Energy Trust of Oregon

Draft 2008 Budget Presentation

Conservation Advisory Council
October 17, 2007

Energy Trust of Oregon, Inc.

General Observations

- Climate change is real
  - Target to reduce carbon emissions by 80% of 1990 levels between now and 2050
  - Carbon regulation is coming
- Energy efficiency and renewable energy are centerpiece solutions
  - Movement to capture ALL cost effective EE = doubling efforts
  - California is committing to achieving zero net energy homes in 2020 and commercial buildings by 2030
- Exponential growth in VC investment activity for RE and increasingly EE – an 800% increase in 4 years time
- World manufacturers of wind turbines doubling output between now and 2010

EnergyTrust of Oregon, Inc.

Energy Trust Growth

- A two-fold increase in the number of projects completed, from 21,000+ in 2004 to over projected 112,000 in 2008
- Nearly a three-fold increase in the number of transactions/checks written, from nearly 12,000 in 2004 to nearly 90,000 projected in 2008
- A five-fold increase in the number of participants, from 140,000+ in 2004 to 1.5+ million projected in 2008

EnergyTrust of Oregon, Inc.

Broader Interest and Initiatives

- New audiences are coming forward to be "sustainable" and "green"
- Energy Trust must define our focus and role in this more "crowded" operating environment
  - What do we need to learn about new markets and participants?
  - Beyond technical assistance and incentives, what activities can/should we leverage?
  - When should we lead, let others lead, partner or not participate?

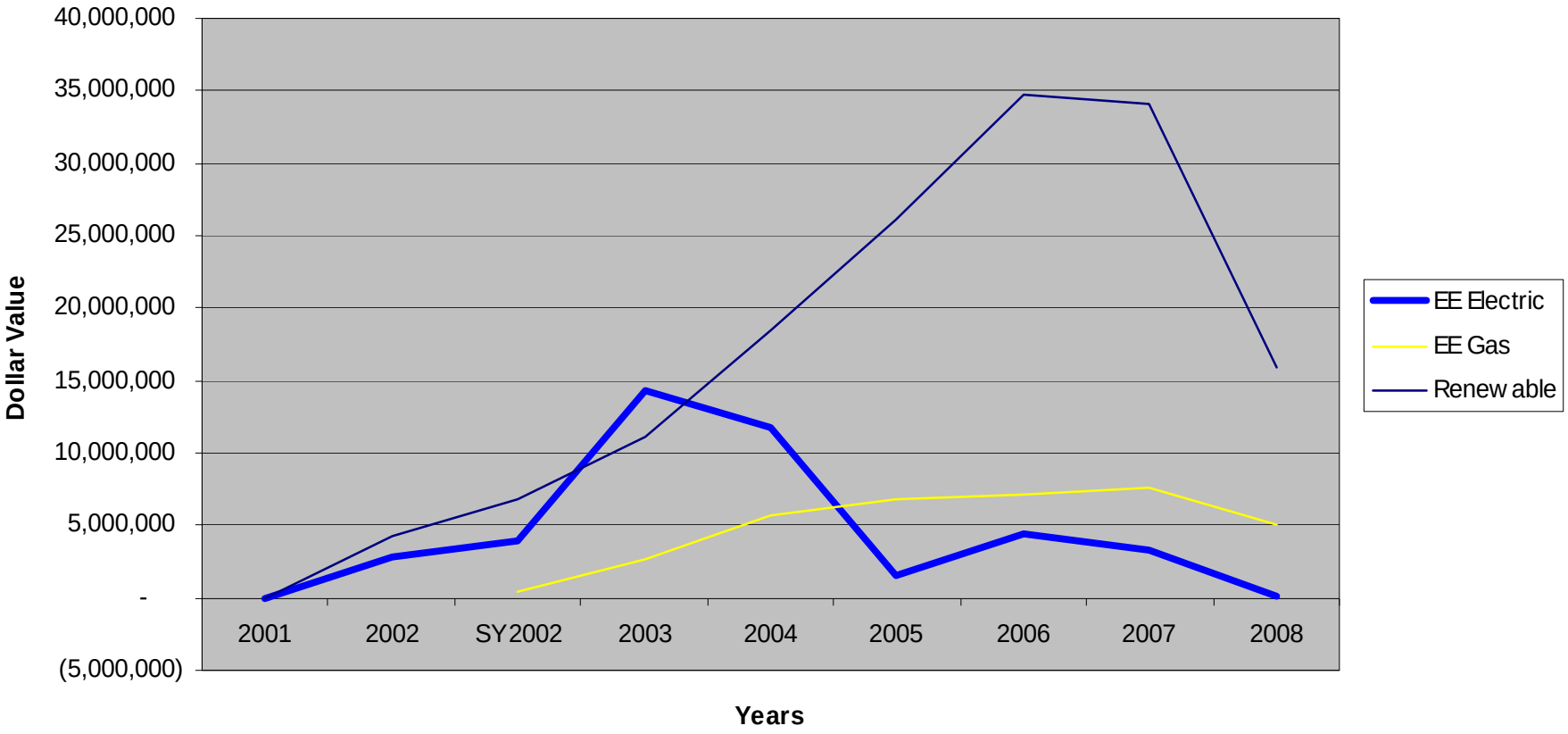
EnergyTrust of Oregon, Inc.

