Business Sector and Program Planning Summary

I. Sector Level Summary

A. Executive Summary

Energy savings delivered by the Business Sector have been increasing aggressively since 2007. However, due to new codes and standards, savings from incentive based offerings are expected to level off or decline over the next few years. Market transformation savings are expected to increase

Program challenges in coming years include reduced construction and retrofit activity due to the state of the economy, reduction in cost effective lighting opportunities due to Federal Equipment Standards updates, and potential reduction in cost effectiveness and consumer motivation due to pending changes in rules for Business Energy Tax Credits.

Over the next five years resource acquisition savings will be delivered primarily through retrofit efforts with a focus on longer-term customer relationships. The sector will also develop new measures and incentives that meet customer's stringent cost requirements. New Construction savings will be dominated by code updates and the sector will coordinate with NEEA to ensure that these savings are realized.

B. Sector Vision and Leadership Statements

To provide long-term vision, guidance, and consistency to the Business Sector, the following principles have been established with input from the program team and leadership at Energy Trust:

Vision Statement
Oregon commercial and institutional customers will enhance their long-term economic and environmental health, through energy savings and renewable projects.

Mission Statement
To collaborate with key partners to drive commercial and institutional customers towards reliable, cost-effective, verifiable energy savings and appropriate renewable energy production that create competitive advantages for customers.

Leadership position
Energy Trust will be a valued partner and trusted advisor for Oregon businesses and the preeminent designer and manager of energy efficiency and renewable programs.

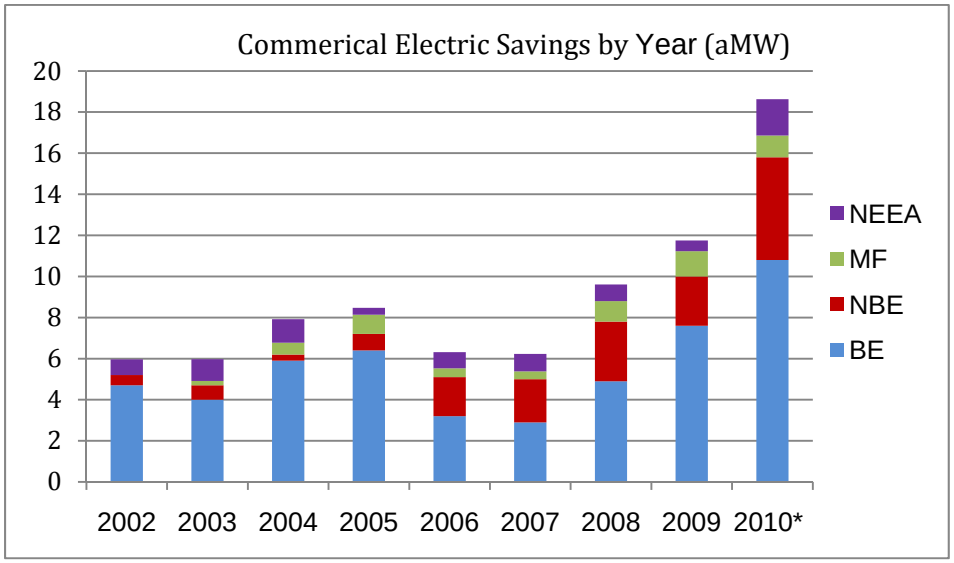
Measures of Success
Commercial and institutional customers will increasingly utilize Energy Trust programs to achieve deeper energy savings and install renewable energy systems. This will enable Energy Trust to work with partner utilities in meeting the IRP goals for each IOU served.

