EnergyTrust of Oregon, Inc.

Finance Report

June 30, 2008

Review June 2008 year-to-date financial statements

Balance Sheet and Cash Flow Statements

The most significant change on June's balance sheet is the increase in Advances to Vendors, which is related to the Q3 advance payment to NEEA.

Income Statements

- Public purpose revenues year to date varied only 3% from budgeted amounts. In the analysis that follows, PacifiCorp funds resulting from SB 838 are included with the balance of the PacifiCorp energy efficiency revenues.
- The variances for both gas utility's revenues are continuing to grow.
- June year to date expenses were approximately 63% of budget. The major variances are described below.

Revenue

Public Purpose Revenue

Public Purpose Revenue	Over Budget	Under Budget	Total Over/ (Under)	% over/(under) budget
PGE				
Energy Efficiency	125,601	-	$ 125,601	1%
Renewable Energy	-	(131,325)	(131,325)	(3%)
PacifiCorp				
Energy Efficiency	422,056	-	422,056	4%
Renewable Energy	37,470	-	37,470	1%
Other Electric	480	-	480	0%
NW Natural	609,111	-	609,111	10%
Cascade	70,962	-	70,962	12%
Total	**$ 1,265,680**	**$ (131,325)**	**$ 1,134,355**	**3%**

Interest income is approximately 9% lower than budget, reflecting the decline in interest rates experienced in 2008.

Expenses

Overall Expenses: below budget by $15.2 million (37% under budget)

Program Management, Delivery & Marketing (7% of expense variance)

Prog Mgmt, Deliv & Mktng	Over Budget	Under Budget	Total Over/ (Under)	% over/(under) budget
Energy Efficiency				
Commercial	-	(296,175)	(296,175)	(10%)
Industrial	-	(156,337)	(156,337)	(8%)
Residential	$ -	$ (628,999)	$ (628,999)	(11%)
Renewable Energy				
Biopower	-	-	-	0%
Open Solicitation	-	(30,000)	(30,000)	(100%)
Solar	2,510	-	2,510	13%
Utility Scale	-	-	-	0%
Wind	9,466	-	9,466	105%
Total	**$ 11,976**	**$ (1,111,511)**	**$ (1,099,535)**	**(10%)**

Incentives (78% of expense variance)

Incentives	Over Budget	Under Budget	Total Over/ (Under)	% over/(under) budget
Energy Efficiency				
Commercial	73,241	-	73,241	2%
Industrial	-	(1,704,442)	(1,704,442)	(60%)
Residential	$ -	$ (434,222)	$ (434,222)	(8%)
Renewable Energy				
Biopower	-	(478,440)	(478,440)	(61%)
Open Solicitation	-	(1,296,405)	(1,296,405)	(94%)
Solar	-	(1,080,777)	(1,080,777)	(61%)
Utility Scale	-	(2,186,500)	(2,186,500)	(100%)
Wind	-	(4,716,900)	(4,716,900)	(100%)
Total	**$ 73,241**	**$ (11,897,686)**	**$ (11,824,445)**	**(53%)**

- **Industrial** – Overall, the timing of industrial projects has shifted later in the year than anticipated. In addition, there have been some specific instances of lower than anticipated incentive costs paid out. However, savings are still expected to come in close to budget for the year.
- **Biopower** – In the first half of the year, project payments have been paid out slower than anticipated. However, payments for all projects should catch up with budgeted amounts by the end of the year.
- **Open Solicitation** – The variance at June 30th is due to the timing of one project which is expected be paid out in the Fall. However, by year end, it is expected that the program funds will not be spent as budgeted due to the successful Multnomah County RFP resulting in bids that will need far less support than originally budgeted,
- **Solar** – The start to the year was slow for construction. Reservations indicate that the pace of construction is accelerating and the underspent funds will be spent by year end.
- **Utility Scale** – Pacific Power's GoodNoe Hills wind project has run into delays. Incentive payments are expected to begin in Q3 2008 and will run through Q2 2009.
- **Wind** – Several large projects have been withdrawn and will not go forward. As such, the board has authorized $2.5 million of the listed funds to be available for the Solar program. The small wind program is beginning to pick up but it funds projects of a much smaller dollar value.

Professional Services (9% of expense variance)

Professional Services	Over Budget	Under Budget	Total Over/ (Under)	% of total
Marketing	-	(437,511)	(437,511)	31%
Evaluation & Planning	$ -	$ (313,352)	$ (313,352)	22%
Energy Efficiency	-	(297,371)	(297,371)	21%
Renewables	-	(211,193)	(211,193)	15%
Administrative	-	(79,112)	(79,112)	6%
Other	-	(72,990)	(72,990)	5%
Total	**$ -**	**$ (1,411,528)**	**$ (1,411,528)**	**100%**

- **Marketing** – Variances are due to timing differences between budgeted and actual payments. Budgeted amounts were spread evenly through the year, while actual expenses will be heavily weighted toward the end of the year, specifically related to the fall campaign. In fact, the campaign has grown larger than anticipated in response to expected higher-than-ever-before hikes on NWN rates.
- **Evaluation & Planning** – The variances are primarily due to the following: 1) delays in projects, 2) overall spending trend appears moderately low compared with plan. Evaluation is currently being conducted to see what money might be left on the table at year end which can be used for program incentives in the meantime.
- **Energy Efficiency** – The variances are scattered throughout the programs and all items of significant amounts continue to reflect timing differences.
- **Renewables** – The delays/abandonment of projects has decreased the current need for anticipated professional services. Precise timing of individual payments is difficult to predict, but most work is still expected to be completed.

By Division - Total Expenses

By Division	Over Budget	Under Budget	Total Over/ (Under)	% of total
Energy Efficiency				
Electric	$ -	$ (4,565,757)	$ (4,565,757)	30%
Gas	35,677	-	35,677	(0%)
Renewable Energy				
Biopower	-	(713,524)	(713,524)	5%
Open Solicitation	-	(1,466,900)	(1,466,900)	10%
Solar	-	(1,195,766)	(1,195,766)	8%
Utility Scale	-	(2,265,136)	(2,265,136)	15%
Wind	-	(4,998,174)	(4,998,174)	33%
Total	**$ 35,677**	**$ (15,205,257)**	**$ (15,169,580)**	**100%**

Program delivery efficiency (administrative costs plus program support costs)

- 5.1%, budgeted at 7.1%; performance measure is 11.0%
- Last year June was 5.4%. Last quarter's rate was 4.9%.