2007 Forecasted Savings/Generation

- Electric efficiency expected to exceed both its conservative (24.6 aMW) and best case goals (32.8 aMW)
- Gas efficiency is forecasted to exceed its conservative case goal, but be shy of its best case goal by about 250,000 annual therms
- Renewable energy programs anticipated to exceed its conservative accounting based goal by about 67% at 77.3 aMW

EnergyTrust of Oregon, Inc.

Carryover Balances



EnergyTrust of Oregon, Inc.

Efficiency Action Plan/Budget Themes

- Increase efforts to penetrate deeper into existing markets
  - Develop and launch new initiatives for underserved/niche markets
  - Accelerate corresponding marketing and outreach efforts
  - More R&D for new measure offerings
- Further reduce gas carryover
  - Combined gas and electric savings opportunities will drive project priorities
- Implement Community Energy pilot(s)
- Greater integration with renewables using EE delivery channels
- Continued Northwest Energy Efficiency Alliance funding

EnergyTrust of Oregon, Inc.

Efficiency Action Plan/Budget Themes, continued

- More direct management for program delivery
  - Trade Ally network, ATAC's, PDC's
  - Technical and customer sales training
- Contemplates higher levelized costs (3-3.5¢/kWh)

EnergyTrust of Oregon, Inc.

2008 Efficiency Program Emphases

- Residential
  - Existing Homes: Continue Home Performance with Energy Star growth, concentrate multifamily efforts on high value measures such as common area lighting and HVAC
  - New Homes and Products: Increase Energy Star new homes market share, promote high performance home construction and specialty CFL uptake
- Commercial
  - Existing Buildings: Concentrate on food services, lodging , office, healthcare,
  - New Buildings: Bolster 2009 pipeline and concentrate on developing small to medium construction design-build market
- Industrial
  - Production Efficiency: Expand project pipeline through greater PDC outreach and expand small to medium customer offerings, including horticulture/nurseries

