrumental in ensuring that cost-effective efficiency projects continue to be implemented in 2011.
- **The third cohort of the Industrial Energy Improvement initiative held its final report-out** session in September. These highly motivated customers have been receiving group and individual training on how to implement strategic energy management practices in their operations. Results of past cohorts have exceeded expectations for cost-effective savings, and

the program anticipates that members of the third cohort will be similarly successful in creating energy-efficiency cultures within their companies.

- **Refrigeration Operators Coaching**—the first cohort in another Strategic Energy Management initiative—had its final report-out session in September. Refrigeration engineers and technicians from five participating food processing and cold storage facilities successfully completed the six-month mentored training initiative. They have acquired and are applying new and effective strategies to track and optimize the energy performance of their operations.

F. Residential sector highlights

- **Residential programs are on track to exceed conservative goals** in each utility territory and to surpass stretch goal for Pacific Power. Continued historic lows in Oregon new home starts have curtailed savings in the New Homes program, while slower-than-expected completions of the large volume of Clean Energy Works Oregon homes has also affected Existing Homes results, especially in the PGE and NW Natural territories.

Existing Homes

- **Year to date, Existing Homes exceeds stretch goals** for all utilities with the exception of NW Natural. Both gas utilities showed strong performance in the latter end of Q3. For year end the program forecasts exceeding stretch goal for Pacific Power and meeting it for Cascade Natural Gas, while ending within a few percentage points of stretch goals for PGE and NW Natural. The program is planning a focused effort in Q4 to distribute more Energy Saver Kits and raise results for both utilities.
- **Clean Energy Works Oregon continued to ramp up** activity during Q3. Nearly 500 applications were submitted and more than 250 loans signed, double the number of loans signed in Q2. Clean Energy Works Oregon expanded into Klamath and Lake counties and made a soft launch in Bend. While activity in Q4 is expected to continue growing, the year-end forecast for the number of completed homes with processed incentives has been reduced from 1,000 to 700, as homes are moving through the process more slowly than planned.
- **Year-to-date savings from existing mobile homes exceeded the annual goal** for the program track by 23 percent, largely due to high activity in Pacific Power territory. The initiative exceeded its Q3 electric savings goal by 113 percent and achieved 93 percent of its gas savings goal. It is on track to achieve its annual stretch goal for PGE and the program expects continued strong gas results through Q4.
- **An incentive to stock high-efficiency tank water heaters, ENERGY STAR® 0.67 Energy Factor**, continued to attract distributors within the state. Compared to Q2, Q3 saw a 220 percent increase, 354 units, in the number of stocking incentives paid to distributors. Consumer demand is rapidly growing as well, with nearly 200 units installed during Q3.
- **The Savings Within Reach initiative**, which serves moderate-income households, exceeded its quarterly electric stretch goal by 20 percent and its gas stretch goal by more than 500 percent. Results were particularly strong in Clackamas County, which leveraged a \$1,000 matching incentive funded through the American Recovery and Reinvestment Act.
- **The 60,000 PGE and NW Natural customers in the OPOWER, behavior change pilot** have received five Personal Energy Reports since the pilot began in early 2011. Preliminary indicators suggest gas and electric savings are on track to meet or exceed annual goals. The cumulative opt-out rate is a low 0.5 percent.

- **The number of telephone-based Home Energy Reviews increased by 85 percent** from Q2, while the number of homeowners completing the online Home Energy Profile increased by more than 50 percent.

New Homes and Products

- **New Homes predicts ending the year well ahead of the Pacific Power stretch goal** and at or above the conservative goal for PGE and NW Natural.
- **The program expects to finish just under the Cascade Natural Gas conservative goal.** To address this potential shortfall stemming from the continued lack of new construction in central Oregon, program managers sought to enlist water agencies in Bend and Pendleton to distribute efficient showerheads online, during in-home water audits or both. As of the end of Q3, the Pendleton agency had distributed 500 showerheads. The effort in Bend is expected to launch in late 2011 or early 2012.
- **The “Smart Homebuyer” consumer advertising campaign launched** through regional ads and an online Smart Homebuyer Checklist.
- **Market share of new homes with an Energy Performance Score** is approximately 20 percent, well above the goal of 17 percent, despite the continued decline in number of single-family permits.
- **Specialty compact fluorescent light bulb promotions were expanded** to the Rebuilding Center in Portland and Parr Lumber locations throughout Energy Trust territory.
- **Products successfully launched “Carry Home the Savings.”** Approximately 2,800 kits were distributed to low-income populations through food pantries in the Portland metro area. In light of the positive response, six more food pantries in Portland will be added before the end of 2011, and outreach will extend statewide starting 2012.
- **The Oldest Fridge Contest kicked off** in September, attracting extensive media and consumer response for the refrigerator recycling initiative. In the campaign’s first three weeks, 2,300 Oregonians called to schedule and 1,600 units were picked up.

