Energy Trust Board of Directors Meeting

April 3, 2013

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119th Board Meeting

Wednesday, April 3, 2013, 12:15–2:45 pm
421 SW Oak Street, Suite 300
Portland, Oregon

Agenda		Tab	Purpose
12:15 pm	**Call to Order** *(John Reynolds)* • Approve agenda		
12:20 pm	**General Public Comment** *The president may defer specific public comment to the appropriate agenda topic.*		
12:25 pm	**Consent Agenda** *The consent agenda may be approved by a single motion, second and vote of the board. Any item on the consent agenda will be moved to the regular agenda upon the request from any member of the board.* • February 20 Board meeting minutes • Amend a contract with Navigant (R665)	**1**	*Action*
12:30 pm	**President's Report** *(John Reynolds)* • Board Committee Appointments (R663)	**2**	*Action*
12:50 pm	**Audit Committee** *(Ken Canon)* • Review results of financial audit by Moss Adams • Acceptance of audited financial report for period ending 12/31/12 (R664)	**3**	*Action*
1:30 pm	**Committee Reports**		
	• Evaluation Committee *(Debbie Kitchin)*	**4**	*Information*
	• Finance and Compensation Committees *(Dan Enloe)*	**5**	*Information*
	• Policy Committee *(Roger Hamilton)*	**6**	*Information*
1:50 pm	**Staff Report** • Highlights • Integrated Solutions Implementation quarterly update *(Scott Clark)* • Legislative update *(Debbie Menashe)*		*Information*
2:45 pm	**Adjourn**		

The next meeting of the Energy Trust Board of Directors will be held
Wednesday, May 22, 2013 at 12:15 pm
at Energy Trust of Oregon, 421 SW Oak Street, Suite 300, Portland

Tab 1 Consent Agenda
- February 20 meeting minutes
- Amend contract with Navigant (R665)

Tab 2 President's Report
- Board Committee Appointments (R663)

Tab 3 Audit Committee
- Presentation on results of financial audit by Moss Adams
- Report of Independent Auditors and Financial Statements
- Acceptance of audited financial report for period ending 12/31/12 (R664)

Tab 4 Evaluation Committee
- February 20 meeting notes
- Process Evaluation of Building Performance Tracking and Control Systems Pilot and staff response
- Path to Net Zero Process Evaluation and staff response

Tab 5 Finance and Compensation Committees
- December financials and contract summary report
- Fourth quarter 2012 dashboards
- January financials and contract summary report
- February financials and contract summary report
- Notes on February 2013 financial statements
- Financial glossary

Tab 6 Policy Committee
- March 12 meeting notes

Tab 7 Advisory Council Notes
- February 13 CAC meeting notes

Tab 8 Glossary of Energy Industry Terminology and Acronyms

Board Meeting Minutes—118thMeeting

February 20, 2013

Board members present: Julie Brandis, Ken Canon, Dan Enloe, Mark Kendall, Jeff King, Debbie Kitchin, Alan Meyer, John Reynolds, Anne Root, Dave Slavensky, John Savage (OPUC ex officio, *by phone*), Annie Donnelly (new board member)

Board members absent: Rick Applegate, Roger Hamilton, Lisa Schwartz (ODOE ex officio)

Staff attending: Margie Harris, Ana Morel, Hannah Hacker, Amber Cole, Steve Lacey, Scott Clark, Sue Meyer Sample, Fred Gordon, Debbie Menashe, Pati Presnail, Kim Crossman, Chris Dearth, Thad Roth, Dave Moldal, Sue Fletcher, JP Batmale, Kathleen Belkhayat, Susan Jowaiszas, Phil Degens

Others attending: Juliet Johnson (OPUC, *by phone*), Kendall Youngblood (PECI), John Charles (Cascade Policy Institute), Buzz Thielemann (RHT Energy), Lis Saunders (NEEA), Garrett Harril (Portland General Electric), John Morris (Fluid), Sepideh Rezania (NEEA)

Business Meeting

President John Reynolds called the meeting to order at 12:17 p.m.

General Public Comments

There were none.

Consent Agenda

The consent agenda may be approved by a single motion, second and vote of the board. Any item on the consent agenda will be moved to the regular agenda upon the request from any member of the board.

MOTION: Approve consent agenda

Consent agenda includes:
1) December 14 board meeting minutes
2) Signing authority for General Counsel (R659)

RESOLUTION 659
AUTHORIZINGAPPROVED BANK SIGNERS

WHEREAS:

1. **Umpqua Bank and Bank of the Cascades provide general banking services to Energy Trust (collectively, the "Banks").**
2. **Section 7.3 of the Energy Trust bylaws requires that the board of directors authorize officers or agents to sign checks, drafts, or other orders for the payment of money, notes and other evidences of indebtedness ("authorized bank signers") by way of resolution from time to time.**
3. **Effective January 15, 2013, John Volkman retired from his position as General Counsel/Policy Director of Energy Trust, and Debbie Goldberg Menashe was appointed General Counsel.**

4. **John Volkman is currently an authorized bank signer for Energy Trust's accounts at the Banks.**
5. **In connection with appointment to the general counsel position, Debbie Goldberg Menashe should replace John Volkman as an authorized bank signer for the Banks.**

It is therefore RESOLVED that,

1. **John Volkman to be removed from the list of authorized bank signers for the Banks.**
2. **Debbie Goldberg Menashe to be added to the list of authorized bank signers for the Banks.**
3. **The resulting list of authorized bank signers for the Banks is as follows:**

   a. **John Reynolds, Board President**
   b. **Dan Enloe, Board Treasurer**
   c. **Margie Harris, Executive Director**
   d. **Susanne Meyer Sample, Chief Financial Officer**
   e. **Peter West, Director of Programs**
   f. **Steve Lacey, Director of Operations**
   g. **Debbie Goldberg Menashe, General Counsel**

4. **The Executive Director is authorized to execute all required documentation to implement this resolution.**

Moved by: Debbie Kitchin Seconded by: Ken Canon

Vote: In favor: 10 Abstained: 0

Opposed: 0

Nominating Committee

Alan Meyer presented on the three resolutions. Resolution 657 is to renew the board terms for Debbie Kitchin, Alan and John Reynolds to 2016.

RESOLUTION 657
ELECTING DEBBIE KITCHIN, ALAN MEYER, AND JOHN REYNOLDS
TO NEW TERMS ON THE ENERGY TRUST BOARD OF DIRECTORS

WHEREAS:

1. **The terms of incumbent board members Debbie Kitchin, Alan Meyer, and John Reynolds expire in 2013.**
2. **The board nominating committee has recommended that these members' terms be renewed.**

It is therefore RESOLVED:

1. **That the Energy Trust of Oregon, Inc., Board of Directors elects Debbie Kitchin, Alan Meyer, and John Reynolds, incumbent board members, to new terms of office that end in 2016.**

Moved by: Alan Meyer Seconded by: Anne Root

Vote: In favor: 10 Abstained: 0

Opposed: 0

Alan clarified that Resolution 661 was amended and the updated Resolution 661A is the correct version. Alan informed the board that Joe Benetti decided not to serve another term on the board after his term expired in February 2013. Joe is from the Coos Bay area, and an extensive search was conducted to find another candidate from the same area to maintain geographic representation on the board. With input from Joe and former board member Caddy McKeown, two candidates surfaced. Of those, the Nominating Committee nominated Annie Donnelly to serve her first term on the board. Annie is the executive director of the Coos County Historical Society. Her diverse background includes legal experience in landscape architecture.

Annie thanked the board for considering her for the board seat. She said she is excited at the opportunity and has been familiar with Energy Trust for quite some time due to her own home remodel and her involvement in the building of a new facility for the Coos Historical and Maritime Museum. She commended the board on how much Energy Trust is accomplishing statewide and said she is an advocate of the work done by quasi-government and non-governmental organizations. She said she supports Energy Trust's mission and would like to help as she can.

Mark: Can you explain more about your legal background in landscape architecture?
Annie: At the Coos County Historical Society, I am working to get the mission reorganized and building a new museum on the waterfront. The commonalities between law and landscape architecture is working toward a coherent whole, and reaching a place that works and is effective.

Dan: At the historical society, your mission is to try to keep things looking as they are. At Energy Trust we are implementing energy efficiency which can involve making changes to buildings. How do you balance that in a historic building?
Annie: I would like to clarify that I am not involved in historic preservation. I am involved at the historical society. I am personally not an advocate for freezing items in time, and I feel no conflict between my experience and what Energy Trust does.

RESOLUTION 661A
ELECTING ANNE DONNELY TO
THE ENERGY TRUST BOARD OF DIRECTORS

WHEREAS:

1. **~~Joe Benetti has resigned his position on the Energy Trust board. His term expires in February 2013.~~Joe Benetti's term on the Energy Trust board expires in February 2013 and he has decided to not seek another term.**
2. **The board nominating committee has reviewed candidates for the open board seat and nominates Anne Donnelly, lawyer and Executive Director of the Coos County Historical Society in Coos Bay.**

It is therefore RESOLVED:

That the Energy Trust of Oregon, Inc., Board of Directors elects Anne Donnelly to the Energy Trust Board of Directors, for a February 2013-2016 term.

Moved by: Alan Meyer Seconded by: Debbie Kitchin

Vote: In favor: 10 Abstained: 0

Opposed: 0

Alan introduced Resolution 658. The Nominating Committee nominated President John Reynolds, Vice President Debbie Kitchin and Treasurer Dan Enloe to continue to serve as officers on the board in 2013. Rick Applegate chose not to serve another term as secretary. The Nominating Committee nominated Alan Meyer to serve as secretary for 2013.

RESOLUTION 658
ELECTING OFFICERS OF
ENERGY TRUST OF OREGON, INC.

WHEREAS:

3. **Officers of the Energy Trust of Oregon, Inc. (other than the Executive Director and Chief Financial Officer) are elected by the Board of Directors at the board's annual meeting.**
4. **The Board of Directors nominating committee has nominated the following directors to renew their terms as officers:**
    - **John Reynolds, President**
    - **Debbie Kitchin, Vice President**
    - **Dan Enloe, Treasurer**
5. **Rick Applegate will not be renewing his service as Secretary, and the nominating committee has nominated Alan Meyer to become the new Secretary.**

It is therefore RESOLVED that the Board of Directors hereby elects the following as officers of Energy Trust of Oregon, Inc., for 2013:

- **John Reynolds, President**
- **Debbie Kitchin, Vice President**
- **Alan Meyer, Secretary**
- **Dan Enloe, Treasurer**

Moved by: Alan Meyer Seconded by: Ken Canon

Vote: In favor: 11 Abstained: 0

Opposed: 0

President's Report

John Reynolds suggested adding an appendix of energy acronyms to the board packet. Ken suggested to add common energy terms as well, and has a publication in mind to draw from. This recommendation was taken into account by staff for subsequent board packets.

John Reynolds presented on 2012 energy statistics and milestones. John thanked Roger Hamilton for his help on the presentation. There was a 96 percent increase in electricity generation capacity from natural gas power plans in the U.S. between 2002 and 2012. April 2012 was the first time the U.S. generated the same amount of electricity from natural gas as from coal. For several years, the share of coal generated electricity has been declining. Plentiful natural gas supplies caused the fuel's price to drop to a 10-year low in 2012.

John showed a graph comparing how much it costs to charge an iPhone 5 ($0.41 per year) to other electronics. Portable phones use much less energy than laptops, which use much less than desktops. He said the costs are a national average, and the take away is the appropriate use of technology, to use the device that consumes the least energy. Ken pointed out that the graph hides the many data centers needed for the devices to operate.

By 2017, the U.S. will become the largest oil producer, overtaking Saudi Arabia in that year. There will be a significant increase in onshore crude oil production, while improved fuel efficiency in transportation will also lead to a gradual decrease in oil imports. These two trends indicate that the U.S. will become less reliant on energy imports.

2012 was the warmest year ever recorded in the contiguous U.S. Through November, the year's national average temperature was 3.3 degrees above the 20th century average. With higher temperatures, more air conditioning will be used and home energy consumption will spike even higher.

The average fuel efficiency of cars sold in the U.S. reached a record high at 23.8 miles per gallon. Consumers also ranked fuel efficiency as their highest priority when shopping for a vehicle. November was the biggest month for electric vehicle sales in the U.S.

One in three households have a smart meter. Smart meters have grown fivefold during the last five years, and provide utilities with more control over loads. It is projected over one-half of U.S. households will have a smart meter by mid-decade.

John said his sources for the presentation were from Think Progress and Barry Fischer, head writer at Opower.

Committee Reports

Evaluation Committee (Debbie Kitchin)

Debbie said the Evaluation Committee notes in the board packet are from the December meeting. The committee met today and those notes will be available in the next board packet. Debbie highlighted the topics presented at the December meeting. The committee reviewed the SB 838 evaluation and came to agreement for staff to provide earlier notification to board members if there are issues with draft evaluations. In the Existing Homes program process evaluation, key takeaways included the program making progress with reaching moderate income and manufactured homes

customers. Recommendations from the evaluation included modifying the training for energy advisors, working more on customer engagement and working with rural contractors to revise the rating system for trade allies when there is a smaller work pool. Debbie said some recommendations are already being incorporated by the program. The committee reviewed an evaluation on the Building Performance Tracking and Control Pilot. The pilot reviewed three different types of controls, EIS, EMS and AOS, which all work best in a specific type of building. Debbie said new technologies are sometimes difficult to get customers to invest in. The pilot is beneficial and an important stage to assess barriers to customer adoption.
Fred: Energy information systems are designed to give fairly simple feedback to facility operators and HVAC contractors. Energy management systems are control systems. The pilot includes energy management systems for smaller buildings, including restaurants. Automated optimization software is used to optimize controls on chillers.

Debbie: They are all in the arena of energy operations management. One of the barriers is getting enough participants because the technologies are new.

Juliet Johnson: Are these the types of models or systems needed for a pay-for-performance pilot?
Fred: The design of the Building Performance Tracking and Control Pilot was based around using HVAC contractors to help owners manage buildings. Equipment was selected to fit into specific vendor and customer needs for various types of buildings and the type of relationships they have. You could build energy feedback for a pay-for-performance pilot. Right now, this pilot is not a validation of that approach and does not cover a whole building installations. Because this was not the design of the pilot, we have not completely pursued whether these systems would be applicable for pay-for-performance.

Debbie continued her committee report. The committee reviewed the Path to Net Zero Pilot evaluation. Project timelines have stretched out or fallen off, while other projects have come on. This is partly due to the recession. One of the pilot features was to provide more technical assistance upfront to try and break barriers on standard practice, and move to buildings that are net zero or significantly above code. Some projects have been involved for several years and they have not yet broken ground. Debbie commented that it is interesting to track these projects and their evolution from design to building to commissioning.

John R: Can you give us a list of the buildings in the pilot?
Fred: We can in the instances where we have their permission. Some of these projects are willing to give us that release.
John: I would be interested in seeing a list of the participants.
Debbie: There are a few that are public projects.
Fred: We will check what we can give you under our standard policy, who we have release forms with and get back to you.

Debbie: We do know the types of buildings. They range from small to large commercial buildings. It is nice to have a variety of projects.

Finance Committee and Compensation Committee (Dan Enloe)
Dan said the board packet contains the November financials, and the good news of the whole year will be in the next packet. Dan directed the board to review the graphs within the financials and

explained how they show Energy Trust picking up speed in November. From other materials not in the board packet, Dan is hearing significant activity closed out the year.

Margie: I will go through 2012 preliminary details in my staff report later this afternoon.

Dan said Energy Trust typically sees a fourth quarter rush as people work to get projects completed, to spend available budget and to meet tax deadlines. The trend seen in the November graph is following the usual trend. The Compensation Committee has been watching investment allocations for employee plans, which are doing well. A few accounts are being monitored but there are no large concerns. The committee is seeing a decent return on the plans. Also discussed at the December Finance Committee meeting were adjustments in 2013 plans and budget as they were being finalized that month.

At the next board meeting, Dan will be able to speak to the full year.

Policy Committee (Alan Meyer)

Alan commented Roger does a thorough job of his committee report-outs and, in Roger's absence, encouraged Ken to jump in if anything was left out. Alan informed the board of the Policy Committee meeting in December. The committee discussed Energy Trust participation with an urban small hydropower project with the City of Portland. The project would use a "run of river" system, and was seeking a $700,000 incentive from Energy Trust. Staff brought the project to the committee for review. Concerns were raised given this project would have been the first use of the technology in this specific type of setting. After consideration, Energy Trust declined to participate.

Margie: The City of Portland approved the permit associated with this project and apparently has postponed the construction schedule for it. I received a call from a representative on the project that the project was resubmitted to Energy Trust with modifications, including the financials, and is back for Energy Trust staff review. We will keep you posted on how this progresses.

Alan continued his committee report. The committee reviewed a Portland State University energy-efficiency project and proposal involving General Motors and working through Bonneville Environmental Foundation to buy the carbon offsets. The committee agreed that would be okay for a one-year period, largely because carbon reduction is not an explicit part of Energy Trust's mission.

Dan: If there is one project, can you get one set of Renewable Energy Certificates, RECs, and one set of carbon credits?
Alan: This project does not have RECs as it is an energy-efficiency project.

Alan said the committee also reviewed status reports on utility data sharing agreements, funding negotiations, cost-effectiveness issues and outreach to the Oregon legislature. Energy Trust is expressly prohibited from lobbying. We are engaged in providing informational briefings.

Alan said the most recent Policy Committee meeting was January 29. The committee discussed preliminary results from 2012, which look quite favorable regarding reaching and exceeding stretch goals. The committee also received an update on a longstanding OPUC fuel switching, docket also assigned to an Administrative Law Judge. The Administrative Law Judge listed three questions:

1) What are the Energy Trust's policies and practices regarding residential fuel switching related to space conditioning? What outreach and messaging does Energy Trust engage in related to this type of fuel switching?
2) Is fuel switching actually occurring?
3) Do the answers to questions 1 and 2 indicate a need to modify Energy Trust policies?

Alan said an issue underlying this is Energy Trust no longer provides an incentive for gas furnaces and does incent high efficiency heat pumps. One of the natural gas utilities is claiming this encourages fuel switching.

Dan: For an example, let's say it is time to get a new furnace at home. If you looked at a gas furnace versus an electric furnace, and the difference in cost is Energy Trust paying the customer to switch fuels?
Fred: We pay some of the cost difference between the most frequently sold heat pump and a more energy-efficient heat pump, but not all the difference. If you want to switch fuels you have to cover the cost of the switch, plus some of the cost for the more efficient equipment. We are paying for the better unit, and still, not all of that unit cost.

Alan said with cost effectiveness, the concern is the low cost of natural gas results in some of the Energy Trust measures no longer being cost effective. Energy Trust did receive a waiver on gas weatherization from the OPUC. A second request has been made, which was not approved, and now there is an accelerated timeline for review of measures.
Margie: It is not that the second exception was not approved; it just has not been approved as of this time. It is under currently under consideration by the OPUC staff.
Fred: The second exception is under review with the staff at the OPUC. Through that review, for some measures that do not appear to be cost-effective on a one-off basis, there will be a period of time to review them and see if they meet the criteria for exceptions included in UM-551, the PUC's cost-effectiveness rule. These include market transformation, measure interdependencies and some other elements. The request argues that New Buildings and New Homes are really market transformation and should not be considered on a one-year basis. Other measures would be reviewed again six months after the date of OPUC commissioner review.
Juliet: The public meeting has been set for March.

Completing the committee review, Alan said Energy Trust conducts legislative bill tracking and legislator outreach. More than 1,800 bills have been introduced into the Oregon legislature, and a number include energy issues.

Staff Report

Executive Director Staff Report to the Board

Margie began her presentation by describing a recently completed New Buildings project, the Kaiser Permanente Westside Medical Center in Hillsboro. The center, which includes a hospital, medical office building, central utility plan and parking garage, will open in August 2013 and is one of only 50 hospitals in the world designed to LEED® Gold standards. Energy Trust is lucky to have one in its service territory. Energy Trust's role was to provide early design and technical assistance. Projects installed included energy-efficient lighting, occupancy sensors, day lighting, a high-performance building envelope, a heat recovery chiller and a 100-kW solar array on the parking garage. Another design feature is white paint in the parking garage to reduce electricity needs and cut in half the

number of lighting fixtures needed. The participant received more than $500,000 in Energy Trust incentives, and is estimated to save 2.8 million kWh and 63,700 annual therms, and generate 88,000 kWh. Collectively, the three buildings will save 27 percent more energy than required by code.

Ken: Does it have an electric charging station?
Margie: I can look into that for you.

Margie gave a review of preliminary 2012 results, emphasizing that the results may change as Energy Trust completes its regular annual reporting process. For both electric and natural gas savings, Energy Trust exceeded stretch goals, exceeded all utility Integrated Resource Plan goals, and exceeded stretch goals for each utility with the exception of Cascade Natural Gas territory where Energy Trust was within 1 percent of meeting the stretch goal. Results show preliminary electric savings of 52.9 aMW, 108 percent of the 48.8 aMW stretch goal.

To provide context, Margie said it was not very long ago when Energy Trust was at 30 aMW for annual electric savings. Recently she was reminded by a colleague at the OPUC that at some point Energy Trust savings acquisition may level out, which still means success. Energy Trust continues to grow and to acquire significantly more savings each year. This is happening in an environment that was quite uncertain at the start of 2012 given changes to the state's Business Energy Tax Credit. Energy Trust was still able to fill the pipeline and get unprecedented results.

Preliminary natural gas savings are 5.9 million annual therms saved, 104 percent of the 5.7 million annual therm stretch goal. On the renewable energy side, over 5 aMW was generated; 2.5 times more than 2011 with considerable solar activity.

Ken: How much of this is due to the lumpy nature of how projects completed?
Margie: This is always lumpy. In 2012, we had several biopower and small wind projects carry forward into 2013. We are seeing nice diversity in technology while delivering on expectations.

Ken: How much of the 5 aMW is solar?
Margie: 3.29 aMW.
Thad: This is a bit of an unusual year as we had three large solar projects complete.

Margie described that these positive results are even more exceptional as they were achieved while spending less than projected. Preliminary levelized costs are well under OPUC metrics. These results also raise interrelated questions that need to be addressed. Energy Trust needs to examine how to strengthen its year-end forecasting capability. At the end of the year with an annual budget of approximately $170+ million, the available cash balance, minus committed and dedicated funds and cash reserves, was $11.5 million, which is quite good.Energy Trust has worked with PMCs to strengthen forecasting and we want to see if our approach and methodology can become even more accurate. It may have to do with more frequent forecasts, especially at the end of the year. The last forecast for 2012 was in October.

Dan: At Intel, I am watching supply chain and inventory fluctuations, and noticed how it is siloed. There are third-party software companies making visibility tools. Granted you are not watching inventory but it may give better visibility for IRP discussions. Some are web based.

Debbie: There are new tools entering the efficiency market for making efficiency costs more visible.
Margie: Right now, we try to influence when a project is completed, and there are always instances where projects are carried forward.

Margie informed the board Energy Trust spent less than budgeted on incentives, and derived a greater share of savings from operations and maintenance, O&M, projects rather than capital projects. This shows the success of Strategic Energy Management, SEM, for industrial customers and an SEM pilot on the commercial side. Right now, customers do not have the capital they may have in the future as the economy gains more traction. Energy Trust achieved high savings within the industrial/agriculture program with lower than predicted incentive spending. In addition, there were project delays, including biopower and wind projects moving into 2013 and beyond. Energy Trust was prepared to support projects more given the transition from the Oregon Business Energy Tax Credit; in the end, spending more to reach goals was not necessary.

Margie said another related need is to refine terminology for Energy Trust's different goals, making sure everyone agrees on the terminology for meeting Integrated Resource Plan, IRP, targets for utilities. This was a topic of several budget and action plan comments we received. We believe we should develop a budget that allows some reserve cushion while asking only for only what is needed to achieve goals. Margie said this will lead to a discussion on reserves.

Energy Trust has two types of reserve accounts, which have been brought to the board before. One, the interest reserve account, is used to account for weather fluctuations and any associated under-collection by utilities. The other, the program reserve account, is 5 percent of total annual budgets for each utility. The board approved using the reserve accounts last year for both solar and Existing Buildings.

Looking ahead, we need to begin answering the following questions: What is the terminology used to define our goals defined, is there a range of goals, how much is available in reserve accounts and how should reserve accounts be accessed? These interrelated questions need to be addressed with various stakeholders to enhance how Energy Trust established goals and sets its budget.

Margie outlined a proposed process to complete an internal analysis of carryover, strengthen forecasting, clarify goal terminology and specify reserve account usage. This month, staff is completing the analysis of how 2012 concluded. In March, staff will review the process, identify forecasting improvements and develop various options regarding Energy Trust's funding cycle, goal setting, goal terminology and reserve options. Options will be vetted with the Policy and Finance committees, OPUC, each utility, the Conservation and Renewable Energy Advisory Councils, and customer groups like Industrial Customers of Northwest Utilities and Citizens' Utility Board of Oregon. Staff is targeting the Utility Roundtable meeting in May and recommends this be an agenda topic because it cuts across the organization and affects each utility. Coming out of that setting, staff will refine and implement the recommendations for the 2014 funding and budget cycle. If board action is required, staff will bring any items to one of the board meetings after the June strategic planning workshop. Margie said she has referenced these subjects and the proposed process to her contacts at the utilities.

Mark: You mentioned looking at something different than an annual budgeting cycle. How does that address or add a different twist to forecasting?

Margie: Currently we have an annual funding cycle. We are not proposing to make a longer cycle but proposing how to look at steps that happen within the cycle. For example, we do not know the carryover amount we will have until well after the utilities file any tariff adjustments they may need. Is there any latitude or flexibility for when the tariff would take effect?

Dan: We are the tail of the government wagging. If they set some deadlines for June, it may iron out your December issues.
Margie: Sue and I have talked about whether we just pushing the problem out? How much can we know, how certain and flexible can we be? What we want to do is collect only what we need with a little reserve and not have ratepayer dollars sitting.

Alan: I have an example from a previous job where we shifted deadlines. We could shape behavior if it is important to us.
Dan: And you have multiple programs, maybe you could set the deadlines differently for them.
Margie: We are dealing with human behavior, which is complicated and not without some opportunity.

Juliet: Can you clarify what analysis is being done in February?
Margie: Internal analysis related to closing our books for the year related to actual revenues, expenditures and carryover by utility along with final savings and generation results.

Margie continued her staff report with program highlights. The Quarter 4 report is nearly complete, and will be published on February 28, and the following is a sampling of program activity from that quarter. The Solar program has grown substantially over time. The first solar system was a 22-kW system installed in 2002 at the Brewery Blocks in Portland, before Energy Trust had much of a formal program. In 2010, the program hit a milestone of 2,500 solar electric systems, with cumulative capacity of 20 MW. By August of 2012, the program hit another milestone of 5,000 solar electric systems and by the end of 2012 the cumulative total capacity reached 50 MW. This is a combination of small systems on household rooftops up to utility-scale projects. A significant part of the 50 MW capacity is from three different utility-scale projects: 2.6 MW Black Cap delivering power to Pacific Power, 1.75 MW Baldock Project delivering power to PGE and the 5.7 MW Outback project delivering power to PGE. The Renewables Sector also spent time last year redesigning its Small Wind program and re-launching it. The program now has a robust pipeline for 2013.

The American Council for an Energy-Efficient Economy, ACEEE, bestowed its third National Exemplary Energy Efficiency Program Awards. Two Energy Trust programs received awards. New Buildings received an exemplary award in commercial new construction, and was one of two programs nationally recognized. Production Efficiency received an exemplary award in industrial and large customers, and was one of three programs nationally recognized. Awards will be presented at one of two different national ACEEE conferences, after which, Energy Trust can publicly announce them.

In the Production Efficiency program, the total number of projects in 2012 is about the same as 2011, even though bonus incentives were discontinued half way through this year. The program's success is partly due to streamlined track offerings and emphasis on small industrial and agricultural projects.

The Commercial Sector completed its first one-year pilot for Commercial Strategic Energy Management, SEM. Eight organizations participated, and included large retail, universities and

municipalities. Estimated savings of six million kWh and 127,000 annual therms of natural gas helped the Existing Buildings program achieve its goals. A second cohort is launching in 2013. Also for Existing Buildings, the program's pipeline is the strongest it has ever been in program history. Energy Trust continues to reach this sector and emphasize more and more small commercial building projects. The program continues to work with the Oregon Department of Energy on the Governor's Cool Schools program, with eight retrofit projects completed and 14 in progress.

New Buildings is seeing growth, which includes savings from data centers ranging in size from less than 10 kW to more than 10 MW.

Highlights in the Residential Sector include the first Energy Performance Score, EPS, rating being awarded to an existing home this past January. The New Homes program has rated 3,000 homes with an EPS, which is equal to approximately 25 percent of the market share of new homes. Also in the fourth quarter of 2012, the first net zero home was constructed by Solaire Homes and received a score of zero for its EPS.

Mark: Is there uptake at all with the Regional Multiple Listing Service, RMLS, with employing the score?
Margie: There is more emphasis within the real estate community. We have Real Estate Professional Allies promoting the EPS and they have helped us achieve this success. Another area is our work with the mortgage and lender industry.

Margie gave an overview of Energy Trust outreach and collaboration with Cascade Natural Gas district staff. Peter West and Susan Badger-Jones are meeting with district staff, customers and Chambers of Commerce in East Oregon. This is part of Energy Trust's efforts to better serve rural areas and Eastern Oregon.

The City of Portland launched its Bucks for Buildings project, where commercial buildings within the city limits can apply for a limited-time rebate to bring down the costs of energy-efficiency improvements. The initiative is funded from $300,000 of remaining American Recovery and Reinvestment Act (ARRA) funds. Qualifying efficiency improvements include insulation, heating and cooling, lighting and controls, and food service. Participants can receive up to 50 percent off project costs, and nonprofits can get up to 75 percent off project costs. Rebates range from $1,000 to $30,000. Energy Trust is coordinating with the city and projects must be installed by Energy Trust trade allies. Reservations are due May 1 and since the offer launched, Energy Trust's phones have been ringing off the hook. PGE is helping promote the offer.

Ken: Pacific Power also serves Portland, are they working on this?
Amber: I am not sure. Our trade allies can serve both utilities.

Margie said the utility data sharing effort is on schedule. Staff is working with all four utilities on how to exchange and protect the data, and notifying customers of how the data will be used. Communications with customers will start with a March utility bill notification and then it will be an ongoing effort to utilize the information.

Energy Trust developed an interactive timeline that depicts Energy Trust's 10-plus-year history, and cumulative results and benefits of customer and Energy Trust investments. The timeline was part of

an interactive display at the 10-year reception in Portland in October and is now used as an online engagement tool on the Energy Trust homepage. The timeline was recognized by an international group as a “Site of the Day,” and judged noteworthy because of its creativity, usability, design and content.

The Energy Trust renovated office space received LEED® Gold for Commercial Interiors designation. This is the result of coordinated efforts with contractors, Steve Lacey, Sue Meyer Sample and Cheryle Easton.

Energy Trust was ranked 5th by Oregon Business as one of the best nonprofits to work for in Oregon. An employee survey determined this.

Margie reviewed the process undertaken to transition two program management contracts to new program management contractors, PMCs. Existing Buildings was transitioned to ICF International and Existing Homes transitioned to Fluid. Significant effort was undertaken to complete the transitions, which are now largely in place. New contractors are now serving customers, and we are at a place where we can go smoothly forward.

Ken: We make those changes in contracts for a reason. Do we have a process in place to look back after a year or two to check if we made the right decision or got out of the change what we were looking for?
Margie: We will undertake this review process starting in the first half of 2013, looking to see if we would change the process in any way to gain efficiencies. We will hire an outside contractor to review this and apply results internally to our operations if necessary. We will also look at how we manage PMCs and how we articulate our expectations. Such expectations are refined annually through changes in the scope development.

Margie closed the presentation describing Energy Trust’s support of Building Operator Certification, BOC. This is a Lane Community College program developed by the Northwest Energy Efficiency Council. The classes help facility managers learn about building resource management. One participant is Scott Rogers at the InterMountain Education Service District in Pendleton. The training is very effective and Energy Trust supports it by subsidizing scholarships.

Debbie: I like the idea of leveraging an existing program, because often people get an idea and create another program when there is already something successful in place. This is a good example of being prudent with the dollars we have.

Alan: If you are offsetting the cost of the training, are we measuring results?
Fred: There are a number of evaluations of the BOC. There are average savings per square foot per participant and that is how we estimate savings.

Dave: I am used to looking at standard performance indicators. I do not see those here, something that goes year over year, or year to date. It could be savings or something else that shows year to date how we are progressing. It helps with context as discussions occur.
Margie: This is in quarterly reports and annual reports. When the reports coincide with board meetings, we provide that context. Unfortunately, this meeting was not in sync with the Q4 report.

Dan: You can also look at it and see how efficient we are at getting at acquiring each aMW. It would be fun to go back and look at that.

Margie: The OPUC revisits our minimum performance measures each year. And during the budget and action plan presentations, the board approves higher stretch goals. This provides a bandwidth we measure against both quarterly and annually. If you have suggestions on what else you would like to see, let me know.

2013 Legislative Update (Debbie Menashe)

Debbie Menashe summarized legislative activity that Energy Trust is tracking. Hannah Hacker, who conducts much of the tracking and information synthesis with John Volkman, joined her. Debbie M. reminded the board that Energy Trust does not lobby under the OPUC grant agreement, and does monitor and track legislation. Debbie referenced John V's continuing role.

Debbie M. mentioned that tomorrow is the last day for bill submission and referenced the board packet summary. She said she or John V. will provide the board with summary information throughout the session.

Hannah reviewed how Energy Trust tracks legislative bills, watching bills introduced and what is moving through committees. Energy Trust watches bills that relate to energy, and completes some analysis on bills that specifically reference Energy Trust or may affect Energy Trust programs. Some bills have been introduced in the past and are familiar.