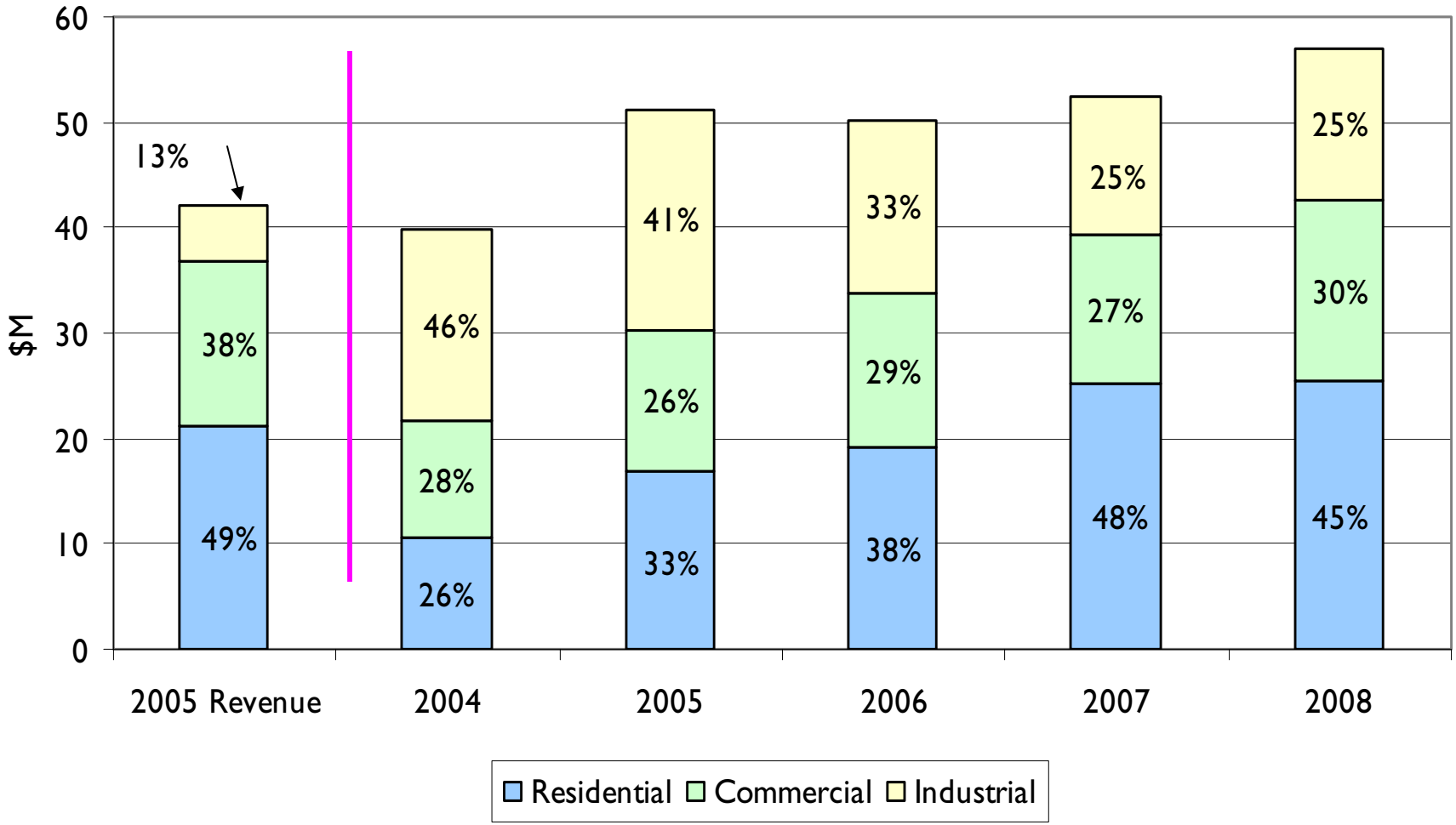
EnergyTrust of Oregon, Inc.