G. Renewable energy highlights

- **Renewable energy programs have installed 0.71 aMW** of generation, 26 percent of generation originally expected year to date. The shortfall is due principally to delays in projects that are shifting into 2012 or Q4 2011 (1.5 aMW comprised of one large solar project and two biopower projects) and cancellation of a project incentive for a 1 aMW landfill that no longer has above-market costs. The year-end forecast predicts about 1.6 aMW of new generation will come on line in 2011, less than one-half the annual goal for installed generation. In addition, commitments in 2011 to future projects totaled 2.0 aMW, with another 3.9 aMW still under consideration.
- **While solar is already exceeding the annual conservative goal**, renewable energy programs overall expect to achieve less than 50 percent of the annual conservative goal. The majority of custom projects with committed incentives are expected to complete in 2012, shifting from 2011. State tax credit changes extending the completion deadline for pre-certified projects influenced many of these delays.
- **All available Pacific Power funds should be committed by year end**, and the programs expect to carry over approximately \$6 million in PGE funds for non-solar programs. The PGE carryover is due to cancelled or delayed projects resulting from changes to the Business Energy Tax Credit. Discussions with PGE are focused on how to direct the funds to support large solar projects in 2012.

Solar Electric

- **The solar program celebrated 10 megawatts of residential solar generation capacity** since its inception in 2003.
- **Ground was broken for the 1.75-MW solar electric installation at the Baldock Safety Rest Area** on I-5 south of Wilsonville, a project involving PGE, the Oregon Department of Transportation, Oregon Department of Energy and Energy Trust.
- **The third-party ownership model is competing well** in the residential solar market. CitizenRE joined SolarCity and SunRun as third-party service providers, and a local trade ally is offering its own lease product.
- **Energy Trust sponsored the second annual Solar Now! University** in Roseburg September 22-24, engaging citizens and officials from communities throughout western Oregon in learning how to address barriers and encourage solar installations.

Biopower

- **The Wallowa Integrated Biomass Energy Center near Enterprise, Oregon**, won approval of a \$70,000 project incentive. The project gasifies woody biomass from logging slash and forest restoration activities and generates electricity using an Organic Rankine Cycle engine. Project capacity is 100 kW. It will produce 0.08 aMW, offsetting electricity purchases from Pacific Power.
- **The City of Pendleton's wastewater treatment cogeneration facility** gained approval of a \$450,000 project incentive. The project will generate electricity from methane produced by anaerobic digestion of the wastewater stream and co-digestion organic waste materials from the community. The project capacity is 195 kW. It is expected to produce 0.15 aMW, offsetting electricity purchases from Pacific Power.

Other

- **Funding was committed for two hydro projects** expected to complete in 2012: \$1 million for the 800-kW Three Sisters Irrigation District project and \$490,000 for a 1.2-MW project for Warm Springs Hydro LLC in the Klamath Irrigation District.
- **Development assistance funds were committed for eight hydro projects**, seven projects in Pacific Power territory and one project in PGE territory.
- **A central Oregon hydro project that will employ new low-head hydro technology** was awarded \$750,000 in federal funds. Applications are expected in Q4 for two projects using this technology.
- **A 225-kilowatt wind project at Doerfler Farms in Aumsville was completed**, the first project of this scale in the state.

III. TABLES

A. Revenues

Source	Q3 Actual Revenues Received	Q3 Budgeted Revenues
Portland General Electric	\$ 8,503,154	\$ 8,828,943
PGE Incremental	\$ 6,188,355	\$ 7,912,839
Pacific Power	\$ 5,589,639	\$ 5,936,643
PAC Incremental	\$ 4,733,591	\$ 4,799,913
Cascade Natural Gas	\$ 423,454	\$ 454,000
NW Natural	\$ 1,825,879	\$ 2,096,725
NW Natural Industrial DSM	\$ 633,333	\$ 518,198
Total	\$ 27,897,405	\$ 30,547,262

B. Expenditures

Type	Q3 Actual Expenditures	Q3 Budgeted Expenditures
Energy Efficiency Programs	\$ 25,299,239	\$ 30,615,756
Renewable Energy Programs	\$ 3,950,803	\$ 4,501,173
Administration	\$ 988,165	\$ 1,386,779
Total	\$ 30,238,207	\$ 36,503,708

Source	Q3 Actual Expenditures	Q3 Budgeted Expenditures
Portland General Electric	\$ 15,141,115	\$ 19,398,227
Pacific Power	\$ 10,383,995	\$ 11,029,805
Cascade Natural Gas	\$ 278,731	\$ 658,051
NW Natural	\$ 4,164,358	\$ 4,862,485
NW Natural Industrial DSM	\$ 270,009	\$ 555,139
Total	\$ 30,238,207	\$ 36,503,708

C. Incentives paid

Quarter	Energy Efficiency				Renewable Energy		Total
	PGE	Pacific Power	NW Natural	Cascade Natural Gas	PGE	Pacific Power	
Q1	\$ 3,073,777	\$ 2,737,905	\$1,540,658	\$ 140,451	\$1,991,309	\$ 479,574	\$ 9,963,675
Q2	\$ 6,001,036	\$ 3,870,352	\$1,793,034	\$ 253,414	\$ 703,602	\$ 782,310	\$13,403,748
Q3	\$ 6,177,683	\$ 4,466,323	\$2,329,187	\$ 155,960	\$2,432,533	\$ 948,714	\$16,510,400
Q4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$15,252,497	\$ 11,074,580	\$5,662,878	\$ 549,825	\$5,127,443	\$2,210,598	\$39,877,822

D. Savings and generation

Q3 Electric Efficiency Savings	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses
Commercial	2.1	2.9	4.9	\$ 8,974,400
Industrial	1.0	0.8	1.9	\$ 4,255,167
Residential	1.6	0.8	2.5	\$ 8,208,260
Total Electric Efficiency Programs	4.7	4.5	9.3	\$ 21,437,827