Debbie M. provided staff perspective that the overall volume and pace relative to energy-related bills is higher this year. Energy Trust does answer questions from legislators, testify when invited and coordinate with the OPUC to provide information and support to them as they answer questions. That volume of work has increased this year.

SB 427, which reallocates the public purpose charge, is one type of bill seen in different forms. Staff will continue to monitor it.

Hannah said there are about 50 bills being tracked that relate to energy. Debbie M. referenced tracking is at a very high level at this point, and more bills may be coming through before tomorrow's deadline.

Debbie M. highlighted a few bills that would have some impact on Energy Trust programs:

- SB 561 would allow utilities to earn a rate of return for conservation programs and individual custom projects.

- HB 2793 approaches building performance scoring and may relate to Energy Trust's EPS rating. It would require Oregon Housing and Community Services to adopt rules around providing scoring for buildings.

  Debbie K: Would it require a score at time of sale?
  Debbie M: I do not think so, but we will see how it progresses.

- HB 2220 and HB 2794 would provide for a state energy efficiency lab, and require the Oregon Department of Energy to set up a strategic plan for such a lab to conduct audits, and examine criteria for retrofit work in all state buildings.

- Bills related to distributed generation and net metering: HB 2795, HB 2796 and HB 2812 provide for community renewable energy projects, which are solar projects that would be virtually net metered.

  Dan: If an owner has multiple properties with multiple solar projects, and if there is a large project, today he would be giving back to the utility even if his other properties generated less than the building used. Are you talking about a bill that would allow for a community of metering across those structures?
  Debbie M: These bills allow for community solar projects that individuals could buy into.

Julie: Since Energy Trust does not lobby, how do we work with others who work in the legislature and are closer to what is actually moving. A few years ago there was a late-night attempt to gut and stuff a bill to divert public purpose charge funds to OMSI. It is important to know what our utility partners and customer groups are hearing or proposing.
Debbie M: Our report to the board is in part derived from information that organizations in support of Energy Trust are sending us and from our basic tracking.
Margie: I also meet regularly with utilities. They share some information but probably not everything. Jeff Bissonnette and CUB are a source of information, plus direct outreach to legislators. All these activities are information sharing with Energy Trust serving as a resource. We also have a good relationship with Governor Kitzhaber's energy policy advisor, Margi Hoffmann, and she communicates well with us.

Julie: These relationships are important and I am pleased with the progress we have made in conducting outreach.

Ken: Who is the OPUC liaison with the legislature?
Juliet: Jason Eisdorfer and Mike Doherty, and Susan Ackerman has been spending more time there.

Margie: Lisa Schwartz is another engaged party, who participates on our board. We are more engaged than ever before and that reflects greater interest in our field and acknowledgement of our expertise.

Debbie K: Do you have more information on the bill that mentions a carbon tax on fuels.
Debbie M: I can review the bill in detail and get back to you.
Debbie K: Since we already have the public purpose charge, it is not clear to me why that would be needed.
Debbie M: I will take a closer look and get more detail.
Mark: Some sort of carbon tax has been proposed in most sessions over the last decade, though not one has gotten a hearing.

Mark: Do we provide information to legislators about our work in their districts?
Margie: Yes we do and that it is of particular interest to them.

Debbie K: How will the board will be updated on legislation?
Debbie M: We will send out updates by email, the first one next week after all the bills are in. Afterwards it will be once or twice between board meetings.

Break

The board took a break at 2:12 p.m. and reconvened at 2:27 p.m.

Staff Report continued

Program Feature Presentation: Strategic Energy Management (Kim Crossman)

Kim Crossman, industrial and agricultural sector lead, presented on Strategic Energy Management, SEM, one strategy of the Production Efficiency program. It is a substantial section and one of the newer approaches. SEM is a game changer in terms of how the program gets savings and reaches customers.

Kim gave an overview of the program. Production Efficiency provides customized energy solutions, incentives, and technical services, the latter of which tend to be as valuable as the cash incentives. Technical services take the form of delivery contractors who make participation easier and technical service contractors who complete studies or provide technical services. Energy Trust leads with the solutions.

In the Pacific Northwest, the term energy management had a meaning before SEM existed. It covers everything: conservation, efficiency, demand response, combined heat and power, and on-site renewable. Energy management is a common term and used for more than 25 years.

SEM is an umbrella term referring to a variety of energy management and operational practices like setting goals, being clear on who is accountable to meeting goals and learning how they are using and wasting energy. In an industrial facility, this is no small task, it is an elaborate practice. Industry uses energy and production data to tune operations, reduce energy intensity and reduce energy costs. This approach hangs on framework of continuous energy improvement, a fairly common practice in the industrial sector. This really came up through a series of changes in manufacturing practices 20 years ago or so, sometimes called Lean Manufacturing.

Dave: The hardest part of continuous improvement is keeping it going and maintaining it. The driver at the company is critical.
Kim: One of the reasons the industrial sector is able to adopt SEM more quickly is because of its background in continuous improvement. This is harder to do in the commercial sector, though we are starting to see success in our Existing Buildings program.

Kim said that SEM works within a company's existing practices; it is not asking them to learn how to do their business in a new way. Objectives of the SEM offering are to increase awareness, and increase commitment and capacity to manage energy. Energy Trust acquires direct energy savings from no- and low-cost actions. The Northwest overall is going in Energy Trust's direction by analyzing energy savings associated with operational and behavioral changes. BPA is right behind Energy Trust. Energy Trust is deeply influencing the rest of the country in what they think is possible with SEM. The industries themselves will continue the activity if it brings them direct value and benefit. The direct value is energy savings, and some is human resources, such as employee engagement.

Alan: I know that Tennessee Valley Authority is adopting a mini version of the programs we have in the Northwest. It hired someone from Seattle City Light. It is a start.
Kim: And AEP in Ohio. They hired one of our contractors to do it.

Kim informed the board the Northwest has more activity in this area in the market than anywhere else in the country. This also means the region has strong contractors learning how to do this.

Ken: Before Energy Trust, NEEA started working on this 10 years ago with food processors. This shows the whole value chain. There is great value throughout this whole process.

Kim said another goal of SEM is to create persistent SEM practices. The question of whether the program is there yet is still up in the air as the offering is still being evaluated and the program has only been doing this for four years. Energy Trust's role is to bring this quickly to scale. The program is offering more of this to more of its customers by an order of magnitude more than anyone else has done so far.

Kim informed the board that the Production Efficiency program offers three different SEM versions. Industrial Energy Improvement, IEI, was a pilot for two years and has since been a program offering for the past two years. One cohort per year goes through IEI and there are eight to twelve companies per cohort. They receive one year of training and technical support, then they become graduates of SEM training.

Corporate SEM has the same scope as IEI and it is one on one. Sometimes it is a single plant with multiple sites. Overall, cohort-based SEM has higher customer satisfaction, as people learn so much from their peers. The program tends to funnel participants toward cohort-based training unless there is a good reason not to.

Mark: Do you have any performance requirements of the participants?
Kim: We place on them a clear sense of role and responsibility as a participant in IEI. We are not just working with one person at a plant. What qualifies them for IEI is a high level of motivation and having an executive sponsor with certain responsibilities, a data manager and two champions. We require them to bring a lot of resources to the table to engage with us for a year. It is not a light touch, but very intensive process. With one or two exceptions, people bring that.

John: Do you have competitors in the same cohort?
Kim: Theoretically, we design them so competitor businesses are not in the same cohort. We recently had some companies say it is okay to use their name when recruiting, and then companies who supply them have also joined. Similar supply chain companies join in.

Ken: Do you follow through to make sure you do not run into anti-trust claims?
Kim: We are not specifically choosing supply chains to participate.
Ken: It is one of the good reasons not to have competitors in one cohort. If you have one or more similar supply chain participants, you may run into anti-trust compliance issues.
Kim: It's true that bringing them together with their peers means they start talking with each other, and that we don't control that conversation. With the 2nd cohort of IEI in 2010, the group created its own LinkedIn group. Energy Trust removed itself from the LinkedIn group when they started talking about getting together to approach the PUC.

Kim described the third SEM approach. Core Improvement is a pilot offering that started in 2012. It offers almost the exact same solution as IEI but to small industries. This is Energy Trust testing how to scale SEM for every size of industrial business. The program had assumptions about barriers that small industries would need to overcome like staffing and budget. So far, they are doing just as well or better than the large industries did in IEI. It turns out higher level decision makers are at the table. The board saw one of the Core participants at the 10-year Portland reception in October, Deborah Lark. It may end up that there really is no difference between SEM in small versus medium to large facilities.

SEM has grown to represent 22 percent of electric savings in 2012 for the industrial sector. Kim showed a graph depicting sources of savings for the sector. Each year, SEM gets a little bigger piece of total savings. In 2010 there were two cohorts of IEI. In 2011 there was one cohort, which is why the bar chart shows less SEM savings in 2011. In 2012 the graph shows one IEI cohort, one IEI maintenance cohort and one corporate SEM cohort.

Jeff: Are these deemed savings?
Kim: No, we do custom analysis. We use meter data to build models with production or whatever other variables are contributing to energy use and build a monitoring, targeting and reporting model. What the customer is really doing is reducing energy intensity, energy unit per output unit. Sites are seeing reductions in energy intensity between 2-10 percent.

Alan: Is there participation outside the Portland metro area?
Kim: Yes, some. One reason for Corporate SEM was to get out to southern Oregon and elsewhere where we could not get a large enough group together for a full cohort. We would like to put together a cohort for Southern Oregon and Eastern Oregon using the Core model for smaller industries. We are trying to diversify.

Kim said SEM has grown to represent 13 percent of gas savings in 2012. SEM saved 122,000 annual therms in 2011 and 106,000 in 2012. In each case, it was only two sites and was because they were eligible for gas services from Energy Trust. It goes to show that the SEM toolset can be used on other sustainability objectives.

Ken: If you have gas transport customers and they are eligible because they are qualifying electric customers, are we not allowed to claim the gas savings because it is not funded through a public purpose charge?
Kim: That's correct.

Margie: Can you explain eligibility for gas services from Energy Trust?
Kim: Every business in Oregon is eligible for gas incentives unless they buy transport gas, gas on the market, which is true for most large industrial customers. They also come off and on transport depending on what is happening in the market. This is a complicated program piece to manage in order to make sure we are serving customers when they are eligible for our services.

Kim said the Northwest has been leading the charge on SEM for the past seven years. It started with NEEA's continuous energy improvement. Now Energy Trust has IEI, Corporate SEM, Maintenance SEM and Core Improvement. BPA has high-performance energy management and energy project manager. Energy Trust regularly has plants in one of its offerings and they have a sister plant in BPA

territory. There is also a lot of work federally, like the U.S. Department of Energy Superior Energy Performance, a type of gold standard for SEM. They are working on it and it is not fully available in the market yet. There is an important role for the U.S. Department of Energy in this space. The industry needs capacity built with consultants, knowledge built with customers.

Dan: Why keep working with the U.S. Department of Energy program?
Kim: They have some capabilities in areas Energy Trust does not. We advise the U.S. Department of Energy on its program design. It is one of the few in the country working on industrial efficiency. It has a long-term effect on the market overall. We do minimize the amount of Energy Trust time spent but also actively advise. We need to be in conversation as SEM is a new type of approach and we need to learn from each other quickly.

Mark: The U.S. Department of Energy advocated in the development of ISO 50001 and voiced the perspective of North America. It will become a standard for international industrial efficiency.
Kim: We do have a few customers exploring it and finding that the documentation process to get the standard is difficult.
Dave: It is also a challenge between continuous improvement and ISO, as ISO wants to document and continuous improvement is constantly changing.

Kim said that SEM is a behavioral program. When recruiting for SEM, the program looks at organizational readiness. Savings themselves are behavioral savings that come from employee changes. SEM also uses top-down analytics to determine the savings. SEM is a game changer because it creates a deep and comprehensive approach to energy use now. It also increases customer ability to handle complex process efficiency projects, emerging technologies, demand response and combined heat and power. Plus, the energy models created can change how programs are designed or savings are evaluated in the future.

Energy Trust is cultivating a community of SEM practitioners, energy champions, in industry. They can influence each other better than Energy Trust could. The SEM participants present to each other throughout the cohort. Those same speakers go back to their organizations and executives, and Energy Trust helps them to speak about the process and changes they are undertaking. In addition, some have volunteered to be available if potential oncoming companies have questions. Energy Trust also puts on a breakfast twice a year that any participant can attend and share their experience and what they have learned. There are up to 70 companies now.

After one year of intensive SEM training and technical support, the participant can be eligible for SEM Maintenance services.

Buzz, RHT Energy: Do you know the realization rate yet?
Kim: We have very preliminary evaluations showing a 100 percent realization rate. There are no free riders. The over-estimates and under-estimates on technical realization seem to balance out.

Margie: Buzz is one of our Program Delivery Contractors working with Kim and JP on production efficiency projects. We manage our production efficiency program in-house and augment that with competitively bid contracts to Program Delivery Contractors who have specialties and expertise in the field. This is a kind of hybrid approach to program management and delivery.

Kim: With SEM in the industrial sector, Buzz's group as a PDC recruits for participants and gets to count the energy savings realized towards their goals. JP Batmale is manager for all things industrial SEM.
Kathleen Belkhayat: I also work on the Commercial segment of SEM.

Kim: I encourage the board to read the article sent yesterday. It provides a higher level view.

Julie: At OSU, we help engineering teams at research organizations get their message higher up the organizational chain via video, a short, five-minute video. It can be highly effective.

Adjourn

The meeting adjourned at 3:13 p.m.

***Next meeting*:** The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, April 3, 2013, at 12:15p.m. at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon.

_____
Alan Meyer, Secretary

Board Decision
Amend a Contract with Navigant

April 3, 2013

Summary

Authorize up to $58,000 in additional budgeted funds and extend the scope of services for an amended contract with Navigant Consulting, Inc. for additional site visits and analysis associated with a three-year impact evaluation of the Production Efficiency program.

Background

- In December 2011 following a competitive bidding process, Energy Trust selected Navigant Consulting to complete the 2009-2011 Production Efficiency Program Impact Evaluation. Navigant's initial contract proposal called for a sampling strategy resulting in annual savings estimates with an 80/20 confidence level. Staff instead chose to increase the sample size for evaluation to improve the statistical significance in results to 90/10, and the final contract budget approved was $490,000.

- To date, much of the evaluation work on program years 2009 and 2010 has been completed. However, the evaluation is estimated to require an additional $58,000 in contract budget to complete 2011 program participant site visits at the current volume and to finalize the evaluation analysis for all three program years. Navigant is performing site visits and analysis at more sites than originally projected, and at a lower cost per site. Increased site visits provide for a more comprehensive evaluation. If the contract budget increase were to be approved, the total contract budget would be $548,000.

- The previous Production Efficiency program impact evaluation covered two years (2007-2008) with total budget of $483,000. By comparison, the budget for a program impact evaluation of three program years at $548,000 is viewed by Energy Trust staff as reasonable.

Discussion

- Adding $58,000 to the Navigant Consulting contract will provide resources for a thorough and statistically strong three year program impact evaluation of Energy Trust's Production Efficiency based on extensive site visitation and analysis.

- Adding $58,000 will bring the total contract amount to $548,000.

- Adequate funds are available in the 2013 budget.

Recommendation

Authorize the executive director to amend a contract with Navigant Consulting to add up to $58,000 to complete the impact evaluation for Energy Trust's Production Efficiency Program 2009-2011, bringing the total contract amount to $548,000.

RESOLUTION 665

AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND A CONTRACT WITH NAVIGANT CONSULTING

WHEREAS:

1. **In December 2011, Navigant Consulting was awarded the contract to conduct an impact evaluation for Energy Trust's Production Efficiency Program, years 2009-2011. The original contract was approved with a budget of $490,000 and approved and signed by Energy Trust's executive director consistent with Energy Trust's board policy on contract signing authority.**
2. **To complete the impact evaluation with additional site visitations and complete analysis, Energy Trust staff recommends an additional $58,000 of contract budget.**
3. **The additional budget will bring the total contract amount to $548,000, which exceeds the executive director's signature authority and requires board of directors' approval.**

It is therefore RESOLVED that the Board of Directors of Energy Trust of Oregon, Inc., hereby authorizes the executive director to sign an amendment to the current contract with Navigant to increase its contract budget by up to $58,000.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed:

Board Decision
Committee Assignments

April 3, 2013

RESOLUTION 663
BOARD COMMITTEE APPOINTMENTS

WHEREAS:

1. **The Energy Trust of Oregon, Inc. Board of Directors is authorized to appoint by resolution committees to carry out the Board's business.**
2. **The Board President has nominated new directors to serve on the following committees.**

It is therefore RESOLVED:

1. **This resolution supersedes Resolution 636A, adopted by the board at its August 22, 2012, meeting.**
2. **That the Board of Directors hereby appoints the following directors to the following committees for terms that will continue until a subsequent resolution changing committee appointments is adopted:**

Audit Committee	
	Ken Canon, Chair
	Julie Brandis
	Shirley Cyr, CEWO
	Annie Donnelly
	Dave Slavensky
	John Reynolds (ex officio)
Board Nominating Committee	
	Alan Meyer, Chair
	Rick Applegate
	Roger Hamilton
	Anne Root
	John Savage, OPUC (ex officio)
	John Reynolds (ex officio)
Compensation Committee *(formerly 401(k) Committee)*	
	Dan Enloe, Chair
	Annie Donnelly
	Mark Kendall
	Jeff King
	John Reynolds (ex officio)

Executive Director Review Committee	
	Roger Hamilton, Chair
	Julie Brandis
	Annie Donnelly
	Jeff King
	John Reynolds (ex officio)
Finance Committee	
	Dan Enloe, Chair
	Debbie Kitchin
	Anne Root
	Dave Slavensky
	John Reynolds (ex officio)
Policy Committee	
	Roger Hamilton, Chair
	Rick Applegate
	Ken Canon
	Alan Meyer
	John Reynolds (ex officio)
Program Evaluation Committee	
	Debbie Kitchin, Chair
	Tom Eckman, NWPCC
	Ken Keating, expert outside reviewer
	Mark Kendall
	Alan Meyer
	Anne Root
	Dave Slavensky
	John Reynolds (ex officio)
Strategic Planning Committee	
	Rick Applegate, Chair
	Julie Brandis
	Ken Canon
	Mark Kendall
	Jeff King
	Lisa Schwartz, ODOE
	John Savage, OPUC
	John Reynolds (ex officio)

3. The executive director and general counsel are authorized to sign routine 401(k) administrative documents on behalf of the board, or other documents if authorized by the Compensation Committee.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed:

Energy Trust of Oregon

Lynn Kingston, Partner
Jennifer Ehman, Partner
Ashley Osten, Manager

March 21, 2013

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AUDIT RESULTS FOR 2012

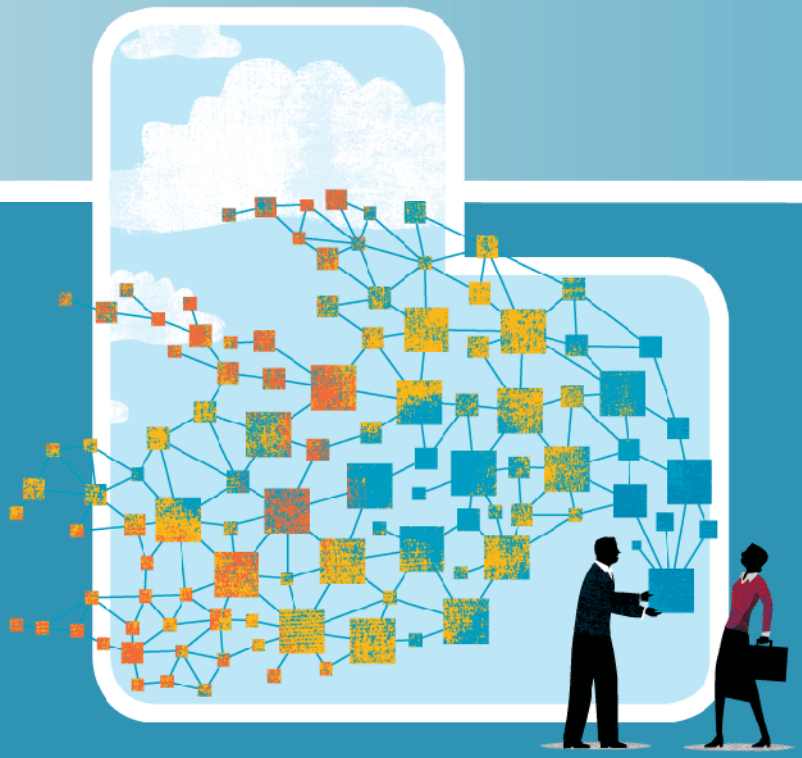
MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants
Acumen. Agility. Answers.

100 years THAT COUNTS 1913–2013

AGENDA

- Auditor's Opinion
- Highlights for 2012
- Consideration of Fraud in a Financial Statement Audit
- Communication with Those Charged with Governance

AUDITOR'S OPINION



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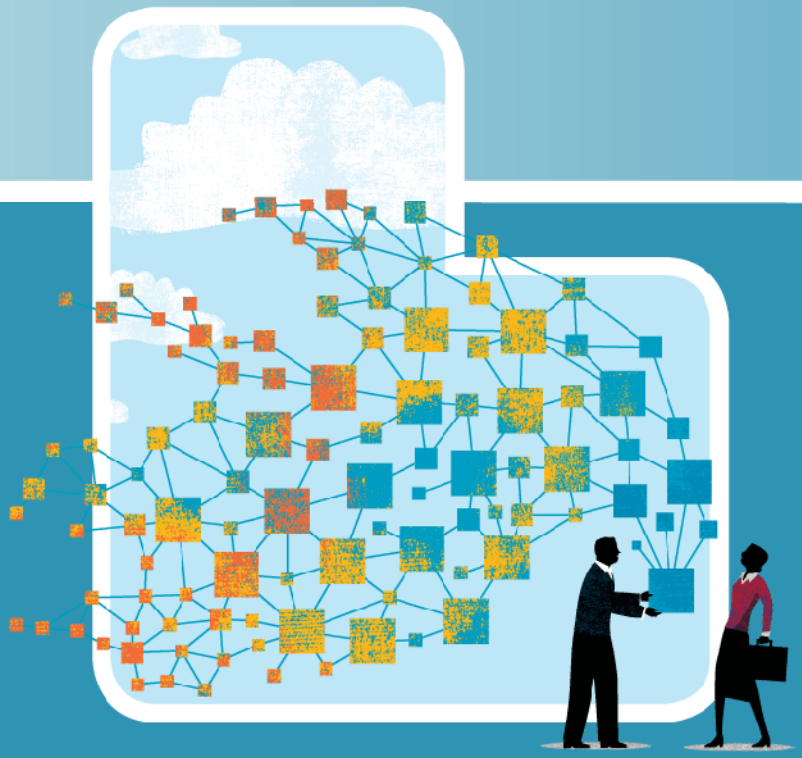
AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Unmodified Opinion

- Financial Statements are presented ***fairly*** in accordance with accounting principles generally accepted in the United States of America.

HIGHLIGHTS FOR 2012



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STATEMENT OF FINANCIAL POSITION

(dollars in thousands)

Assets decreased by $10,503 (13%)

- Cash and cash equivalents decreased $9,123 (12%)
- Property and equipment decreased $773 (42%)

Liabilities decreased by $1,519 (6%)

- Accounts payable and accrued expenses decreased by $2,023 (9%)

Net assets decreased by $8,984

STATEMENT OF ACTIVITIES

(dollars in thousands)

Total funding increased $13,093 (10%)

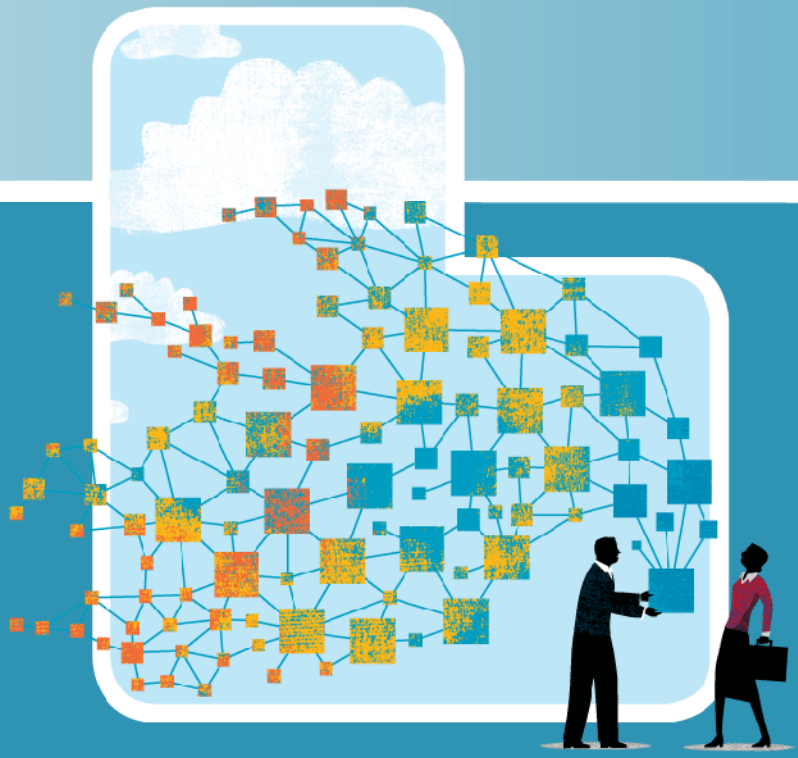
- Public purpose funding decreased $1,032 (1%)
- Incremental funding increased $14,038 (29%)

Total expenses increased $15,709 (11%)

- Program expenses increased by $14,540 (11%)
- Administrative expenses increased by $1,169 (29%)

Decrease in net assets of $8,984 compared with a decrease of $6,367 in the prior year

CONSIDERATION OF FRAUD IN A FINANCIAL STATEMENT AUDIT



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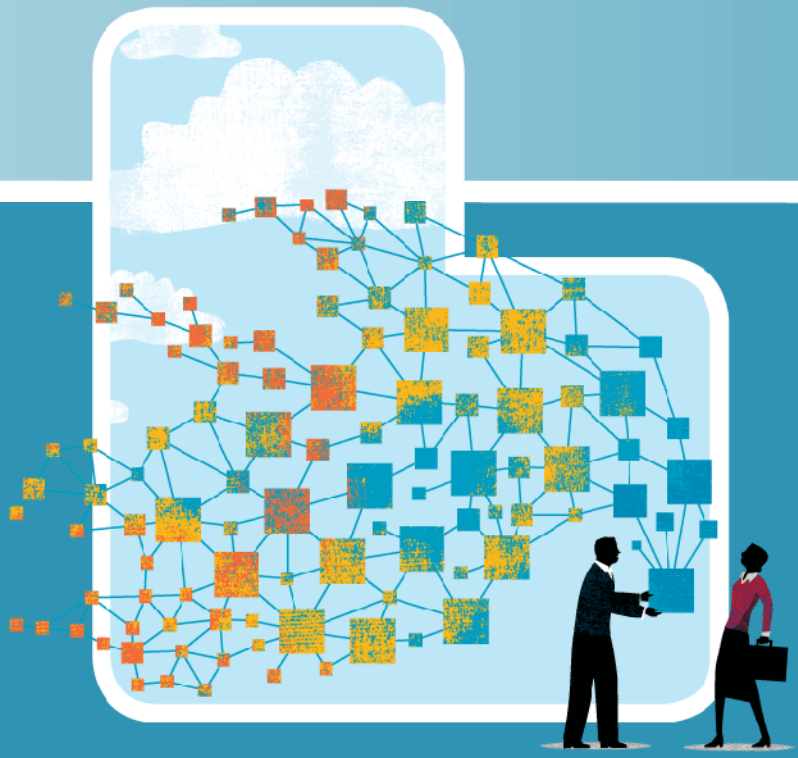
PROCEDURES PERFORMED

- Interviewed 5 selected individuals throughout the Organization (including 2 audit committee members)
- Performed check register testing
- Reviewed appropriateness of financial journal entries
- Reviewed 3 expense reports for management-level personnel

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE



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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

- Execution of the planned scope and timing of the audit
- Significant findings arising from the audit
  - Significant accounting practices, including policies, estimates and disclosures
  - Adjustments posted to the financial statements and adjustments passed by the auditor
  - Significant difficulties encountered in performing the audit (None)
  - Disagreements with management (None)
  - Management consultation with other independent accountants
- Representations obtained from management

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

OTHER MATTERS

- **Documentation of review**
- **Information Technology best practices**

THANK YOU

Report of Independent Auditors
and Financial Statements for

Energy Trust of Oregon, Inc.

December 31, 2012 and 2011

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Acumen. Agility. Answers.

CONTENTS

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Energy Trust of Oregon, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of Energy Trust of Oregon, Inc., which comprise the statement of financial position as of December 31, 2012, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The financial statements of Energy Trust of Oregon, Inc. as of December 31, 2011 were audited by other auditors whose report dated March 28, 2012 expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Energy Trust of Oregon, Inc. as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Portland, Oregon
_____, 2013

ASSETS

	December 31, 2012	December 31, 2011
Cash and cash equivalents	$ 64,005,610	$ 73,128,210
Restricted cash and cash equivalents	462,691	938,755
Other receivables	119,373	1,151
Accrued interest receivable	4,422	6,449
Advances paid to contractor	2,109,014	2,438,724
Prepaid expenses	265,829	293,702
Property and equipment, net	1,052,337	1,825,317
Other assets	473,830	363,797
Total assets	$ 68,493,106	$ 78,996,105

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	$ 21,493,244	$ 23,516,554
Accrued payroll and related expenses	995,073	783,245
Deferred rent liability	323,237	31,090
Total liabilities	22,811,554	24,330,889
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted		
Board-designated for specific purposes	462,691	938,755
Available for programs and general operations	45,218,861	53,726,461
Total net assets	45,681,552	54,665,216
Total liabilities and net assets	$ 68,493,106	$ 78,996,105

ENERGY TRUST OF OREGON, INC.
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2012	Year Ended December 31, 2011
Funding		
Public purpose funding	$ 82,917,693	$ 83,949,690
Incremental funding	63,163,316	49,125,617
Interest income	133,373	194,050
Other efficiency funding	123,728	-
Contribution revenue	30,515	-
Consulting revenue	3,055	-
Other income	200	9,833
Total funding	146,371,880	133,279,190
Expenses		
Program expenses		
Energy efficiency	128,359,197	117,611,077
Renewable resources	21,817,900	18,027,843
Consulting services	2,012	-
Total program expenses	150,179,109	135,638,920
Administrative expenses		
Management and general	3,371,812	2,517,463
Communication and outreach - general	1,804,623	1,490,126
Total administrative expenses	5,176,435	4,007,589
Total expenses	155,355,544	139,646,509
DECREASE IN NET ASSETS	(8,983,664)	(6,367,319)
NET ASSETS, beginning of year	54,665,216	61,032,535
NET ASSETS, end of year	$ 45,681,552	$ 54,665,216

See accompanying notes.

ENERGY TRUST OF OREGON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Energy Efficiency	Renewable Resources	Consulting Services	Total Program Expenses	Management and General	Communication and Outreach - General	Total Administrative Expense	Total Expenses
EXPENSES								
Incentives and program management	$ 116,873,751	$ 20,087,444	$ -	$ 136,961,195	$ -	$ -	$ -	$ 136,961,195
Payroll and related expenses	2,475,334	812,426	1,544	3,289,304	1,839,853	795,023	2,634,876	5,924,180
Outsourced services	3,966,293	443,896	-	4,410,189	211,900	648,071	859,971	5,270,160
Planning and evaluation	1,711,594	85,186	-	1,796,780	17,352	-	17,352	1,814,132
Equipment	10,028	35,808	3	45,839	738,113	3,413	741,526	787,365
Customer service management	642,029	21,849	-	663,878	-	-	-	663,878
Occupancy expenses	180,711	65,205	60	245,976	119,124	61,505	180,629	426,605
Trade Allies Network	359,851	26,338	-	386,189	-	-	-	386,189
Dues, licenses, and fees	93,476	15,095	-	108,571	9,472	3,004	12,476	121,047
Printing and publications	92,772	3,647	-	96,419	741	23,092	23,833	120,252
Depreciation	45,999	22,662	15	68,676	30,322	15,656	45,978	114,654
Travel	41,348	21,475	376	63,199	29,793	3,948	33,741	96,940
Meetings, trainings, and conferences	22,039	10,778	-	32,817	41,966	4,735	46,701	79,518
Insurance	26,608	9,601	9	36,218	17,540	9,056	26,596	62,814
Supplies	38,201	6,650	3	44,854	10,459	6,835	17,294	62,148
Miscellaneous	2,738	30	-	2,768	218	31,371	31,589	34,357
Telephone	4,104	2,159	1	6,264	2,878	810	3,688	9,952
Postage and shipping	3,740	1,088	1	4,829	1,987	1,834	3,821	8,650
Bank fees	-	-	-	-	5,030	-	5,030	5,030
IT services	1,768,581	146,563	-	1,915,144	295,064	196,270	491,334	2,406,478
Total expenses	$ 128,359,197	$ 21,817,900	$ 2,012	$ 150,179,109	$ 3,371,812	$ 1,804,623	$ 5,176,435	$ 155,355,544

See accompanying notes.

