EnergyTrust of Oregon

Energy Efficiency and Solar Project Financing

Conservation Advisory Council
August 13, 2008

EnergyTrust of Oregon, Inc.

Background

- Based on contractor and solar evaluation feedback, a finance product is needed to make projects happen
- Winter 2008 Solar and EE programs solicited about ten banks and financial institutions for proposals
- We received two formal responses
  - Umpqua Bank – local community bank in Oregon
  - Electric Gas & Industries Association (EGIA) – a national non-profit formed to provide energy efficiency financing and incentive processing for utilities
- Interviews were held in Spring 2008

EnergyTrust of Oregon, Inc.

Umpqua Bank Overview

- Founded in Roseburg in 1953, Umpqua has 147 branch locations (72 in Oregon)
- 22,000 associate volunteer hours were contributed to Umpqua's communities in 2007
- $18.8 million has been invested in State of Oregon business energy tax credits since 2004
- $1.3 million was donated to community programs and initiatives in 2007

EnergyTrust of Oregon, Inc.

Relationship Details

- Exclusive co-branding and co-marketing agreement for 2 years
- Residential and commercial loan products for energy efficiency and solar projects
- Collaborative effort for Trade Ally trainings geared toward loan curriculum
- Public relations campaign to boost consumer awareness of energy efficiency and solar measures
- Bank retail locations will stock Energy Trust collateral
- We retain the right to end relationship if it does not achieve our mutual goals

EnergyTrust of Oregon, Inc.

Proposed Energy Efficiency Unsecured Loan

Unsecured Loan Details

- Loan Amount: $1,000 - $50,000
- Loan Fee: $0
- Loan Term: 5 years
- Participant chooses Energy Trust incentive packages; Base Loan Rate of 8.75% applies
- Participant chooses Energy Trust buy-down of 3% in lieu of Energy Trust Incentives loan rate of 5.75% applies
  - Buy-down rate only applies to energy efficiency measures
  - Participant still receives bonus packages if applicable

EnergyTrust of Oregon, Inc.

(Proposed) Solar Unsecured Loan

Loan Option 1: 8.75% unsecured loan

Energy Trust Cash Incentives (standard)					
	PGE	**PAC**	**NWN**	**CNG**	**MAXIMUM**
Solar Electric	$2.25 per watt	$2.00 per watt	--		$10,000 per system
Solar Water Heating	$0.40 per rated kWh		$0.30 per rated kWh		$1,500 per system
Solar Pool Heating	$0.10 per kWh		$0.07 per kWh		$1,000 per system

Loan Option 2: 5.75% unsecured loan represents 3% buy-down

Energy Trust Cash Incentives (reduced)					
	PGE	**PAC**	**NWN**	**CNG**	**MAXIMUM**
Solar Electric	$2.00 per watt	$1.80 per watt	--		$10,000 per system
Solar Water Heating	$0.30 per rated kWh		$0.20 per rated kWh		$1,500 per system
Solar Pool Heating	$0.08 per kWh		$0.06 per kWh		$1,000 per system

EnergyTrust of Oregon, Inc.

Proposed Forthcoming Residential and Commercial Loan Products/Programs

EE and Solar Product/Program Details

Projected Fall of 2008

- Secured Home Equity Loan—$5,000-$50,000
- Small Business Direct Term Loan—$5,000-$100,000
- Small Business Commercial Real Estate Loan—$5,000-$100,000

Projected January of 2009

- Commercial Loan—$250,000-$1Million
- 60/80 Median Income Loan (ET guarantee)
  - Option to guarantee loan if bank declines to lend based on score

EnergyTrust of Oregon, Inc.

Participation Details

- Utility ratepayers can participate in the program and receive Energy Trust incentives and/or buy down
- Non-Energy Trust utility ratepayers can choose to use Umpqua Bank loan product at 9.25% but will not qualify for Energy Trust incentives or buy down
- Consumers can go directly to Umpqua Bank or complete internet application for loan products
- Contractors will have to join the Trade Ally network to offer loan and receive full program benefits (trainings, cooperative marketing benefits, etc.)

EnergyTrust of Oregon, Inc.