Q3 Gas Efficiency Savings	NW Natural therms	Cascade Natural Gas therms	Total Savings therms	Expenses
Commercial	426,305	9,132	435,436	\$ 1,706,110
Industrial	136,566	14,104	150,670	\$ 388,075
Residential	298,316	2,421	300,738	\$ 2,618,912
Total Gas Efficiency Programs	861,187	25,657	886,844	\$ 4,713,097

Q3 Renewable Energy Generation	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses
Biopower	0.0	0.0	0.0	\$ 199,917
Other Renewable Programs	0.0	0.0	0.0	\$ 365,772
Solar Electric Program	0.2	0.1	0.3	\$ 3,521,593
Total Renewable Programs	0.2	0.1	0.3	\$ 4,087,283

E. Progress toward goals by utility

	Q3 Savings	YTD Savings	Energy Trust Annual Stretch Goal		Annual IRP Goal	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Portland General Electric	4.74 aMW	12.68 aMW	29.18 aMW	43%	31.34 aMW	40%
Pacific Power	4.54 aMW	9.85 aMW	15.17 aMW	65%	15.29 aMW	64%
NW Natural	861,187 annual therms	2,432,059 annual therms	4,702,348 annual therms	52%	3,537,114 annual therms	69%
Cascade Natural Gas	25,657 annual therms	144,398 annual therms	477,791 annual therms	30%	391,753 annual therms	37%

F. Incremental utility SB 838 expenditures

Utility	Q3 2011 SB 838 Expenditures	YTD SB 838 Expenditures
Portland General Electric	\$ 125,161	\$ 383,356
Pacific Power	\$ 157,731	\$ 544,171
Total	\$ 282,892	\$ 927,527

* 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

GEOGRAPHIC DISTRIBUTION OF HOME ENERGY REVIEWS; CUSTOMER SATISFACTION

1. Home Energy Reviews in Q3 2011

Service Region	Q3 2011	Q3 2010
1 - North Coast (Astoria)	21	7
2 - South Coast (Coos Bay, North Bend)	14	16
3 - Portland Metro	1,040	781
4 - Mid-Willamette (Salem, Dallas)	281	76
5 - Southern Willamette (Eugene, Corvallis, Albany)	104	70
6 - Southern (Medford, Roseburg, Grants Pass)	74	92
7 - Columbia Basin (Hood River, The Dalles)	1	9
8 - Central (Bend, Redmond, Prineville)	89	105
9 - Klamath Basin (Klamath Falls, Lakeview)	11	28
10 - Northeast (Pendleton, Enterprise)	31	42
11 - Eastern (Baker City, Ontario, Vale)	14	11
Total	1,680	1,237

2011 total includes 778 in-home reviews, 383 home reviews coupled with generating energy performance scores, 16 home reviews coupled with solar energy reviews, 291 home snapshot audits for homes served by Energy Trust gas utilities and publically owned electric utilities, and 212 home reviews conducted by phone.

2. Customer satisfaction summer 2011

From June through August 2011, Energy Trust delivered a short phone survey to 855 participants in six programs to whom incentive checks had been sent April through June 2011. Below are results from this most recent quarterly survey. For most programs, Energy Trust was able to survey more participants than in previous quarters. Satisfaction rates this quarter are close to those from the previous quarter.

Program	Respondent count	Percent satisfied
Existing Buildings and Multifamily	68	91%
New Buildings	20	80%
Production Efficiency	43	93%
New Homes	212	91%
Existing Homes	475	90%
Solar	37	94%

Appendix 2

OPUC PERFORMANCE MEASURES AND 2010 BENEFIT/COST RATIOS

OPUC performance measures

Following are the most recent performance measures established by the OPUC for Energy Trust. Comparison of 2011 performance against these measures, or revised measures developed by OPUC, will be reported in the 2011 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

Benefit/cost ratios for 2010 (will be updated for 2011 in the 2011 annual report)³

Program	Combined Utility System Benefit/Cost Ratio	Combined Societal Benefit/Cost Ratio
New Homes and Products	2.1	2.1
Existing Homes	2.6	2.8
Existing Buildings	3.8	2.1
New Buildings	3.8	2.8
Production Efficiency	4.1	2.8
NW Energy Efficiency Alliance	4.7	1.6

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.

Appendix 3

Q3 2011 UTILITY ACTIVITIES SUPPORTED BY SB 838— AUTHORIZED FUNDING

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

1. Pacific Power SB 838 Energy Efficiency Activities and Results Q3 2011

(for submission with Energy Trust Quarterly Report)

Pacific Power

SB 838 General

- Pacific Power's Energy Trust liaison lead and coordinated efforts regarding Governor Kitzhaber's "Cool Schools" legislation and the impacts of redistributing the monthly allocations of Public Purpose Charge. Pacific Power is moving from distributing monthly funds from 6 Education Service Districts (ESD) to 75 school districts. While some school districts were familiar with public purpose funds and how to access them through their ESD, most were only slightly familiar to not familiar at all. The Energy Trust liaison field questions from multiple school districts on the use of funds and how to set up their distribution account with Pacific Power's accounting department. The first distribution is scheduled for mid-November 2011.