ENERGY TRUST OF OREGON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Energy Efficiency	Renewable Resources	Total Program Expenses	Management and General	Communication and Outreach - General	Total Administrative Expense	Total Expenses
EXPENSES							
Incentives and program management	$ 108,523,826	$ 15,989,466	$ 124,513,292	$ -	$ -	$ -	$ 124,513,292
Payroll and related expenses	1,984,494	875,919	2,860,413	1,639,295	497,380	2,136,675	4,997,088
Outsourced services	2,822,941	423,869	3,246,810	203,212	701,009	904,221	4,151,031
Planning and evaluation	1,480,553	220,276	1,700,829	-	21,586	21,586	1,722,415
Customer service management	737,181	29,890	767,071	-	-	-	767,071
Trade Allies Network	381,181	26,064	407,245	-	-	-	407,245
Occupancy expenses	128,993	56,519	185,512	94,157	37,036	131,193	316,705
Dues, licenses, and fees	44,014	20,735	64,749	62,385	1,777	64,162	128,911
Equipment	13,083	69,588	82,671	9,550	3,756	13,306	95,977
Meetings, trainings, and conferences	16,218	10,261	26,479	58,574	3,420	61,994	88,473
Printing and publications	55,537	10,277	65,814	5,420	12,974	18,394	84,208
Travel	28,259	25,832	54,091	18,603	3,557	22,160	76,251
Insurance	23,941	10,490	34,431	17,476	6,874	24,350	58,781
Depreciation	11,565	16,376	27,941	8,441	3,320	11,761	39,702
Supplies	6,869	3,098	9,967	8,998	2,390	11,388	21,355
Telephone	7,904	4,440	12,344	5,864	1,764	7,628	19,972
Postage and shipping	6,644	1,421	8,065	2,368	1,880	4,248	12,313
Miscellaneous	6,288	3	6,291	151	1,310	1,461	7,752
Bank fees	-	-	-	5,000	-	5,000	5,000
IT services	1,331,586	233,319	1,564,905	377,969	190,093	568,062	2,132,967
Total expenses	$ 117,611,077	$ 18,027,843	$ 135,638,920	$ 2,517,463	$ 1,490,126	$ 4,007,589	$ 139,646,509

See accompanying notes.

ENERGY TRUST OF OREGON, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received in public purpose funding	$ 82,917,693	$ 83,949,690
Cash received in incremental funding	63,163,316	49,125,617
Interest received	135,400	248,019
Cash received from other efficiency funding	123,728	-
Cash received from other sources	30,715	9,833
Cash received from consulting revenue	3,055	-
Cash paid to contractors, suppliers, and employees	(155,696,130)	(134,988,304)
Net cash used in operating activities	(9,322,223)	(1,655,145)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	120,000	5,805
Proceeds from sale of investments	-	8,042,155
Acquisition of property and equipment	(396,441)	(1,362,795)
Decrease in restricted cash and cash equivalents	476,064	497,788
Net cash provided by investing activities	199,623	7,182,953
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(9,122,600)	5,527,808
CASH AND CASH EQUIVALENTS, beginning of year	73,128,210	67,600,402
CASH AND CASH EQUIVALENTS, end of year	$ 64,005,610	$ 73,128,210
RECONCILIATION OF DECREASE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Decrease in net assets	$ (8,983,664)	$ (6,367,319)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	259,983	129,806
Loss on disposal of property and equipment	789,438	18,255
Property and equipment disposed as incentive expense	-	14,610
Net changes in:		
Other receivables	(118,222)	10,604
Accrued interest receivable	2,027	53,970
Advances paid to contractor	329,710	(754,042)
Prepaid expenses	27,873	126,639
Other assets	(110,033)	(102,120)
Accounts payable and accrued expenses	(2,023,310)	5,136,036
Accrued payroll and related expenses	211,828	104,723
Deferred rent liability	292,147	(26,307)
Net cash used in operating activities	$ (9,322,223)	$ (1,655,145)

See accompanying notes.

Note 1 – Organization

Energy Trust of Oregon, Inc. (Energy Trust), a nonprofit 501(c)(3) organization, began collecting public purpose revenues in March 2002. By the terms of its grant agreement with the Oregon Public Utility Commission (OPUC), it is charged with investing in cost-effective energy conservation, funding above-market costs of renewable energy resources and encouraging energy efficiency market transformation efforts in Oregon.

All Energy Trust funds originally came from a 1999 energy restructuring law, which required Oregon's two largest investor-owned utilities to collect a three percent public purpose charge from their customers. A portion of that charge is transferred to Energy Trust, and the remainder is dedicated to energy conservation efforts in low-income housing and K-12 schools, as well as low-income housing improvements. The sunset date for collection of the public purpose charge is 2026.

The law authorized the OPUC to direct a majority of these public purpose funds to a non-governmental entity for investment. Energy Trust was created for this sole purpose. In November 2001, Energy Trust entered into a grant agreement with the OPUC to guide Energy Trust's electric energy work. The grant agreement was developed with extensive input from key stakeholders and interested parties, and it has been amended several times since 2001. The agreement is reviewed annually by the OPUC and is automatically extended annually for an additional three years unless Energy Trust or the OPUC give notice otherwise.

In 2007, the Oregon Senate passed Bill 838 (OSB 838), which allowed electric utilities to request an increase in rates to pursue additional energy conservation opportunities. In 2008, PacifiCorp and Portland General Electric elected to send funds related to OSB 838 to Energy Trust to pursue energy conservation opportunities for retail electricity purchasers of less than one average megawatt. This precludes Energy Trust from providing services with this funding to some larger commercial and industrial customers. These funds are reported separately in the statement of activities as "incremental funding." The funds received from PacifiCorp and Portland General Electric may be used for conservation efforts in addition to activity funded by the public purpose funds.

In addition to its work under the 1999 energy restructuring law, Energy Trust administers natural gas conservation programs for residential and commercial customers of NW Natural. Under the terms of the 2003 agreement with the OPUC, NW Natural collects and transfers to Energy Trust a surcharge of the total monthly amount billed to non-industrial customers. Energy Trust uses these funds for energy efficiency efforts to benefit NW Natural's Oregon residential and commercial customers.

In 2009, Energy Trust began administering energy efficiency programs for qualified industrial customers of NW Natural.

Note 1 – Organization (continued)

In 2009, Energy Trust entered into a Washington Customer's Public Purpose Funds Transfer Agreement with NW Natural. Under the terms of the agreement, NW Natural agrees to transfer funds (Washington Funds) and customer information to Energy Trust to design and administer cost-effective energy efficiency programs for existing homes and businesses to NW Natural customers in Washington. In 2010, the agreement was amended to include similar programs for builders constructing new homes in NW Natural's Washington service territory. The agreement expired on December 31, 2012.

In 2006, Energy Trust began administering natural gas conservation programs for residential and commercial customers of Cascade Natural Gas Corporation (Cascade) under public purpose agreements. Each agreement provides for a different methodology for determining the amount of funds to be provided to Energy Trust.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation – Energy Trust is required to report information regarding its financial position and activities according to three classes of net assets under generally accepted accounting principles:

- **Unrestricted** – Net assets that are not subject to donor stipulations.
- **Temporarily restricted** – Net assets subject to donor imposed stipulations that may or will be met, either by actions of Energy Trust and/or the passage of time. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no temporarily restricted net assets at December 31, 2012 or 2011.
- **Permanently restricted** – Net assets subject to donor imposed stipulations which must be maintained permanently by Energy Trust. Generally, the donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted net assets at December 31, 2012 or 2011.

Concentrations of credit risk – Energy Trust's cash and cash equivalents may subject Energy Trust to concentrations of credit risk, as the market value of securities is dependent on the ability of the issuer to honor its contractual commitments. All of its non-interest bearing cash balances were fully insured at December 31, 2012 and 2011 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning 2013, insurance coverage will revert to $250,000 per depositor at each financial institution, and Energy Trust's non-interest bearing cash balances may, again, exceed federally insured limits.

Note 2 – Summary of Significant Accounting Policies (continued)

Cash and cash equivalents – For purposes of financial statement classification, Energy Trust considers all unrestricted, highly-liquid investments with an initial maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents consist of the following at December 31:

	2012	2011
Cash	$ 18,576,017	$ 22,790,754
Certificates of deposit	45,429,593	50,337,456
	$ 64,005,610	$ 73,128,210

Restricted cash and cash equivalents – Energy Trust has money market instruments with a value of $462,691 and $938,755 reported as restricted cash and cash equivalents at December 31, 2012 and 2011, respectively. These funds are held in escrow accounts for the benefit of program recipients, as designated by the Board of Directors of Energy Trust.

Property and equipment – Property and equipment are stated at cost less accumulated depreciation and are depreciated using the straight-line method over their estimated useful lives, which generally range from three to five years. It is Energy Trust's policy to capitalize property and equipment over $5,000.

Deferred rent liability – Energy Trust leases office space under a non-cancellable lease. The lease contains a provision for increases in rental rates as well as abated rent. Rent expense is recognized on the straight-line basis with the difference between the expense and rent payments being recognized as deferred rent. Deferred rent was $323,237 and $31,090 for the years ended December 31, 2012 and 2011, respectively.

Revenue recognition – All funding is considered available for unrestricted use unless specifically restricted by the donor. Public purpose and incremental funding are recognized when funds are received from the funding source. Consulting revenue, other income and interest income are recognized at the time services are provided and the revenues are earned.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period pledged. Contributions of assets other than cash are recorded at their estimated fair value on the date of their contribution.

Expense allocation – The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 2 – Summary of Significant Accounting Policies (continued)

Advertising – Energy Trust expenses advertising costs as incurred. Advertising costs include activities to create or stimulate a desire to use Energy Trust's services that are provided without charge. Advertising expense amounted to $1,189,269 and $1,066,876 for the years ended December 31, 2012 and 2011, respectively.

Income taxes – Energy Trust is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is made in the accompanying financial statements, as Energy Trust has no activities subject to unrelated business income tax. Energy Trust is not a private foundation.

Energy Trust recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Energy Trust recognizes interest and penalties related to income tax matters, if any, in administrative expense.

Energy Trust had no unrecognized tax benefits at December 31, 2012 or December 31, 2011. No interest and penalties were accrued for the years ended December 31, 2012 or 2011. Energy Trust files an exempt organization return in the U.S. federal jurisdiction and with the Oregon charities division and is no longer subject to income tax examinations by taxing authorities for years before 2009 for its federal and state filings.

Renewable energy certificates – In the process of funding above-market costs of renewable energy resources, Energy Trust negotiates the contractual ownerships of Renewable Energy Certificates (REC) with funding recipients. A single REC represents one megawatt-hour of generation of qualifying electricity from eligible resources including, among others, solar, wind, and biomass. In 2011, Energy Trust amended policy 4.15.000-P to remove provisions allowing the sale of RECs. As of December 31, 2012 and 2011, the fair value of RECs has not been recorded as it is not considered material to the financial statements.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications – Certain reclassifications have been made to the 2011 financial statements to conform to current year presentation. These reclassifications had no effect on total net assets or changes in net assets.

Note 2 – Summary of Significant Accounting Policies (continued)

Subsequent events – Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. Energy Trust recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. Energy Trust's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the financial statements are available to be issued.

Energy Trust has evaluated subsequent events through _____, 2013, which is the date the financial statements were issued.

Note 3 – Property and Equipment

Property and equipment consist of the following at December 31:

	2012	2011
Computer equipment and software	$ 1,347,388	$ 974,712
Office equipment and furniture	600,662	627,017
Leasehold improvements	287,385	309,767
Program equipment at service sites	-	63,213
	2,235,435	1,974,709
Less accumulated depreciation	1,183,098	1,049,110
	1,052,337	925,599
Internal-use software asset in process	-	899,718
	$ 1,052,337	$ 1,825,317

In 2011 and 2010, Energy Trust incurred costs for an internal-use software project. Such costs have were capitalized or expensed in accordance with Accounting Standards Codification (ASC) 350-40, *Internal-Use Software*. The internal-use software asset was still in process at December 31, 2011 and was written off during 2012.

Note 4 – Lines of Credit

Energy Trust maintains an unsecured line of credit in the amount of $4,000,000. Interest on the line is based on the prime rate less 0.5% (2.75% at December 31, 2012). The line matures on September 5, 2013. As of December 31, 2012 and 2011, no borrowings were outstanding under the line of credit.

Note 5 – Fair Value Measurements

Accounting literature defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Energy Trust determines fair value based on quoted prices when available or through the use of alternative approaches, such as matrix or model pricing, when market quotes are not readily accessible or available. The valuation techniques used are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Energy Trust's market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active and model-derived valuations whose inputs are observable or whose significant value drives are unobservable.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available. Energy Trust's own data used to develop unobservable inputs is adjusted for market consideration when reasonably available.

Energy Trust used the following methods and significant assumptions to estimate fair value for its assets measured and carried at fair value in the financial statements:

Deferred compensation assets – Deferred compensation assets are comprised of investments for which fair value is obtained from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, cash flows, or the U.S. Treasury yield curve. Deferred compensation assets are recorded in other assets within the statement of financial position.

Note 5 – Fair Value Measurements (continued)

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis, and indicates the fair value hierarchy of the valuation techniques utilized by Energy Trust to determine such fair value:

	Fair Value Measurments at Report Date Using:			
	Fair Value at December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 409,369	$ 409,369	$ -	$ -

	Fair Value Measurments at Report Date Using:			
	Fair Value at December 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 301,336	$ 301,336	$ -	$ -

Assets are to be classified in the table above by recurring or non-recurring measurement status. Recurring assets are initially measured at fair value and are required to be remeasured at fair value in the financial statements at each reporting date. There were no assets measured on a non-recurring basis at December 31, 2012 or 2011.

As of December 31, 2012 and 2011, Energy Trust does not have any liabilities that are required to be measured in accordance with fair value standards.

Note 6 – Public Purpose Funding and Incremental Funding

Public purpose funding and incremental funding received are as follows for the years ended December 31:

	2012	2011
Public purpose funding		
Portland General Electric		
Energy efficiency	$ 28,119,658	$ 28,510,770
Renewable resources	8,033,565	8,131,761
	36,153,223	36,642,531
PacifiCorp		
Energy efficiency	19,637,424	18,772,015
Renewable resources	5,530,615	5,327,155
	25,168,039	24,099,170
Northwest Natural - Oregon		
Energy efficiency	18,990,363	20,718,176
Northwest Natural - Washington		
Energy efficiency	1,261,914	642,144
Cascade		
Energy efficiency	1,369,612	1,847,669
Avista		
Energy efficiency	(25,458)	-
Total public purpose funding	$ 82,917,693	$ 83,949,690
Incremental funding		
Portland General Electric	$ 39,630,039	$ 27,757,336
PacifiCorp	23,533,277	21,368,281
	$ 63,163,316	$ 49,125,617
Other efficiency funding		
Clark County PUD	$ 123,728	$ -
Total other efficiency funding	$ 123,728	$ -

Note 7 – Operating Lease Commitments

Energy Trust leases its administrative offices under an operating lease agreement which expires in June 2019. Energy Trust also leases various office equipment under operating lease agreements. At December 31, 2012, the aggregate annual commitments under the terms of these leases are payable as follows for the years ending December 31:

2013	$ 571,296
2014	626,854
2015	647,522
2016	670,068
2017	692,643
Thereafter	1,145,845
	$ 4,354,228

Total rent expense under operating leases was $603,165 and $448,167 for the years ended December 31, 2012 and 2011, respectively.

Note 8 – Retirement Plans

Retirement plan – Energy Trust provides all employees with a qualified profit sharing retirement plan as prescribed under Section 401(k) of the Internal Revenue Code. Generally, employees who have completed at least three consecutive months of work may elect to make voluntary contributions to the plan on a pre-tax basis, up to the limits allowed by law. Employees select from various investment options. On a discretionary basis, as determined annually by the Board of Directors, Energy Trust may make contributions to the plan. For each of the years ended December 31, 2012 and 2011, Energy Trust contributed to the plan an amount equal to 6% of the compensation earned by each eligible employee during the period. Employees are immediately vested in all contributions to the plan. Retirement plan expense recorded by Energy Trust was $349,142 and $341,513 for the years ended December 31, 2012 and 2011, respectively.

Deferred compensation plan – Energy Trust sponsors a non-qualified deferred compensation plan for selected employees. Investments are owned by Energy Trust and managed individually by each participant. At the time an employer contribution is made, the Board will, in its sole discretion, determine whether the employer contribution will be initially fully vested or will become vested in accordance with vesting terms designated by the Board of Directors. Until paid to participants, plan assets are subject to the claims of Energy Trust's creditors.

Note 8 – Retirement Plans (continued)

Energy Trust made discretionary contributions to the plan totaling $52,344 and $55,107 during the years ended December 31, 2012 and 2011, respectively. Energy Trust recorded an asset and a liability in the amount of $409,369 and $301,336 as of December 31, 2012 and 2011, respectively. The deferred compensation asset and liability are recorded in other assets and accrued payroll and related expenses, respectively, on the statement of financial position.

Note 9 – Contractual Commitments

Energy Trust enters into contract commitments for various energy efficiency and renewable resource programs. As of December 31, 2012, Energy Trust expects to pay no more than $44,000,000 in future periods under these commitments. Expenditures for these commitments are recorded in the period in which they are incurred.

Energy Trust had projects and incentive payment requests in progress that did not meet its recognition criteria at both December 31, 2012 and 2011. The amounts are unquantifiable and, as such, not disclosed in the notes to the financial statements.

Note 10 – Board-Designated Net Assets

Due to the long-term nature of certain renewable energy projects, the Board of Directors of Energy Trust has authorized amounts to be segregated into escrow accounts to be used for larger long-term projects. The funds held in escrow accounts are to be paid out under criteria specific to each project. In the financial statements, these funds are considered designated for those specific projects.

Board Decision
Audited Financial Statements

April 3, 2013

RESOLUTION 664
ACCEPTANCE OF AUDITED FINANCIAL REPORT

BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors accepts the audited financial statement report, including an unmodified opinion, submitted by Moss Adams LLP for the calendar year ended December 31, 2012.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed:

Evaluation Committee Meeting

February 20, 2013 9:30am-12:00pm

Attendees:

Evaluation Committee Members:
Debbie Kitchin, Board Member – Committee Chair
Alan Meyer, Board Member
Dave Slavensky, Board Member
Anne Root, Board Member
Mark Kendall, Board Member

Energy Trust Staff:
Steve Lacey, Director of Operations
Fred Gordon, Director of Planning and Evaluation
Spencer Moersfelder, Senior Business Sector Manager
Scott Swearingen, Senior Business Sector Project Manager
Phil Degens, Evaluation Manager
Dan Rubado, Evaluation Project Manager
Erika Kociolek, Evaluation Project Manager
Amber Cole, Director of Communications and Customer Service
Ted Light, Senior Planning Project Manager
Jackie Goss, Planning Engineer

Outside Attendees:
Murali Varahasamy, Lockheed Martin Program Manager
Jeffrey Schwartz, ICF Program Manager
Ryan Bliss, Research into Action (phone)
Carrie Cobb, Bonneville Power Administration
Mark Schuldt, SBW (phone)
Jeremy Stapp, SBW (phone)

Agenda:

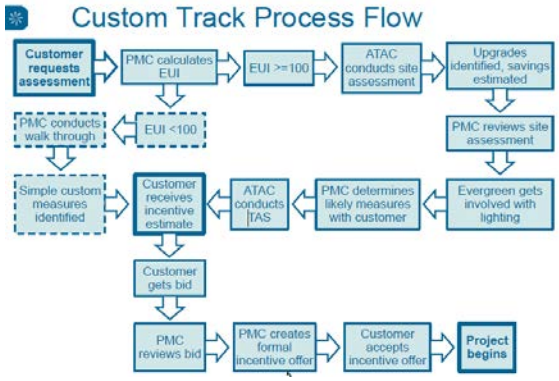
1. Existing Buildings Process Evaluation 2012

Presented by Dan Rubado

Research into Action completed this process evaluation. We looked at 2012 Existing Buildings custom track projects. We specifically focused on the custom track, which has more complex projects and a good chunk of program savings come from the custom track. We wanted to analyze how the custom process was working. We looked at "in process" projects and identified the "phase" each project was in so we could see if participants had different experiences when they were in various project phases.

Overview: This evaluation included the standard document and database review, as well as a many interviews done with staff, allied technical assistance contractors (ATACs), trade allies, and a group of participants in various stages of the project process. We also did a market assessment, which included data analysis of the CoStar commercial database and NEEA

commercial building stock assessment. We also interviewed non-participants and "pseudo" or non-recent participants (folks that had not participated in our programs in the past 4 years).



Background: This is an outline of the custom process while Lockheed Martin served as the PMC. As an overall note, this process evaluation is looking at Lockheed's administration of the program; many of the program elements will initially stay the same under ICF but may evolve over time. In the custom track, a customer request comes in, either as a result of recruitment by business development staff or an ATAC or trade ally. The PMC then looks at the energy use index (EUI) for the site. If it is less than 100, the PMC would conduct a walkthrough with their staff. They would identify some measures and do fairly simple calculations to come up with an incentive offer for the customer. If the EUI is greater than 100, the PMC would issue an order to do an ATAC site assessment. The study would identify upgrades and estimate savings which is then reviewed by the PMC. If lighting measures were identified, Evergreen Consulting would be involved. The PMC then works with the customer to determine the measures the customer is interested in pursuing. The ATAC would then conduct a full technical study on those measures. Once the technical study is complete, the customer would receive incentive estimates and get a bid from a contractor. The PMC would review the bid and create a formal incentive offer. The customer would then accept or reject the offer. At that point, the project begins. This evaluation focuses on how customers move through this process; we want to know if customers see or recognize this process from their perspective.

Market Assessment: We'll start out by looking at the findings of the market assessment, which will provide good context. This information was generated by looking at a bunch of datasets; we are comparing floor area of commercial buildings that have participated in Energy Trust programs to the estimated total commercial floor area in Energy Trust service territory in each segment. For some of the segments, such as hospitals and grocery, the market penetration is around 100%. There is a big opportunity to increase participation among office and retail segments. The program has reached a lot of sites, but there are a lot left. Alan asked about the reach of the commercial program. Dan responded that this is only looking at existing commercial buildings. Major renovations would fall under the New Buildings program. Phil noted that it is sometimes confusing to figure out where a site fits in our programs; in the case of offices at an industrial site, we would serve those customers in the PE program so we can offer them services related to manufacturing. The EB program covers street lighting, tunnels and

docks, which are more infrastructure-related. Murali clarified that if there is an industrial complex with office buildings and a production area, it is covered under the PE program.

Another way to slice the data is to look at high priority segments and other segments the program serves. The program was evenly split in terms of high priority and other segments. Total cumulative reach of the program is about 45% of the commercial building floor area in our service territory, meaning the program is starting to get through a lot of the major customers. Debbie asked if this includes everyone, including those sites that have just gotten a "light touch" through the program. Dan clarified that it includes everyone. Phil added that our best customers are often our past customers; they are familiar with us and think about energy efficiency upgrades. Dan noted that this table indicates we have lots of past customers to work with.

Staff Interviews: We'll cover some highlights from the staff interviews. Staff believes that communication channels are working well. "Triple teams," which are working teams involving business development, outreach, and technical staff have been effective at coordinating work with trade allies and ATACs. Communication with external entities such as NEEA and ODOE allows the PMC to inform customers of other incentive offers. Staff reported that a quarter of the trade ally (TA) network is comprised of mechanical contractors certified to do roof-top unit (RTU) tune-ups and 85% of commercial contractors in Oregon are registered TAs with Energy Trust. They also reported that TA orientations facilitate relationship building and have been valuable. Alan asked if the trade allies are dispersed across the state. Dan responded that he assumes so, but is not sure. He clarified that this information was reported by Lockheed staff and we did not do further analysis on this. Staff also noted that prior to 2011, assessments included walkthrough and level 1 and level 2 technical studies. In 2011, the program simplified the process. Site assessments are now followed by technical studies that focus on measures of interest to customers and we don't put so many things on the table.

This change reduced study cost. The program has still been meeting savings goals – the idea was to get the same savings for less cost. Spencer added that the program decided to evaluate customers' appetite for moving forward. If there is no indication the customer had the budget or momentum to do measures, the program doesn't initiate a study. Murali noted that even if the program did a study and the customer didn't do anything, then in 2-3 years when the customer did want to do something, the baseline energy use would have shifted so another study would be needed. Spencer added that the program estimated high savings from this change in the technical study process.

ATAC Interviews: Most ATACs scoped site evaluations in collaboration with customers. ATACs described technical studies as continuation of a site evaluation. They reported the PMC being more involved in technical studies than site evaluation. ATACs said they typically work with facility managers when they do a study. ATACs discussed what they thought were top customer concerns during a project. The top two were cost and incentive amount and timing and the process of completing a project. They perceived energy savings and technical issues as lower concerns for customers. The PMC reviews studies and provides feedback to ATACs, but ATACs rarely if ever made changes to their reports based on PMC review. 88% reported following-up with customers post-study to see if the customer was ready to move forward and

12% relied on the PMC to follow-up with customers. 57% of ATACs reported customers proceed regardless of study results. We did not find this when we did customer interviews, but that was the perception among ATACs.

We asked about ATACs' involvement with pilots, specifically the RTU and Cool Schools pilots. The RTU received positive feedback from ATACs. They described it as a "win-win" that should be expanded. The Cool Schools pilot was described as overly complicated. ATACs recommended that schools should use both Energy Trust and SB 1149 funds when possible. Spencer noted that ODOE typically pays 100% of eligible project costs, so there's not a lot left for us to do at this point. Murali noted there are additional steps in the custom process with Cool Schools. Alan asked if the chart showing cumulative program reach included ODOE's outreach to schools. Spencer noted that initially, ODOE had been in charge of 1149 funding for schools; we have only recently begun to work with schools. ODOE has worked with us to make the process easier, but it is still complicated due to the involvement of two organizations.

ATACs reported that they initiated about half of the projects in the study period and the studies they initiated were larger and more novel and had more savings (this is self-reported). They had good relationships with the technical services team at the PMC, although only half reported a good relationship with business development staff. ATACs requested more/better technical training and training and guidance on technical reports. Mark asked if this request was for more of the methods and report format. Debbie noted this was likely a question of expectations for the report format. Debbie asked when the interviews were done. Dan clarified that the interviews were done last summer.

Trade Ally Interviews: We got a good mix of respondents - half were owners and the other half were office staff. Looking at the size of the companies represented, we also got a pretty good mix of TA firms. Mark asked how these were distributed across technology delivery. Dan responded that they were split by non-lighting and lighting TAs, and there were more lighting than non-lighting. Anne asked if there was a regional component to the TAs. Dan responded that we did not look at regional distribution. We mainly broke down by results whether a TA was a lighting or non-lighting TA. We asked about sources of work for TAs. For lighting TAs, they reported contacting customers to encourage lighting upgrades as a primary source of work. For non-lighting TAs, the primary source of work was customers requesting bids, and a secondary source of work was existing relationships with customers. We asked about marketing approaches to encourage energy efficiency among customers. The top-cited approaches were non-energy benefits (NEBs) and return on investment. NEBs were dominated by lighting TAs – they were much more likely to talk about NEBs such as better lighting quality and productivity. Other NEBs mentioned include improving comfort and reducing turnover of tenants. Among non-lighting TAs, we asked about interaction with program. 85% said they had a good or excellent relationship with the PMC and 50% said they experienced a slow application process or communication issues. Most cited causes of project delays on the customer side, not the program side. We asked about trainings Energy Trust provides TAs. 76% attended an in-person training and 66% been to a roundtable. Keep in mind that this only represents the experience of the person we spoke with on the phone – these numbers might be higher if we had asked about their entire firm. Lighting TAs were more likely to identify helpful aspects of trainings, and found

program updates and networking particularly useful. Alan asked if that could be related to the ease of doing standardized training on lighting whereas for non-lighting TAs, there is more diversity in terms of technology. Dan said yes, some TA comments noted they were not specific to the technology they worked on. Jeff noted that there is a very diverse mix of TAs in the non-lighting category. This makes it harder to target trainings.

We asked about loss of the BETC tax credit. 42% said there was some type of adverse impact and 45% said there was no adverse impact at all. We asked TAs about the next big things in efficiency. Lighting TAs said LEDs and plasma technology would be big. Non-lighting TAs said renewables, controls, variable speed drives and improved water heater technology were the next big efficiency technologies.

Participant Interviews: This year, we tried to interview participants in various phases of the program. This proved difficult to nail down, since folks moved through the process to other phases as we collected data. This was an intensive tracking process for Research into Action. At the end of the day, we interviewed many folks in the offer phase. Phil added we aren't sure if we will do this again. Spencer noted it was interesting that customers didn't think about or see the different phases of the custom process. Dan agreed that this seemed to be invisible to the customer. Dave asked if we looked at how participants felt about the length of the process. Dan said people were reasonably satisfied with how the timing worked out. Spencer added that the big concern is: "we wish we got our check faster."

We asked participants about the decision-making process. Maintenance/facilities managers are involved in all levels of decisions, but owners are still the most important decision makers. 95% reported a general understanding of energy savings opportunities, but studies increased the likelihood of doing upgrades. 80% requested a study to identify energy saving opportunities or get detailed cost/savings estimates. 83% would have postponed, cancelled or limited the efficiency of the project without program involvement. We also asked about Energy Trust and contractor influence on decisions. Energy Trust had a high influence on the decision to do a study. Energy Trust had medium influence on measure selection, while contractors had high influence. Upgrades within a year were constrained by budget. Debbie noted that property managers often have a process to identify capital improvements in the fall, which are approved and spent the following year. It can be a long process – recommendations often have to go up through corporate. Dan noted that the majority of participants were satisfied with the quality of communication with the program and 68% were satisfied with the timing of communication.

Non-Participant Interviews: We interviewed 105 true non-participants and 45 non-recent participants. We have a commercial building database called CoStar, which we linked up with our FastTrack project database to identify sites that had not previously participated in our programs. We used the contact information in the database to contact folks. Reaching non-participants is difficult – our response rate was not high, but we got enough interviews to get a decent sample size. We asked about awareness: 56% of folks had heard of the Existing Buildings program, and 37% investigated incentives in the past. This is likely skewed by the folks that were non-recent participants. Amber inquired how the question was asked. Phil said

we typically ask about Energy Trust generally, and not specific programs since program names change over time.

We asked non-participants about what they consider when making upgrades. The top considerations were maximizing energy cost savings, controlling energy costs, and the availability of incentives or rebates. Mark noted that the attention to NEBs is quite different compared to participants. Fred asked if this was an unprompted response. Dan responded that it was. Dave noted that comfort and air quality are not in here at all. Fred noted that it seems like this group cares more about energy savings than the people that did something. Dan noted that in general, non-participants had greater financial concerns about investing in efficiency projects than participants. Their perception of opportunities for energy savings was much different – they saw lower potential. Spencer noted that the sales pitch of the program has evolved to include other benefits. We asked about energy efficiency assessments. 35% had an assessment – half were performed by Energy Trust or a utility. Of those that did not have prior assessments, very few had ever considered having one. The top reasons not having assessment were: they were not ready to perform upgrades, did not know how to initiate an assessment, and did not need an assessment to identify opportunities. Fred asked if the size distribution of properties was comparable to participants. Ryan (RIA) will check on it and get back to the group. [Update: Non-participant properties were indeed smaller than the participants interviewed, even though they were fairly representative of the larger commercial building stock in Oregon. This is due to the fact that we interviewed participants in the custom track, which tend to be larger facilities.]

We asked few questions about future upgrade plans. The non-participants reported that assessments/promotions had little to no influence on the upgrades/decisions made. Few non-participants had any upgrades planned for the future; those that did plan to seek incentives and assistance. We asked about interest in RTU tune-ups; 54% had RTUs, and of those, 57% were interested in tune-ups. Fred commented this seems like a low number for having RTUs. We also asked about behavioral actions taken. Roughly 2/3 had not taken behavioral actions, didn't know, or refused to answer the question. So, not much is happening in this realm among non-participants. Respondents estimated they could save less than 5% by any given measure. Debbie commented this is not a surprising number, since you might not know what you could save. Phil responded that when you do lighting, you can save much more. Alan noted that if this number is of total use, 5% is probably not a bad number. Dan added that about a quarter did not know how much energy could be saved.

Respondents said the top barriers to making improvements were upfront costs, length of payback, occupant awareness of energy and support of behavioral changes, and lack of building ownership. Mark asked if this is representative of the participant sample in terms of ownership. Dan responded he thought it was fairly similar.

Conclusions: The largest challenge facing the program is changing market conditions – we have touched many large properties and are looking at returning customers. Energy assessments play a valuable role in identifying savings and getting projects pushed through. Opportunities for program expansion continue to exist – non-participants cite energy costs as important. Financial considerations are foremost, but customers often do upgrades to improve buildings and reduce

operations and maintenance costs. ATACs believe they can sell large and complex projects that expand Energy Trust's customer base. We want to look into that claim and see if it is true.

Recommendations: Emphasize ability of energy assessments to identify cost saving upgrades that owners are not aware of. Emphasize NEBs in outreach efforts, including in TA outreach and training. Expand the role of ATACs to sell large custom projects if ATACs can bring in larger projects.

Energy Trust Take: Overall, the program has done well. We see an opportunity to target customers using data from Energy Trust systems. The program is adapting its strategy to focus on small commercial and get past participants to do more. Program staff has reservations about relying too much on ATACs to promote studies and may pull back on incentives for studies. The program should refine marketing messages to see what sells best with customers. This evaluation provided feedback that NEBs are increasingly important and the program should nail down what customers find important and sell that message to them. Debbie noted the market is so segmented it likely won't be the same message for different segments.

Mark noted that just over 1/3 of participants were in owner-occupied spaces – so something happened in that other 2/3 where the owner had some motivation to respond to tenants. Dave asked about the mix of 2013 projects. Spencer responded they tend to be larger, custom projects. Jeff added that many of them are controls and some are lighting. Jeff inquired if we asked respondents about the value of having a third-party, independent organization involved in the process – if this gave customers or participants a certain level of confidence moving forward. Dan responded we have asked this many times in the past and the answer is yes. Phil added that we have done some surveys of industrial and commercial customers, and they do not worry about energy savings – this is not a risk factor. Alan added that geographic diversity should be reported out to see if there are any anomalies. This should be an element of our studies since we don't know if it is an issue. Mark said that PMCs noted a lack of time available to address pilot projects in the report and the program is moving to focus on small commercial, which has higher transaction costs per unit energy saved. How is the program addressing that? Phil responded that pilots take a lot of time, even when we take into consideration they take a lot of time and resources. We are trying to limit the number of pilots. Jeff noted that many small commercial facilities have not been served. Our approach is to have TAs go out and sell projects to bring them in the door. Small commercial will likely be prescriptive, so we can get more of those projects at a lower cost through TAs. Dave asked about the recommendation about operations and maintenance. Dan responded that based on interviews with non-participants and participants, there appear to be big opportunities with operations and maintenance through strategic energy management and other maintenance measures like RTU tune-up.