II. Sector Level Savings

A. History

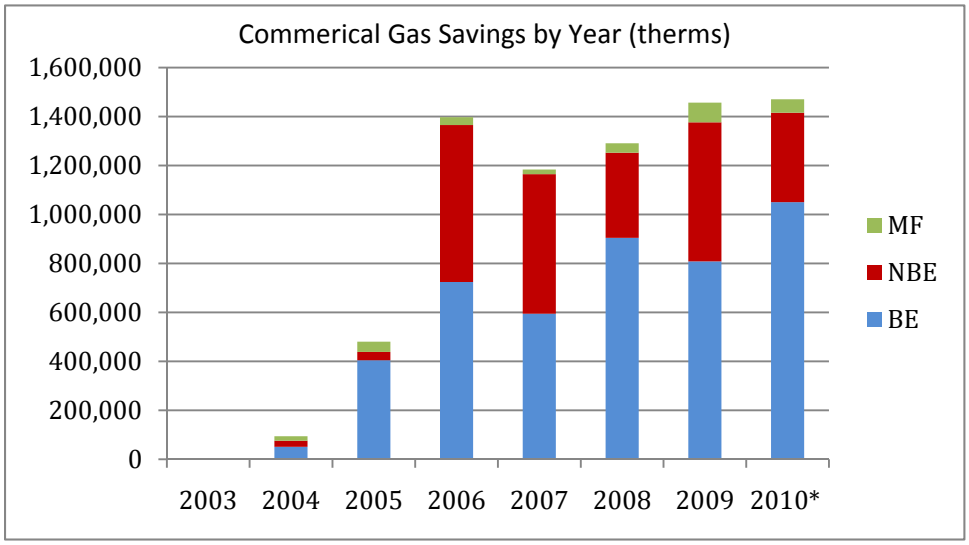
Historical savings for the Business Sector are depicted in Figures 1 and 2, followed by more specific summaries of program objectives and accomplishments.

Figure 1



Note: 2010 = budget stretch goal. Multifamily savings were added to all years although ETO has historically reported MF savings under the residential sector (2003-09).

Figure 2



Note: 2010 = budget stretch goal. Multifamily savings were added to all years although ETO has reported MF savings under the residential sector from 2002-09.

Existing Buildings

Objective

Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency equipment and energy-efficient operating practices in existing commercial and institutional facilities. The program targets building owners, building managers and facility managers/engineers.

History

Existing Buildings results has grown steadily each year, with savings of over 800,000 therms and 7.6 aMWs in 2009. Since program inception, Existing Buildings has achieved almost 3.5 million therms and 39.5 aMWs, representing 18% of Energy Trust's total electric savings and 27% of Energy Trust's total gas savings.

Approximately 60% of electric savings has been delivered through Grocery, Office, and Retail. The major end-use for electric savings has been lighting retrofits. Approximately 35% of gas savings has been delivered through universities, schools, and offices. The major end-uses for gas savings have been hot water and space heat.

The 2010 budget for Existing Buildings is $26.2 million which is 62% of the Business Sector Budget.

New Buildings

Objective

Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency design and equipment in commercial, institutional, and industrial new construction and major renovation projects. Target audiences for the program are architects and engineers, project developers and project owners.

History

From 2002 to 2009, New Buildings has achieved 11.6 aMWs of electric energy savings, representing 5% of Energy Trust's total. On the gas side, New Buildings has achieved almost 2.2 million therms of savings since inception, representing 17% of Energy Trust's total gas savings.

The majority of electric savings have been achieved through lighting; most gas savings have been achieved through HVAC.

The 2010 budget for New Buildings is $13.3 million, which is 32% of the Business Sector budget.

Multifamily

Objective

Acquire cost-effective electric and natural gas savings by providing financial incentives, technical assistance and project management for multifamily properties for retrofits of existing buildings. Strategy focuses on developers, and building managers.

History

Since 2003, the program has delivered more than 5.8 aMWs of electric savings and 285,000 therms of gas savings. Opportunities are heavily weighted towards electric and have been

achieved through improvements to building envelope. Gas opportunities have been achieved through hot water heating and central system heating upgrades.

At the beginning of 2010, Multifamily transferred from Home Energy Solutions to the Business Sector to better influence the primary decision makers – property owners and property management firms.

The 2010 budget for Multifamily is almost $3 million and is embedded in the larger existing and new buildings programs.