SB838 Commercial efficiency programs

- A significant series of discussions were held with Pacific Power and Energy Trust on changes to the Oregon Business Energy Tax Credit, proposed mitigation incentives, and support the utilities could provide to keep customers in Energy Trust's pipeline. Pacific Power engaged its Field Energy Consultant to make over 150 contacts to customers impacted by the retroactive BETC changes. Customers were thankful for the call that helped to clarify what happened with their returned BETC applications and the mitigation incentives offered by Energy Trust.
- The Energy Trust liaison attended the League of Oregon Cities luncheons in Oakridge, Ukiah and Drain, OR. Along with Energy Trust, the Energy Trust liaison encouraged attendees to take advantage of Energy Trust services and incentives and also promoted the "Cool Schools and Public Buildings workshop scheduled for in September and October.
- Pacific Power had 193 representatives from K12 schools and public buildings register to attend the "Cool Schools" and Public Buildings workshops held late September/early October in Albany, Bend, Pendleton, Portland, Medford and Roseburg, Oregon. Representatives from Pacific Power, Oregon Department of Energy, Energy Trust of Oregon and local speakers provided information on funding options for energy efficiency in schools and public buildings, no cost and low cost measures that can be implemented quickly and easily, and the value of benchmarking with ENERGY STAR's portfolio manager. Feedback from attendees was very positive, including three follow up emails from attendees thanking Pacific Power for hosting the events. Workshop surveys (104 completed) indicated:

- The main reasons for attending were to save money, save energy and considering upgrades to facilities
- Nearly all (95.2%) indicated improving the energy efficiency of their facilities was a medium to high priority
- Over half (52.9%) indicated they had done very little or only a few things to improve energy efficiency, 97.1% indicated they could still do more.
- The most frequently mentioned actions undertaken to improve energy efficiency included improved lighting, heating system upgrades and general conservation.
- The most frequently mentioned reasons for not doing energy efficiency measures included being unable to afford it, it's included in future improvements to the facility, and no staff to manage the process.
- 100% of attendees were satisfied or very satisfied with the speakers at the event
- 100% of attendees agreed or strongly agreed the workshop content was appropriate and informative
- 94.6% thought the length of the workshop was just about right with 3.2% thinking it was too short
- 65 entities indicated they would like a consultation to discuss an project and learn about how to access funds to improve the energy efficiency of their buildings
- When attendees were asked how they plan to use the information presented, frequent responses included: benchmark facilities; present to administrators/councilors; advocate for time/staff; work with Energy Trust of Oregon
- When attendees were asked what they liked most about the workshop, frequent responses included: knowledgeable speakers, ENERGY STAR/benchmarking, breadth of information; computer lab/hands on practice
- When attendees were asked what could be improved about the workshop, frequent responses included: want printed materials; seemed schools heavy/need to separate public buildings; more on process to start/complete a project
- When attendees were asked if there was anything else they would like us to know, the most frequent response was to express appreciation for hosting the event and "thank you"

SB 838 Industrial efficiency programs

SB 838 Residential efficiency programs

- During the third quarter, work progressed on coordinating and delivering 12 *watt*smart residential workshops in Albany, Astoria, Bend, Coos Bay, Cottage Grove, Grants Pass, Hood River, Medford, Pendleton, Portland, and Roseburg, Oregon.
- An August bill insert focused on Energy Trust's refrigerator recycling program.
- A September regionalized bill insert was sent to all Oregon residential customers highlighting Energy Trust's incentives, Home Performance with ENERGY STAR®, and how to contact local trade allies.
- A September insert focused on *watt*smart energy efficiency workshops for residential customers in 12 locations around Oregon.
- A September insert focused on Home Energy Reviews with Energy Trust
- The July/August Voices residential newsletter highlighted *watt*smart ways to have a cool summer. A second article focused on Energy Trust's Energy Performance Scores for new homes.

- The September Voices residential newsletter featured an article discounted energy-saving showerheads with Energy Trust and a second article on sealing air leaks.
- A flyer focusing on summer *wattsmart* energy efficiency resources for Oregon customers was developed for handout by company representatives that focuses on several opportunities from Energy Trust, including: home energy reviews; home performance with ENERGY STAR; cash incentives; and, refrigerator recycling.

2. Portland General Electric SB 838 Energy Efficiency Activities and Results Q3 2011

(for submission with Energy Trust Quarterly Report)

PGE

Residential

PGE's residential customer newsletter, Update, is sent monthly to 625,000 customers in their PGE bills. July's edition featured Westec energy efficient windows and mentioned Energy Trust incentives. The August edition of Update highlighted the Energy Trust Refrigerator Recycling program. PGE offered Energy Trust's Home Energy Review program with an Update newsletter story in September.

PGE's residential e-newsletter, Home Connection, is sent monthly to about 350,000 customers. In July, Home Connection also featured Energy Trust window incentives; 2,302 customers clicked through for more information. In September, Home Connection featured the Energy Trust's Oldest & Ugliest Fridge Contest and the Home Energy Review program.

In August, PGE sent 20,529 emails to promote energy efficient water heaters with Beaverton Plumbing as the installer. With a limited-time price from Beaverton Plumbing and a \$75 instant cash incentive from the Energy Trust, customers can have a new 50-gallon Marathon water heater installed for \$975. This promotion will run through the remainder of 2011. 7,097 customers have opened the email (35% open rate).