2. Existing Buildings Impact Evaluation 2010

Presented by Phil Degens

I'm presenting tables with the results of the 2010 impact evaluation; we will be getting results for the 2011 evaluation soon and 2010-2011 will be wrapped up into a single report. Looking at

savings and number of sites for 2006-2010, we see a steady increase in both savings and sites over time.

This table of the overall realization rates for electric and gas is slightly different than the one I sent out via e-mail. I had a couple of questions and there were one or two slight errors that our contractor corrected. The overall 2010 electric realization rate is 107% and 86% for gas. In 2009, we saw lower realization rates than what we had seen in the past, but due to the size of the sample, we could not see if it was statistically different. I don't see a trend in these numbers. For electric, on average, the realization rates have been 95% for a five year period and for gas, 90%. There can be strong variation – one or two outliers can make a big difference in savings but they are part of the random sampling process. My take on these numbers is that the realization rates are revolving around a central tendency and have been fairly high.

We can also look at measure-level point estimates - these give us signposts. Last year, we had low realization rates for HVAC and O&M; again, this does not appear to be a trend given the results this year. We will continue to look at these point estimates and see if there are trends. Having estimates of realization rates over multiple years give us confidence that the results are robust.

Mark asked if the realization rate for lighting controls in 2010 are wrapped into realization rates for lighting. Phil responded yes, and we are planning to do a lighting controls and persistence study. Fred noted that we want to know more about long-term effects. Jackie asked if there were RTUs in the HVAC category. Phil responded there might be 1 or 2. We will also continue to look at point estimates for building types.

We asked SBW to look at reasons for deviations. The primary reason for deviations was operating hours. For about half of measures, operating hours increased savings and for the other half, operating hours reduced savings. We do our best to estimate hours of operation, but accept that we are going to be wrong in certain cases. Other reasons for deviations include control settings, equipment size, and equipment efficiency. We try to keep track of the reasons for deviations; I sent out a list of projects to the committee that had over 20% deviation and the reasons behind it. This gives a good idea of the reason for the difference.

Energy Trust Take: Program and measure level realization rates remain high. In the final report we will get recommendations from SBW and will be able to look at the two years (2010-2011) together. Annual variances in realization rates have occurred but with no apparent trend. Expected operating hours are the major cause for deviations from expected savings.

Mark (SBW) added that operating hours as a reason for deviation does not necessarily mean the expected savings were wrong - it could mean that operating hours were changed. Also, we will look into finding a better way to break out lighting controls in the final report.

Mark asked if most of the savings are based on billing analysis. Phil noted that these results are based on site visits, metering, and if available, EMS data. We used some billing data. Mark asked if there was any complexity in annualizing or normalizing based on weather. Phil responded that we get the models, re-input the data to re-run models, and use the models as a

baseline to calibrate. Mark (SBW) said most are E-QUEST or Trace models. They range in complexity from spreadsheets to hourly models depending on the measure and circumstances.

3. Existing Multifamily Process Evaluation 2012

Presented by Dan Rubado

Research into Action also did the Existing Multifamily (MF) process evaluation. This evaluation was done a bit differently than the Existing Buildings evaluation; we interviewed program participants like we normally would. We talked to folks who had completed projects, to TAs and program staff, and collected market data and did interviews with non-participants as well.

Research Questions: We wanted to know about multifamily owners and managers, namely how deep their desire is to keep tenants comfortable and do things to reduce turnover rates in their buildings. We wanted to know about the role of ISMs, or direct installs. How do those fit in the program? What do participants think about them? How are they used (or not) to get people to do deeper savings measures in the future? We wanted to know what re-engagement (if any) is occurring through the program. We also wanted to look at TAs – specifically whether TAs saw direct install offerings as competition, and how Energy Trust can best support TAs that work in the MF market. Finally, we wanted to take a look at what the overall MF market looked like, as we had not fully characterized it previously.

Market Assessment: Looking at Census data for multifamily units and structures in Oregon, there were about 400,000 units as of 2010. These units are in about 64,000 structures; the majority of them are in 2-4 unit structures (which the program did not serve at the time of this evaluation). Census data and our data on properties not quite align, but we did some additional analysis using the CoStar commercial database and the NEEA commercial building stock assessment. We think there are 8,600-10,000 multifamily properties in Energy Trust service territory (properties with 5+ units) and this represents 230,000 units in those properties. There are about 23-27 units per property on average. For this evaluation, geography was a priority – we wanted to look at the regions the program serves. We compared all multifamily units in Energy Trust service territory versus participants. The program is somewhat Portland-focused given the bulk of its funding is from PGE, and Portland Metro has bigger, more concentrated multifamily properties that are easier to reach. It looks like there is an opportunity to serve West-Central Oregon, although this includes Eugene, and there aren't many multifamily buildings we can serve since this is EWEB territory. There is a fair amount of opportunity in smaller buildings, such as 6- or 8-plexes.

Staff Interviews: The program is meeting savings goals, but has not yet met the desired ratio of ISMs to incentivized measures. The preferred mix is 60-40. Right now the program is doing 74-26 and has moved closer to the preferred mix each year. Staff reported frequent, collaborative communication. They reported targeting properties with 50+ units, but this is changing and the program is reorienting toward smaller properties where the bulk of the market is. For the past year, the program has targeted low income. Outreach is done primarily by building relationships with property owners and managers. The program uses ISMs to help build those relationships and get a foot in the door so owners and managers can start thinking about efficiency.

TA Interviews: We asked TAs about their experience with the program. TAs had generally positive experiences with the program and staff, although there were mixed reviews on trainings. The BETC loss had minimal impact on business. Five of the 11 respondents used co-op marketing funds. TAs said they did not see a negative impact of ISMs on their business. Mark commented that these really are not the measures TAs focus on. Debbie noted that ISMs may have brought TAs business in an indirect way.

When asked about differences between multifamily and other commercial sectors, TAs said it is difficult to access tenant-occupied areas and difficult to get approval from boards or associations to do work. Surprisingly, TAs said the multifamily sector was more concerned with energy efficiency than other sectors.

Participant Interviews: We interviewed 42 multifamily owners and property managers that had participated in our program between May 2011 and May 2012. 47% of respondents were property owners, and the rest were property managers. 24% of them owned or managed 51 or more properties. We asked them questions about a site that had participated in our program. 64% had done ISM measures only, 60% were multi-building complexes, and 43% targeted low income renters (not surprising given the program's focus this past year). On average, we saw 71 units per site, which is much higher than the statewide average. Mark commented that this is probably correlated with the number of units a company owns. Dan responded that almost all of the participants interviewed owned or managed multiple properties, but that larger properties tended to be owned or managed by larger organizations. We did ask about the size of each organization we talked to. Quite a few owned just a handful of properties, but we also had a fair number that were in the 51 properties and above category.

We looked at the percentage of respondents that had done ISMs only versus incented measures by the number of properties owned/managed. There is a significant difference: larger organizations tended to do ISMs only while smaller ones tended to do incentive measures. Dan suggested this could be because it is easier to work with decision-makers. Respondent role made a big difference; people that owned properties were much more likely to do incented measures than those property or portfolio managers. Owners are the ones getting incented measures done.

We asked participants what sorts of common areas they had at the facilities where they had done a project. Laundry rooms, outdoor parking, and outdoor walkways were the most prevalent common areas. We found there were more laundry rooms and fewer pools at low income properties. There is a lot of outdoor common area at these facilities, which suggests a big opportunity for outdoor lighting. We asked some questions for participants that had only received ISMs. Half of those reported positive feedback and about 30% received complaints (they removed measures or reported failures). 35% wanted additional ISMs, and suggested weather stripping and door sweeps. Only 6 received information about incentives. This suggests that information about incentives was not delivered, people don't remember that they got information about incentives, or the folks we talked to were not the ones that got this information. Phil added that in past commercial participant surveys, about a quarter did not

remember participating. Due to turnover or other factors, there's not a strong institutional memory at these sites.

After ISMs were installed, of the 34 respondents that had ISMs, 4 reported doing other upgrades and 10 planned other upgrades. The most popular upgrades were windows, insulation, and lighting. The four participants that did something after getting ISMs reported installing appliances, windows, and lighting. The most frequent common area upgrades reported by respondents were common area laundry rooms and indoor hallways.

We asked participants about their reasons for doing incented projects. The most common reasons were lower utility bills, improving the look or feel of property, and replacing old or broken equipment. Dave asked if low-income properties typically charge utilities to tenants. Scott responded that there is typically a pre-determined utility allowance. Respondents reported that a variety of stakeholders are involved in the decision-making process about upgrades, but the owner is the most critical stakeholder. 41% of respondents reported they did not have an energy-related policy and 33% had informal policies. Two-thirds factored energy into facility upgrades.

Non-Participant Interviews: We completed non-participant interviews to get a sense of the rest of the market. Non-participant respondents represent 369 properties with about 7,000 units. 75% are based in Portland Metro and 83% of respondents are property owners. 96% are directly involved in property upgrade decisions. Just over half are aware of the multifamily program and 38% are familiar with multifamily offerings (i.e. specific things offered by the program). Respondents reported the top reason for facility upgrades is replacing old or broken equipment. Lowering utility bills was at the bottom. These results are the opposite of what participants said. The main reason non-participants did not pursue Energy Trust incentives is they did not know incentives were available.

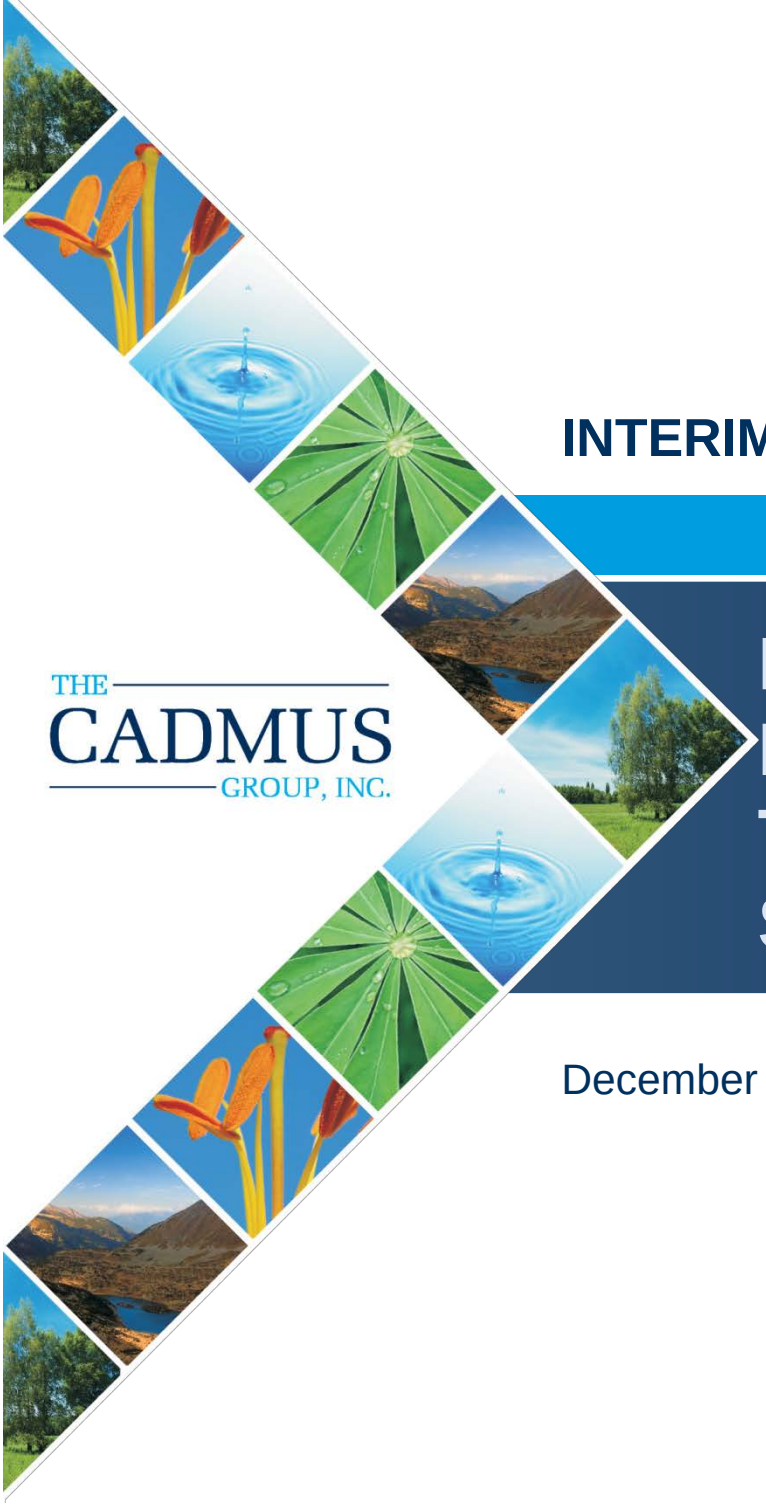
Conclusions: ISMs did not appear to result in big increases in incentivized projects. There is a niche for ISMS with large properties and owners. Property managers have limited authority and high turnover. Projects for sake of efficiency alone are unlikely. Owners make upgrades often but need to be reminded of efficiency at strategic times. Smaller properties (less than 50 units) could yield a lot of incented measures and savings.

Recommendations: Promote incented measures, target large property owners/managers for mass ISM installs, develop strategies for reaching smaller properties, and target senior decision-makers. Dave asked if any large properties have staff doing equipment replacement. Scott noted that sometimes on-site folks take care of equipment failures, either themselves or through distributors. If they do use contractors, the contractors are not our TAs. Anne asked if we are interested in getting more multifamily customers. Phil responded that it is an equity issue. Since all people are paying into the public purpose charge, they can and should benefit from Energy Trust services when landlords upgrade property. 40% of folks are renters and many of them are renting in multifamily units. Anne asked about whether landlords use the angle of promoting energy efficiency in their properties to prospective renters. This could help make the program more appealing to landlords. Phil responded that landlords do market the cost of utilities, and income-sensitive tenants ask about utility costs. Dan added that participants

said they were motivated to do projects by retaining tenants. Right now turnover rates are very low in multifamily, but respondents still cited this as a reason. Mark asked if the program is considering doing ISM-type measures for lighting in parking lots. Dan responded that the results of the evaluation suggest a huge opportunity in outdoor lighting in multifamily.

Wrap-Up

The committee agreed to meet before the board meeting on April 3. We will cover the PE process evaluation and impact evaluation.



THE CADMUS GROUP, INC.

INTERIM REPORT

Process Evaluation of Building Performance Tracking and Control Systems Pilot

December 2012

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ACKNOWLEDGEMENTS

Cadmus would like to thank the staff of Energy Trust for their support over the last year during the BPTaC pilot evaluation. Phil Degens (the evaluation manager) and Spencer Moersfelder (the program manager) provided valuable insights about the pilot. Dustin Irwin (the pilot implementer) kept us informed of pilot progress and changes.

We also thank the BPTaC system vendors and participants for sharing their time and opinions.

EXECUTIVE SUMMARY

Energy Trust of Oregon's (Energy Trust) Building Performance Tracking and Control Systems (BPTaC) Pilot offers incentives for three building monitoring systems and a three-year subscription to their associated energy advice services:

1. Energy Management System (EMS)
2. Energy Information System (EIS)
3. Automated Optimization Software (AOS) for chiller systems

Lockheed Martin implements the pilot.[1] Working with system vendors, they began recruiting participants in June 2011. Over a year later, the pilot continues to recruit participants; Table 1 summarizes its progress toward participation goals through August 2012.

Table 1. Pilot Participation Goals and Progress as of August 2012

System	Goal	Systems Installed	Installation In Progress	Prospects
EMS	15	5	0	7
EIS	10	6	1	5
AOS	2	0	1	1

Overall, the BPTaC evaluation will provide Energy Trust with information on: monitoring system and service elements resulting in savings, the persistence of savings; and whether the systems track sufficient data for Energy Trust analysis and evaluation purposes. To achieve this goal, the evaluator: collected and reviewed pilot and project documentation, including reports generated by system vendors for customers; conducted interviews with program staff, vendors, and pilot participants; and reviewed information displayed through online project dashboards.

This preliminary report describes the evaluation progress, results, and insights from September 2011 to August 2012. A final report, planned for late fall 2013, will combine this report's findings with additional customer and vendor research.

Program Theory, Background, and Delivery

Program staff and considerable literature support the belief that substantial energy savings can be achieved through improved operation and maintenance in commercial buildings. The BPTaC pilot offers incentives to install monitoring systems to provide participants with "real-time" feedback and active consulting support about their buildings' energy use and performance. This combined approach intends to foster sustained changes in building operations that result in energy savings.

The systems allow building energy information to be accessed through a Web-based dashboard that displays energy use and trends as well as alerts that notify participants of manual overrides and mechanical failures so operators can make instant course-corrections. The consulting

[1] ICF will be the new implementer of the pilot, starting in 2013.

services provide continuous support and periodic reports that summarize various performance metrics and work performed at each building as well as recommendations for improving performance. The EMS and AOS systems also include built-in automated optimization capabilities that reduce the need for human interventions. The EIS is installed in buildings that already have control systems.

The three systems target different building types:

- EMS is offered to small buildings between 50,000 and 100,000 square feet.
- EIS is targeted to buildings over 100,000 square feet with direct digital controls.
- AOS serves chiller plants with a capacity greater than 600 tons.

Once the vendor identifies an interested participant, the participant submits an application to Energy Trust and the vendor develops a project scope. Lockheed Martin then verifies the customer's and project's eligibility, processes the application, and gives authorization to proceed with the project, provided it meets cost-effectiveness criteria. The participant engages the vendor to install the system, and the vendor conducts training with the participant at the end of the installation period, reviewing features and information displayed by the system.

Prior to paying the incentive, Lockheed Martin conducts a post-installation walk-through inspection of the system, and, for all pilot projects, asks the customer for feedback. After the incentive payment, Lockheed Martin and the vendors continue to monitor participants' energy-savings progress. Vendors also produce recommendations for energy-saving measures; after Energy Trust reviews the recommendations, vendors present them to participants. Vendors also provide regular, written reports to customers and are available to answer questions and provide support.

Summary of Findings

- The BPTaC pilot has required greater time to reach its participation goals than anticipated. Pilot staff and vendors attribute the slow uptake to: the economy; prospective participants' perception of the systems as risky and unproven; and prospective participants' unfamiliarity with the pilot vendors. Some project bids also had to be resubmitted due to Lockheed Martin needing to recalibrate the cost-effectiveness formula, adding time to the approval process. Only the EMS and EIS systems were operating at the time of this evaluation; one AOS system is being installed.
- The EMS and EIS dashboards have attributes in common but also differ in some important ways. They both provide information about energy usage and savings, compared to the baseline period. Both can be set up to alert customers if demand exceeds a certain threshold, prompting customers to investigate the cause. However, the EMS provides energy consumption in real time, while the EIS can take from one hour to a day to communicate updates. The EMS also provides information about different pieces of equipment monitored or controlled by the system while the EIS accepts information related to occupancy and settings, but does not actively monitor operating parameters.
- The EIS dashboard, unlike the EMS dashboard, includes a work order list that the vendor developed for customers to complete. These work orders have been designed to save

energy, and each order includes: an estimate of energy (electric and gas) and cost savings; documentation explaining the needed changes; and associated costs for completing the work. Customers can fill an order, and indicate when it was completed or if it remains in progress. Customers at five out of six buildings with EIS have implemented at least one recommended work order change.

- The vendors provided reports to the evaluator detailing recommended work performed at each customer facility and cumulative and monthly kWh savings; these reports do not include demand savings. The EMS vendor included gas savings in its reports; the EIS vendor did not provide gas savings in documents to the evaluator. These reports were not available at the time the evaluator interviewed the participants so the evaluator was unable to obtain participant feedback on the reports.
- The EIS and EMS vendors work closely with customers, helping them troubleshoot equipment issues, and providing regular feedback.
- Vendors believe the following key traits make some customers better candidates to benefit from their systems and services: responsibility for energy bills; willingness to address building maintenance issues; and ability to maintain vendor-advised set-points.
- Participants moving forward with BPTaC projects reported the pilot incentive influenced their decisions to participate. All were interested in the two to three year payback. Other reasons to participate included: the ability to schedule when equipment turned on (EMS); the willingness of vendors to develop new applications (EMS); and the ability to obtain data they could present to upper management to justify capital improvements (EIS).
- Participants found the application form confusing and a participation barrier. Participants found the process easier when vendors completed application forms.
- The program has not operated long enough to determine whether savings have accrued or if savings will persist. Participants were satisfied with vendor support and monitoring systems immediately after installation, although most said they could not tell if they had saved energy. Participants reported benefits in addition to energy savings; for example, one EIS participant used the system to determine how much additional rent to charge a tenant seeking longer hours of operation.
- Barriers to implementing vendor recommended operational changes included: tolerance of building occupants to changes in set-points; capital constraints; and lack of staff to implement changes.

Conclusions and Recommendations

The conclusions and recommendations listed below are condensed from a more in-depth set presented in the last chapter of this report.

1. **Conclusion**: Pilot uptake has been lower than anticipated due to a variety of reasons, some that are outside program control (the poor economy), and some that the pilot may be able to affect, such as reducing uncertainty about savings and making the application process easier.

   Recommendation: Energy Trust should consult with its new commercial implementer, ICF, to brainstorm ideas to increase uptake and to fill the remaining pilot slots. Energy

Trust should also consider developing collateral materials (including successful case studies) for vendors, once more savings information is available. These materials should focus on quelling worries about savings, but also highlight other system benefits. Vendors should assume they will complete application forms for customers.

2. **Conclusion**: Participants may face barriers to implementing recommended changes, including lack of time or capital. Our research to date suggests the vendors can take steps to help mitigate some of these barriers.

   Recommendation: Vendors should continue to regularly monitor customers, documenting and encouraging energy saving changes through a variety of channels. If possible, in-person meetings should be arranged with customers to help ensure important operational changes are completed. When recommending improvements, estimates from vendors should include expected costs the business will incur for not making the improvements.

3. **Conclusion**: The pilot has not operated long enough to determine savings amounts and whether these persist over time, but sponsors, vendors, and customers want high caliber savings reports. This means that additional information from the customers' electric utilities will be required to calculate savings. In addition, EMS and EIS vendor-generated written reports also can be improved. Finally, though the systems can generate demand savings, fewer concerns about demand charges in the Pacific Northwest have resulted in these charges not being reported; demand savings will be important elsewhere.

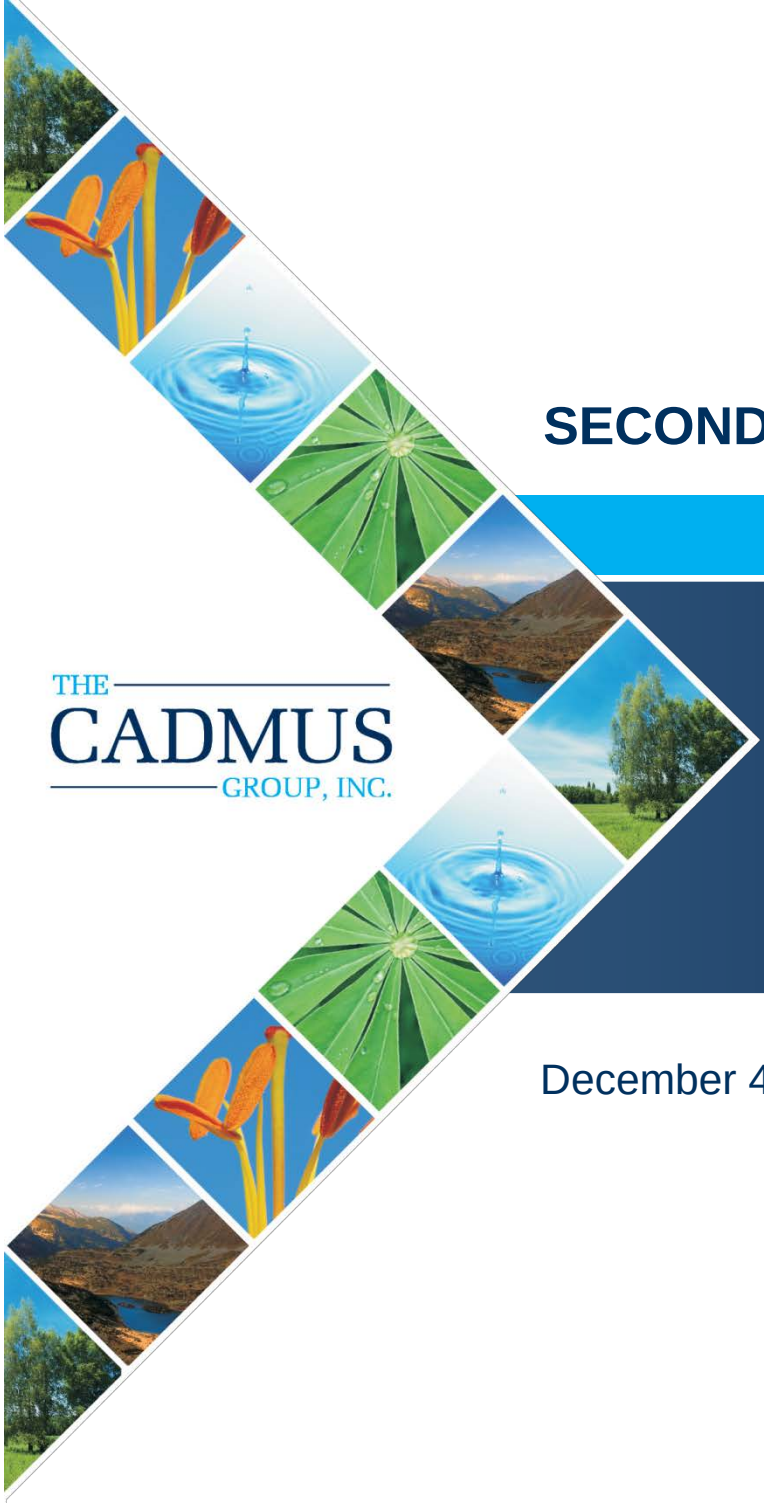
   Recommendation: While waiting for the systems to influence changes to save energy, arrangements should be made with electric utilities for any needed additional information to reliably calculate savings. Based upon our review, the EMS report should organize utility information in chronological order and in a comprehensive table rather than separate boxes for each month and fuel type. The EIS report should include gas savings and note which recommendations were implemented. Vendors should also begin to plan and develop the design of demand savings reports in anticipate of a wider audience for their systems.

MEMO

Date: January 30, 2013
To: Board of Directors
From: Philipp Degens, Evaluation Manager
Spencer Moersfelder , Existing Buildings Project Manager
Subject: Staff Response to the Process Evaluation of Building Performance Tracking and Control Systems Pilot report

The Pilot is providing great insights into the market for energy management systems that are bundled with O&M expert systems. The Pilot is providing Energy Trust with a baseline on costs of these systems and services as well as the source and a preliminary understanding of energy savings that result from their implementation. Longer monitoring periods on more systems are required before reliable cost-benefit analysis based on verifiable energy savings can be performed.

The report indicates that the Pilot's satisfied customers are taking actions that result in energy savings. It also indicates that the vendors are active in marketing, selling and improving their services as well as working with the customer to achieve savings. A future report will continue to inform Energy Trust about the progress of this Pilot.



THE CADMUS GROUP, INC.

SECOND INTERIM REPORT

Evaluation of the Path to Net Zero Pilot Program

December 4, 2012

Prepared by:

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EXECUTIVE SUMMARY

This report describes what has been learned from assessing Energy Trust of Oregon's Path to Net Zero Pilot (PTNZ) program. PTNZ was launched in May 2009 and provides increased support and incentives to new non-residential building projects intending to achieve exceptional energy performance. Four phases of support are provided: Early Design Assistance; Technical Assistance; Installation and Commissioning; and Monitoring and Reporting. PTNZ intends to gather data to better:

- Understand the opportunities, motivations, and barriers for net zero buildings
- Describe the design decisions, equipment, and strategies making these buildings possible
- Inform the design of new commercial building energy efficiency programs
- Encourage the development of net zero buildings

The evaluation team has worked with PTNZ sponsors and implementers over the course three years to track the program's progress and lessons learned. For this report, the evaluation team conducted interviews with ETO staff and implementers, reviewed technical documents, and completed in-depth interviews with 26 participants representing 13 projects, 12 which are still in the pilot and 1 which has dropped out. The 12 active projects in PTNZ included:

- Six projects that have completed construction,
- Three projects that are in design development,
- Three projects that are stalled.[1]

Program Experience, Benefits and Value

I thought ETO didn't just provide a lot of words – they provided actions – the right program and scope that pushed us to get to a building that would be beneficial to owners, tenants, operators – shooting for the moon and landing in the stars. – Building Owner speaking about why he participated in PTNZ

Overall, praise for PTNZ is robust. Satisfaction across all steps of the pilot received high ratings, with some steps being somewhat better received than others. Participants reported the highest satisfaction with the Early Design Assistance phase (i.e., the design charrette process) that focused their attention on energy efficiency and energy reduction targets. Program implementers agreed that setting targets, and finding out if they met them, helped nudge participants through the program.

Most participants said the Early Design and Technical Assistance incentives were essential for their participation and cited the financial incentive package as a particularly valuable aspect of PTNZ. In addition, they paid high compliments to pilot staff and to the program's level of technical feedback.

[1] Some projects withdrew from the pilot after being interviewed, and some projects that are stalled in the schematic design phase were not contacted for an interview. Thus, the number of projects still in the program is 12 while the number of projects the evaluation team conducted interviews for is 13.

Overall, participants reported that the program could improve on its communication surrounding documentation and reporting requirements. Project teams tended to experience the most confusion or challenges in meeting the Technical Assistance and Monitoring and Reporting requirements.

It is clear that participating in PTNZ, a long-term and complex commitment, has yielded tremendous value for most participants. While many were already committed to a high performance building, they reported that the program helped them see it through. Most participants reported that they would not have been able to build the same building without PTNZ. They cited these primary benefits for participating: financial support to pursue additional modeling or studies, enhanced education, and increase PR and credibility.

Key Conclusions and Recommendations

Across all projects, key conclusions and recommendations include:

1. **Conclusion: The energy target is an important attraction for participation and motivates participants to meet program requirements**.

   Recommendation: Ensure that energy targets are a key feature and attraction for the program. Given the change in the energy code, reconsider what the targets should be and how they should be distributed between efficiency and renewables.

2. **Conclusion: Early design and technical assistance are critical program elements for success in a high-performance building program like PTNZ because setting direction at the outset is easier, cheaper, and much more likely than changing direction later.**

   Recommendation: Provide significant incentives for early design assistance and technical assistance to ensure the program has the opportunity to influence and assist in optimizing the building design.

3. **Challenges exist in meeting program requirements for individual measure cost-effectiveness, especially for pilots where cost-effectiveness parameters may not be known.**

   Recommendation: Consider removing the program cost effectiveness requirements, in order to let the owner decide what is cost-effective. Analysis can be simplified by considering the whole package of measures rather than conducting a measure-by-measure analysis. Consider basing incentives on energy savings performance, and providing incentives in a way that helps building owners afford the package of measures to meet their energy goal.

4. **Conclusion: Monitoring and reporting in PTNZ holds value for the broader high-performance building market, including building operators, but the requirements can be challenging for participants**.

Recommendation: Consider refining the M&R requirement to establish M&R goals at the beginning of a project during the building design process. PTNZ can also help reduce confusion by specifying certain monitoring systems and reporting processes that will meet the requirement, as well as incorporating further prescriptive guidelines such as minimum data requirements. Other options such as incorporating M&R into the commissioning process, which often can extend beyond initial building occupancy, or having a post-occupancy evaluation process, may be appropriate to consider under the context of monitoring and reporting. Finally, to the extent possible, PTNZ implementers should tak4 over primary responsibility for filling out any forms and paperwork.

5. **Conclusion: Occupant and building operating behavior are likely to be a more important part of building performance in high performance buildings than in other buildings**.

   Recommendation: Although more research is needed to establish this conclusion, consider including making attention occupant and building operator behavior as an explicit part of any future program. Some energy saving credit should be given to occupant behavior measures, but implementation requirements need to be tied to this credit. These requirements could include occupant training, greater involvement of operations and maintenance staff during design, and feedback to occupants on building performance. Particular emphasis might be placed on managing "plug loads" which are a growing percentage of building load and are heavily influenced by occupant behavior.

6. **Conclusion: Smaller buildings can result in program administration challenges.**

   Recommendation: Consider options for simplifying the requirements for small buildings by offering more streamlined processes and prescriptive packages and guidelines.

7. **Conclusion: Both financial and non-financial motivations are strong influences on owners wanting to build net zero buildings.**

   Recommendation: Consider structuring incentives to continue pushing owners and design teams to enhance the design and provide a safety-net for those who are already motivated to be highly efficient, but don't have all the needed skills or money to do so.

MEMO

Date: February 21, 2013
To: Board of Directors
From: Philipp Degens, Evaluation Manager
Jessica Rose, New Buildings Program Manager
Subject: Staff Response to the Path to Net Zero Process Evaluation

The Path to Net Zero pilot evaluation revealed that projects can achieve aggressive energy efficiency goals by utilizing currently available construction methods and technology, and that the process for achieving these goals can be supported through the delivery method used in this pilot. Evaluators' methodology was to track progress as it occurs by staging interviews at key points. This worked well to provide staff valuable information early and was a good fit due to the project timeframes, in-depth nature of projects and capturing feedback from project teams to support program design. New Buildings is engaging innovators and early adopters in the market and pushing for significant energy savings using strategies that were found to be successful in the evaluation of the pilot.