2008 EE Program Budget - Best Case

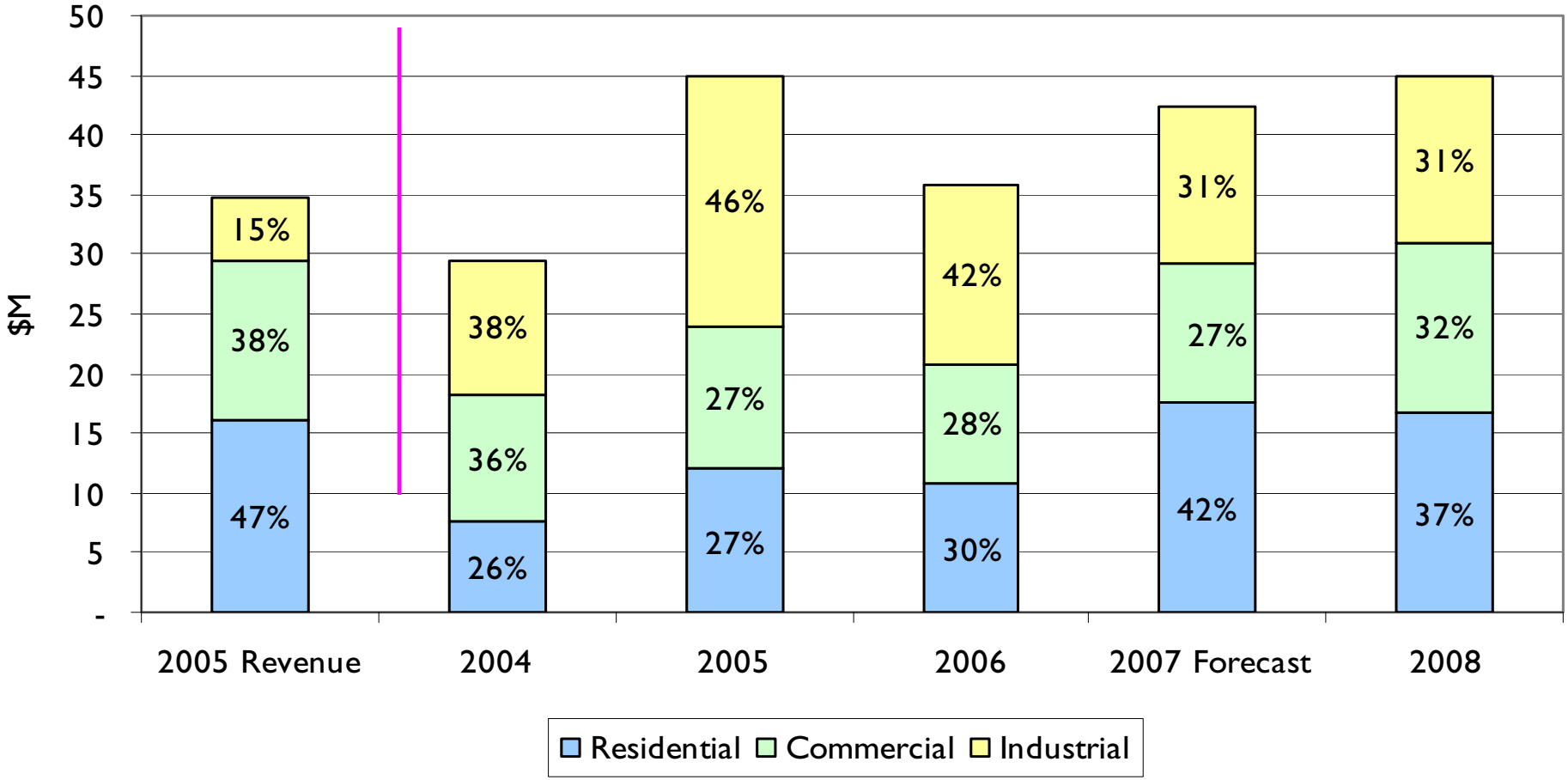
Electric	Budget 2007 aMW	2008 aMW	2008 Electric cost	Measure Life	2008 levelized cost 5.2%	2008 levelized cost 3.0%	2007 levelized cost (3.0%)
Existing Homes	2.6	2.4	$7,500,517	25.0	0.025	0.020	0.020
New Homes and Products	3.3	2.8	$8,112,754	10.1	0.043	0.039	0.032
Existing Buildings	3.6	2.5	$5,662,362	13.1	0.019	0.018	0.019
New Buildings	2.3	2.6	$6,855,342	17.9	0.026	0.022	0.017
Production Efficiency*	13.6	7.6	$12,869,817	11.2	0.023	0.020	0.013
*inc megaproject at 6.5 aMW in 2007							
NEEA - combined	7.4	7.2	$3,830,597	8.6	0.009	0.008	0.008
Program	32.8	25.1	$44,831,390	12.6	0.022	0.019	0.015