Measurable Results

- 4,243 PGE customers have participated in the Energy Trust's Refrigerator Recycling program through the third quarter of 2011
- 149 PGE customers have participated in the Marathon water heater promotion.
- Through September 2011, 1,193 free showerheads have been installed by PGE's plumber network when on residential jobs in PGE's service territory. 9,759 total showerheads have been distributed to PGE customers from Q1-Q3 through plumber network, and Energy Savings Kits.
- 35 Home Comfort bonus incentives from Q1-Q3
- 22 window bonus incentives from Q1-Q3
- ETO Transfers through the third quarter of 2011: Appliance Program (PECI): 189, Warm Program (CSG): 414, OPower: 42

Commercial

PGE's business newsletter Energize is sent quarterly to 76,000 customers in their bills. The fall edition of Energize featured the limited-time bonus incentives from Energy Trust of Oregon on lighting upgrades and custom capital energy-efficiency improvements such as heating, ventilation and air-conditioning upgrades and a case study on HOTLIPS Pizza.

PGE's business e-newsletter, Business Connection, is sent bi-monthly to 15,000 business customers. August Business Connection featured the winners of the spring 2011 Save More, Matter More™ campaign sweepstakes.

PGE launched the Fall EE Campaign in September in an effort to feed the project pipeline for the end of the year. To further support customer participation in ETO programs, the fall campaign included a bangtail with the September billing statements. An email blast was sent to customers to alert them of the ETO bonus incentive available due to the loss of the BETC. These customers were identified as those who previously received a consultation from PGE but were not identified as project-ready at the time. To better meet the expectations of the general business customer segment, PGE's direct mail focused on the offer of onsite consultations. A very targeted direct mail letter was sent to previously untapped geographic areas within PGE's service territory encouraging customers to request onsite consultations. The campaign will run from September 1 through October 31, 2011. PGE continues to utilize the support of our contact center and outreach through Green Mountain Energy business reps.

The major channels for the Fall Campaign were: direct mail, bangtails, email blast, contact center, and Green Mountain Energy business reps.

Fall Campaign Activities	Fall Campaign Results
Request for free energy efficiency consultation	110
Fall Campaign qualified leads delivered to Energy Trust	28

Energy Trust and PGE have worked together to develop a fall campaign that differs substantially from Save More, Matter More or previous Tornado campaigns.

SB838 Commercial Energy Efficiency Outreach

Key Objectives	Results 07/01/2011 to 9/30/2011
Increased Awareness of Energy Trust Programs - Outreach Presentations and Networking	17
Increased Participation-Qualified Leads delivered to Energy Trust	106
Increased Awareness of Energy Trust Programs-Number of Customers Contacted by <ul style="list-style-type: none"> • Phone • Email • On-site Consultations • Outreach Presentations • Summer Hire Canvassers 	1,935

Outreach Presentations, Networking, Trade Associations and Events

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

Mt Angel Chamber Board
Wilsonville Chamber Event
Salem Rental Housing Association
Living Building Challenge
Gresham Area Chamber
Wilsonville Chamber Lunch
Latino Business Alliance
Keizer Greeters
Portland RACC
Westside Economic Alliance
SEDCOR Forum
Washington County Recycling Event
Silverton Forum Luncheon
Sherwood Chamber Breakfast
TVWD
Sherwood Main Street Association
Keizer Men@Noon (MAN)

Appendix 4

NEEA Q3 2011 SUMMARY REPORT FOR ENERGY TRUST



NEEA Quarterly Performance Report for Energy Trust

Third Quarter 2011

OVERVIEW

The Northwest Energy Efficiency Alliance (NEEA) is a non-profit organization working to maximize energy efficiency to meet the future energy needs of the Northwest. Among the more than 100 northwest utilities investing in NEEA, Energy Trust of Oregon is one of NEEA's top funders. Energy Trust expects to invest close to \$40 million to support NEEA from 2010-2014, more than 20 percent of NEEA's budget for the period.

This report provides a summary of NEEA activities that delivered value to Energy Trust and its utility partners during the third quarter of 2011 (July – September).

FILLING THE ENERGY EFFICIENCY 'PIPELINE' FOR ENERGY TRUST

NEEA's top focus, as prioritized by stakeholders, is to bring new energy-efficient technologies and practices to the market in order to increase the long-term potential of energy efficiency. NEEA is now actively engaged in more than 40 projects investigating technologies that will have broad benefits for Energy Trust and its utility partners.

Q3 Emerging Technologies Highlights:

- Revised the Northern Climate Specification for Heat Pump Water Heaters in partnership with the Northern Climate Heat Pump Water Heater task force. Energy Trust played a crucial role with key staff participating in the task force. The revised specification provides guidance to manufacturers for developing HPWHs that meet ENERGY STAR criteria while delivering comfort and energy performance in cooler climates, and will support utility program efforts to work in partnership with manufacturers to accelerate adoption of HPWHs in the Northwest.
- Visited 121 retail locations in Energy Trust territory to educate retailers and consumers on the best applications of HPWH technology in cooler climates in order to maximize potential energy savings.
- Completed a market study of outdoor network lighting controls for streetlights and provided funding and market data to support an upcoming test to quantify and better understand the performance of LEDs for streetlights. Network control systems combined with LED streetlights represent potential energy savings for the region of up to 150aMW annually.

ACCELERATING MARKET ADOPTION FOR ENERGY TRUST

NEEA leverages the power of millions of energy consumers in the Northwest to influence key market actors, remove barriers, and build market capacity for energy efficiency. With support from funders like

Energy Trust, NEEA designs and executes strategic market interventions to create lasting change and deliver *long-term* savings to the region.