B. Market Opportunity

Existing Buildings

Measures

Existing Buildings offers a wide array of measures targeted at a variety of end-uses and markets. Historically, lighting measures have dominated program activity, at about 50% of the total program electric savings. Heating and cooling measures are the next largest contributor to savings, at over 35% of historical electric savings. Heating equipment retrofits have accounted for the majority of therm savings at 66%. Foodservice equipment measures are the second largest contributor to gas savings, at 16% of the total.

New technologies and approaches will be examined, piloted and incorporated into the program as they emerge, and may include:

Near-Term (volume by 2012 or sooner)

- Commercial Rooftop Retrofit/Tune-up
- Demand Control Ventilation
- LED Outdoor Lighting
- Lighting Design Layouts that can be implemented by retrofit contractors instead of designers.
- Operational Changes (Energy Management System Installations, Direct Digital Control Tune-up)
- Refrigeration heat recovery for water and space heating
- Ozone Treated Laundry

Mid Term (volume in 3-7 years)

- Condensing Gas Rooftop Units

To help customers respond to economic challenges, the Business Sector will prioritize operational measures and low-cost measures for the duration of the recession.

Markets

Existing Buildings is built around two complementary strategies: a vertical industry sector approach and a trade ally approach. These strategies leverage existing market relationships between end-use customers and their preferred suppliers.

The program has identified markets with high energy-use intensity and designed program offerings to address business energy concerns. With this strategy, Energy Trust is maximizing savings and providing the most benefit to customers.

Energy Trust reaches out to all markets through an extensive and well-attended network of trade allies specializing in lighting, heating, water heating, compressed air, and other equipment.

Savings Potential

Over 65% of the electric potential is in office space and retail. High potential end-uses include lighting at 40% and desktop computer energy management at 25%. Over 50% of the gas potential is in restaurant, retail, and small office markets.

New Buildings

Measures

New Buildings implements measures through four tracks; Standard, Custom, ENERGY STAR® and LEED®. The Custom track has had the highest percentage of program savings, mostly in Custom HVAC and lighting. However, in 2009, LEED projects surpassed all other projects in savings. Lighting and HVAC have yielded the highest savings for the Standard Track.

The 2010 Oregon Energy Code will reduce the available energy savings about 50% from the current incentive program, but savings opportunities will emerge in new technology measures.

New Buildings anticipates opportunities to expand measures for plug-load, lighting design and controls strategies, variable refrigerant flow systems and prescriptive measures.

As we continue to push aggressive savings through codes and standards, customer needs become more technically complex. New Buildings will support the market by providing increased comprehensive technical solutions.

Markets

The program has achieved significant market penetration --60% of floor space-- and energy savings by influencing customers with large buildings who prioritize efficiency goals with their design team and incorporate energy modeling early in the design and construction process. Historically, 70% of overall savings are from buildings over 70,000 square feet, while a smaller percentage of program savings have been from buildings under 70,000 square feet that don't perform energy performance models. In 2009, 75% of projects were smaller than 70,000 square feet. Smaller buildings typically have a compressed design and construction schedule and smaller design budgets that result in less opportunity for the program to influence the design. Opportunities to achieve greater efficiency among smaller buildings include structuring simple design approaches and prescriptive packages that can be easily incorporated by design/build teams.

The Small Commercial Efficiency Pilot seeks to meet customers where they are in the design process and provide readily deployable, low-cost strategies that generate savings without cost-prohibitive building modeling.

The Path to Net Zero pilot supports owners and builders constructing buildings of exceptionally strong energy performance. The goal is to overcome identified barriers – resource constraints, processes, design and technological challenges – and accelerate the transformation towards commercially viable net-zero energy buildings.

Due to ARRA funding, changes in the economy, and changes in technology, markets with high potential include:

- Schools
- Government buildings

- Low margin national retail chains
- Grocery and foodservice

Savings Potential

Current savings potential estimates for commercial new construction are obsolete. As part of the Utility Integrated Resource Plan (IRP) process, estimates will be updated to reflect current market conditions and upgraded codes and standards.