The evaluation report indicates that very early engagement with the project team and the building owner to set an energy goal was a highly successful strategy. Staff found this drove decision-making further down the line and the achievement of net zero goals. This strategy also supported subsequent decisions on equipment selection and supported overall retention of energy efficient features. Program outreach staff were available to help project teams identify energy-saving strategies early in the construction development cycle, when the opportunity cost of including these strategies is at its lowest, then leveraged early design assistance, technical analysis and equipment incentives. Linking higher incentives with higher goals worked to encourage technical deep-dives needed to pencil out the savings and cost-effectiveness. Working jointly with the owner and the project team early to set energy goals is a critical step to get buildings on the path to net zero.

Applying individual measure cost effectiveness testing is a challenge for buildings striving to meet a whole building energy reduction goal when the emphasis is total energy usage reduction, though there are benefits to both approaches and exceptions to this measure level requirement. Individual measure cost-effectiveness analysis may also be useful for project teams as they work to meet energy savings goals within a given budget. Energy Trust is required to apply cost-effectiveness tests at the measure level, and may allow bundled measures that are interactive or interdependent and may allow measures that are cost-effective to be bundled with an enhancement (i.e., improved envelope performance that reduce mechanical equipment costs because of reduced load). These exceptions are applied to projects and outlined in New Buildings Technical Guidelines to support project teams.

Buildings designed to meet high energy savings goals may rely on measures that require occupant and building operator buy-in, such as reducing plug loads or relying on control systems that may be overridden. While occupant behavior is important to meeting overall energy goals, it is difficult to claim savings from measures that are solely behavior-based due to persistence

issues. The program anticipated that monitoring and reporting would be a difficult part of the pilot and developed the *Monitoring and Reporting (M&R) Applications Guide* (with a section on designing for meterability) as a tool to aid project teams. With this tool, project teams can begin thinking about the requirements early in the project, including how to design electrical systems to accommodate metering equipment. Due to the increasing availability of metering devices and data display systems, benefits and costs must be weighed carefully, with selection based on building type and complexity as well as anticipated use of the data. The challenge with the requirement was in deciding what to monitor and how to display the information and determining what equipment would meet those needs. Program staff revised the guide are looking to streamline implementation by incorporating M&R into the commissioning process, also helping to ensure the monitoring system is functioning properly and facility personnel are trained in using the system.

Evaluators finally concluded that “both financial and non-financial motivations are strong influences on owners wanting to build net zero buildings” and recommended modifying the way incentives are structured to support the diversity of potential net zero projects, aligning support with needed skills and resources. This is the concept behind the broad array of incentives offered in the regular program and the Small Commercial Efficiency Pilot. This combined with New Buildings increased emphasis on the early design stages of a project aligns the program by design to fit the needs of individual project teams and move them along the pathway. This will build on our strategy to take a market position as an education and resource provider, expanding the focus on market transformation and inspire many teams to build the path to net zero.

Energy Trust of Oregon, Inc
BALANCE SHEET
December 31, 2012
(Unaudited)

	DEC 2012	NOV 2012	DEC 2011	Change from Prior Month	Change from Beg. of Year
Current Assets					
Cash & Cash Equivalents	64,005,605	75,188,094	73,128,210	(11,182,489)	(9,122,604)
Restricted Cash (Escrow Funds)	462,692	462,664	938,755	27	(476,064)
Receivables	123,795	60,267	7,599	63,527	116,195
Prepaid Expenses	265,829	319,548	293,703	(53,719)	(27,873)
Advances to Vendors	2,109,014	1,191,923	2,438,724	917,091	(329,710)
Total Current Assets	**66,966,935**	**77,222,497**	**76,806,991**	**(10,255,562)**	**(9,840,056)**
Fixed Assets					
Program Equipment	(0)	(0)	63,213	0	(63,213)
Computer Hardware and Software	1,347,388	1,335,329	974,712	12,060	372,676
Software Development	0	0	899,718	0	(899,718)
Leasehold Improvements	287,385	287,385	309,767	0	(22,382)
Office Equipment and Furniture	600,662	600,662	627,017	0	(26,355)
Total Fixed Assets	**2,235,435**	**2,223,376**	**2,874,427**	**12,060**	**(638,992)**
Less Depreciation	(1,183,098)	(1,155,828)	(1,049,110)	(27,270)	(133,988)
Net Fixed Assets	**1,052,337**	**1,067,547**	**1,825,317**	**(15,210)**	**(772,981)**
Other Assets					
Rental Deposit	64,461	64,461	62,461	0	2,000
Deferred Compensation Asset	409,369	366,794	301,336	42,575	108,033
Total Other Assets	**473,830**	**431,255**	**363,797**	**42,575**	**110,033**
Total Assets	**68,493,102**	**78,721,299**	**78,996,105**	**(10,228,198)**	**(10,503,003)**
Current Liabilities					
Accounts Payable and Accruals	21,430,138	7,663,521	23,501,523	13,766,616	(2,071,385)
Deposits Held for Others	49,433	50,508	0	(1,075)	49,433
Salaries, Taxes, & Benefits Payable	585,703	594,313	481,910	(8,611)	103,793
Total Current Liabilities	**22,065,273**	**8,308,342**	**23,983,432**	**13,756,931**	**(1,918,159)**
Long Term Liabilities					
Deferred Rent	323,237	319,412	31,090	3,825	292,147
Deferred Compensation Payable	409,369	366,794	301,336	42,575	108,033
Other Long-Term Liabilities	13,674	12,754	15,030	920	(1,357)
Total Long-Term Liabilities	**746,279**	**698,959**	**347,456**	**47,321**	**398,824**
Total Liabilities	**22,811,553**	**9,007,301**	**24,330,888**	**13,804,252**	**(1,519,335)**
Net Assets					
Temporarily Restricted Net Assets	462,692	462,664	938,755	27	(476,064)
Unrestricted Net Assets	45,218,858	69,251,334	53,726,462	(24,032,476)	(8,507,604)
Total Net Assets	**45,681,549**	**69,713,998**	**54,665,217**	**(24,032,449)**	**(8,983,668)**
Total Liabilities and Net Assets	**68,493,102**	**78,721,299**	**78,996,105**	**(10,228,198)**	**(10,503,003)**

BS-Acct-YTD-001

Energy Trust of Oregon
Cash Flow Statement-Indirect Method
Monthly 2012

	January	February	March	April	May	June	July	August	September	October	November	December	Year to Date
Operating Activities:													
Revenue less Expenses	$ 7,469,767	$ 4,298,486	$ 2,950,527	$ 3,140,662	$ 478,130	$ (919,095)	$ 1,537,444	$ (1,307,294)	$ 935,097	$ 688,175	$ (4,223,118)	$ (24,032,448)	$ (8,983,667)
Non-cash items:													
Depreciation	28,028	16,871	26,398	18,587	22,172	12,333	17,683	$ 19,264	$ 19,147	$ 25,295	26,935	27,270	$ 259,982
Loss on disposal of assets				895,749					548	5,293	-	-	$ 901,590
Receivables	(61)	(2,776)	12	(117,154)	119,829	(6,133)	3,238	$ 178	$ (17,553)	$ 2,124	(36,650)	(63,278)	$ (118,222)
Interest Receivable	(856)	(149)	702	(331)	1,886	(3,486)	(688)	$ 4,015	$ (96)	$ (338)	1,619	(250)	$ 2,027
Advances to Vendors	974,854	674,855	(1,288,795)	393,582	692,603	(1,244,313)	465,438	$ 745,312	$ (1,520,765)	$ 505,379	848,651	(917,091)	$ 329,710
Prepaid expenses and other costs	(39,514)	38,551	(158,736)	70,773	(233,181)	(53,416)	75,050	$ 106,791	$ 10,449	$ 90,358	67,029	53,719	$ 27,874
Accounts payable	(17,938,184)	680,260	1,050,450	(285,542)	3,360,946	(3,309,454)	(311,775)	$ (1,115,807)	$ 1,903,162	$ (829,768)	1,008,218	13,765,541	$ (2,021,953)
Payroll and related accruals	32,885	33,590	41,750	17,550	24,564	9,813	(15,750)	$ (7,608)	$ 6,409	$ 20,027	14,632	33,965	$ 211,827
Deferred rent and other	44,974	42,803	44,832	10,590	29,121	29,031	3,960	$ 3,382	$ (16)	$ 4,570	5,340	(37,829)	$ 180,758
Cash rec'd from / (used in) Operating Activities	(9,428,106)	5,782,491	2,667,140	4,144,466	4,496,070	(5,484,720)	1,774,600	(1,551,767)	1,336,382	511,115	(2,287,344)	(11,170,401)	$ (9,210,075)
Investing Activities:													
(Acquisition)/Disposal of Capital Assets	(23,704)	-	(2,884)		5,179	(32,970)	(90,928)	$ (106,026)	$ (61,015)	$ (64,185)	-	(12,059)	$ (388,591)
Cash rec'd from / (used in) Investing Activities	(23,704)	-	(2,884)	-	5,179	(32,970)	(90,928)	(106,026)	(61,015)	(64,185)	-	(12,059)	$ (388,591)
Cash at beginning of Period	74,066,965	64,615,155	70,397,646	73,061,902	77,206,368	81,707,617	76,189,927	77,873,598	76,215,806	77,491,173	77,938,103	75,650,759	74,066,965
Increase/(Decrease) in Cash	(9,451,810)	5,782,491	2,664,256	4,144,466	4,501,249	(5,517,690)	1,683,672	(1,657,793)	1,275,367	446,930	(2,287,344)	(11,182,460)	(9,598,666)
Cash at end of period	$ 64,615,155	$ 70,397,646	$ 73,061,902	$ 77,206,368	$ 81,707,617	$ 76,189,927	$ 77,873,598	$ 76,215,806	$ 77,491,173	$ 77,938,103	$ 75,650,759	$ 64,468,297	$ 64,468,297

Energy Trust of Oregon
Cash Flow Projection
January 2012 - December 2013

	2011	2012 Actual											
	December	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Cash In:													
Public purpose and Incr funding	10,752,627	13,728,819	15,535,462	15,123,603	13,825,710	12,349,286	10,548,641	10,074,262	9,892,673	10,683,165	11,761,507	10,096,791	12,461,090
From other sources	1,400		3,055			120,669	367	3,238	178	8,262	15,125	5,555	2,804
Investment Income	15,884	13,175	11,163	13,027	11,735	12,052	12,555	12,589	14,898	9,180	8,724	9,055	7,107
Total cash in	10,769,910	13,741,994	15,549,681	15,136,630	13,837,445	12,482,007	10,561,563	10,090,089	9,907,749	10,700,607	11,785,356	10,111,401	12,471,001
Cash Out:	25,113,539	23,193,804	9,767,190	12,472,373	9,692,980	7,980,759	16,079,253	8,406,418	11,565,544	9,425,241	11,338,427	12,398,746	23,653,462
Net cash flow for the month	(14,343,628)	(9,451,810)	5,782,491	2,664,257	4,144,465	4,501,248	(5,517,690)	1,683,672	(1,657,795)	1,275,366	446,929	(2,287,345)	(11,182,461)
Beginning Balance: Cash & MM	88,410,593	74,066,965	64,615,155	70,397,646	73,061,903	77,206,368	81,707,616	76,189,927	77,873,598	76,215,803	77,491,169	77,938,102	75,650,757
Ending cash & MM	74,066,965	64,615,155	70,397,646	73,061,903	77,206,368	81,707,616	76,189,927	77,873,598	76,215,803	77,491,169	77,938,102	75,650,757	64,468,296
Dedicated funds Adjustment	(18,900,000)	(16,200,000)	(18,700,000)	(25,100,000)	(24,500,000)	(25,000,000)	(24,800,000)	(19,600,000)	(19,700,000)	(19,700,000)	(20,800,000)	(18,800,000)	(12,200,000)
Committed Funds Adjustment	(27,500,000)	(27,600,000)	(26,400,000)	(38,000,000)	(36,600,000)	(39,500,000)	(38,900,000)	(55,800,000)	(61,500,000)	(52,200,000)	(49,100,000)	(42,000,000)	(34,500,000)
Cash Reserve	(6,800,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(6,200,000)	(6,200,000)
Ending Cash & MM, adj by Above	**20,866,965**	**12,615,155**	**17,097,646**	**1,761,903**	**7,906,368**	**9,007,616**	**4,289,925**	**-**	**-**	**-**	**-**	**8,650,757**	**11,568,296**
Escrow Cash Balance													
Beginning Balance	938,702	938,755	846,467	846,499	846,566	643,329	643,367	643,423	560,717	560,763	560,806	462,625	462,664
Net Escrow (Payments)/Funding	-	(92,305)		-	(203,270)			(82,753)			(98,220)		
Interest Paid on Escrow Balances	53	17	32	67	33	38	56	46	46	43	39	39	28
Ending Escrow Balance1	938,755	846,467	846,499	846,566	643,329	643,367	643,423	560,717	560,763	560,806	462,625	462,664	462,692

1Included in "Ending cash & MM" above

Dedicated funds adjustment: **reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements**
Committed funds adjustment: **reduction in available cash for commitments to Efficiency program projects with signed agreements**
Cash reserve: **reduction in available cash to cover cashflow variability and winter revenue risk**
Escrow: **dedicated funds set aside in separate bank accounts**

Energy Trust of Oregon
Cash Flow Projection
January 2012 - December 2013

	2013 Board Approved Budget											
	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Cash In:												
Public purpose and Incr funding	15,700,000	16,800,000	16,900,000	15,100,000	13,400,000	11,800,000	11,700,000	11,100,000	11,300,000	12,900,000	12,300,000	16,300,000
From other sources												
Investment Income	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total cash in	15,710,000	16,810,000	16,910,000	15,110,000	13,410,000	11,810,000	11,710,000	11,110,000	11,310,000	12,910,000	12,310,000	16,310,000
Cash Out:	22,300,000	8,800,000	11,900,000	11,300,000	10,600,000	13,600,000	12,200,000	12,400,000	15,700,000	13,400,000	13,800,000	22,200,000
Net cash flow for the month	(6,590,000)	8,010,000	5,010,000	3,810,000	2,810,000	(1,790,000)	(490,000)	(1,290,000)	(4,390,000)	(490,000)	(1,490,000)	(5,890,000)
Beginning Balance: Cash & MM	64,468,296	57,878,296	65,888,296	70,898,296	74,708,296	77,518,296	75,728,296	75,238,296	73,948,296	69,558,296	69,068,296	67,578,296
Ending cash & MM	57,878,296	65,888,296	70,898,296	74,708,296	77,518,296	75,728,296	75,238,296	73,948,296	69,558,296	69,068,296	67,578,296	61,688,296
Dedicated funds Adjustment	(10,600,000)	(10,600,000)	(12,000,000)	(12,000,000)	(12,000,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)
Committed Funds Adjustment	(37,200,000)	(40,000,000)	(47,000,000)	(48,700,000)	(54,600,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)
Cash Reserve	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)
Ending Cash & MM, adj by Above	**3,878,296**	**9,088,296**	**5,698,296**	**7,808,296**	**4,718,296**	**8,828,296**	**8,338,296**	**7,048,296**	**2,658,296**	**2,168,296**	**678,296**	**-**
Escrow Cash Balance												
Beginning Balance	462,692	206,635	206,651	92,505	92,513	92,521	92,529	92,537	92,545	92,553	92,561	92,569
Net Escrow (Payments)/Funding	(256,073)		(114,162)									
Interest Paid on Escrow Balances	16	16	16	8	8	8	8	8	8	8	8	0
Ending Escrow Balance1	206,635	206,651	92,505	92,513	92,521	92,529	92,537	92,545	92,553	92,561	92,569	92,570

1Included in "Ending cash & MM" above

Dedicated funds adjustment: reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements
Committed funds adjustment: reduction in available cash for commitments to Efficiency program projects with signed agreements
Cash reserve: reduction in available cash to cover cashflow variability and winter revenue risk, modified 12/2012
Escrow: dedicated funds set aside in separate bank accounts

Energy Trust of Oregon, Inc
INCOME STATEMENT - ACTUAL AND YTD COMPARISON
For the Twelve Months Ending December 31, 2012
(Unaudited)

	December			YTD		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
REVENUES						
Public Purpose Funds-PGE	2,858,511	3,006,992	(148,481)	36,153,224	34,426,653	1,726,571
Public Purpose Funds-PacifiCorp	2,021,730	2,576,171	(554,441)	25,168,039	26,790,600	(1,622,561)
Public Purpose Funds-NW Natural	1,702,243	1,583,610	118,633	17,375,847	18,983,061	(1,607,214)
Public Purpose Funds-Cascade	189,889	593,766	(403,877)	1,369,612	2,936,997	(1,567,385)
Public Purpose Funds-Avista	0	0	0	(25,458)	0	(25,458)
Total Public Purpose Funds	**6,772,373**	**7,760,539**	**(988,166)**	**80,041,263**	**83,137,311**	**(3,096,048)**
Incremental Funds - PGE	3,293,311	4,150,668	(857,357)	39,630,039	42,722,373	(3,092,334)
Incremental Funds - PacifiCorp	1,857,234	2,484,344	(627,110)	23,533,277	24,891,198	(1,357,921)
NW Natural - Industrial DSM	538,172.00	0.00	538,172.00	1,614,516	3,420,205	(1,805,689)
NW Natural - Washington	0.00	0.00	0.00	1,261,914	1,261,914	0.00
Special Projects - Clackamas County	0.00	0.00	0.00	200	0.00	200
Consumer Owned Electric	66,082	0.00	66,082	123,728	0.00	123,728
Consulting Income	0.00	0.00	0.00	3,055	0.00	3,055
Contributions	0	0.00	0	30,515	0.00	30,515
Revenue from Investments	7,358	16,663	(9,305)	133,373	200,000	(66,627)
TOTAL REVENUE	**12,534,529**	**14,412,214**	**(1,877,685)**	**146,371,880**	**155,633,001**	**(9,261,121)**
EXPENSES						
Program Subcontracts	4,224,222	4,514,046	289,824	45,666,608	47,838,606	2,171,998
Incentives	30,883,645	19,676,190	(11,207,455)	91,294,588	101,336,832	10,042,244
Salaries and Related Expenses	699,338	808,737	109,399	8,842,887	10,042,575	1,199,688
Professional Services	571,980	922,577	350,597	6,584,047	11,079,463	4,495,416
Supplies	8,328	7,618	(710)	73,218	89,750	16,532
Telephone	4,857	4,530	(327)	48,332	54,724	6,392
Postage and Shipping Expenses	753	2,875	2,122	12,027	34,500	22,473
Occupancy Expenses	54,042	56,229	2,187	629,841	662,742	32,901
Noncapitalized Equip. & Depr.	50,762	195,695	144,933	1,342,795	1,374,672	31,877
Call Center	15,057	16,282	1,225	208,904	180,000	(28,904)
Printing and Publications	14,709	16,171	1,462	125,877	194,050	68,173
Travel	8,967	18,398	9,431	122,063	210,606	88,542
Conference, Training & Mtng Exp	12,842	31,495	18,653	129,314	391,439	262,125
Interest Expense and Bank Fees	0	625	625	5,030	7,500	2,470
Insurance	7,800	9,167	1,367	92,626	110,000	17,374
Miscellaneous Expenses	97	217	120	34,762	2,600	(32,162)
Dues, Licenses and Fees	9,579	9,533	(47)	142,630	134,425	(8,205)
TOTAL EXPENSES	**36,566,978**	**26,290,383**	**(10,276,595)**	**155,355,548**	**173,744,484**	**18,388,936**
TOTAL REVENUE LESS EXPENSES	**(24,032,449)**	**(11,878,169)**	**(12,154,280)**	**(8,983,668)**	**(18,111,483)**	**9,127,815**

IS-Acct-YTD-001

Energy Trust of Oregon, Inc
Statement of Functional Expenses
For the Twelve Months Ending December 31, 2012

	Energy Efficiency	Renewable Energy	Consulting Services	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total	Budget	Variance
Program Expenses										
Incentives/ Program Management & Deliv	116,873,751	20,087,444		136,961,195			0	136,961,195	149,175,438	12,214,243
Payroll and Related Expenses	2,475,334	812,426	1,544	3,289,304	1,839,853	795,023	2,634,876	5,924,180	6,536,781	612,601
Outsourced Services	3,966,293	443,896		4,410,189	211,900	648,071	859,971	5,270,160	9,248,763	3,978,603
Planning and Evaluation	1,711,594	85,186		1,796,780	17,352		17,352	1,814,132	2,554,743	740,611
Customer Service Management	642,029	21,849		663,878			0	663,878	682,898	19,020
Trade Allies Network	359,851	26,338		386,189			0	386,189	503,284	117,095
Total Program Expenses	**126,028,852**	**21,477,141**	**1,544**	**147,507,537**	**2,069,106**	**1,443,094**	**3,512,200**	**151,019,737**	**168,701,905**	**17,682,168**
Program Support Costs										
Supplies	38,201	6,650	3	44,854	10,459	6,835	17,294	62,148	53,956	(8,192)
Postage and Shipping Expenses	3,740	1,088	1	4,829	1,987	1,834	3,821	8,650	24,455	15,805
Telephone	4,104	2,159	1	6,264	2,878	810	3,688	9,952	6,929	(3,023)
Printing and Publications	92,772	3,647		96,419	741	23,092	23,833	120,252	185,252	65,000
Occupancy Expenses	180,711	65,205	60	245,976	119,124	61,505	180,629	426,605	437,069	10,464
Insurance	26,608	9,601	9	36,218	17,540	9,056	26,596	62,814	72,544	9,730
Equipment	10,028	35,808	3	45,839	738,113	3,413	741,526	787,365	26,486	(760,879)
Travel	41,348	21,475	376	63,199	29,793	3,948	33,741	96,940	179,106	82,166
Meetings, Trainings & Conferences	22,039	10,778		32,817	41,966	4,735	46,701	79,518	270,240	190,722
Interest Expense and Bank Fees				0	5,030		5,030	5,030	7,500	2,470
Depreciation & Amortization	45,999	22,662	15	68,676	30,322	15,656	45,978	114,654	157,576	42,922
Dues, Licenses and Fees	93,476	15,095		108,571	9,472	3,004	12,476	121,047	97,494	(23,553)
Miscellaneous Expenses	2,738	30		2,768	218	31,371	31,589	34,357	1,748	(32,609)
IT Services	1,768,581	146,563		1,915,144	295,064	196,270	491,334	2,406,478	3,522,226	1,115,748
Total Program Support Costs	**2,330,347**	**340,761**	**468**	**2,671,576**	**1,302,707**	**361,530**	**1,664,237**	**4,335,813**	**5,042,579**	**706,766**
TOTAL EXPENSES	**128,359,198**	**21,817,901**	**2,012**	**150,179,111**	**3,371,813**	**1,804,624**	**5,176,437**	**155,355,548**	**173,744,483**	**18,388,935**
OPUC measure vs. 9%	**5.36%**									

Exp-Acct-YTD-002

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory - joint costs allocated at program level
For the Twelve Months Ending December 31, 2012
(Unaudited)

	ENERGY EFFICIENCY											RENEWABLE ENERGY				TOTAL		
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Oregon Total	Clark PUD WA	NWN WA	Total WA	ETO Total	PGE	PacifiCorp	Total	Other	All Programs	Approved budget	Change
REVENUES																		
Public Purpose Funding	$28,119,658	$19,637,424	$47,757,082		$17,375,847	$1,369,612	$66,477,083				$66,477,083	$8,033,565	$5,530,615	$13,564,180		$80,041,263	$83,137,311	$3,096,048
Incremental Funding	39,630,039	23,533,277	63,163,316	1,614,516			64,777,832		1,261,914	1,261,914	66,039,746					66,039,746	72,295,690	6,255,944
Consumer Owned Electric Funding								123,728		123,728	123,728					123,728		(123,728)
Consulting Income															3,055	3,055		(3,055)
Contributions															30,515	30,515		(30,515)
Special Projects	34		34		166		200				200					200		(200)
Revenue from Investments															133,373	133,373	200,000	66,627
TOTAL PROGRAM REVENUE	**67,749,731**	**43,170,701**	**110,920,432**	**1,614,516**	**17,376,013**	**1,369,612**	**131,255,115**	**123,728**	**1,261,914**	**1,385,642**	**132,640,757**	**8,033,565**	**5,530,615**	**13,564,180**	**166,943**	**146,371,880**	**155,633,001**	**$9,261,121**
EXPENSES																		
Program Management (Note 3)	2,513,804	1,640,031	4,153,835	50,688	1,159,539	85,653	5,449,715	5,198	146,544	151,742	5,601,457	342,494	469,933	812,427	1,544	6,415,428	6,137,740	(277,688)
Program Delivery	19,019,006	12,644,384	31,663,390	436,850	5,318,904	475,097	37,894,241	1,540	238,359	239,899	38,134,140	118,299	110,771	229,070	$0	38,363,210	40,873,163	2,509,953
Incentives	36,626,498	20,718,537	57,345,035	1,257,008	11,222,855	1,072,350	70,897,248	55,440	483,526	538,966	71,436,214	14,713,727	5,144,648	19,858,375	$0	91,294,589	101,336,832	10,042,243
Program Eval & Planning Svcs.	1,806,988	1,096,584	2,903,572	54,296	587,831	55,523	3,601,222	1,769	50,453	52,222	3,653,444	37,996	47,190	85,186	$0	3,738,630	5,669,383	1,930,753
Program Marketing/Outreach	2,344,980	1,508,623	3,853,603	13,268	1,299,598	96,829	5,263,298	0	93,276	93,276	5,356,574	43,416	16,699	60,115	$0	5,416,689	5,948,110	531,421
Program Legal Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$0	0	7,500	7,500
Program Quality Assurance	48,214	39,838	88,052	110	45,252	2,049	135,464	0	0	0	135,464	1,607	37	1,644	$0	137,108	292,350	155,242
Outsourced Services	311,817	223,051	534,868	3,768	161,981	9,063	709,680	0	0	0	709,680	230,396	151,742	382,138	$0	1,091,818	2,876,950	1,785,132
Trade Allies & Cust. Svc. Mgmt.	401,159	283,515	684,674	3,564	274,050	16,978	979,265	1,275	21,339	22,614	1,001,879	38,141	10,046	48,187	$0	1,050,066	1,186,180	136,114
IT Services	783,011	505,367	1,288,378	14,013	388,322	27,138	1,717,851	3,108	47,623	50,731	1,768,582	59,456	87,107	146,563	$0	1,915,145	2,803,087	887,942
Other Program Expenses	259,840	154,972	414,812	7,517	91,990	8,355	522,674	2,233	36,860	39,093	561,767	111,204	82,993	194,197	468	756,432	881,285	124,853
TOTAL PROGRAM EXPENSES	**64,115,318**	**38,814,901**	**102,930,219**	**1,841,083**	**20,550,322**	**1,849,034**	**127,170,658**	**70,563**	**1,117,980**	**1,188,543**	**128,359,198**	**15,696,734**	**6,121,168**	**21,817,901**	**2,012**	**150,179,111**	**168,012,580**	**$17,833,465**
ADMINISTRATIVE COSTS																		
Management & General (Notes 1 & 2)	1,439,510	871,499	2,311,009	41,334	461,477	41,516	2,855,336	1,584	25,098	26,682	2,882,018	349,353	140,441	489,794	$0	3,371,813	3,582,584	210,772
Communications & Customer Svc (Notes 1 & 2)	770,438	466,434	1,236,872	22,122	246,986	22,220	1,528,200	848	13,433	14,281	1,542,481	186,977	75,166	262,143	$0	1,804,624	2,149,319	344,695
Total Administrative Costs	**2,209,948**	**1,337,933**	**3,547,881**	**63,456**	**708,463**	**63,736**	**4,383,536**	**2,432**	**38,531**	**40,963**	**4,424,499**	**536,330**	**215,607**	**751,937**	$0	**5,176,437**	**5,731,903**	**$555,467**
TOTAL PROG & ADMIN EXPENSES	**66,325,262**	**40,152,836**	**106,478,098**	**1,904,540**	**21,258,786**	**1,912,771**	**131,554,195**	**72,995**	**1,156,509**	**1,229,504**	**132,783,699**	**16,233,066**	**6,336,771**	**22,569,837**	**2,012**	**155,355,548**	**173,744,483**	**$18,388,935**
TOTAL REVENUE LESS EXPENSES	**1,424,466**	**3,017,867**	**4,442,332**	**(290,023)**	**(3,882,773)**	**(543,158)**	**(299,079)**	**50,734**	**105,402**	**156,136**	**(142,943)**	**(8,199,500)**	**(806,159)**	**(9,005,659)**	**164,931**	**(8,983,668)**	**(18,111,482)**	**($9,127,811)**
Cumulative Carryover at 12/31/11 (Note 4)	10,744,010	18,682	10,762,692	1,389,821	6,895,922	150,877	19,224,770		247,771	247,771	19,472,541	16,410,883	8,267,775	24,678,658	10,514,019	54,665,218	51,243,554	(3,421,664)
Interest attributed	1,740,000	1,160,000	2,900,000		5,000,000	392,281	8,292,281				8,292,281	585,000	2,235,000	2,820,000	(11,112,281)			
Interest re-attributed	(1,740,000)	(1,160,000)	(2,900,000)		(5,000,000)		(7,900,000)				(7,900,000)				7,900,000			
TOTAL NET ASSETS CUMULATIVE	**12,168,476**	**3,036,549**	**15,205,024**	**1,099,798**	**3,013,149**	**0**	**19,317,972**	**50,734**	**353,173**	**403,907**	**19,721,879**	**8,796,383**	**9,696,616**	**18,492,999**	**7,466,669**	**45,681,549**	**33,132,072**	**($12,549,475)**

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.
Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.
Note 3) Program Management costs include both outsourced and internal staff.
Note 4) Cumulative carryover at 12/31/2011 reflects audited results.