Residential Sector Highlights:

- Visited 193 participating retail locations in Energy Trust territory, distributing over 1700 pieces of point-of-purchase material, and delivering 308 training sessions with sales associates. Goal is to increase consumer awareness of 'Most Efficient' (ENERGY STAR v. 5) televisions, and encourage major retailers to recognize energy efficiency as an important product attribute.
- Through Q3, State providers certified 208 homes in Energy Trust territory as Northwest ENERGY STAR® homes. NEEA works in collaboration with Energy Trust to provide training and other resources to builders and verifiers to increase market share of energy-efficient homes. As of August, 2011, market share of energy-efficient homes in the region is 14.6% (Oregon is 14.9%) exceeding NEEA's 2011 goal of 11%.
- Launched the *Welcome Home* campaign to drive targeted pre-qualified home buyers to builders' model homes, leveraging market platforms and partnerships to increase consumer awareness for energy-efficient homes. Recruited 14 builders of energy-efficient homes to invite buyers to visit their properties, and received approximately 549 entries from Oregon.
- Trained 10 HVAC installers in Energy Trust territory on the HVAC requirements of energy-efficient homes thereby increasing the pool of knowledgeable contractors and accelerating market transformation.
- Facilitated an educational Quality Assurance inspection of a Ductless Heat Pump installation with Energy Trust staff, increasing regional knowledge of proper DHP installation techniques.
- Held training event for Ductless Heat Pump installers in Energy Trust territory, expanding the pool of knowledgeable contractors and facilitating market adoption of DHP technology.
- Launched regional Ductless Heat Pump marketing campaign to increase consumer awareness and ultimately result in 4000 new DHP installations throughout the region. NEEA provided campaign support materials to Energy Trust to share with utility partners

Commercial Sector Highlights:

- Identified two possible deep retrofit pilot projects in Energy Trust territory and began discussions with building owners to determine their level of interest.
- Presented 24 building "scoping studies" to participants of the Portland Carbon4Square competition, providing energy-saving recommendations for operational and capital improvements; distributed the "Playbook" tool to participants as a simplified Strategic Energy Management Plan to guide energy savings targets, projects and activities for next three years.
- Recruited 13 facilities in Energy Trust territory to participate in the American Society for Healthcare Engineers (ASHE) Region 10 Energy Efficient Commitment (E2C). Participating facilities agree to collectively work towards a 10% energy-use reduction in 2011. Participating facilities in Energy Trust territory represent over 6.4 million square feet.
- Provided a speaker for the Oregon Society of Healthcare Engineers Conference held in Glenden Beach, OR, on September 16. The presentation, entitled "Scoping for HVAC Opportunities", increased awareness among the 58 Oregon hospital representatives and vendors in attendance on improving the energy performance of their HVAC systems.
- Coordinated with Energy Trust to gather lessons from the Comprehensive Commercial Lighting pilot (launched in partnership with Energy Trust in Q2) and developed plans for Energy Trust's comprehensive program offering in 2012. Through Q3, NEEA's contractor reviewed fifteen lighting projects in Energy Trust territory and accepted 6, representing forecasted savings of over .08 aMW.

Industrial Sector Highlights

- Through Q3, four food processing facilities in Energy Trust territory are implementing self-sustaining energy management systems, thereby increasing adoption of energy efficiency and persistence of savings in the region. NEEA is creating demand for strategic energy management (SEM) in the industrial sector by partnering with the Northwest Food Processors Association to mobilize its members to reduce energy use by 25% in 10 years and 50% in 20

years. NEEA promotes and encourages the adoption of SEM by providing tools and education to the industrial sector.

- Trained 31 Energy Trust customers from 19 industrial facilities. Trainings offered were: 1) Adjustable Speed Drive Applications and Energy Efficiency; 2) Compressed Air Challenge - Level 1; 3) Compressed Air Energy Management: 90-Day Collaborative Cohort; 4) Green Motor Practices for Electric Motors; and, 5) Industrial Refrigeration Systems Energy Management. These trainings embed best practices for industrial efficiency, increasing adoption of energy efficiency in the region.

Codes Highlights

- Convened the Oregon Energy Code Collaborative and began planning for improved collaboration in 2012. The Oregon Energy Code Collaborative is a forum for stakeholders to discuss code-related topics, and develop broader, more comprehensive strategies for increasing code compliance rates.
- Participated in three federal rule-makings: Determination for Set-top Boxes and Network Equipment; Clothes Wash Test Procedure; and, Fluorescent Lamp Ballast Standards.
- Contributed key comments to US EPA on the proposed ENERGY STAR Water Heater Specification
- Submitted comments to the US Department of Energy's Office of Hearings and Appeals (OHA) arguing against General Electric's petition to exempt its modified spectrum fluorescent lamp products from efficiency standards that take effect in July 2012. NEEA successfully argued that exempting these products would create a loophole in the efficiency regulations. OHA denied GE's petition.

DELIVERING ON REGIONAL ADVANTAGE

NEEA is the only alliance of public and private electric utilities with national and global upstream market partners that represents the entire four-state region in the Northwest. NEEA aggregates resources to develop economies of scale and mitigate risk to individual utilities.