Multifamily

Measures

Multifamily achieves a diverse mix of end-use savings that range from building envelope to new appliances and heating equipment. Heating-related savings were reduced in 2009 by approximately 40% due to a reduced estimate of base energy use. With improved billing data (aggregation of multiple meters to a single site) the predictability of base load has greatly improved.

In 2010 a majority of savings are expected to come from lighting, appliances and building envelope improvements.

- 50% from common area lighting and windows
- 10% from appliances: dishwashers and refrigerators
- 40% from windows and weatherization

By providing more incentives for custom projects and technical review, Multifamily will create more savings opportunities for both electric and gas and achieve a higher level of savings per project.

NEEA is impacting energy efficiency of televisions through their market transformation efforts, so these savings are not captured in the Multifamily strategies.

Markets

In the Portland metro area, 75% of multifamily buildings were constructed before 1977 and hold significant energy savings potential. Multifamily reaches a diverse set of customers who would otherwise have limited access to Energy Trust programs. Market assessment data shows that 15-17% of existing multifamily properties have participated in the program over the last five years. Continued market research, mapping the ownership structure to the resource, may provide means to further accelerate the program.

Savings Potential

The Multifamily market is currently ripe for energy efficiency upgrades, as original equipment, such as heating & cooling, lighting, appliances and windows, reaches the end of its projected useful life.

Multifamily will focus on lighting, appliances and windows, which make up 30%, 12% and 26% of the electric savings potential, respectively. Lighting has the lowest barriers to entry and cost of acquisition but will be subsumed by Federal Standards in the next years. Appliances may be a good target to move through a distribution center, further upstream. Windows add curb-appeal to a property and are highly desired by property owners and tenants.

III. Sector Level Strategies

A. Areas of Focus and Targeted Market Segments

Over the next 5 to 6 years, the top-level efforts required for the success of the Business Sector can be defined as follows:

Accelerate Energy Efficiency and Renewable Investment

Ensure that Incentives Drive Cost-Effective Savings

Businesses will be looking at cutting costs over the next year or two. Investments with low or no-cost will be most attractive. To meet goals we may need to optimize the portfolio of program services and measures to include a greater emphasis on low capital-cost measures such as operations and maintenance, and selectively implement higher incentives for targeted measures.

The Business Sector will focus on increasing incentives or developing new measures with easy installations for quick savings. The programs will also invest in infrastructure (training, sales, marketing, experimentation with feedback technologies) and incentives to ramp up savings from behavioral changes.

Customers that lease space are less inclined to invest in major improvements. Energy Trust can address this by developing additional upstream and midstream incentive approaches.

Key Activities:

- *Develop incentives for new measures with quick savings at low cost to the customer*
- *Optimize incentives where appropriate*
- *Develop tools, training and incentives for operational changes*
- *Develop streamlined approaches for small new and existing buildings*

Encourage Innovative Technologies and Practices

To ensure that the best available technologies are rolled into program offerings, the Business Sector will foster partnerships with other organizations that support development of Emerging Technologies.

As codes and standards become more stringent, the savings to be achieved through innovative technology reach their limits. At that point, the source of energy savings will be in the actual design of the building, how the building is being operated and who is operating it. Additional,

innovation will be embodied in commissioning, monitoring and reporting, and occupant education.

Through the RTF, NEEA, the Energy Studies in Buildings Laboratory, and Path to Net Zero efforts, Energy Trust and PMC staff will remain abreast of upcoming developments and research in innovative technologies and design approaches.

Key Activities:

- *Work on regional efforts on emerging technologies and innovative design*
- *Work with Planning to pilot new technologies and practices.*
- *Collaborate with Planning and other programs to develop new measures.*

Ensure That Programs Meet Customer's Needs

Support Industry Infrastructure

The Business Sector will deliver program offerings effectively by supporting the development of a stronger market for technical service providers, including ATACs and trade allies.