Gas	Budget 2007 Therms	2008 Therms	Gas Cost	Measure Life	2008 levelized cost 5.2%	2008 levelized cost 3.0%	2007 levelized cost (3.0%)
Existing Homes	745,597	813,262	$5,973,970	31.4	0.480	0.365	$0.32
New Homes and Products	702,421	420,193	$2,907,693	26.0	0.491	0.387	$0.30
Existing Buildings	691,857	459,725	$1,860,190	15.1	0.393	0.353	$0.27
New Buildings	279,579	327,600	$1,047,815	17.4	0.276	0.232	$0.16
Production Efficiency	-	113,900	$498,631	12.0	0.500	0.440	
Program	2,419,454	2,134,680	$12,258,299	23.6	0.428	0.345	$0.28

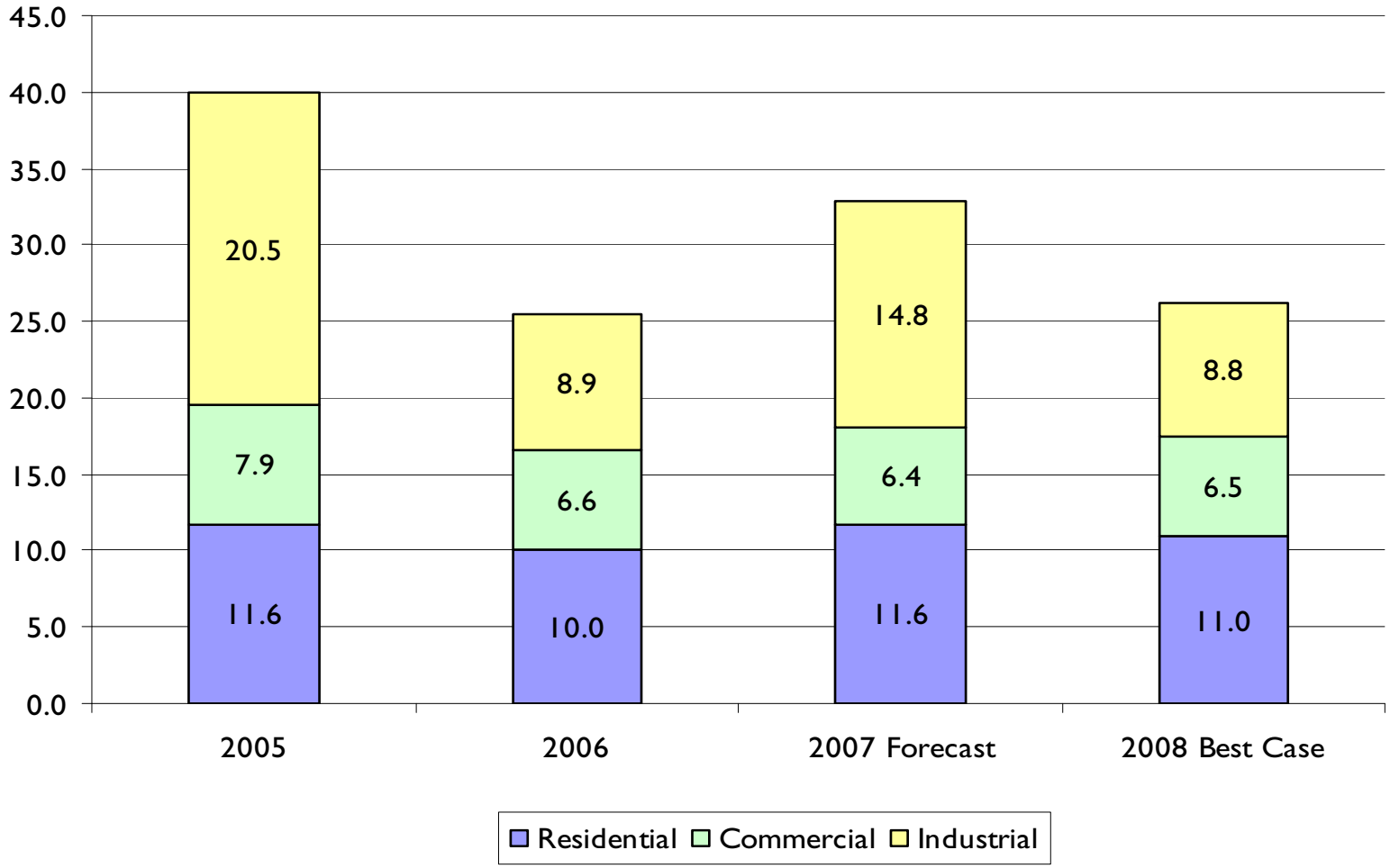
Expenditures by Sector Gas & Electric



Electric Efficiency Spending

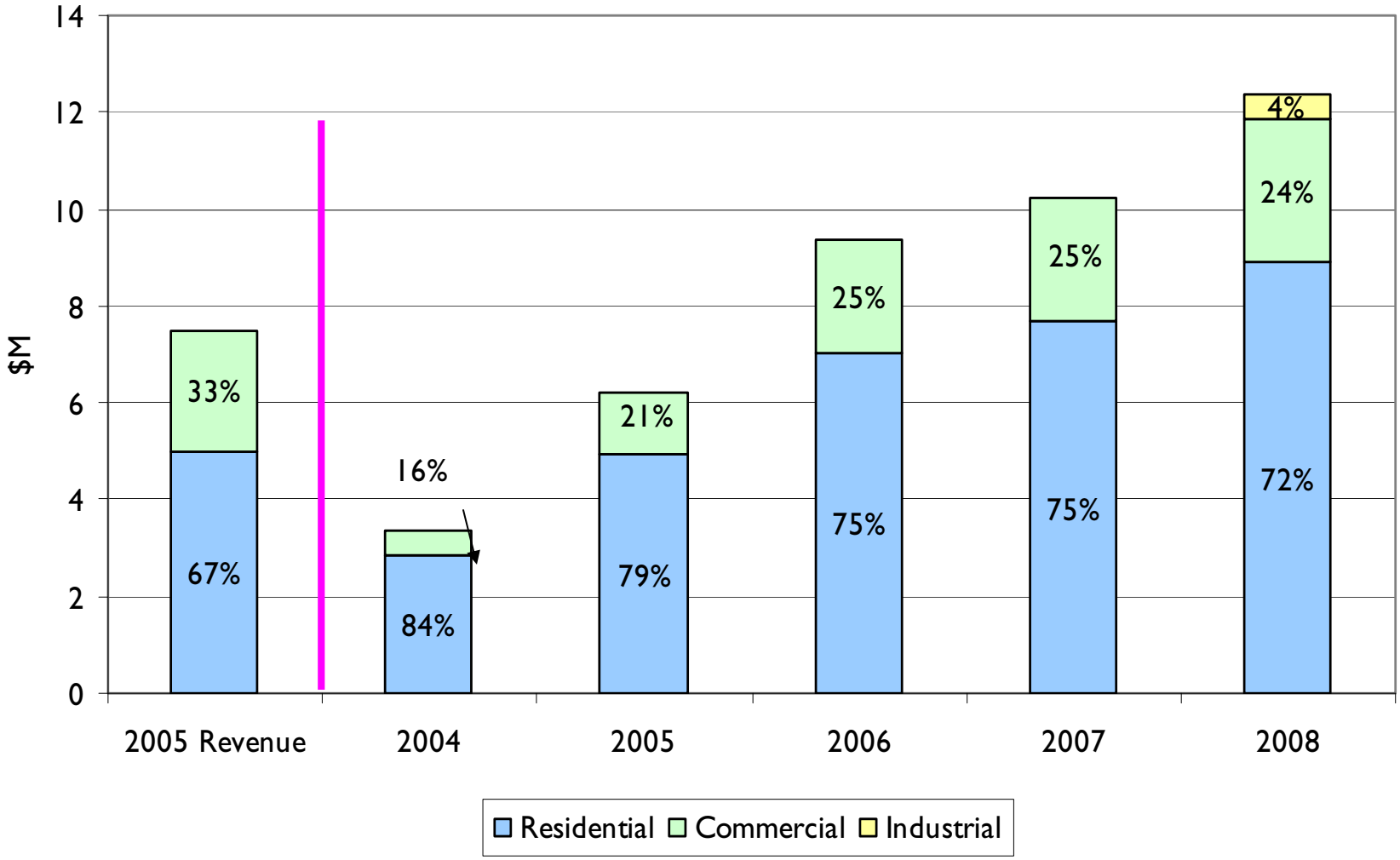


Electric Efficiency Savings in aMW



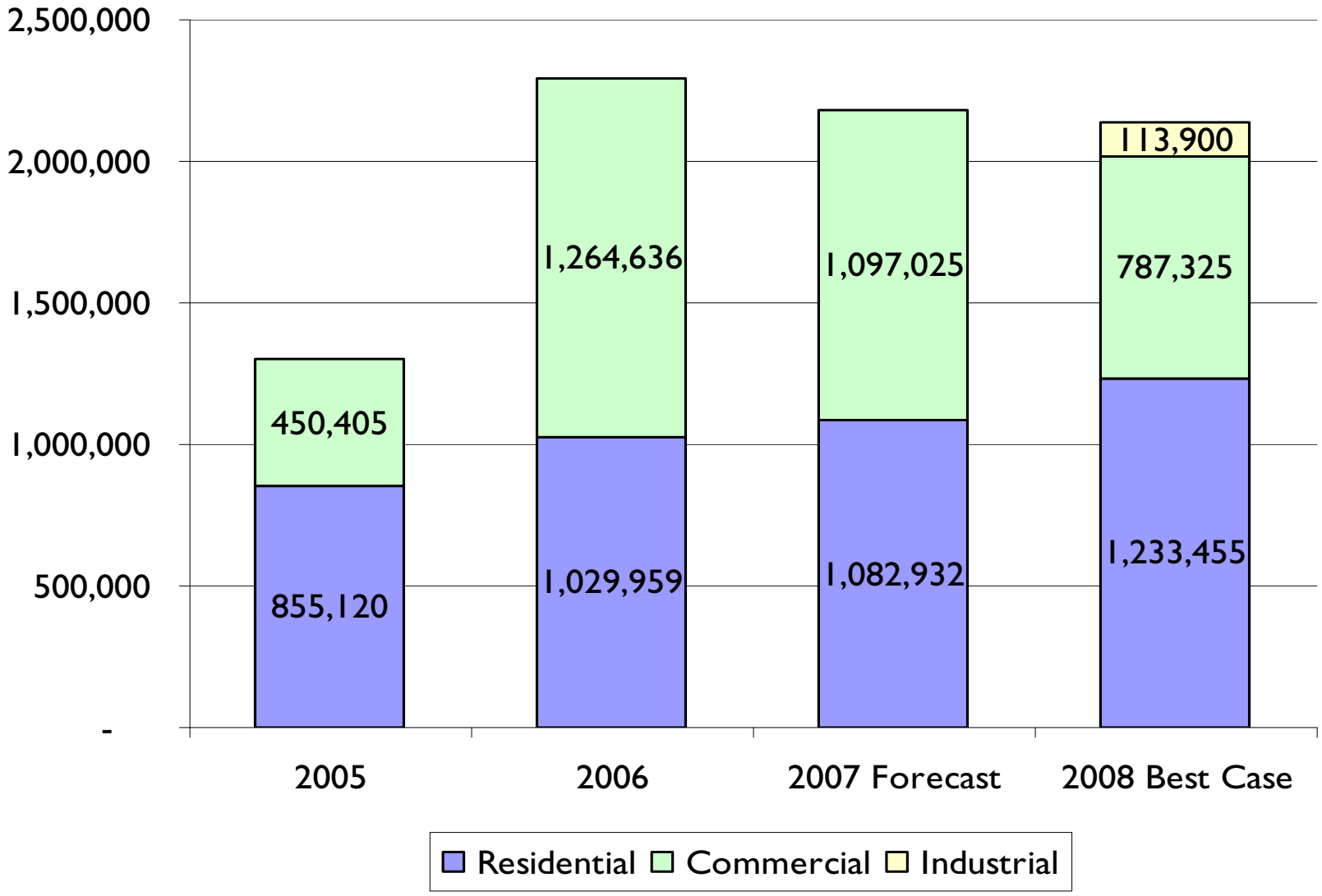
EnergyTrust of Oregon, Inc.