Q3 Highlights

- Formed SMI (Small/ Medium Industrial) working group with representatives from Energy Trust, Northwest Food Processors Association, Washington State University, BPA and others. This group will convene in 2012 to discuss ways to implement the SMI initiative in order to enhance and maximize impact from existing efficiency programs in the region.
- Met regularly with Energy Trust, along with BPA, to coordinate respective 2012 emerging technology plans. This is a first for NEEA's Emerging Technology group. Coordination should lead to improved information-sharing and leveraging of resources while eliminating duplication of efforts.
- Published 5 independent Market Research/ Evaluation reports:
 - [*Energy Savings Opportunities and Market Descriptions for Four Residential Consumer Electronics Products: TVs, desktop PCs, game consoles, and streaming media devices.*](#)
 - [*Ductless Heat Pump Pilot Project, Market Progress Evaluation Report #2*](#)
 - [*Ductless Heat Pump Impact and Process Evaluation: Lab Report*](#)
 - [*Northwest Ductless Heat Pump Pilot Project, Market Progress Evaluation Report #2*](#)
 - [*Market Progress Evaluation Report #3: 80 PLUS*](#)
- Continued to promote Conduit as a tool for information-sharing, coordination and collaboration among energy efficiency stakeholders in the Northwest. As of September 2011, Conduit has nearly 1000 registered users, including 38 members from Energy Trust. Energy Trust staff is encouraged to regularly participate and collaborate at: <http://conduitnw.org>.

For more information on this report contact: Virginia Mersereau
Communications Manager, Corporate Communications, 503.688.5491,vmersereau@neea.org

Appendix 5

Q3 2011 REPORT FOR NW NATURAL WASHINGTON ACTIVITIES

July 1 through September 30, 2011

This Energy Trust of Oregon quarterly report covers the period July 1, 2011, through September 30, 2011. This report addresses progress toward 2011 goals for the NW Natural energy-efficiency program in Washington. It includes information on expenditures, therm savings, projects completed and incentives paid during the quarter and year to date, along with highlights of program activity.

I. PROGRAM HIGHLIGHTS

A. General

- Q3 completed with 27,412 annual therms saved—including 12,303 annual therms in Existing Homes, 7,920 annual therms in New Homes and 7,190 annual therms in Existing Buildings.

B. Commercial efficiency programs

Existing Buildings

- Commercial projects completed in Q3 resulted in 7,190 annual therms saved, somewhat lower than expected. Several construction projects fell behind schedule and will instead complete in Q4.
- The 2011 project pipeline increased to 63,000 therms by the end of Q3, a 20 percent increase from Q2. This will allow the Existing Buildings program to meet the low range of its annual goal, at a minimum.
- Given the strong expected performance in 2011, the program began to focus on 2012 project pipeline development in Q3. School districts have provided a number of energy-efficiency projects in 2011. Direct engagement with the districts is a continued focal point and has helped develop the project pipeline into 2012.
- The business development team continued to engage with the resource conservation manager representing the cities of Vancouver, Washougal and Camas to identify gas efficiency projects for Q4 and 2012.

C. Residential efficiency programs

Existing Homes

- The 12,303 annual therms saved in Q3 exceeded by 24 percent the low end of the program's goal range for the quarter while spending only 85 percent of budgeted quarterly incentives. While performance increased substantially in Q3, the program will require a strong finish to the year in order to meet its 2011 savings goal.
- The program distributed 479 Energy Saver Kits in Q3, in large part due to a favorable response from an August bill insert. These instant-savings improvements, in addition to retail and online showerheads, accounted for two-thirds of Q3 therm savings.
- The regional representative participated in various community and neighborhood events and meetings, engaging a total of 660 customers.
- The program performed extensive outreach to Washington plumbers with information on pricing for the showerhead and aerator direct-install initiative that will launch in Q4.

- During Q3 the program marketing team worked on fall campaign development, which promotes furnaces, duct sealing and Energy Saver Kits through cinema advertising, direct mail and bill inserts.

New Homes

- Eighty-eight new homes meeting Northwest ENERGY STAR® standards were completed in Q3. This number exceeds the total for Q1 and Q2 combined, as the program has achieved a market share of approximately 33 percent of permitted new homes. Overall as of Q3, the New Homes program had met 91 percent of its minimum annual savings goal.
- The program continued developing a joint incentive agreement with Clark Public Utility District for clothes washers with gas water heat. The incentive will go live in Q4 and will provide an additional bump to help move the New Homes program toward the high end of its goal range.

D. Trade Ally Network

- The Existing Homes program added three Washington-based trade allies in Q3, while six others have paperwork in process and will be added in Q4.
- Existing Homes outreach staff held 37 trade ally business development meetings during Q3 to help boost trade ally participation.

E. Washington Utilities and Transportation Commission Performance Metrics

The table below compares 2011 program goals, as established in NW Natural's Energy Efficiency Plan for Washington (updated December 2010) with quarterly results.

Metrics	Goal	2011 Total	Q1 Results	Q2 Results	Q3 Results	Q4 Results
Therms Saved	159,000-187,000	79,616	16,128	36,075	27,412	
Total Program Costs	\$1,212,000 – \$1,380,616	\$661,809	\$191,619	\$210,186	\$260,003	
Average Levelized Cost Per Measure	Not to Exceed \$0.65	\$0.487	\$0.785	\$0.404	\$0.416	
Dollars Spent Per Therm Saved	Less Than \$7	\$7.18	\$11.88	\$5.83	\$6.21	
Total Resource Cost and Utility Costs at Portfolio Level	Greater than 1.0	n/a	Reported Annually	Reported Annually	Reported Annually	Reported Annually

Additional information that further explains progress toward the year-end metrics is provided in section III.