Education about our full suite of programs will be important since smaller, local trade allies in more rural areas are less aware of Energy Trust's offering in the Business Sector.

Business Sector program staff and trade allies must also clearly communicate the paybacks to help customers overcome economic challenges.

The current PMC model will also be modified with the addition of more technical Program Delivery Contractors. These contractors can be focused geographically or by market specialty.

Key Activities:

- *Expand network of trade allies*
- *Build the New Buildings trade ally network and train trade allies to leverage the program in their own marketing and projects.*
- *Build a professional network of architects and engineers to support the programs.*
- *Increase technical support for projects to build the expertise of the energy analyst community.*
- *Design competition into delivery structure to keep costs down and ensure most qualified delivery channels*
- *Explore expansion of PMC model by Geographic/Market segment or specific service (e.g. long term plan development)*
- *Promote "cross pollination" between trades.*

Offer Comprehensive Services and Technical Resources

Energy Trust will develop ongoing, working relationships with key customers to implement comprehensive energy management strategies. A single point of contact to coordinate all Energy Trust offerings will maximize access to programs.

Through these relationships, the breadth of program offerings can be implemented across the customer's organization to advise them of additional savings opportunities and ensure ongoing savings from past projects.

The Sector will continue to develop a more energy-savvy, sophisticated community of facility managers will also produce additional savings. Building Operator Certification has been a useful

first step in this direction. When trained in energy efficiency technologies and best practices, these customers make greater use of resources available through Energy Trust.

Over the next five years, Energy Trust will introduce measures based on new energy-saving technologies to achieve deeper savings at commercial sites. The program will become more engaged with customers to identify energy-saving opportunities through such offerings as "Kaizen" events, operations & maintenance measures and continuous improvement plans.

Existing Buildings has many repeat participants, but the Program could expand repeat participation through a more strategic customer relationship. As customers see the savings on their bill and the non-energy benefits from their investment they are more likely to initiate another project.

The programs will explore comprehensive packages of energy measures that bring added value to customers and businesses and energy measures with varying payback periods to customer's needs. Customers will be encouraged to act by selectively using promotional incentives or limited-time incentive bonuses.

Existing Buildings offerings can be expanded to include a process similar to the new construction process, including a pre-project charrette and comprehensive approach to energy efficiency.

Key Activities:

- *Work with customers who manage multiple sites to plan portfolio strategies that include retrofit, new construction, operational changes, and renewable over longer timelines.*
- *Design program requirements and incentives to promote a comprehensive approach to building design and retrofits*
- *Develop a structure that allows for a continued relationship with building operators once building is completed and provide a bridge to Existing Buildings for future projects.*
- *Improve processes for systematic follow-through for customers receiving audits and other contacts.*

Geographic Presence

The Business Sector will reach more customers across the State by collaboration with other programs, with Energy Trust in general and with utilities' outreach staff and resources in Eastern and Southern Oregon.

Although PMC staff, ATACs, and Trade Allies are located throughout the state, the awareness of Energy Trust and the benefits it provides are less well-known in farther reaches of the state. The Sector will develop closer alliances with utilities and other local entities and increase marketing efforts to expand the program presence.

Key Activities:

- *Further expand the presence of the programs throughout Oregon.*
- *Assess viability of overall Northwest Natural Washington effort*

Communicate the Value of Energy Efficiency and Renewable Generation

The Business Sector will focus on building a more energy-savvy customer base that looks beyond short payback windows to the longer-term benefits of energy management. Customers will begin to integrate energy efficiency projects better with their financial plans and goals, invest in energy efficiency training for staff and cultivate in-house energy experts who value Energy Trust offerings.

Business Sector outreach staff understands that “hand-holding” is a tried-and-true method of improving implementation of measures. With additional Business Development (BD) staff, more projects have been completed, resulting in more savings. The Sector may add BD resources to provide more follow-up to bring more projects to completion.