Energy Trust of Oregon, Inc
Program Expense by Service Territory
For the Twelve Months Ending December 31, 2012
(Unaudited)

	PGE	Pacific Power	Elec. Utilities	NWN Industrial	NW Natural Gas	Cascade	Gas Providers	Oregon Total	Clark PUD WA	NWN WA	Total WA	Consulting	ETO Total	YTD Budget	Variance
Energy Efficiency															
Commercial															
Existing Buildings	19,489,678	11,310,389	30,800,067	620,472	6,261,549	488,224	7,370,245	38,170,312	72,995	415,190	488,185		38,658,497	43,600,695	4,942,198
New Buildings	8,157,430	4,160,180	12,317,610	125,098	1,374,601	214,376	1,714,075	14,031,685			0		14,031,685	14,621,576	589,891
NEEA	1,683,988	1,254,045	2,938,033					2,938,033			0		2,938,033	3,658,860	720,827
Total Commercial	**29,331,096**	**16,724,614**	**46,055,710**	**745,570**	**7,636,150**	**702,600**	**9,084,320**	**55,140,030**	**72,995**	**415,190**	**488,185**		**55,628,215**	**61,881,131**	**6,252,916**
Industrial															
Production Efficiency	16,313,837	8,563,445	24,877,282	1,158,970	397,688	322,725	1,879,383	26,756,665					26,756,665	32,689,956	5,933,291
NEEA	782,282	577,547	1,359,829					1,359,829					1,359,829	1,672,727	312,898
Total Industrial	**17,096,119**	**9,140,992**	**26,237,111**	**1,158,970**	**397,688**	**322,725**	**1,879,383**	**28,116,494**					**28,116,494**	**34,362,683**	**6,246,189**
Residential															
Existing Homes	8,794,945	7,498,385	16,293,330		8,826,124	388,192	9,214,316	25,507,646		469,278	469,278		25,976,924	29,045,258	3,068,334
New Homes/Products	8,686,655	4,965,911	13,652,566		4,398,824	499,254	4,898,078	18,550,644		272,041	272,041		18,822,685	21,259,184	2,436,499
NEEA	2,416,447	1,822,934	4,239,381					4,239,381					4,239,381	3,780,756	(458,625)
Total Residential	**19,898,047**	**14,287,230**	**34,185,277**		**13,224,948**	**887,446**	**14,112,394**	**48,297,671**		**741,319**	**741,319**		**49,038,990**	**54,085,198**	**5,046,208**
Energy Efficiency Program Costs	**66,325,262**	**40,152,836**	**106,478,098**	**1,904,540**	**21,258,786**	**1,912,771**	**25,076,097**	**131,554,195**	**72,995**	**1,156,509**	**1,229,504**		**132,783,699**	**150,329,012**	**17,545,313**
Renewables															
Biopower	254,013	1,460,190	1,714,203					1,714,203					1,714,203	4,361,585	2,647,382
Solar Electric (Photovoltaic)	15,650,342	3,552,600	19,202,942					19,202,942					19,202,942	15,188,322	(4,014,620)
Other Renewable	328,711	1,323,981	1,652,692					1,652,692					1,652,692	3,865,564	2,212,872
Renewables Program Costs	**16,233,066**	**6,336,771**	**22,569,837**					**22,569,837**					**22,569,837**	**23,415,471**	**845,634**
Consulting												2,012	2,012		(2,012)
Cost Grand Total	**82,558,328**	**46,489,607**	**129,047,935**	**1,904,540**	**21,258,786**	**1,912,771**	**25,076,097**	**154,124,032**	**72,995**	**1,156,509**	**1,229,504**	**2,012**	**155,355,548**	**173,744,483**	**18,388,935**

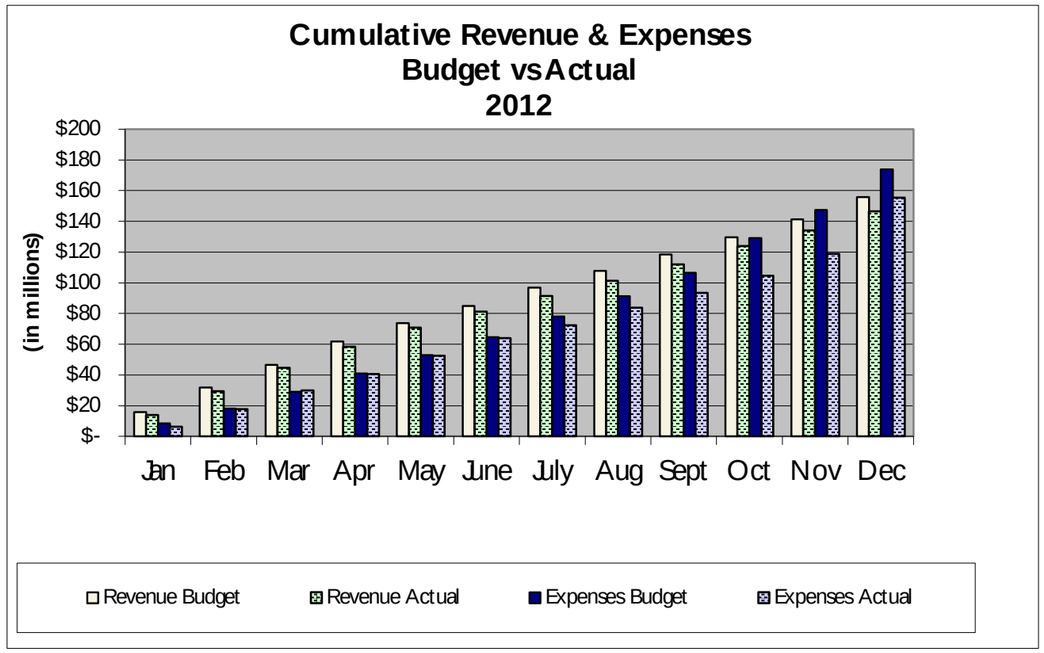
PUC-Proj-ST-07-C

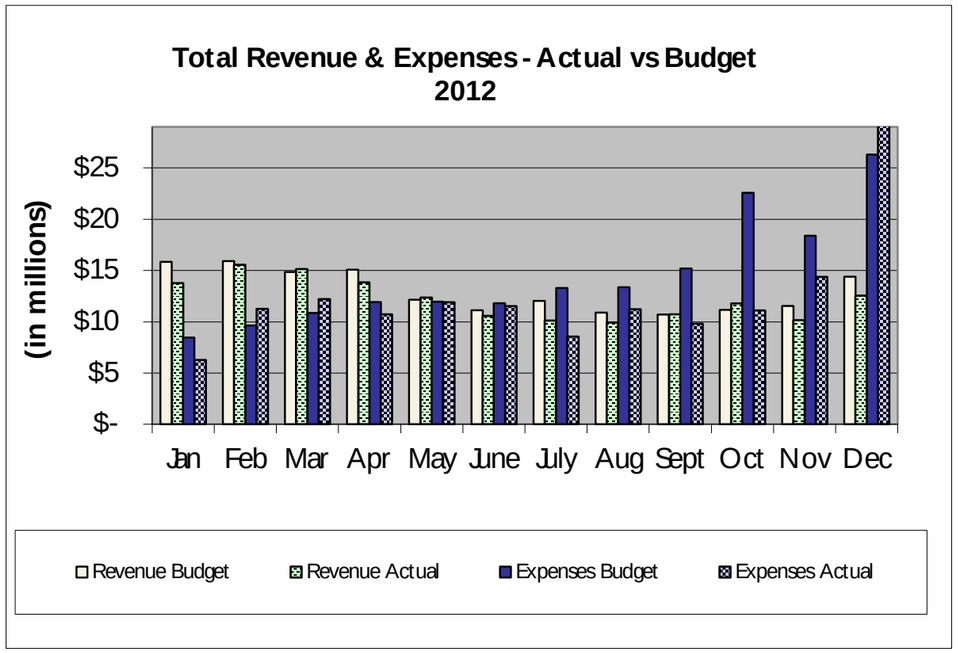
Energy Trust of Oregon, Inc.
ADMINISTRATIVE EXPENSES
For the Three Months and Year to Date Ended December 31, 2012
(Unaudited)

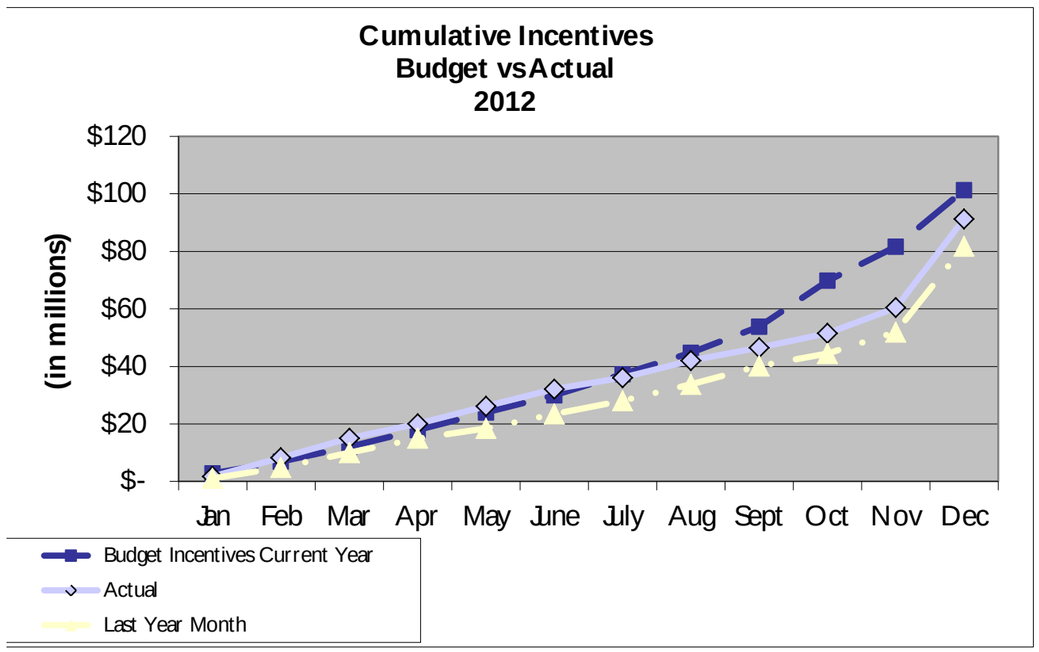
	MANAGEMENT & GENERAL						COMMUNICATIONS & CUSTOMER SERVICE					
	QUARTER			YTD			QUARTER			YTD		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
EXPENSES												
Outsourced Services	$34,141	$65,846	$31,705	$184,278	$430,885	$246,607	$215,964	$180,750	($35,214)	$648,071	$748,000	$99,929
Legal Services	970	35,625	34,655	27,622	142,500	114,879						
Salaries and Related Expenses	460,852	522,062	61,211	1,839,853	2,119,675	279,821	202,792	227,545	24,753	795,023	908,200	113,177
Supplies	133	1,500	1,367	4,713	6,000	1,287	1,371	625	(746)	3,869	2,500	(1,369)
Telephone	615	350	(265)	1,841	1,760	(81)	46		(46)	275		(275)
Postage and Shipping Expenses								1,250	1,250	809	5,000	4,192
Noncapitalized Equipment				731,503		(731,503)		500	500		2,000	2,000
Printing and Publications	88	75	(13)	401	300	(101)	4,937	12,500	7,563	22,917	50,000	27,083
Travel	5,661	9,164	3,503	29,793	36,656	6,863	2,719	1,750	(969)	3,948	7,000	3,052
Conference, Training & Mtngs	9,628	38,835	29,206	41,966	156,840	114,874	1,195	5,125	3,930	4,735	20,500	15,765
Interest Expense and Bank Fees	30	1,875	1,845	5,030	7,500	2,470						
Miscellaneous Expenses		25	25	163	100	(63)	27,305		(27,305)	31,342		(31,342)
Dues, Licenses and Fees	1,704	3,208	1,504	9,472	9,400	(72)	897	625	(272)	3,004	2,500	(504)
Shared Allocation (Note 1)	46,346	54,851	8,505	182,762	214,662	31,900	22,896	29,731	6,835	94,362	116,352	21,990
IT Service Allocation (Note 2)	67,729	124,126	56,397	295,064	431,869	136,804	45,052	82,566	37,514	196,270	287,269	90,999
Planning & Eval (Note 3)	4,326	6,001	1,675	17,352	24,437	7,084						
TOTAL EXPENSES	**632,222**	**863,543**	**231,321**	**3,371,813**	**3,582,583**	**210,770**	**525,173**	**542,966**	**17,793**	**1,804,624**	**2,149,320**	**344,697**

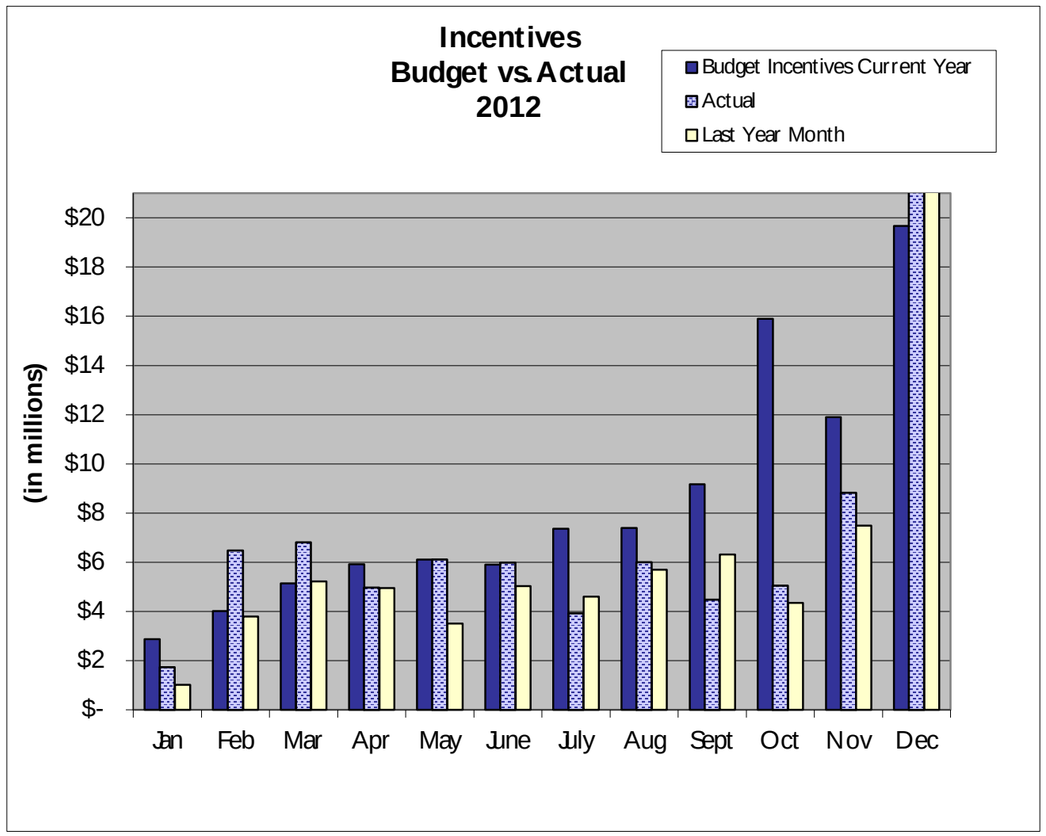
Note 1) Represents allocation of Shared (General Office Management) Costs
Note 2) Represents allocation of Shared IT Costs
Note 3) Represents allocation of Planning & Evaluations Costs

Exp-Prog-YTD-003


Cumulative Revenue & Expenses
Budget vs Actual
2012
(in millions)
$200
$180
$160
$140
$120
$100
$80
$60
$40
$20
$-
Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Total Revenue & Expenses - Actual vs Budget
2012
(in millions)
$25
$20
$15
$10
$5
$-
Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Cumulative Incentives
Budget vs Actual
2012
(in millions)
$120
$100
$80
$60
$40
$20
$-
Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec
Budget Incentives Current Year
Actual
Last Year Month


Incentives
Budget vs. Actual
2012
Budget Incentives Current Year
Actual
Last Year Month
(in millions)
$20
$18
$16
$14
$12
$10
$8
$6
$4
$2
$-
Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec

R00407

For contracts with costs through: 1/1/2013

Energy Trust of Oregon
Contract Status Summary Report

Report Date: 2/5/2013

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Administration							
		Administration Total:	**7,879,625**	**2,750,263**	**5,129,362**		
Communications & Outreach							
		Communications & Outreach Total:	**4,116,289**	**2,007,806**	**2,108,484**		
Energy Efficiency Programs							
Northwest Energy Efficiency Alliance	Regional Energy Eff Initiative	Portland	39,138,680	28,996,765	10,141,915	1/1/10	7/1/15
Lockheed Martin Services, Inc.	PMC EB 2012	Cherry Hill	8,899,261	8,146,839	752,422	1/1/12	12/31/12
ICF Resources, LLC	PMC BE 2013	Fairfax	7,731,351	0	7,731,351	1/1/13	12/31/13
Conservations Services Group, Inc.	2012 HES PMC	Portland	6,961,172	7,112,952	-151,780	1/1/12	12/31/12
Portland Energy Conservation, Inc.	PMC NHP 2012	Portland	6,527,624	6,312,877	214,747	1/1/12	12/31/12
Portland Energy Conservation, Inc.	PMC NHP 2013	Portland	6,312,684	0	6,312,684	1/1/13	12/31/13
Portland Energy Conservation, Inc.	2012 NBE PMC	Portland	4,780,560	4,612,413	168,147	1/1/12	12/31/12
Portland Energy Conservation, Inc.	2013 NBE PMC	Portland	4,736,060	0	4,736,060	1/1/13	12/31/13
Intel Corporation	Intel D1X Megaproject	Hillsboro	4,000,000	0	4,000,000	11/15/12	12/31/14
Lockheed Martin Services, Inc.	2013 MF PMC	Cherry Hill	2,673,341	0	2,673,341	1/1/13	12/31/13
OPOWER, Inc.	OPOWER Agreement	Arlington	2,092,200	1,717,720	374,480	3/2/10	2/28/14
Oregon State University	CHP Project - OSU	Corvallis	2,024,263	1,920,000	104,263	12/20/10	12/20/13
Portland General Electric	PDC - PE 2013		1,871,000	0	1,871,000	1/1/13	12/31/13
Cascade Energy, Inc.	PDC - PE 2012	Walla Walla	1,777,494	1,652,485	125,009	1/1/12	12/31/12
Portland General Electric	PDC - PE 2012		1,753,000	1,725,828	27,172	1/1/12	12/31/12
Cascade Energy, Inc.	PDC - PE 2013	Walla Walla	1,725,055	0	1,725,055	1/1/13	12/31/13
Lockheed Martin Services Inc.	2012 MF PMC	Portland	1,660,001	1,536,906	123,095	1/1/12	12/31/12
RHT Energy Solutions	PDC - PE 2012	Medford	1,397,810	1,347,873	49,937	1/1/12	12/31/12
RHT Energy Solutions	PDC - PE 2013	Medford	1,278,651	0	1,278,651	1/1/13	12/31/13
Cascade Energy, Inc.	PDC - PE 2013 Small Industrial	Walla Walla	1,147,500	0	1,147,500	1/1/13	12/31/13
Cascade Energy, Inc.	PDC - PE 2012 Small Industrial	Walla Walla	1,139,688	995,619	144,070	1/1/12	12/31/12
Evergreen Consulting Group, LLC	PE Lighting PDC 2013	Tigard	1,071,000	0	1,071,000	1/1/13	12/31/13
Northwest Power & Conservation Council	Annual Work Plan		874,652	258,652	616,000	3/20/12	12/31/14
NEXANT, INC.	PDC - PE 2012	San Francisco	837,000	729,842	107,159	1/1/12	12/31/12
Evergreen Consulting Group, LLC	PE Lighting PDC 2012	Tigard	834,860	667,496	167,364	1/1/12	12/31/12
NEXANT, INC.	PDC - PE 2013	San Francisco	825,818	0	825,818	1/1/13	12/31/13
Navigant Consulting Inc	PE Program Impact Evaluation	Boulder	490,000	470,340	19,660	12/15/11	6/30/13
Ecova Inc	80 Plus Initiative - 2012	Portland	487,995	405,372	82,623	1/1/12	12/31/12
ICF Resources, LLC	BE PMC Transition Agreement	Fairfax	482,000	433,698	48,302	9/4/12	12/31/12
Fluid Market Strategies LLC	HES PMC Transition	Portland	465,500	465,196	304	8/23/12	1/31/13
Clean Energy Works Oregon Inc	Clean Energy Works	Portland	448,500	300,000	148,500	1/1/10	12/31/12
OPOWER, Inc.	OPower Personal Energy Reports	Arlington	425,850	0	425,850	8/1/13	7/31/15
Lockheed Martin Services, Inc.	PMC BE Transition - 2013	Cherry Hill	400,000	0	400,000	1/1/13	3/15/13
SBW Consulting, Inc.	BE Program Impact Evaluation	Bellevue	400,000	245,878	154,122	1/15/12	6/30/13
The Cadmus Group Inc.	NB Impact Eval 2010-2011	Watertown	295,000	150,908	144,092	1/13/12	12/31/13

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Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Cascade Energy Engineering, Inc.	Technical Service Provider	Portland	284,483	277,989	6,494	8/1/09	7/31/12
Conservation Services Group, Inc.	2013 HES PMC Final Transition	Boston	273,000	0	273,000	1/1/13	3/31/13
Research Into Action, Inc.	EB Evaluation	Portland	210,000	205,940	4,060	1/1/12	4/30/13
Lockheed Martin Services Inc.	NWN WA BE 2012	Portland	202,200	134,094	68,106	1/1/12	12/31/12
Conservation Services Group Inc	2012 HES WA PMC	Westborough	193,726	158,833	34,893	1/1/12	12/31/12
ICF Resources, LLC	NWN WA BE 2013	Fairfax	191,538	0	191,538	1/1/13	12/31/13
Research Into Action, Inc.	PE Evaluation	Portland	170,000	99,689	70,311	2/1/12	5/30/13
J. Hruska Global	Quality Assurance Services	Columbia City	125,000	119,149	5,851	1/18/12	12/31/12
ICF Resources, LLC	CHP Performance	Fairfax	116,320	77,920	38,400	8/5/09	6/30/13
ICF Resources, LLC	NWN DSM Initiative 2013	Fairfax	110,000	0	110,000	1/1/13	12/31/13
Lockheed Martin Services, Inc.	NWN DSM Initiative 2012	Cherry Hill	110,000	39,442	70,558	1/1/12	12/31/12
PWP, Inc.	NBE Process Evaluation	Gaithersburg	100,000	53,716	46,284	1/6/12	12/31/13
Skumatz Economic Research Associates Inc	Existing Homes Study	Superior	100,000	86,179	13,821	7/15/11	12/31/12
Vitesse LLC	Vitesse Data Center	Menlo Park	100,000	0	100,000	10/18/12	10/30/13
Energy Efficiency Funding Group Inc	Training Classes/Workshops	San Francisco	75,000	67,590	7,410	6/1/11	5/31/13
Hitachi Consulting Corporation	SOW #14 PMC Transition Support	Dallas	70,000	41,318	28,683	9/10/12	1/21/13
Portland Energy Conservation, Inc.	PECI NWN WA 2012	Portland	65,026	59,299	5,727	1/1/12	12/31/12
Glumac Inc	Data Center Analysis	Portland	64,525	50,254	14,271	6/7/12	1/31/13
Home Performance Contractors Guild of Oregon	Existing Homes Program Support	Portland	60,000	60,000	0	1/1/12	12/31/12
Pollinate Inc	Web Application Development	Portland	58,500	57,976	524	1/1/12	12/31/12
Portland Energy Conservation, Inc.	EE Consultant Services	Portland	54,170	50,758	3,412	6/1/11	12/31/13
The Cadmus Group Inc.	Commercial Op Pilot Eval	Watertown	50,000	31,852	18,148	7/1/11	12/31/13
The Cadmus Group Inc.	Path to Net-Zero Pilot	Watertown	49,000	15,006	33,994	11/1/09	12/31/12
PWP, Inc.	Comm SEM Initiative Evaluation	Gaithersburg	45,000	12,678	32,322	7/1/12	6/30/14
KEMA Incorporated	Shelf Space Survey	Oakland	42,750	0	42,750	12/1/12	9/30/13
Fluid Market Strategies LLC	New Homes QA Assurance	Portland	42,250	27,130	15,120	3/1/12	12/31/12
Portland General Electric	Utility Data Payment - OPOWER	Portland	40,000	19,928	20,072	8/1/10	2/28/12
NW Natural	Info Transfer & Reimbursement	Portland	35,000	21,263	13,737	7/12/10	2/28/12
The Cadmus Group Inc.	Lighting Pilot Evaluation	Watertown	35,000	0	35,000	4/1/12	12/31/13
WegoWise Inc	Wegowise Benchmarking License	Boston	35,000	20,000	15,000	5/14/12	5/14/14
Navigant Consulting Inc	CORE Improvement Pilot Eval	Boulder	34,000	3,774	30,226	9/1/12	8/30/14
Stellar Processes, Inc.	EPS Modeling Comparison	Portland	33,000	26,659	6,341	1/15/11	6/30/12
Forrest Marketing	Indust Sect In-Depth Research	Portland	30,000	28,996	1,004	11/15/11	12/31/12
Navigant Consulting Inc	Sustainable Energy Syst Pilot	Boulder	30,000	15,111	14,889	2/15/11	6/30/13
Pollinate Inc	Energy Savings Estimate	Portland	25,000	18,165	6,835	11/1/12	3/1/13
Triple Point Energy Inc.	Breakfast Workshops	Portland	23,585	12,350	11,235	4/12/12	1/15/13
Forrest Marketing	New Buildings Market Research	Portland	23,000	23,000	0	8/22/12	1/31/13

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Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Michael Blasnick & Associated	Billing Analysis Process	Boston	20,000	3,938	16,063	1/1/10	12/31/13
Northwest Food Processors Association	NW Industrial EE Summit 2013	Portland	17,500	17,500	0	12/10/12	12/31/13
Lane Community College, NEEI Science Division	2012 Scholarship Grant	Eugene	16,600	5,200	11,400	1/1/12	12/31/12
Lane Community College, NEEI Science Division	2013 Scholarship Grant	Eugene	16,600	0	16,600	1/1/13	12/31/13
Oregon Department of Energy	Oregon Leaders Project	Salem	15,000	15,000	0	9/19/11	1/31/14
Stellar Processes, Inc.	BE Measure Evaluation	Portland	15,000	0	15,000	10/24/12	10/24/14
Portland State University Foundation	Green Modular Classroom Proj	Portland	10,500	5,500	5,000	6/13/12	7/31/14
Future Energy Conference	Future Energy Conference 2012	Portland	6,500	0	6,500	12/10/12	12/31/13
Hood River County School District	Energy Model Recalibration	Hood River	6,000	0	6,000	12/5/12	3/31/13
	Energy Efficiency Programs Total:		**121,395,343**	**72,168,853**	**49,226,490**		
Joint Programs							
Gilmore Research	Fast Feedback Survey	Seattle	104,000	13,000	91,000	10/1/12	6/30/14
ICF Resources, LLC	Planning Consultant Services	Fairfax	64,700	63,840	860	6/16/11	5/31/13
Skumatz Economic Research Associates Inc	Evaluation Consultant	Superior	30,000	3,480	26,520	3/1/11	12/31/12
Portland State University	Technology Forecasting		29,097	19,193	9,904	11/7/11	12/31/13
Navigant Consulting Inc	P&E Consultant Services	Boulder	22,040	11,130	10,910	6/30/11	7/1/13
Glumac Inc	Planning Technical Analysis	Portland	15,000	15,000	0	10/17/12	10/17/14
CoStar Realty Information Inc	Property Data	Baltimore	12,668	9,033	3,635	6/1/11	2/28/13
Gilmore Research	Customer Engagement Survey	Seattle	12,500	2,500	10,000	10/1/12	12/31/13
American Council for and Energy Efficient Economy	ACEEE Sponsorship - 2013		10,000	0	10,000	1/1/13	12/31/13
	Joint Programs Total:		**300,005**	**137,176**	**162,829**		
Renewable Energy Program							
Outback Solar LLC	Outback Solar	Portland	5,000,000	4,950,000	50,000	5/9/12	5/9/37
Sunway 3, LLC	Prologis PV installation		3,405,000	3,396,044	8,956	9/30/08	9/30/28
enXco Asset Holdings Inc	Bellevue Solar Facility	San Diego	2,012,500	1,912,680	99,820	7/23/10	7/23/35
JC-Biomethane LLC	Biogas Plant Project Funding	Eugene	2,000,000	0	2,000,000	10/18/12	10/18/32
Rough & Ready Lumber Company	Biopower Funding Agreement	Cave Junction	1,685,088	1,684,787	301	7/21/06	7/21/26
Oregon Institute of Technology	Geothermal Resource Funding	Klamath Falls	1,550,000	750	1,549,250	9/11/12	9/11/32
enXco Asset Holdings Inc	Yamhill Solar Facility	San Diego	1,437,500	1,366,200	71,300	7/23/10	7/23/35
Alder Solar LLC	Habilitation Center PV	Portland	1,236,750	1,224,244	12,506	1/18/08	12/31/28
Central Oregon Irrigation District	Juniper Ridge Hydroelectric	Redmond	1,000,000	1,000,000	0	10/31/08	6/30/31
Farm Power Misty Meadows LLC	Misty Meadows Biogas Facility	Mount Vernon	1,000,000	0	1,000,000	10/25/12	10/25/27
Three Sisters Irrigation District	TSID Hydro	Sisters	1,000,000	0	1,000,000	4/25/12	4/25/32
RES - Ag FGO LLC	Biogas Manure Digester Project	Washington	883,320	220,830	662,490	10/27/10	10/27/25
Stahlbush Island Farms, Inc.	Funding Assistance Agreement	Corvallis	827,000	551,334	275,666	6/24/09	6/24/29
RBS Asset Finance Inc	Black Cap Solar PV Funding	Chicago	600,000	600,000	0	10/1/12	10/1/37
Tioga Solar VI, LLC	Photovoltaic Project Agreement	San Mateo	570,760	368,942	201,818	2/1/09	2/1/30
C Drop Hydro LLC	C Drop Project - Klamath Irrig	Idaho Falls	490,000	490,000	0	11/1/11	11/1/31

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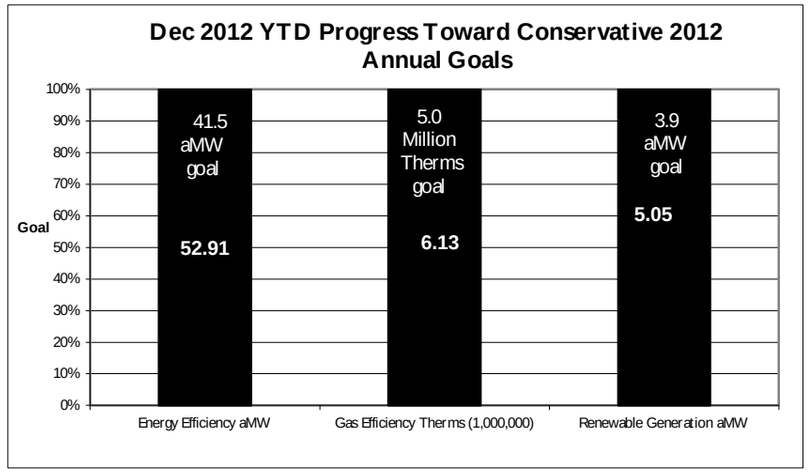
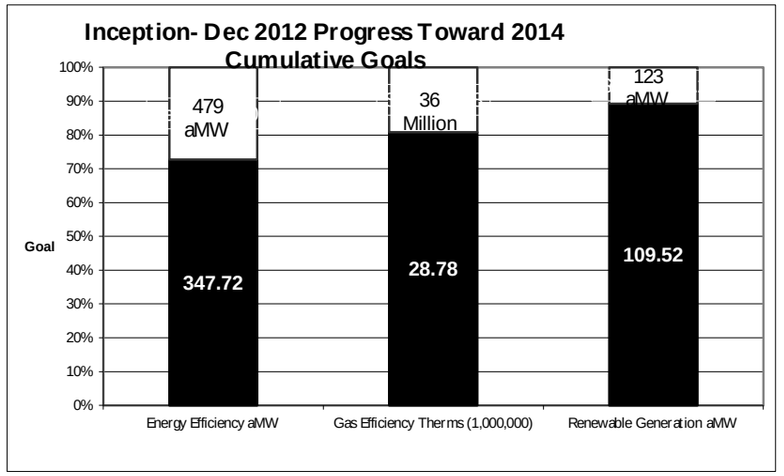
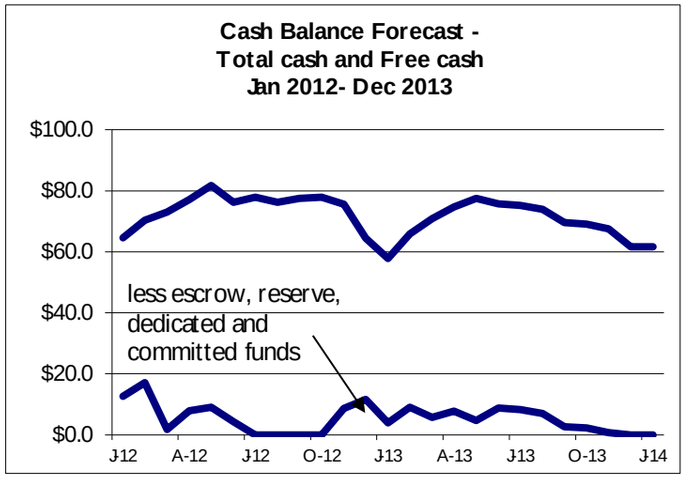
Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Oregon Institute of Technology	Geothermal Resource Funding	Klamath Falls	487,000	487,000	0	3/2/10	3/2/30
City of Medford	750kW Combined Heat & Power	Medford	450,000	225,000	225,000	10/20/11	10/20/31
City of Pendleton	Pendleton Microturbines	Pendleton	450,000	150,000	300,000	4/20/12	4/20/32
K2A Properties, LLC	Doerfler Wind Farm Project	Aumsville	230,000	141,996	88,004	5/20/10	5/20/30
Farmers Irrigation District	Low Line Canal Pressurization	Hood River	150,000	95,000	55,000	9/26/12	11/30/32
Farmers Irrigation District	Indian Creek Corridor Project	Hood River	100,000	100,000	0	1/5/10	1/4/29
Wallowa Resources Community Solutions, Inc.	Upfront Hydroelectric Project		100,000	4,260	95,740	10/1/11	10/1/13
Stoller Vineyards, Inc.	Stoller Vineyards PV	Dayton	79,815	77,390	2,425	12/1/05	12/1/26
Wallowa Resources Community Solutions Inc	Integrated Biomass Energy Camp	Enterprise	70,000	70,000	0	2/1/12	1/31/27
City of Portland Water Bureau	Vernon Hydro	Portland	65,000	65,000	0	11/15/10	11/15/30
Construct Inc	RE Consultant Services	Portland	64,000	36,846	27,154	1/1/11	3/31/13
Bloomberg LP	Insight Services	San Francisco	45,600	33,300	12,300	4/1/11	1/1/14
University of Oregon	UO SRML Contribution	Eugene	45,000	45,000	0	3/9/12	3/9/13
MC Energy LLC	Small Wind Incentive	Spokane	43,250	43,250	0	9/21/10	9/21/25
Clean Energy States Alliance	CESA Year 10 (2013)		39,543	39,543	0	7/1/12	6/30/13
Wind Products Inc	Wind Consultant	Brooklyn	37,500	17,500	20,000	2/6/12	12/31/13
Harold Hartman dba Lynhart Farms	17.5 kW PV project	Malin	32,500	31,386	1,114	5/25/07	5/25/27
Northwest SEED	Grant Agreement	Seattle	30,000	30,000	0	10/3/11	12/31/13
SPS of Oregon Inc	Spaur Microhydro	Wallowa	25,000	25,000	0	7/23/10	7/23/30
Robert Migliori	42kW wind energy system	Newberg	24,125	8,561	15,564	4/11/07	1/31/24
Solar Oregon	Outreach Services	Portland	24,000	24,000	0	1/1/12	12/31/12
Wind Products Inc	Web Portal Tool	Brooklyn	24,000	25,000	-1,000	6/25/12	9/20/13
Farmers Conservation Alliance	FID Small Hydro Analysis	Hood River	20,000	0	20,000	11/1/12	3/29/13
Solar Oregon	Energy Education Sponsor 2013	Portland	16,000	0	16,000	1/1/13	12/31/13
Warren Griffin	Griffin Wind Project	Salem	13,150	9,255	3,895	10/1/05	10/1/20
Corbett Water District	Corbett Water District Hydro	Corbett	12,000	0	12,000	4/16/12	6/30/32
American Wind Group LLC	Anemometer Incentive Funding	Oasis	4,031	4,031	0	7/22/11	2/15/14
Blue Tree Strategies Inc	RE Consulting Services	Portland	3,600	3,555	45	6/14/11	5/31/13
	Renewable Energy Program Total:		**27,383,032**	**19,557,684**	**7,825,348**		
	Grand Totals:		**161,074,294**	**96,621,782**	**64,452,513**		

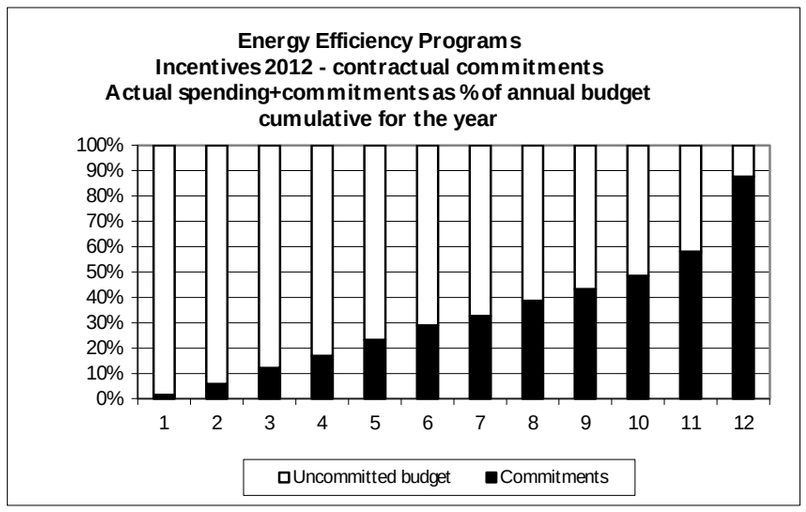
*The city indicated is the contractor's mailing address, not necessarily the location where work was performed.