II. QUARTERLY RESULTS

A. Expenditures

		Actual Expenditures Q3	Budgeted expenditures Q3	Variance
Commercial Programs	Existing Buildings	\$ 93,833	\$ 121,203	\$ 27,370
	Subtotal	\$ 93,833	\$ 121,203	\$ 27,370
Residential Programs	Existing Homes	\$ 82,619	\$ 114,579	\$ 31,960
	New Homes	\$ 74,990	\$ 48,771	\$ (26,219)
	Subtotal	\$ 157,609	\$ 163,350	\$ 5,741
Administration		\$ 8,561	\$ 10,673	\$ 2,112
Total		\$ 260,003	\$ 295,227	\$ 35,224

The favorable variances in Existing Buildings can be attributed to several project completion dates being pushed into Q4. New Homes incentive expenses are considerably higher due to the impressive performance of ENERGY STAR homes in Q3.

B. Incentives paid

		Actual incentives Q3
Commercial Programs	Existing Buildings	\$ 9,244
	Subtotal	\$ 9,244
Residential Programs	Existing Homes	\$ 30,140
	New Homes	\$ 52,800
	Subtotal	\$ 82,940
Total		\$ 92,184

C. Savings

		Therms saved Q3	\$/therm	Levelized Cost/therm
Commercial Programs	Existing Buildings	7,190	\$ 8.86	52.9 ¢
	Subtotal	7,190	\$ 8.86	52.9 ¢
Residential Programs	Existing Homes	12,303	\$ 4.07	33.6 ¢
	New Homes	7,920	\$ 7.12	44.6 ¢
	Subtotal	20,223	\$ 5.26	37.6 ¢
Total		27,412	\$ 6.21	41.6 ¢

III. YEAR-TO-DATE RESULTS

A. Activity

	Q1	Q2	Q3	Q4
Existing Commercial	1	7	6	
School/college retrofits		3	1	
Other commercial retrofits	1	4	5	
Studies	--	--	--	
Existing Homes	225	132	614	
Weatherization (insulation, air- and duct-sealing)	29	32	17	
Gas Hearths	8	3	3	
Gas Furnaces	40	36	19	
Water heaters	11	7	5	
Home Energy Reviews	83	53	15	
Home Energy Saver kits sent	0	15	479	
New Homes	40	33	88	
TOTAL	266	172	708	

Gas furnace installations and Home Energy Reviews slowed during Q3, but increased activity is expected as the heating season ramps up in Q4.

B. Revenues

Source	Actual revenue YTD	Budgeted revenue YTD
NW Natural	\$ 642,144	\$ 495,208

The variance is a timing difference within the 2011-2012 Energy Trust board approved budget. The full revenue amount for 2011 has already been received from NW Natural, per the current contract.

C. Expenditures

		Actual Expenditures YTD	Budgeted expenditures YTD	Variance
Commercial Programs	Existing Buildings	\$ 239,721	\$ 293,526	\$ 53,805
	Subtotal	\$ 239,721	\$ 293,526	\$ 53,805
Residential Programs	Existing Homes	\$ 237,601	\$ 365,119	\$ 127,518
	New Homes	\$ 160,822	\$ 141,679	\$ (19,143)
	Subtotal	\$ 398,423	\$ 506,799	\$ 108,375
Administration		\$ 23,664	\$ 31,576	\$ 7,911
Total		\$ 661,809	\$ 831,901	\$ 170,092

The favorable spending variances in Existing Buildings and Existing Homes are expected to remain positive but somewhat smaller through Q4, as year-end activity increases. These favorable variances will help to offset the additional spending in New Homes, which is expected to continue through Q4.

D. Incentives paid

		Actual incentives YTD
Commercial Programs	Existing Buildings	\$ 42,581
	Subtotal	\$ 42,581
Residential Programs	Existing Homes	\$ 89,681
	New Homes	\$ 96,600
	Subtotal	\$ 186,281
Total		\$ 228,862

Incentives paid year to date account for 41 percent of total year-to-date program expense, a slight increase over Q2. This percentage will increase considerably in Q4, reflecting expected completions of Existing Building projects. Total program expense is adjusted down by 15 percent to account for costs that a utility-delivered program would be recovering through rates.

E. Savings

		Therms saved YTD	Annual Goal (conservative)	% Achieved YTD	\$/therm	Levelized Cost/therm
Commercial Programs	Existing Buildings	33,427	89,250	37%	\$ 6.44	42.2 ¢
	Subtotal	33,427	89,250	37%	\$ 6.44	42.2 ¢
Residential Programs	Existing Homes	31,699	54,106	59%	\$ 6.66	50.0 ¢
	New Homes	14,490	15,895	91%	\$ 10.05	62.9 ¢
	Subtotal	46,189	70,001	66%	\$ 7.72	53.9 ¢
Total		79,616	159,251	50%	\$ 7.18	48.7 ¢

Levelized cost continued to drop and is well below the \$0.65 per therm performance metric set by the Washington Utilities and Transportation Commission. Dollars per therm also continued to drop and should improve to under \$7 per therm during Q4, when at least half of the anticipated annual program therm savings will be realized.