One of Energy Trust’s strengths is our ability to serve all types of businesses in our service territory. To be successful, we will market strategically to markets that are growing in the adoption of energy efficient practices, such as government (largely through ARRA funds), and the high-value target markets identified by the Sector.

To fuel additional growth, the Business Sector will provide financial tools that calculate project metrics and will promote the business value of energy efficiency.

Key Activities:

- *Develop the strategic business case for energy efficiency. Develop tools to assist customers with decision-making regarding energy efficiency.*
- *Develop financial messages and decision-making tools that demonstrate the value of energy efficiency.*
- *Increase public relations resources for projects to promote the value of energy efficiency.*

Support Renewable Technology

A large potential market for solar electric systems is on the rooftops of institutional and business buildings. Energy Trust will focus on the integration of energy efficiency and solar in contacts with commercial/business customers, comprising a complete energy package.

Solar water heating remains an underutilized application for many businesses. By focusing on high volume users in its marketing, Energy Trust may improve the economics and savings from solar water heat.

Lack of a substantial solar thermal industry (engineers, designers, installers) for commercial-sized installations in Oregon leaves a “delivery” gap. However, Energy Trust could create “market pull” by building demand for such products/services, which would encourage more industry activity.

Key Activities:

- *Energy Trust Business Sector will continue to integrate activity with the Renewables group offerings.*

Provide Excellent Customer Service

For large projects receiving significant incentives, the payoffs are worth the time investment. However, many smaller customers walk away from the programs to avoid the administrative burden. We will streamline the process by weighing project type, size, and associated process costs and risks. An overall process optimization strategy could simplify the current processes (standardized incentives) with a goal to minimize and remove process hurdles.

The Business Sector will focus on understanding customer motivations and needs, and implement stronger programs for public relations, outreach and customer satisfaction. This means identifying market trends earlier and providing timely solutions.

Programs will create more user-friendly calculators and tools to simplify the process and provide more timely recommendations.

Better data management and collection and improved program processes will reduce customer frustrations with paperwork.

The programs can improve customer service by aligning forms and processes with the BETC form, as possible, to reduce duplication of effort by participants.

Customer service will be improved by providing a more consistent message and approach across programs. Currently, participants can become confused by the sorting rules and by the various points of contact amongst the multiple programs. With improved integration between New Buildings and Existing Buildings, Energy Trust business programs will bring a longer-term perspective to customers.

Key Activities:

- *Simplify program processes to reduce the cost and complexity of participation and increase the ease of participation.*
- *Develop a clear and streamlined approach for smaller projects.*
- *Improved consistency across Energy Trust programs and clear project sorting guidelines.*
- *Increased technical capacity for customer support*
- *Develop relationships with customers to focus on long-term, portfolio-wide integrated planning of projects.*
- *Connect customers with additional financial resources to support projects, including federal and state tax incentives.*

Collaboration and Coordination

Existing Buildings, New Buildings, Production Efficiency and Renewables will continue to work collaboratively for project referrals to meet the customer's needs for savings or generation.

Existing Buildings will ramp up efforts with product manufacturers to create more energy-efficient products and tap into local equipment distributors to provide education about products and techniques.

Energy Trust will work with the state's financial community to explore additional financing options for energy efficiency and renewable energy investments.

As the Sector works with utilities to create and market new programs, we will focus on improving coordination through up-front planning and evaluation of utility efforts.

Energy Trust will continue to coordinate with agencies to link the program offerings with larger initiatives to leverage other efforts to drive further energy savings.

