MARKET INDICATORS REPORT

ENERGY TRUST PROGRAMMATIC INDICATORS:

Existing Homes Report

- The PMC received 201 Online Home Energy Review (HER) requests in June, 2009. This number is slightly higher than last year, when the PMC received 187 online HER requests in June, 2008.
- The PMC received 1,702 incentive applications in June and 1,793 incentive applications in July.
  ↑ 137.7% compared to the 716 applications received June, 2008.
- The Contact Center answered 3,194 inbound calls in June and 2,916 inbound calls in July:
  ↑ 40% from 2,282 calls June 2008 and ↑ 7.12% from July 2008.
- In June the PMC completed 13 Multifamily projects, capturing over 715,914 kWh and 4,102 therms in savings. In July, the Multifamily PMC completed 27 projects, capturing over 779,612 savings in kWh and 8,981 savings in therms
- In addition to completing 27 projects in July, the PMC established a pipeline of an additional sixty six 66 projects. Energy savings projections are set to reach over five 5 million kWh and over 27,000 therms with forecasted incentive payments of $775,342 in the pipeline for 2009.

New Homes Report

- New homes sales are ↓34% year over year, and ↓5.75% month over month.
- New home sales are dropping faster than existing home sales due to falling prices nationally.
- S&P Case Shiller Home Price Index ↓18.5%
- National Association of Home Builders approximates a 10.9 month average wait for a new house to sell. This is up from a 10.2 month average in March. Most favorable sellers market is generally associated with 5 month inventory; hence we are continuing to see overcrowded market conditions less favorable to sellers.
- National Association of Home Builders reduced their estimated single family housing starts forecasts for 2009 and 2010 by the greatest percentage ever in Feb
  - 2009 housing start forecasts ↓23%
  - 2010 housing start forecasts ↓20%

MACROECONOMIC DATA

University of Oregon Index of Leading Economic Indicators

Table 1: Summary Measures	2009					
	Jan	Feb	Mar	April	May	June
U of O Index of Economic Indicators (1997 = 100)	86.3	85.3	84.8	85.1	85.0	84.2
% Change	0.2	-1.0	-0.7	0.2	-0.1	-0.9
Diffusion Index	64.3	28.6	28.6	57.1	64.3	64.3
6 Month % Change, Annualized	-11.0	-11.1	-11.8	-9.4	-8.0	-4.5
6 Month Diffusion Index	14.3	14.3	14.3	0.0	21.4	42.9

Table 2: Index Components	2009					
	Jan	Feb	Mar	April	May	June
OR Initial Unemployment Claims, SA	13,865	14,679	13,820	12,564	12,308	11,915
OR Employment Services Payrolls, SA	29,833	28,809	27,870	27,134	26,836	25,969
OR Residential Building Permits, SA, 5 MMA	947	918	836	766	672	469
OR Weight Distance Tax, $ Thousands, SA, 3 MMA	18,387	17,747	17,424	18,285	17,441	17,966
U of Michigan US Consumer Confidence, 5 MMA	60.9	58.1	58.0	60.0	61.7	63.6
Real Manufacturers' New Orders for Non-defense, Non-aircraft Capital goods, $ Millions, SA	30,978	32,242	31,840	30,935	32,456	32,388
Interest Rate Spread, 10 yr Treasury Bonds Less Fed Funds Rate	2.37	2.65	2.64	2.78	3.11	3.51

The University of Oregon Index of Economic Indicators fell 0.9 percentage points in June to 84.2. The decline in the index is directly attributable to two major economic components—residential building permits and employment services payroll—which both continue to show significant decline in June. The pace of economic deterioration with respect to employment has slowed, with initial jobless claims dropping in the month of June from their 2008 highs; however, these initial claims are still at a level consistent with continued declines in non-farm payrolls. Residential housing permits in Oregon continued in June at “anemic” levels from the usual summer peak expectations. The interest spread, as well as U.S. consumer confidence, experienced positive increases in June, leaving a conflicting overall picture of the macro economy.

Institute for Supply Management Manufacturing Index

Month	*PMI*
Jul-09	48.9
Jun-09	44.8
May-09	42.8
Apr-09	40.1
Mar-09	36.3
Feb-09	35.8

July's 48.9 PMI score was up from June's 44.8. The PMI index tracks growth in products and manufacturing on a running index of 1-100. Indices greater than 50 indicate growth while those less than 50 indicate contraction; indices less than 40 generally coincide with broader economic recession. While July's score remains contractionary, the score of 48.9 clocks in high above recessionary. July's PMI broken down by industry is shown below:

MANUFACTURING AT A GLANCE Jul-09						
Index	**Series Index July**	**Series Index June**	**Percentage Point Change**	**Direction**	**Rate of Change**	**Trend* (Months)**
PMI	48.9	44.8	4.1	Contracting	Slower	18
New Orders	55.3	49.2	6.1	Growing	From Contracting	1
Production	57.9	52.5	5.4	Growing	Faster	2
Employment	45.6	40.7	4.9	Contracting	Slower	12
Supplier Deliveries	52	50.6	1.4	Slowing	Faster	2
Inventories	33.5	30.8	2.7	Contracting	Slower	39
Customers' Inventories	42.5	43.5	-1	Too Low	Faster	4
Prices	55	50	5	Increasing	From Unchanged	1
Backlog of Orders	50	47.5	2.5	Unchanged	From Contracting	1
Exports	50.5	49.5	1	Growing	From Contracting	1
Imports	50	46	4	Unchanged	From Contracting	1
OVERALL ECONOMY				Growing	Faster	3
Manufacturing Sector				Contracting	Slower	18

Unemployment

	Oregon (SA)	**US (SA)**
July 2009	11.9%	9.4%
June 2009	12.2%	9.5%
July 2008	6.3%	5.7%

Oregon's seasonally adjusted unemployment rate was 11.9 percent in July, essentially unchanged from the revised June figure of 12.0 percent. Oregon's unemployment rate has been close to 12 percent for the five-month period March through July, following a steep run-up during the prior nine months. Oregon's unemployment rate is up from 6.3 percent in July 2008. The U.S. seasonally adjusted unemployment rate was essentially unchanged at 9.4 percent in July and 9.5 percent in June. A breakdown of Oregon's employment, year over year, by industry follows:

- Total non-farm employment: 5.7% decrease.
- Total private employment: 6.9% decrease.
- Construction: 18.7% decrease.
- Manufacturing: 15.0% decrease.
    - wood products employment 22.0% decrease.
    - computer & electronic manufacturing: 11.3% decrease.
- Accommodation and Food Services employment: 5.6% decrease.

Employment levels for July indexed in the Institute of Supply Management's PMI index increased to 45.6, from 40.7 in June. This 4.9 jump optimistically forecasts a growth in employment in manufacturing; however, while still scoring less than 50 in the PMI, marks the twelfth consecutive month of contraction for employment in the manufacturing sector.

Employment	% Higher	% Same	% Lower	Net	Index
Jul-09	11	70	19	-8	45.6
Jun-09	9	66	25	-16	40.7
May-09	8	56	36	-28	34.3
Apr-09	7	58	35	-28	34.4

Consumer Price Index (CPI)

On a seasonally adjusted basis, the CPI-U was unchanged in July following a 0.7 percent increase in June. Small declines in the food and energy indexes offset a small increase in the index for all items less food and energy. The food index declined 0.3 percent in July with all six major grocery store food groups posting declines. The energy index, which rose 7.4 percent in June, fell 0.4 percent in July. Decreases in the indexes for gasoline, fuel oil, and electricity more than offset an increase in the index for natural gas.

Percent Changes in CPI for all Urban Consumers (CPI-U) from preceding month:					
	May '09	June '09	July '09	3 mo. Compound annual rate end June 2009	Unadjusted 12 months end June 2009
All Items	0.1	0.7	0	3.4	-2.1

SUMMARY REVIEW

Expected economic gains from employment did not occur in July, continuing Oregon's trend into recession. As residential housing starts remain weak, wood products manufacturing and construction employment did not realize usual seasonal peaks in the June or July. The rising prices of gasoline and energy fueled an increase in the Consumer Price Index in June, though consumer spending continues to remain at recessionary levels.

SYNOPSIS of Recent Market Activity (Aug 3, 2009)

• Columbia River Forest Products, a mill producing hog fuel and wood chips for paper production, will open in St. Helens. It will employ about 31 people. *South County Spotlight, 7-15-09*

• The Junction City city council approved a $35 million construction agreement with the stateto begin development of a new state hospital and prison. The work is expected to be divided between five construction contracts that will focus on water and sewer improvements and employ up to 175 workers beginning as soon as September. *Register-Guard, 7-16-09*

• Novellus Systems Inc., a leading manufacturer of advanced processing equipment for the global semiconductor chip industry, will consolidate all of its manufacturing operations in Tualatin – bringing about 175 high-tech jobs to the area when it shifts production from a facility in San Jose to Oregon. *Tualatin Times, 7-16-09*

• Stahlbush Island Farms, a Corvallis farm and food-processing operation, completed construction of a $10 million biogas plant. It will convert fruit and vegetable by-products into methane-rich biogas. that will generate enough electricity to power about 1,100 homes. *Statesman Journal, 7-22-09*

• RadiSys Corp. in Hillsboro will lay off 119 workers through mid-2010 as it completes a transition to outsourced manufacturing in Asia. It will also consolidate its research and development operations, which includes transferring 16 jobs from its research center in Boca Raton, Fla. *Portland Business Journal, 7-28-09*

• Portland-based Northwest Natural Gas Co. will cut its workforce by between 50 to 100 positions by the end of the year as it adjusts to slower customer growth. *Portland Business Journal, 8-4-09*