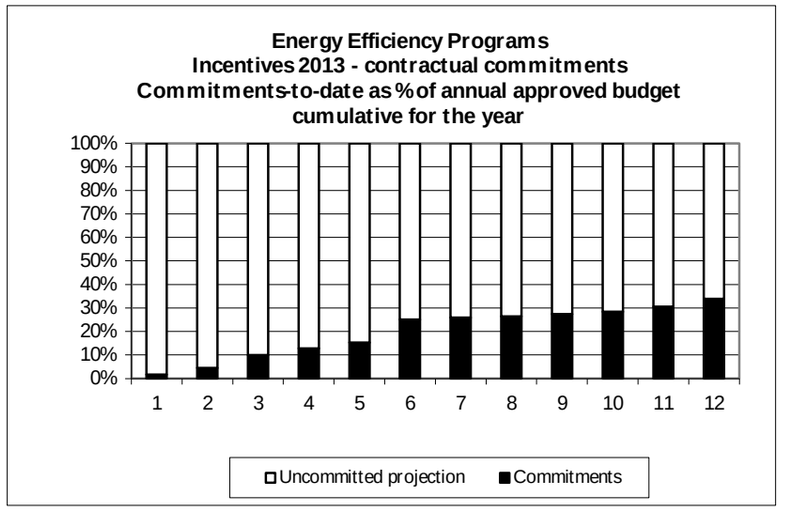
Energy Trust of Oregon, Inc.
Quarterly Dashboard-Fourth Quarter 2012 (UNAUDITED)







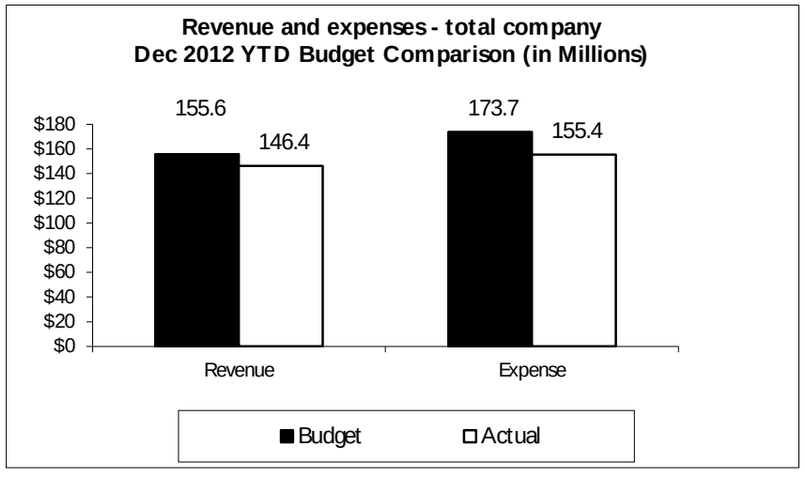


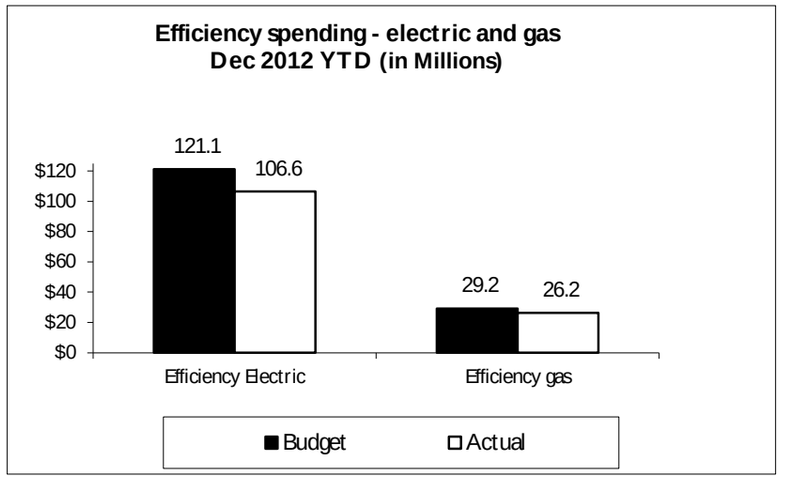


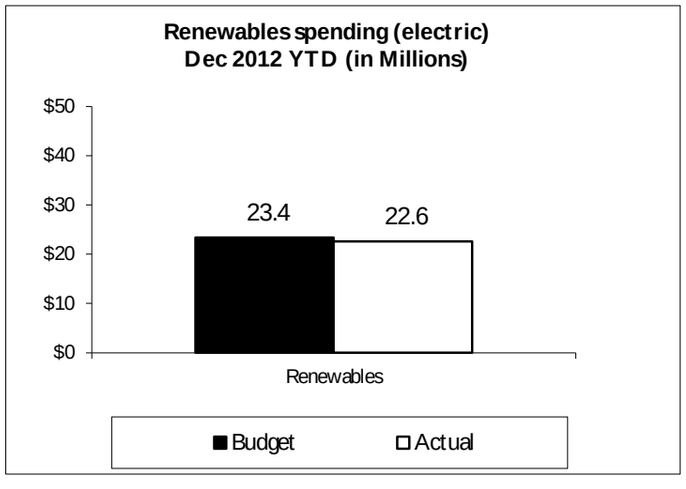
Renewable Energy Programs

Comittments for Current and Future Years

	2013	2014+
BioPower	$ 2.1	$ 4.3
Other renewables	$ 0.8	$ 3.0
Solar PV	$ 1.8	$ 0.1
PROJECTS	$ 4.7	$ 7.4







Energy Trust of Oregon, Inc
BALANCE SHEET
January 31, 2013
(Unaudited)

	JAN 2013	DEC 2012	Change from Prior Month	Change from Beg. of Year
Current Assets				
Cash & Cash Equivalents	60,336,148	64,005,605	(3,669,457)	(3,669,457)
Restricted Cash (Escrow Funds)	381,052	462,692	(81,639)	(81,639)
Receivables	69,993	123,795	(53,802)	(53,802)
Prepaid Expenses	825,394	265,829	559,564	559,564
Advances to Vendors	1,403,471	2,109,014	(705,543)	(705,543)
Total Current Assets	**63,016,057**	**66,966,935**	**(3,950,877)**	**(3,950,877)**
Fixed Assets				
Computer Hardware and Software	1,347,388	1,347,388	-	-
Leasehold Improvements	287,385	287,385	-	-
Office Equipment and Furniture	600,662	600,662	-	-
Total Fixed Assets	**2,235,435**	**2,235,435**	-	-
Less Depreciation	(1,210,368)	(1,183,098)	(27,270)	(27,270)
Net Fixed Assets	**1,025,067**	**1,052,337**	**(27,270)**	**(27,270)**
Other Assets				
Rental Deposit	64,461	64,461	-	-
Deferred Compensation Asset	414,234	409,369	4,866	4,866
Total Other Assets	**478,696**	**473,830**	**4,866**	**4,866**
Total Assets	**64,519,820**	**68,493,102**	**(3,973,282)**	**(3,973,282)**
Current Liabilities				
Accounts Payable and Accruals	7,222,640	21,430,138	(14,207,498)	(14,207,498)
Deposits Held for Others	42,692	49,433	(6,741)	(6,741)
Salaries, Taxes, & Benefits Payable	597,495	585,703	11,792	11,792
Total Current Liabilities	**7,862,826**	**22,065,273**	**(14,202,447)**	**(14,202,447)**
Long Term Liabilities				
Deferred Rent	327,062	323,237	3,825	3,825
Deferred Compensation Payable	414,234	409,369	4,866	4,866
Other Long-Term Liabilities	14,444	13,674	770	770
Total Long-Term Liabilities	**755,740**	**746,279**	**9,461**	**9,461**
Total Liabilities	**8,618,566**	**22,811,553**	**(14,192,986)**	**(14,192,986)**
Net Assets				
Temporarily Restricted Net Assets	381,052	462,692	(81,639)	(81,639)
Unrestricted Net Assets	55,520,202	45,218,858	10,301,344	10,301,344
Total Net Assets	**55,901,254**	**45,681,549**	**10,219,705**	**10,219,705**
Total Liabilities and Net Assets	**64,519,820**	**68,493,102**	**(3,973,282)**	**(3,973,282)**

Energy Trust of Oregon
Cash Flow Statement-Indirect Method
Monthly 2013

	January	Year to Date
Operating Activities:		
Revenue less Expenses	$ 10,219,705	$ 10,219,705
Non-cash items:		
Depreciation	27,270	$ 27,270
Loss on disposal of assets	-	$ -
Receivables	53,256	$ 53,256
Interest Receivable	546	$ 546
Advances to Vendors	705,543	$ 705,543
Prepaid expenses and other costs	(559,565)	$ (559,565)
Accounts payable	(14,214,238)	$ (14,214,238)
Payroll and related accruals	16,657	$ 16,657
Deferred rent and other	(271)	$ (271)
Cash rec'd from / (used in) Operating Activities	(3,751,097)	$ (3,751,097)
Investing Activities:		
(Acquisition)/Disposal of Capital Assets	-	$ -
Cash rec'd from / (used in) Investing Activities	-	$ -
Cash at beginning of Period	64,468,299	64,468,299
Increase/(Decrease) in Cash	(3,751,097)	(3,751,097)
Cash at end of period	$ 60,717,202	$ 60,717,202

Energy Trust of Oregon
Cash Flow Projection
January 2013 - December 2014

	2013 Actual	2013 Budget										
	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Cash In:												
Public purpose and Incr funding	15,975,013	16,800,000	16,900,000	15,100,000	13,400,000	11,700,000	11,600,000	11,100,000	11,200,000	12,800,000	12,300,000	16,300,000
From other sources	53,256											
Investment Income	7,847	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total cash in	16,036,116	16,810,000	16,910,000	15,110,000	13,410,000	11,710,000	11,610,000	11,110,000	11,210,000	12,810,000	12,310,000	16,310,000
Cash Out:	19,787,213	7,500,000	11,700,000	11,800,000	10,900,000	13,800,000	12,500,000	12,700,000	15,900,000	13,600,000	14,000,000	22,400,000
Net cash flow for the month	(3,751,097)	9,310,000	5,210,000	3,310,000	2,510,000	(2,090,000)	(890,000)	(1,590,000)	(4,690,000)	(790,000)	(1,690,000)	(6,090,000)
Beginning Balance: Cash & MM	64,468,297	60,717,200	70,027,200	75,237,200	78,547,200	81,057,200	78,967,200	78,077,200	76,487,200	71,797,200	71,007,200	69,317,200
Ending cash & MM	60,717,200	70,027,200	75,237,200	78,547,200	81,057,200	78,967,200	78,077,200	76,487,200	71,797,200	71,007,200	69,317,200	63,227,200
Dedicated funds Adjustment	(10,600,000)	(10,600,000)	(12,000,000)	(12,000,000)	(12,000,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)
Committed Funds Adjustment	(37,200,000)	(40,000,000)	(47,000,000)	(48,700,000)	(54,600,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)
Cash Reserve	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)
Ending Cash & MM, adj by Above	**6,717,200**	**13,227,200**	**10,037,200**	**11,647,200**	**8,257,200**	**12,067,200**	**11,177,200**	**9,587,200**	**4,897,200**	**4,107,200**	**2,417,200**	**-**

Escrow Cash Balance

Beginning Balance	462,692	381,052	381,068	252,627	77,892	77,900	77,908	77,916	77,924	77,932	77,940	77,948
Net Escrow (Payments)/Funding	(81,682)		(128,457)	(174,743)								
Interest Paid on Escrow Balances	42	16	16	8	8	8	8	8	8	8	8	0
Ending Escrow Balance1	381,052	381,068	252,627	77,892	77,900	77,908	77,916	77,924	77,932	77,940	77,948	77,949

1Included in "Ending cash & MM" above

Dedicated funds adjustment: reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements
Committed funds adjustment: reduction in available cash for commitments to Efficiency program projects with signed agreements
Cash reserve: reduction in available cash to cover cashflow variability and winter revenue risk
Escrow: dedicated funds set aside in separate bank accounts

Energy Trust of Oregon
Cash Flow Projection
January 2013 - December 2014

	2014 Board Approved Projection											
	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Cash In:												
Public purpose and Incr funding	16,000,000	17,100,000	17,500,000	15,500,000	13,900,000	12,200,000	12,300,000	11,600,000	11,800,000	13,900,000	13,000,000	17,300,000
From other sources												
Investment Income	8,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total cash in	16,008,000	17,110,000	17,510,000	15,510,000	13,910,000	12,210,000	12,310,000	11,610,000	11,810,000	13,910,000	13,010,000	17,310,000
Cash Out:	23,400,000	9,000,000	11,900,000	11,200,000	11,200,000	15,500,000	14,500,000	12,600,000	16,000,000	14,200,000	14,900,000	23,800,000
Net cash flow for the month	(7,392,000)	8,110,000	5,610,000	4,310,000	2,710,000	(3,290,000)	(2,190,000)	(990,000)	(4,190,000)	(290,000)	(1,890,000)	(6,490,000)
Beginning Balance: Cash & MM	63,227,200	55,835,200	63,945,200	69,555,200	73,865,200	76,575,200	73,285,200	71,095,200	70,105,200	65,915,200	65,625,200	63,735,200
Ending cash & MM	55,835,200	63,945,200	69,555,200	73,865,200	76,575,200	73,285,200	71,095,200	70,105,200	65,915,200	65,625,200	63,735,200	57,245,200
Dedicated funds Adjustment	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)
Committed Funds Adjustment	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)
Cash Reserve	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)
Ending Cash & MM, adj by Above	**-**	**-**	**2,655,200**	**6,965,200**	**9,675,200**	**6,385,200**	**4,195,200**	**3,205,200**	**-**	**-**	**-**	**-**
Escrow Cash Balance												
Beginning Balance	77,949	77,965	77,981	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net Escrow (Payments)/Funding			(77,981)									
Interest Paid on Escrow Balances	16	16	-	-	-	-	-	-	-	-	-	0
Ending Escrow Balance1	77,965	77,981	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0

1Included in "Ending cash & MM" above

Dedicated funds adjustment: reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements
Committed funds adjustment: reduction in available cash for commitments to Efficiency program projects with signed agreements
Cash reserve: reduction in available cash to cover cashflow variability and winter revenue risk
Escrow: dedicated funds set aside in separate bank accounts

Energy Trust of Oregon, Inc
INCOME STATEMENT - ACTUAL AND YTD COMPARISON
For the Month Ending January 31, 2013
(Unaudited)

	January			YTD		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
REVENUES						
Public Purpose Funds-PGE	3,318,895	3,301,796	17,099	3,318,895	3,301,796	17,099
Public Purpose Funds-PacifiCorp	2,296,514	2,505,100	(208,586)	2,296,514	2,505,100	(208,586)
Public Purpose Funds-NW Natural	2,985,499	3,341,641	(356,142)	2,985,499	3,341,641	(356,142)
Public Purpose Funds-Cascade	358,374	543,356	(184,982)	358,374	543,356	(184,982)
Total Public Purpose Funds	**8,959,282**	**9,691,893**	**(732,611)**	**8,959,282**	**9,691,893**	**(732,611)**
Incremental Funds - PGE	4,755,924	3,355,275	1,400,649	4,755,924	3,355,275	1,400,649
Incremental Funds - PacifiCorp	2,259,807	2,634,511	(374,704)	2,259,807	2,634,511	(374,704)
Revenue from Investments	7,302	10,000	(2,698)	7,302	10,000	(2,698)
TOTAL REVENUE	**15,982,315**	**15,691,678**	**290,637**	**15,982,315**	**15,691,678**	**290,637**
EXPENSES						
Program Subcontracts	3,205,350	3,690,027	484,677	3,205,350	3,690,027	484,677
Incentives	1,135,576	3,023,490	1,887,913	1,135,576	3,023,490	1,887,913
Salaries and Related Expenses	815,621	890,388	74,767	815,621	890,388	74,767
Professional Services	378,431	900,184	521,753	378,431	900,184	521,753
Supplies	2,931	10,354	7,423	2,931	10,354	7,423
Telephone	4,038	4,453	415	4,038	4,453	415
Postage and Shipping Expenses	1,137	833	(303)	1,137	833	(303)
Occupancy Expenses	54,425	58,434	4,009	54,425	58,434	4,009
Noncapitalized Equip. & Depr.	45,832	158,781	112,949	45,832	158,781	112,949
Call Center	53,843	44,917	(8,926)	53,843	44,917	(8,926)
Printing and Publications	35,258	17,112	(18,146)	35,258	17,112	(18,146)
Travel	4,391	13,849	9,457	4,391	13,849	9,457
Conference, Training & Mtng Exp	5,978	38,382	32,404	5,978	38,382	32,404
Interest Expense and Bank Fees	177	625	448	177	625	448
Insurance	7,800	9,167	1,367	7,800	9,167	1,367
Miscellaneous Expenses	0	225	225	0	225	225
Dues, Licenses and Fees	11,821	10,134	(1,686)	11,821	10,134	(1,686)
TOTAL EXPENSES	**5,762,609**	**8,871,354**	**3,108,745**	**5,762,609**	**8,871,354**	**3,108,745**
TOTAL REVENUE LESS EXPENSES	**10,219,705**	**6,820,324**	**3,399,380**	**10,219,705**	**6,820,324**	**3,399,380**

Energy Trust of Oregon, Inc
Statement of Functional Expenses
For the Month Ending January 31, 2013

	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total	Budget	Variance
Program Expenses									
Incentives/ Program Management & Deliver	4,169,469	171,458	4,340,927				4,340,927	6,713,516	2,372,589
Payroll and Related Expenses	226,397	76,410	302,807	158,495	62,379	220,874	523,681	553,349	29,668
Outsourced Services	226,397	20,071	246,468	7,015	79,992	87,007	333,475	639,507	306,032
Planning and Evaluation	149,252	6,739	155,991				155,991	253,274	97,283
Customer Service Management	92,878	875	93,753				93,753	90,933	(2,820)
Trade Allies Network	26,516	1,200	27,716				27,716	40,300	12,584
Total Program Expenses	**4,890,909**	**276,752**	**5,167,661**	**165,510**	**142,371**	**307,881**	**5,475,542**	**8,290,877**	**2,815,335**
Program Support Costs									
Supplies	535	163	698	1,556	129	1,685	2,383	6,536	4,153
Postage and Shipping Expenses	364	111	475	217	88	305	780	655	(125)
Telephone	217	72	289	81	48	129	418	447	29
Printing and Publications	34,455	329	34,784	34	383	417	35,201	16,465	(18,736)
Occupancy Expenses	17,248	5,235	22,483	10,268	4,161	14,429	36,912	37,399	487
Insurance	2,498	758	3,256	1,487	603	2,090	5,346	5,888	542
Equipment	795	241	1,036	474	192	666	1,702	1,993	291
Travel	1,273	1,058	2,331	367		367	2,698	9,256	6,558
Meetings, Trainings & Conferences	2,224	1,295	3,519	364	26	390	3,909	20,708	16,799
Interest Expense and Bank Fees		100	100	77		77	177	625	448
Depreciation & Amortization	4,241	1,480	5,721	2,524	1,023	3,547	9,268	8,561	(707)
Dues, Licenses and Fees	360	3,000	3,360	862	1,159	2,021	5,381	3,221	(2,160)
Miscellaneous Expenses								151	151
IT Services	129,202	15,209	144,411	25,768	12,713	38,481	182,892	468,572	285,680
Total Program Support Costs	**193,413**	**29,051**	**222,464**	**44,079**	**20,525**	**64,604**	**287,068**	**580,476**	**293,408**
TOTAL EXPENSES	**5,084,321**	**305,803**	**5,390,124**	**209,589**	**162,896**	**372,485**	**5,762,609**	**8,871,353**	**3,108,744**
OPUC measure vs. 9%	**3.72%**								

Exp-Acct-YTD-002

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory - joint costs allocated at program level
For the Month Ending January 31, 2013
(Unaudited)

	ENERGY EFFICIENCY									RENEWABLE ENERGY				TOTAL		
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Oregon Total	NWN WA	ETO Total	PGE	PacifiCorp	Total	Other	All Programs	Approved budget	Change
REVENUES																
Public Purpose Funding	$2,577,833	$1,787,513	$4,365,346		$2,985,499	$358,374	$7,709,219		$7,709,219	$741,062	$509,001	$1,250,063		$8,959,282	$9,691,893	$732,611
Incremental Funding	4,755,924	2,259,807	7,015,731				7,015,731		7,015,731					7,015,731	5,989,786	(1,025,945)
Revenue from Investments													7,302	7,302	10,000	2,698
TOTAL PROGRAM REVENUE	**7,333,757**	**4,047,320**	**11,381,077**		**2,985,499**	**358,374**	**14,724,950**		**14,724,950**	**741,062**	**509,001**	**1,250,063**	**7,302**	**15,982,315**	**15,691,679**	**(290,636)**
EXPENSES																
Program Management (Note 3)	201,834	125,189	327,022	4,706	99,414	10,170	441,313	18,312	459,625	42,177	34,233	76,410		536,035	490,482	(45,553)
Program Delivery	1,364,101	947,281	2,311,382	35,666	377,911	36,348	2,761,307	14,050	2,775,357	6,030	4,358	10,388		2,785,745	3,232,678	446,933
Incentives	670,452	252,085	922,537	4,580	42,323	5,067	974,507	0	974,507	107,848	53,223	161,071		1,135,578	3,023,488	1,887,910
Program Eval & Planning Svcs.	142,183	83,953	226,137	2,426	41,203	4,080	273,846	2,418	276,264	3,721	3,018	6,739		283,003	480,698	197,695
Program Marketing/Outreach	116,082	71,740	187,822	1,026	62,022	5,797	256,667	1,780	258,447	1,169	831	2,000		260,447	427,429	166,982
Program Quality Assurance	0	0	0	0	0	0	0	0	0	261	0	261		261	21,250	20,989
Outsourced Services	14,613	7,226	21,839	20	4,974	482	27,315	0	27,315	10,131	7,678	17,809		45,124	130,346	85,222
Trade Allies & Cust. Svc. Mgmt.	32,268	18,059	50,327	97	26,220	2,332	78,976	1,748	80,724	1,207	869	2,076		82,800	97,984	15,184
IT Services	62,268	31,602	93,870	531	28,602	2,658	125,661	3,542	129,203	8,441	6,768	15,209		144,412	370,041	225,629
Other Program Expenses	42,714	25,635	68,348	495	28,943	2,592	100,379	2,502	102,881	7,642	6,202	13,844		116,725	92,832	(23,893)
TOTAL PROGRAM EXPENSES	**2,646,515**	**1,562,770**	**4,209,285**	**49,547**	**711,613**	**69,526**	**5,039,971**	**44,352**	**5,084,321**	**188,627**	**117,180**	**305,803**		**5,390,124**	**8,367,228**	**2,977,104**
ADMINISTRATIVE COSTS																
Management & General (Notes 1 & 2)	102,907	60,766	163,673	1,927	27,670	2,703	195,973	1,724	197,697	6,724	5,167	11,891		209,589	308,601	99,012
Communications & Customer Svc (Notes 1 & 2)	79,981	47,229	127,210	1,497	21,506	2,101	152,314	1,340	153,654	5,226	4,016	9,242		162,896	195,526	32,630
Total Administrative Costs	**182,887**	**107,995**	**290,883**	**3,424**	**49,176**	**4,805**	**348,287**	**3,064**	**351,351**	**11,950**	**9,183**	**21,133**		**372,485**	**504,127**	**131,642**
TOTAL PROG & ADMIN EXPENSES	**2,829,399**	**1,670,763**	**4,500,162**	**52,970**	**760,790**	**74,330**	**5,388,252**	**47,418**	**5,435,670**	**200,576**	**126,361**	**326,937**		**5,762,609**	**8,871,354**	**3,108,747**
TOTAL REVENUE LESS EXPENSES	**4,504,354**	**2,376,555**	**6,880,909**	**(52,971)**	**2,224,711**	**284,043**	**9,336,692**	**(47,416)**	**9,289,276**	**540,485**	**382,638**	**923,123**	**7,302**	**10,219,705**	**6,820,324**	**(3,399,381)**
Cumulative Carryover at 12/31/12 (Note 4)	12,168,476	3,036,549	15,205,024	1,099,798	3,013,149	(392,281)	18,925,691	353,173	19,329,598	8,211,383	7,461,616	15,672,999	10,678,950	45,681,550	37,070,557	(8,610,993)
Interest attributed	1,740,000	1,160,000	2,900,000		5,000,000	392,281	8,292,281		8,292,281	585,000	2,235,000	2,820,000	(11,112,281)		7,900,000	7,900,000
Interest re-attributed	(1,740,000)	(1,160,000)	(2,900,000)		(5,000,000)		(7,900,000)		(7,900,000)				7,900,000		(7,900,000)	(7,900,000)
TOTAL NET ASSETS CUMULATIVE	**16,672,829**	**5,413,104**	**22,085,933**	**1,046,827**	**5,237,860**	**284,043**	**28,654,663**	**305,758**	**29,011,155**	**9,336,869**	**10,079,253**	**19,416,122**	**7,473,974**	**55,901,254**	**43,890,881**	**(12,010,373)**

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.
Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.
Note 3) Program Management costs include both outsourced and internal staff.
Note 4) Cumulative carryover at 12/31/2012 reflects audited results.

Energy Trust of Oregon, Inc
Program Expense by Service Territory
For the Month Ending January 31, 2013
(Unaudited)

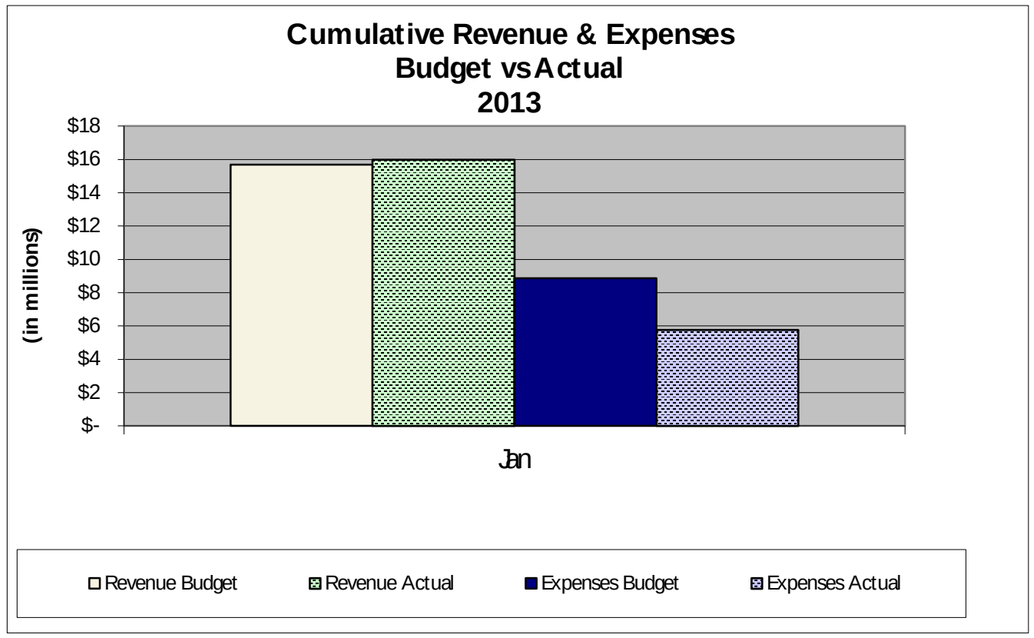
	PGE	Pacific Power	Subtotal Elec. Utilities	NWN Industrial	NW Natural Gas	Cascade	Subtotal Gas Providers	Oregon Total	NWN WA	ETO Total	YTD Budget	Variance
Energy Efficiency												
Commercial												
Existing Buildings	502,036	234,907	736,943	810	93,315	10,558	104,683	841,626	12,218	853,844	1,510,198	656,354
New Buildings	724,998	111,667	836,665	543	16,772	1,874	19,189	855,854		855,854	1,455,183	599,329
NEEA	98,748	74,495	173,243					173,243		173,243	239,078	65,835
Total Commercial	**1,325,782**	**421,069**	**1,746,851**	**1,353**	**110,087**	**12,432**	**123,872**	**1,870,723**	**12,218**	**1,882,941**	**3,204,459**	**1,321,518**
Industrial												
Production Efficiency	535,318	622,424	1,157,742	51,617	23,127	5,139	79,883	1,237,625		1,237,625	1,126,959	(110,666)
NEEA	74,188	55,967	130,155					130,155		130,155	122,937	(7,218)
Total Industrial	**609,506**	**678,391**	**1,287,897**	**51,617**	**23,127**	**5,139**	**79,883**	**1,367,780**		**1,367,780**	**1,249,896**	**(117,884)**
Residential												
Existing Homes	363,430	228,833	592,263		409,308	34,062	443,370	1,035,633	25,290	1,060,923	1,955,512	894,589
New Homes/Products	266,676	143,309	409,985		218,268	22,697	240,965	650,950	9,910	660,860	1,839,713	1,178,853
NEEA	264,005	199,161	463,166					463,166		463,166	319,862	(143,304)
Total Residential	**894,111**	**571,303**	**1,465,414**		**627,576**	**56,759**	**684,335**	**2,149,749**	**35,200**	**2,184,949**	**4,115,087**	**1,930,138**
Energy Efficiency Program Costs	**2,829,399**	**1,670,763**	**4,500,162**	**52,970**	**760,790**	**74,330**	**888,090**	**5,388,252**	**47,418**	**5,435,670**	**8,569,442**	**3,133,772**
Renewables												
Biopower	12,940	11,438	24,378					24,378		24,378	26,013	1,635
Solar Electric (Photovoltaic)	130,460	92,764	223,224					223,224		223,224	181,856	(41,368)
Other Renewable	57,176	22,159	79,335					79,335		79,335	94,043	14,708
Renewables Program Costs	**200,576**	**126,361**	**326,937**					**326,937**		**326,937**	**301,912**	**(25,025)**
Cost Grand Total	**3,029,975**	**1,797,124**	**4,827,099**	**52,970**	**760,790**	**74,330**	**888,090**	**5,715,189**	**47,418**	**5,762,609**	**8,871,354**	**3,108,747**

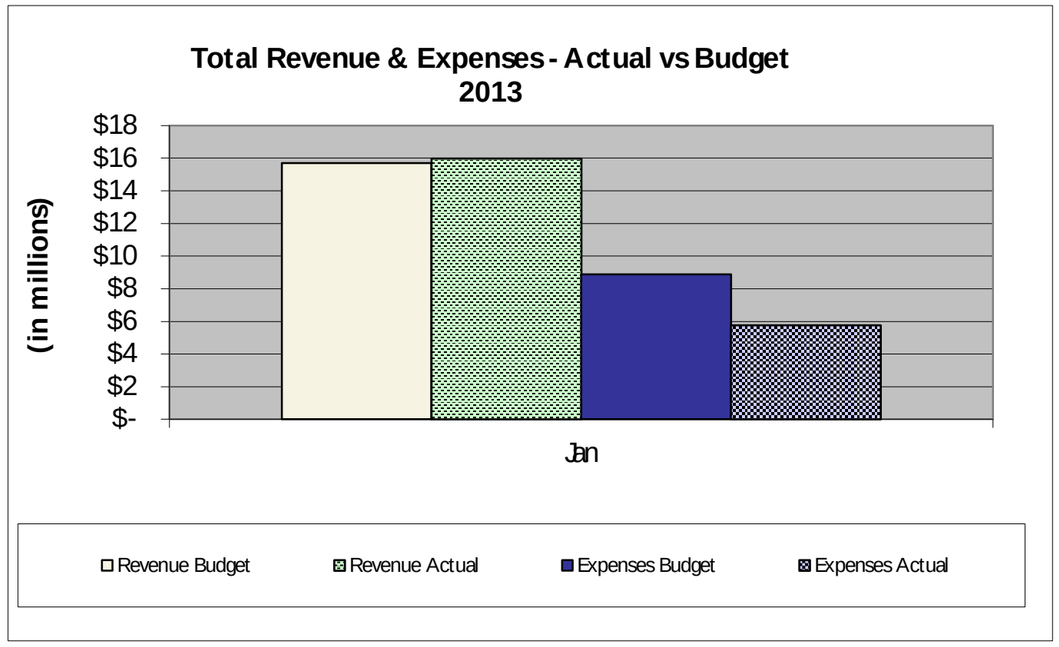
PUC-Proj-ST-07-C

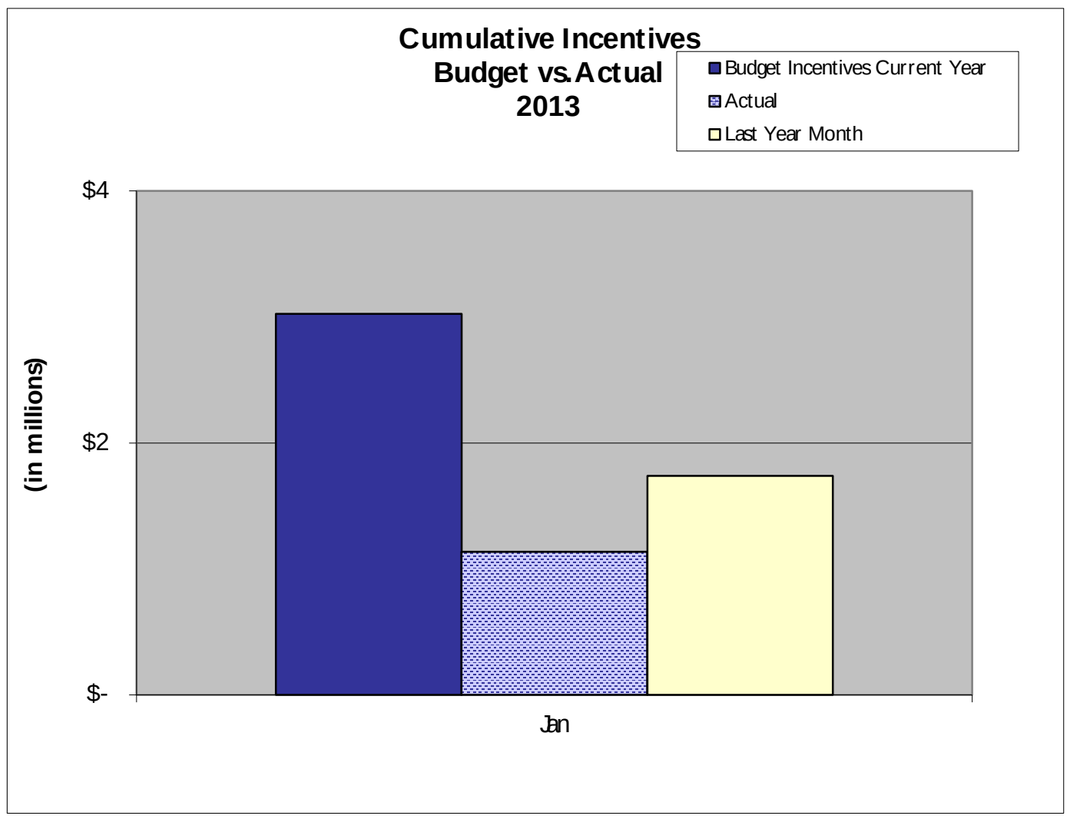
Energy Trust of Oregon, Inc.
ADMINISTRATIVE EXPENSES
For the Month and Year to Date Ended January 31, 2013
(Unaudited)