Key Activities:

- *Coordinate internally with other Energy Trust Sectors*
- *Coordinate with upstream market actors to influence product specifications and availability*
- ***NEEA** – Align strategies and leverage market transformation work, tool development and long term regional planning to best support our customers. Focus on coordinated support for code updates.*
- ***BPA** – Where possible, align product specification requirements and program offerings to provide consistency with upstream program offerings, and*
- ***DOE** – Leverage support from larger initiatives such as Energy Star, ARRA and Benchmarking efforts.*
- ***ODOE** – Coordinate with State energy efficiency and renewable offerings such as BETC, SELP loans, and School Retrofit activities.*

- ***IOUs*** *- Clearly track and report progress toward each utility's IRP goals. Where appropriate, align program offerings with Demand Response and Smart Grid activity*
- ***Green Building Programs*** *- Increase strategic collaboration with other incentive and green building programs, including LEED, Green Globes, ODOE, and federal funding entities.*
- ***Building Codes Divisions*** *- Convert successful program strategies into energy code components. Take a proactive approach to working with BCD to develop the code. Anticipate the impacts of code changes on the program before those code changes occur.*

Ensure that goals are met cost effectively and that energy savings are real and verifiable

Maintain Effective Efficient Transparent Organization

As Energy Trust engages more directly with customers, customer relationship management systems must be enhanced. These information systems are currently becoming more robust and user-friendly and will allow Energy Trust program staff and PMC staff to reach out to past participants, and mine data trends and reports.

Forecasting is a constant challenge in the Business Sector, especially for New Construction. Factors beyond the control of the programs influence projects' abilities to meet project timelines. To improve forecast accuracy and more accurately predict budget expenditures, the programs will establish project milestones and assess the historical forecast accuracy.

Key Activities:

- *Streamline internal processes where appropriate*
- *Improve forecasting capabilities*
- *Improve data tracking capabilities*

Planning and Evaluation

Planning and Evaluation provides critical feedback, from the Business Sector plans to the actual program impact. This feedback should be developed, and rolled into programmatic content to ensure realignment occurs as early as possible

Key Activities:

- *Align goals with potential*
- *Continuous review and reassessment of potential*
- *Expand capabilities of customer data systems to better inform programmatic decisions*
- *Evaluate impact and program opportunities if ARRA, and/or BETC funds are constrained*
- *Evaluate impact and program opportunities given Oregon Code and Federal Lighting Standards updates*
- *Enhance market characterization and feedback to support targeted messaging services*

B. Challenges and Barriers

There is a short-term challenge to assure program volume in a down economy. Customers have less capital to invest in retrofit projects and are delaying new construction projects.

Much of the identified potential in the new construction market can be achieved through code changes that go into effect in late 2010. It is imperative that the Business Sector support design

professionals and building departments with the tools and knowledge to achieve the savings associated with the code update.

As codes and standards savings are secured, there will be less opportunity to pay for cost-effective measures, and consequently we expect an increased reliance on technical assistance in construction and deeper energy retrofits in existing buildings. Securing operations and maintenance changes, as well as reliance on new technologies will be key. Although operations and maintenance can have higher program implementation costs, it can be cost-effective and is less capital-intensive for customers.

Key challenges facing the business sector

The State of the Economy

Oregon's depressed economy remains a major risk to the growth of Business Sector programs. Banks have restricted lending to only the most credit-worthy commercial customers, and there is a general reluctance among businesses to assume more debt in an uncertain economy. Reduced consumer spending means that profit margins are thin. Many businesses are in survival mode. Even so, some businesses have increased interest in facility management to achieve energy efficiency cost savings.

Extensive news coverage about future of the Business Energy Tax Credit (BETC) has slowed investment in energy efficiency and created market confusion about the availability of BETC for energy efficiency projects.

Due to the success of Business Sector programs, markets are maturing, and successful market transformation efforts in certain market sectors and end-uses have been saturated or "locked in," and further energy savings will be increasingly costly.

The recent economic depression has illustrated how heavily dependent the Sector is on economic health. The pace of economic recovery will have a large impact on the ability of the Sector to deliver savings.

New Codes and Standards

With new Oregon Energy Codes going into effect at the end of 2010, the baseline for new construction and major renovations will be raised. New Federal standards are likely to have almost as significant an impact on retrofit opportunities. The Sector will need a more nuanced and thoughtful approach to how cost-effectiveness tests are applied to assure that high-value activities are pursued Program-wide, tactical plans will require more resources to achieve what will likely be smaller energy savings per project. Maintaining growth of savings and meeting levelized cost benchmarks in this environment will be a challenge.