Gas Efficiency Expenditures



EnergyTrust of Oregon, Inc.

Gas Efficiency Savings



Anticipated SB838 Incremental Funds

Pending outcome of electric utility filings for incremental funding under SB 838/Renewable Energy Act:

- New initiatives being planned with utilities in anticipation of new funding being available
  - Near low-income residential (60-80% of fed median income levels)
  - Increased activity in multifamily lighting (common areas; interior and exterior)
  - Commercial scale laundries and grocery stores
  - Small to medium new construction (design build; integrating renewables)
- Core program initiatives would be scaled up commensurate with available revenues
  - Small commercial subsectors (hospitality; restaurants;)
  - Small industrial and nurseries

EnergyTrust of Oregon, Inc.

Possible SB 838 Incremental Funding

		Electric (aMW) Best Case	Gas (therms) Best Case
Revenue	$15,590,000		
Existing Homes	890,150	.02	
New Homes & Products	887,999	1.7	
Existing Buildings	4,268,171	2.7	262,066
New Buildings	1,243,367		
Production Efficiency	1,918,655	1.3	
Total Expense	**$9,208,342**	**5.8**	**262,066**
Net	$6,381,658		

EnergyTrust of Oregon, Inc.

A Summary of 2008 Efficiency Emphasis

- Leverage marketplace interest and momentum by promoting new tax incentives and regulatory changes
- Emphasize innovation by simplifying forms and application processes and offering prescriptive measures
- Invest in new technologies through field testing of new equipment, by participating in national forums
- Conduct market research and enhance activities to promote awareness, education and training
- Seek new partnerships through community based programs and collaboration with key regional and national allies

EnergyTrust of Oregon, Inc.

Management & General

- Continuing process improvement focus
  - Implement findings from IT Enterprise Architecture Study
    - Re-evaluate Great Plains accounting software
    - Implement new IT staffing plan
    - Evaluate contact management system requirements
    - Evaluate alternative accounting packages,
    - Develop new system implementation plans
    - Develop IT Strategic Plan

EnergyTrust of Oregon, Inc.

Communications and Outreach Themes

- Cross-program integration
- Customer focus
- Deeper program collaboration in marketing plans and communications
- Greater outreach
- Centralized trade ally administration and support
- Website improvements
- Community Energy Project launch

EnergyTrust of Oregon, Inc.

OPUC Performance Measures-Program Delivery Efficiency (Program Support & Admin)

Actual 2006	6.5%	
Forecasted 2007	7.9%	
Budgeted 2008	6.6%	With SB 838
Budgeted 2008	8.1%	Without SB 838
OPUC Benchmark	11.0%	
Stretch Goal	9.0%	

2008 Staffing

- 3 conversions from current contractors to FTE
  - 2 Information Technology (1 Network Engineer and 1 Data Base Administrator)
  - 1 Deputy General Counsel
- 1 Help Desk Coordinator – as recommended from the IT Enterprise Architecture Study
- 4 new position requests driven by increased volume and 838
  - 1 OSP/Biopower Coordinator for Renewable Energy
  - 1 Residential Outreach Manager
  - 1 Planning Engineer
  - 1 Evaluation and Market Research (SB 838)

EnergyTrust of Oregon, Inc.