The market will also be subject to multiple new baselines including Oregon Energy Code, ASHRAE 90.1, LEED and increased federal standards that will cause market confusion.

The highest-volume measures in Existing Buildings are high-performance tube and ballast swap-outs for stick fluorescent lamps. The bulbs we now incent are close to the minimum allowable efficiency under new Federal standards in 2012. By 2014 high performance ballasts may be the minimum allowable. We are unlikely to find another simple equipment swap-out measure that is more efficient and broadly applicable.

Customer's perception of the value of energy efficiency

Customer investment criteria and decision-making processes can limit market penetration as technologies with reasonable payback periods are not implemented due to internal screening and prioritization and direction of capital to other purposes.

Energy Trust must reexamine our messaging around the value of energy-efficient technology, and provide customers with resources and tools to better inform decisions to implement energy efficiency and renewable projects. We will need to provide ongoing evaluation of these approaches to understand how well the tools are working and how they can be further improved.

IV. Sector Level Summary

Energy Trust will need to collaborate more with utilities and other stakeholders to align efforts and identify opportunities. Partnerships with IOUs, ODOE, and NEEA will be key to promoting programs and ensuring we meet customer needs. Where past utility/Energy Trust collaboration focused on energy efficiency awareness and education, reaching sector goals will require activities that more directly drive program activity. Utilities can leverage their ongoing customer relationships and community outreach activities to identify customers with the greatest need for Energy Trust's Business Sector programs.

Key strategies for the business sector over the next several years are as follows:

Developing Long Term Customer Relationships

The current delivery model for the Business Sector misses opportunities for deeper and more cost effective long-term savings. Contracts currently emphasize near-term savings and are specific to new construction or retrofit activity rather than to customer's needs.

By developing and maintaining strategic customer relationships with larger customers who can plan in-house, we can help customers identify opportunities, prioritize choices, and then assign projects appropriately to PMCs or PDCs.

A single point of contact can help Energy Trust and ensure that customer needs are served through the appropriate program. This individual will manage the customer's needs and assign them to the appropriate program.

Ensuring Code Savings in New Buildings

Given the pending code changes, New Buildings offerings will be reexamined. Much of the savings available in New Buildings will be achieved through compliance with the new codes and code compliance should be emphasized. The program will work to understand customer's needs in complying with the new codes and to define the roles of Energy Trust and NEEA .

Development of measures and services with low or no capital cost to customer

In this economy, customers are looking for low and no-cost ways to save energy and have little capital to invest in major upgrades. Program offerings will be expanded through additional operations and maintenance measures, exploration of additional measures, and strategic incentive increases.

We also anticipate that new financing options will enhance our ability to serve small businesses statewide that currently have less working capital to invest in efficiency upgrades.

Appendix

Business Sector SWOT Analysis

Strengths	Weaknesses
• Business Sector's strong relationships with customers, utilities and other key stakeholders • The business sector's ability to be nimble and agile in a vastly evolving market • Energy Trust's focus on regional diversity • Energy Trust's strong Trade Ally Network	• The current delivery model can incent PMCs to adopt shorter-term thinking at the expense of developing long-term strategies • Processes at the program level need to be streamlined and simplified • Customer service constraints associated with current data management systems
Opportunities	**Threats**
• Market transformation savings through new Codes and Standards • Simplification of the customer experience • Development of deeper, longer-term customer relationships • Increased collaboration with utilities and other key stakeholders to drive implementation of program level activities • Better communicate the value of energy efficiency and renewables to customers • Cross-selling of energy efficiency and renewable measures	• The current state of the economy, including the limitations of credit availability for businesses • Potential changes to BETC and the ramifications that could have on the Business Sector • New codes and standards going into effect in late 2010 will raise the bar for energy efficiency savings, making it harder to achieve ongoing savings targets