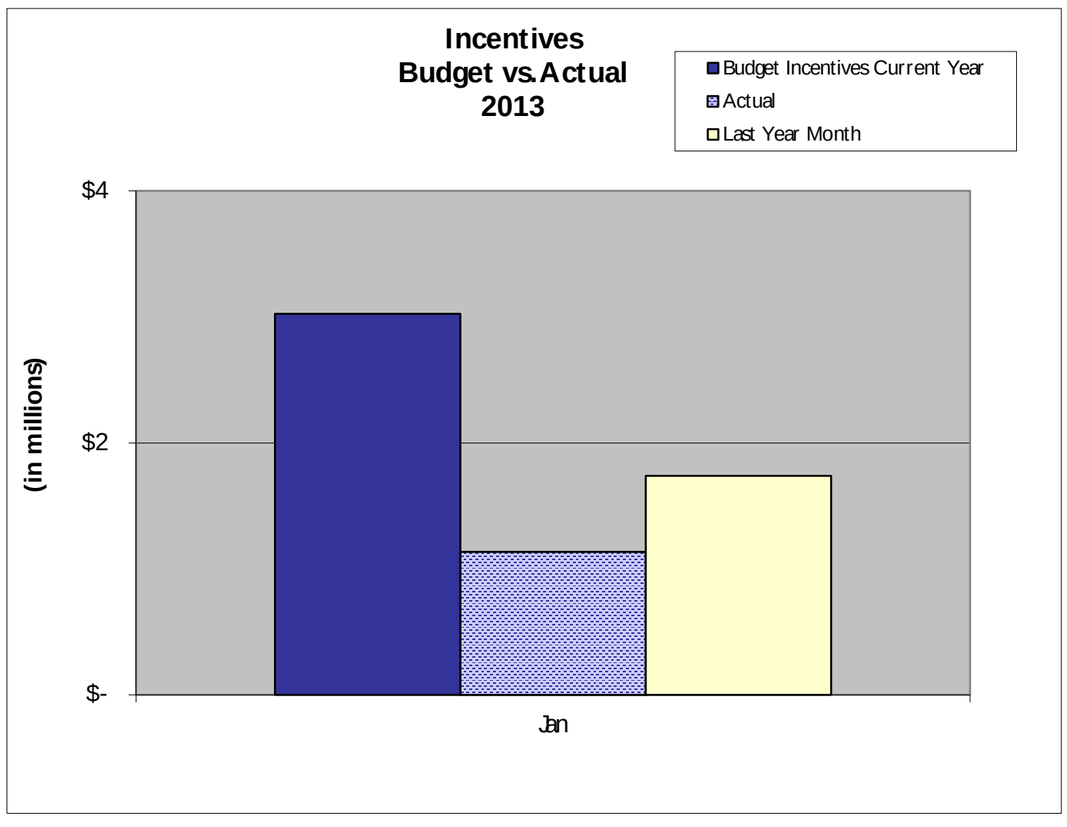
	MANAGEMENT & GENERAL						COMMUNICATIONS & CUSTOMER SERVICE					
	MONTHLY	QUARTERLY	QUARTER	YTD			MONTHLY	QUARTERLY	QUARTER	YTD		
	ACTUAL	BUDGET	REMAINING	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	REMAINING	ACTUAL	BUDGET	VARIANCE
EXPENSES												
Outsourced Services	$7,015	$111,213	$104,198	$7,015	$442,350	$435,336	$79,992	$232,500	$152,508	$79,992	$930,000	$850,008
Legal Services		22,500	22,500		90,000	90,000						
Salaries and Related Expenses	158,495	486,386	327,890	158,495	1,995,834	1,837,339	62,379	207,877	145,499	62,379	832,871	770,492
Supplies	1,237	1,575	338	1,237	6,300	5,063		250	250		1,000	1,000
Telephone		350	350		1,760	1,760	15		(15)	15		(15)
Postage and Shipping Expenses								1,000	1,000		4,000	4,000
Noncapitalized Equipment								250	250		1,000	1,000
Printing and Publications		150	150		600	600	369	13,750	13,381	369	55,000	54,631
Travel	367	11,833	11,466	367	47,334	46,966		1,750	1,750		7,000	7,000
Conference, Training & Mtngs	364	44,372	44,008	364	187,815	187,450	26	7,125	7,099	26	28,500	28,474
Interest Expense and Bank Fees	77	1,875	1,798	77	7,500	7,423						
Miscellaneous Expenses		50	50		200	200						
Dues, Licenses and Fees	862	1,200	339	862	8,900	8,039	1,159	500	(659)	1,159	2,000	841
Shared Allocation (Note 1)	15,404	48,911	33,507	15,404	195,736	180,333	6,242	24,130	17,888	6,242	96,565	90,323
IT Service Allocation (Note 2)	25,768	175,283	149,516	25,768	479,567	453,799	12,713	86,502	73,789	12,713	236,665	223,952
TOTAL EXPENSES	**209,589**	**905,698**	**696,110**	**209,589**	**3,463,896**	**3,254,307**	**162,896**	**575,634**	**412,738**	**162,896**	**2,194,600**	**2,031,705**

Note 1) Represents allocation of Shared (General Office Management) Costs
Note 2) Represents allocation of Shared IT Costs


Cumulative Revenue & Expenses
Budget vs Actual
2013
$18
$16
$14
$12
$10
$8
$6
$4
$2
$-
(in millions)
Jan
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Total Revenue & Expenses - Actual vs Budget
2013
$18
$16
$14
$12
$10
$8
$6
$4
$2
$-
(in millions)
Jan
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Cumulative Incentives
Budget vs. Actual
2013
Budget Incentives Current Year
Actual
Last Year Month
$4
$2
$-
(in millions)
Jan


Incentives
Budget vs. Actual
2013
Budget Incentives Current Year
Actual
Last Year Month
$4
$2
$-
(in millions)
Jan

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Administration							
		Administration Total:	**7,478,312**	**2,440,265**	**5,038,047**		
Communications & Outreach							
		Communications & Outreach Total:	**3,827,390**	**1,905,077**	**1,922,313**		
Energy Efficiency Programs							
Northwest Energy Efficiency Alliance	Regional Energy Eff Initiative	Portland	39,138,680	21,721,719	17,416,961	1/1/10	7/1/15
ICF Resources, LLC	PMC BE 2013	Fairfax	7,731,351	192,228	7,539,123	1/1/13	12/31/13
Fluid Market Strategies LLC	2013 HES PMC	Portland	7,338,775	483,319	6,855,456	1/1/13	12/31/13
Portland Energy Conservation, Inc.	PMC NHP 2013	Portland	6,315,684	334,220	5,981,464	1/1/13	12/31/13
Portland Energy Conservation, Inc.	2013 NBE PMC	Portland	4,736,060	214,787	4,521,273	1/1/13	12/31/13
Intel Corporation	Intel D1X Megaproject	Hillsboro	4,000,000	0	4,000,000	11/15/12	12/31/14
Lockheed Martin Services, Inc.	2013 MF PMC	Cherry Hill	2,673,341	135,921	2,537,420	1/1/13	12/31/13
OPOWER, Inc.	OPOWER Agreement	Arlington	2,092,200	1,972,420	119,780	3/2/10	2/28/14
Oregon State University	CHP Project - OSU	Corvallis	2,024,263	1,920,000	104,263	12/20/10	12/20/13
Portland General Electric	PDC - PE 2013		1,871,000	138,123	1,732,877	1/1/13	12/31/13
Cascade Energy, Inc.	PDC - PE 2013	Walla Walla	1,725,055	183,920	1,541,135	1/1/13	12/31/13
Lockheed Martin Services Inc.	2012 MF PMC	Portland	1,660,001	1,546,906	113,095	1/1/12	12/31/12
RHT Energy Solutions	PDC - PE 2013	Medford	1,278,651	119,247	1,159,404	1/1/13	12/31/13
Cascade Energy, Inc.	PDC - PE 2013 Small Industrial	Walla Walla	1,147,500	113,941	1,033,559	1/1/13	12/31/13
Evergreen Consulting Group, LLC	PE Lighting PDC 2013	Tigard	1,071,000	102,330	968,670	1/1/13	12/31/13
Northwest Power & Conservation Council	Annual Work Plan		874,652	550,195	324,457	3/20/12	12/31/14
NEXANT, INC.	PDC - PE 2013	San Francisco	825,818	41,742	784,076	1/1/13	12/31/13
Ecova Inc	Plug Load Solutions Funding	Spokane	499,950	0	499,950	1/1/13	12/31/13
Evoworx Inc.	EnergySavvy Online Audit Tool	Seattle	495,000	184,584	310,416	1/1/12	12/31/13
Navigant Consulting Inc	PE Program Impact Evaluation	Boulder	490,000	470,340	19,660	12/15/11	6/30/13
Clean Energy Works Oregon Inc	Clean Energy Works	Portland	448,500	300,000	148,500	1/1/10	6/30/13
OPOWER, Inc.	OPower Personal Energy Reports	Arlington	425,850	0	425,850	8/1/13	7/31/15
Lockheed Martin Services, Inc.	PMC BE Transition - 2013	Cherry Hill	400,000	147,971	252,029	1/1/13	3/15/13
SBW Consulting, Inc.	BE Program Impact Evaluation	Bellevue	400,000	283,267	116,733	1/15/12	6/30/13
The Cadmus Group Inc.	NB Impact Eval 2010-2011	Watertown	295,000	153,160	141,840	1/13/12	12/31/13
Conservation Services Group, Inc.	2013 HES PMC Final Transition	Boston	273,000	219,624	53,376	1/1/13	3/31/13
Fluid Market Strategies LLC	2013 HES WA PMC	Portland	265,000	17,637	247,363	1/1/13	12/31/13
Research Into Action, Inc.	EB Evaluation	Portland	210,000	210,000	0	1/1/12	4/30/13
ICF Resources, LLC	NWN WA BE 2013	Fairfax	191,538	2,731	188,807	1/1/13	12/31/13
Research Into Action, Inc.	PE Evaluation	Portland	170,000	99,689	70,311	2/1/12	5/30/13
D&R International LTD	Market Lift Program	Silver Spring	150,000	0	150,000	1/1/13	9/30/13
ICF Resources, LLC	CHP Performance	Fairfax	116,320	77,920	38,400	8/5/09	6/30/13
ICF Resources, LLC	NWN DSM Initiative 2013	Fairfax	110,000	172	109,828	1/1/13	12/31/13
J. Hruska Global	Quality Assurance Services	Columbia City	100,000	0	100,000	1/1/13	12/31/14
PWP, Inc.	NBE Process Evaluation	Gaithersburg	100,000	55,116	44,884	1/6/12	12/31/13

*The city indicated is the contractor's mailing address, not necessarily the location where work was performed.

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Skumatz Economic Research Associates Inc	Existing Homes Study	Superior	100,000	86,179	13,821	7/15/11	5/1/13
Vitesse LLC	Vitesse Data Center	Menlo Park	100,000	0	100,000	10/18/12	10/30/13
Energy Efficiency Funding Group Inc	Training Classes/Workshops	San Francisco	75,000	67,590	7,410	6/1/11	5/31/13
Hitachi Consulting Corporation	SOW #14 PMC Transition Support	Dallas	70,000	41,318	28,683	9/10/12	1/21/13
Pollinate Inc	Web Application Development	Portland	67,000	57,976	9,024	1/1/12	3/31/13
Glumac Inc	Data Center Analysis	Portland	64,525	50,254	14,271	6/7/12	4/30/13
Home Performance Contractors Guild of Oregon	Existing Homes Program Support	Portland	60,000	60,000	0	1/1/12	12/31/12
Portland Energy Conservation, Inc.	EE Consultant Services	Portland	54,170	50,758	3,412	6/1/11	12/31/13
The Cadmus Group Inc.	Commercial Op Pilot Eval	Watertown	50,000	31,852	18,148	7/1/11	12/31/13
The Cadmus Group Inc.	Path to Net-Zero Pilot	Watertown	49,000	43,143	5,857	11/1/09	12/31/12
PWP, Inc.	Comm SEM Initiative Evaluation	Gaithersburg	45,000	14,428	30,572	7/1/12	6/30/14
KEMA Incorporated	Shelf Space Survey	Oakland	42,750	21,375	21,375	12/1/12	9/30/13
Fluid Market Strategies LLC	New Homes QA Assurance	Portland	42,250	27,130	15,120	3/1/12	12/31/12
Portland General Electric	Utility Data Payment - OPOWER	Portland	40,000	19,928	20,072	8/1/10	2/28/14
Pollinate Inc	Energy Savings Estimate	Portland	39,250	25,000	14,250	11/1/12	4/1/13
NW Natural	Info Transfer & Reimbursement	Portland	35,000	21,263	13,737	7/12/10	2/28/14
The Cadmus Group Inc.	Lighting Pilot Evaluation	Watertown	35,000	1,770	33,230	4/1/12	12/31/13
WegoWise Inc	Wegowise Benchmarking License	Boston	35,000	20,000	15,000	5/14/12	5/14/14
Navigant Consulting Inc	CORE Improvement Pilot Eval	Boulder	34,000	5,007	28,994	9/1/12	8/30/14
Stellar Processes, Inc.	EPS Modeling Comparison	Portland	33,000	26,659	6,341	1/15/11	6/30/12
Navigant Consulting Inc	Sustainable Energy Syst Pilot	Boulder	30,000	16,001	13,999	2/15/11	6/30/13
Stellar Processes, Inc.	BE Measure Evaluation	Portland	25,000	12,500	12,500	10/24/12	10/24/14
Triple Point Energy Inc.	Breakfast Workshops	Portland	23,585	12,350	11,235	4/12/12	1/15/13
Michael Blasnick & Associated	Billing Analysis Process	Boston	20,000	3,938	16,063	1/1/10	12/31/13
Northwest Food Processors Association	NW Industrial EE Summit 2013	Portland	17,500	17,500	0	12/10/12	12/31/13
Lane Community College, NEEI Science Division	2013 Scholarship Grant	Eugene	16,600	0	16,600	1/1/13	12/31/13
Oregon Department of Energy	Oregon Leaders Project	Salem	15,000	15,000	0	9/19/11	1/31/14
Portland State University Foundation	Green Modular Classroom Proj	Portland	10,500	5,500	5,000	6/13/12	7/31/14
Conservation Services Group, Inc.	Technical Equipment	Boston	9,205	0	9,205	3/13/13	4/13/13
American Council for and Energy Efficient Economy	Utility Behavior Landscape		7,500	7,500	0	2/1/13	10/31/13
American Council for and Energy Efficient Economy	Case Studies		7,500	7,500	0	2/1/13	10/31/13
American Council for and Energy Efficient Economy	Opportunities for Scaling Up		7,500	7,500	0	2/1/13	10/31/13
Future Energy Conference	Future Energy Conference 2012	Portland	6,500	6,500	0	12/10/12	12/31/13
Hood River County School District	Energy Model Recalibration	Hood River	6,000	0	6,000	12/5/12	3/31/13
	Energy Efficiency Programs Total:		**92,917,524**	**32,776,648**	**60,140,876**		
Joint Programs							
Gilmore Research	Fast Feedback Survey	Seattle	104,000	13,000	91,000	10/1/12	6/30/14

*The city indicated is the contractor's mailing address, not necessarily the location where work was performed.

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
ICF Resources, LLC	Planning Consultant Services	Fairfax	64,700	63,840	860	6/16/11	5/31/13
Portland State University	Technology Forecasting		57,674	19,193	38,481	11/7/11	12/31/13
Navigant Consulting Inc	P&E Consultant Services	Boulder	22,040	17,498	4,542	6/30/11	7/1/13
Glumac Inc	Planning Technical Analysis	Portland	15,000	15,000	0	10/17/12	10/17/14
CoStar Realty Information Inc	Property Data	Baltimore	12,668	9,556	3,113	6/1/11	2/28/13
Gilmore Research	Customer Engagement Survey	Seattle	12,500	2,500	10,000	10/1/12	12/31/13
American Council for and Energy Efficient Economy	ACEEE Sponsorship - 2013		10,000	10,000	0	1/1/13	12/31/13
		Joint Programs Total:	**298,582**	**150,586**	**147,996**		
Renewable Energy Program							
Outback Solar LLC	Outback Solar	Portland	5,000,000	4,950,000	50,000	5/9/12	5/9/37
Sunway 3, LLC	Prologis PV installation		3,405,000	3,396,044	8,956	9/30/08	9/30/28
JC-Biomethane LLC	Biogas Plant Project Funding	Eugene	2,000,000	0	2,000,000	10/18/12	10/18/32
Rough & Ready Lumber Company	Biopower Funding Agreement	Cave Junction	1,685,088	1,684,787	301	7/21/06	7/21/26
Oregon Institute of Technology	Geothermal Resource Funding	Klamath Falls	1,550,000	750	1,549,250	9/11/12	9/11/32
Alder Solar LLC	Habilitation Center PV	Portland	1,236,750	1,224,244	12,506	1/18/08	12/31/28
Central Oregon Irrigation District	Juniper Ridge Hydroelectric	Redmond	1,000,000	1,000,000	0	10/31/08	6/30/31
Farm Power Misty Meadows LLC	Misty Meadows Biogas Facility	Mount Vernon	1,000,000	0	1,000,000	10/25/12	10/25/27
Three Sisters Irrigation District	TSID Hydro	Sisters	1,000,000	0	1,000,000	4/25/12	4/25/32
RES - Ag FGO LLC	Biogas Manure Digester Project	Washington	883,320	220,830	662,490	10/27/10	10/27/25
Stahlbush Island Farms, Inc.	Funding Assistance Agreement	Corvallis	827,000	551,334	275,666	6/24/09	6/24/29
RBS Asset Finance Inc	Black Cap Solar PV Funding	Chicago	600,000	600,000	0	10/1/12	10/1/37
Tioga Solar VI, LLC	Photovoltaic Project Agreement	San Mateo	570,760	368,942	201,818	2/1/09	2/1/30
C Drop Hydro LLC	C Drop Project - Klamath Irrig	Idaho Falls	490,000	490,000	0	11/1/11	11/1/31
Oregon Institute of Technology	Geothermal Resource Funding	Klamath Falls	487,000	487,000	0	3/2/10	3/2/30
City of Medford	750kW Combined Heat & Power	Medford	450,000	225,000	225,000	10/20/11	10/20/31
City of Pendleton	Pendleton Microturbines	Pendleton	450,000	150,000	300,000	4/20/12	4/20/32
K2A Properties, LLC	Doerfler Wind Farm Project	Aumsville	230,000	141,996	88,004	5/20/10	5/20/30
Farmers Irrigation District	Low Line Canal Pressurization	Hood River	150,000	95,000	55,000	9/26/12	11/30/32
Farmers Irrigation District	Indian Creek Corridor Project	Hood River	100,000	100,000	0	1/5/10	1/4/29
Wallowa Resources Community Solutions, Inc.	Upfront Hydroelectric Project		100,000	4,260	95,740	10/1/11	10/1/13
Stoller Vineyards, Inc.	Stoller Vineyards PV	Dayton	79,815	77,390	2,425	12/1/05	12/1/26
Construct Inc	RE Consultant Services	Portland	70,600	36,846	33,754	1/1/11	3/31/13
Wallowa Resources Community Solutions Inc	Integrated Biomass Energy Camp	Enterprise	70,000	70,000	0	2/1/12	1/31/27
City of Portland Water Bureau	Vernon Hydro	Portland	65,000	65,000	0	11/15/10	11/15/30
Bloomberg LP	Insight Services	San Francisco	45,600	41,700	3,900	4/1/11	1/1/14
University of Oregon	UO SRML Contribution	Eugene	45,000	45,000	0	3/9/12	3/9/13
MC Energy LLC	Small Wind Incentive	Spokane	43,250	43,250	0	9/21/10	9/21/25
Clean Energy States Alliance	CESA Year 10 (2013)		39,543	39,543	0	7/1/12	6/30/13
Wind Products Inc	Wind Consultant	Brooklyn	37,500	17,500	20,000	2/6/12	12/31/13

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Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Harold Hartman dba Lynhart Farms	17.5 kW PV project	Malin	32,500	31,386	1,114	5/25/07	5/25/27
Northwest SEED	Grant Agreement	Seattle	30,000	30,000	0	10/3/11	12/31/13
SPS of Oregon Inc	Spaur Microhydro	Wallowa	25,000	25,000	0	7/23/10	7/23/30
Robert Migliori	42kW wind energy system	Newberg	24,125	8,561	15,564	4/11/07	1/31/24
Wind Products Inc	Web Portal Tool	Brooklyn	24,000	25,000	-1,000	6/25/12	9/20/13
Farmers Conservation Alliance	FID Small Hydro Analysis	Hood River	20,000	0	20,000	11/1/12	3/29/13
Solar Oregon	Energy Education Sponsor 2013	Portland	16,000	16,000	0	1/1/13	12/31/13
Warren Griffin	Griffin Wind Project	Salem	13,150	9,255	3,895	10/1/05	10/1/20
Corbett Water District	Corbett Water District Hydro	Corbett	12,000	0	12,000	4/16/12	6/30/32
Clean Energy States Alliance	CESA ITAC		10,000	0	10,000	1/1/13	12/31/13
American Wind Group LLC	Anemometer Incentive Funding	Oasis	4,031	4,031	0	7/22/11	2/15/14
Blue Tree Strategies Inc	RE Consulting Services	Portland	3,600	3,555	45	6/14/11	5/31/13
eFormative Options LLC	RE Evaluation Consultant	Vashon	3,000	0	3,000	3/1/13	2/28/15
	Renewable Energy Program Total:		**23,928,632**	**16,279,204**	**7,649,428**		
	Grand Totals:		**128,450,440**	**53,551,781**	**74,898,660**		

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Energy Trust of Oregon, Inc
BALANCE SHEET
February 28, 2013
(Unaudited)

	FEB 2013	JAN 2013	DEC 2012	Change from Prior Month	Change from Beg. of Year
Current Assets					
Cash & Cash Equivalents	73,655,712	60,336,148	64,005,605	13,319,564	9,650,107
Restricted Cash (Escrow Funds)	381,090	381,052	462,692	38	(81,602)
Receivables	3,782	69,993	123,795	(66,211)	(120,012)
Prepaid Expenses	774,071	825,394	265,829	(51,323)	508,241
Advances to Vendors	670,127	1,403,471	2,109,014	(733,343)	(1,438,887)
Total Current Assets	**75,484,782**	**63,016,057**	**66,966,935**	**12,468,725**	**8,517,848**
Fixed Assets					
Computer Hardware and Software	1,353,958	1,347,388	1,347,388	6,570	6,570
Leasehold Improvements	287,385	287,385	287,385	0	0
Office Equipment and Furniture	600,662	600,662	600,662	0	0
Total Fixed Assets	**2,242,005**	**2,235,435**	**2,235,435**	6,570	6,570
Less Depreciation	(1,237,821)	(1,210,368)	(1,183,098)	(27,452)	(54,722)
Net Fixed Assets	**1,004,184**	**1,025,067**	**1,052,337**	**(20,883)**	**(48,152)**
Other Assets					
Rental Deposit	64,461	64,461	64,461	0	0
Deferred Compensation Asset	419,121	414,234	409,369	4,886	9,752
Total Other Assets	**483,582**	**478,696**	**473,830**	**4,886**	**9,752**
Total Assets	**76,972,549**	**64,519,820**	**68,493,102**	**12,452,729**	**8,479,447**
Current Liabilities					
Accounts Payable and Accruals	8,704,252	7,222,640	21,430,138	1,481,613	(12,725,885)
Deposits Held for Others	42,691	42,692	49,433	(0)	(6,741)
Salaries, Taxes, & Benefits Payable	631,967	597,495	585,703	34,472	46,264
Total Current Liabilities	**9,378,910**	**7,862,826**	**22,065,273**	**1,516,084**	**(12,686,363)**
Long Term Liabilities					
Deferred Rent	330,887	327,062	323,237	3,825	7,650
Deferred Compensation Payable	419,121	414,234	409,369	4,886	9,752
Other Long-Term Liabilities	14,404	14,444	13,674	(40)	730
Total Long-Term Liabilities	**764,412**	**755,740**	**746,279**	**8,672**	**18,132**
Total Liabilities	**10,143,322**	**8,618,566**	**22,811,553**	**1,524,756**	**(12,668,231)**
Net Assets					
Temporarily Restricted Net Assets	381,090	381,052	462,692	38	(81,602)
Unrestricted Net Assets	66,448,137	55,520,202	45,218,858	10,927,935	21,229,279
Total Net Assets	**66,829,227**	**55,901,254**	**45,681,549**	**10,927,973**	**21,147,678**
Total Liabilities and Net Assets	**76,972,549**	**64,519,820**	**68,493,102**	**12,452,729**	**8,479,447**

BS-Acct-YTD-001

Energy Trust of Oregon
Cash Flow Statement-Indirect Method
Monthly 2013

	January	February	Year to Date
Operating Activities:			
Revenue less Expenses	$ 10,219,705	10,927,972	$ 21,147,677
Non-cash items:			
Depreciation	27,270	27,452	$ 54,722
Loss on disposal of assets			$ -
Receivables	53,256	66,082	$ 119,338
Interest Receivable	546	129	$ 675
Advances to Vendors	705,543	733,344	$ 1,438,887
Prepaid expenses and other costs	(559,565)	51,323	$ (508,242)
Accounts payable	(14,214,238)	1,481,611	$ (12,732,627)
Payroll and related accruals	16,657	39,359	$ 56,016
Deferred rent and other	(271)	(1,101)	$ (1,372)
Cash rec'd from / (used in) Operating Activities	(3,751,097)	13,326,171	$ 9,575,074
Investing Activities:			
(Acquisition)/Disposal of Capital Assets	-	(6,570)	$ (6,570)
Cash rec'd from / (used in) Investing Activities	-	(6,570)	$ (6,570)
Cash at beginning of Period	64,468,299	60,717,202	64,468,299
Increase/(Decrease) in Cash	(3,751,097)	13,319,602	9,568,504
Cash at end of period	$ 60,717,202	$ 74,036,803	$ 74,036,803

Energy Trust of Oregon
Cash Flow Projection
January 2013 - December 2014

	2013 Actual	2013 Budget										
	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Cash In:												
Public purpose and Incr funding	12,461,090	15,975,013	16,800,000	16,900,000	15,100,000	13,400,000	11,700,000	11,600,000	11,100,000	11,200,000	12,800,000	12,300,000
From other sources	2,804	53,256										
Investment Income	7,107	7,847	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total cash in	12,471,001	16,036,116	16,810,000	16,910,000	15,110,000	13,410,000	11,710,000	11,610,000	11,110,000	11,210,000	12,810,000	12,310,000
Cash Out:	23,653,462	19,787,213	7,500,000	11,700,000	11,800,000	10,900,000	13,800,000	12,500,000	12,700,000	15,900,000	13,600,000	14,000,000
Net cash flow for the month	(11,182,461)	(3,751,097)	9,310,000	5,210,000	3,310,000	2,510,000	(2,090,000)	(890,000)	(1,590,000)	(4,690,000)	(790,000)	(1,690,000)
Beginning Balance: Cash & MM	75,650,757	64,468,297	60,717,200	70,027,200	75,237,200	78,547,200	81,057,200	78,967,200	78,077,200	76,487,200	71,797,200	71,007,200
Ending cash & MM	64,468,297	60,717,200	70,027,200	75,237,200	78,547,200	81,057,200	78,967,200	78,077,200	76,487,200	71,797,200	71,007,200	69,317,200
Dedicated funds Adjustment	(12,200,000)	(10,600,000)	(10,600,000)	(12,000,000)	(12,000,000)	(12,000,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)
Committed Funds Adjustment	(34,500,000)	(37,200,000)	(40,000,000)	(47,000,000)	(48,700,000)	(54,600,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)
Cash Reserve	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)
Ending Cash & MM, adj by Above	**11,568,297**	**6,717,200**	**13,227,200**	**10,037,200**	**11,647,200**	**8,257,200**	**12,067,200**	**11,177,200**	**9,587,200**	**4,897,200**	**4,107,200**	**2,417,200**

Escrow Cash Balance

Beginning Balance	462,664	462,692	381,052	381,068	252,627	77,892	77,900	77,908	77,916	77,924	77,932	77,940
Net Escrow (Payments)/Funding		(81,682)		(128,457)	(174,743)							
Interest Paid on Escrow Balances	28	42	16	16	8	8	8	8	8	8	8	8
Ending Escrow Balance1	462,692	381,052	381,068	252,627	77,892	77,900	77,908	77,916	77,924	77,932	77,940	77,948

1Included in "Ending cash & MM" above

Dedicated funds adjustment: reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements
Committed funds adjustment: reduction in available cash for commitments to Efficiency program projects with signed agreements
Cash reserve: reduction in available cash to cover cashflow variability and winter revenue risk
Escrow: dedicated funds set aside in separate bank accounts

Energy Trust of Oregon
Cash Flow Projection
January 2013 - December 2014

	2014 Board Approved Projection											
	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Cash In:												
Public purpose and Incr funding	16,300,000	16,000,000	17,100,000	17,500,000	15,500,000	13,900,000	12,200,000	12,300,000	11,600,000	11,800,000	13,900,000	13,000,000
From other sources												
Investment Income	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total cash in	16,310,000	16,010,000	17,110,000	17,510,000	15,510,000	13,910,000	12,210,000	12,310,000	11,610,000	11,810,000	13,910,000	13,010,000
Cash Out:	22,400,000	24,100,000	8,800,000	11,900,000	11,200,000	11,200,000	15,500,000	14,500,000	12,600,000	16,000,000	14,200,000	14,900,000
Net cash flow for the month	(6,090,000)	(8,090,000)	8,310,000	5,610,000	4,310,000	2,710,000	(3,290,000)	(2,190,000)	(990,000)	(4,190,000)	(290,000)	(1,890,000)
Beginning Balance: Cash & MM	69,317,200	63,227,200	55,137,200	63,447,200	69,057,200	73,367,200	76,077,200	72,787,200	70,597,200	69,607,200	65,417,200	65,127,200
Ending cash & MM	63,227,200	55,137,200	63,447,200	69,057,200	73,367,200	76,077,200	72,787,200	70,597,200	69,607,200	65,417,200	65,127,200	63,237,200
Dedicated funds Adjustment	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)	(12,200,000)
Committed Funds Adjustment	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)	(48,500,000)
Cash Reserve	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)
Ending Cash & MM, adj by Above	**-**	**-**	**-**	**2,157,200**	**6,467,200**	**9,177,200**	**5,887,200**	**3,697,200**	**2,707,200**	**-**	**-**	**-**
Escrow Cash Balance												
Beginning Balance	77,948	77,949	77,965	77,981	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net Escrow (Payments)/Funding				(77,981)								
Interest Paid on Escrow Balances	0	16	16	-	-	-	-	-	-	-	-	-
Ending Escrow Balance1	77,949	77,965	77,981	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

1Included in "Ending cash & MM" above

Dedicated funds adjustment: reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements
Committed funds adjustment: reduction in available cash for commitments to Efficiency program projects with signed agreements
Cash reserve: reduction in available cash to cover cashflow variability and winter revenue risk
Escrow: dedicated funds set aside in separate bank accounts

Energy Trust of Oregon, Inc
INCOME STATEMENT - ACTUAL AND YTD COMPARISON
For the Month Ending February 28, 2013
(Unaudited)

	February			YTD		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
REVENUES						
Public Purpose Funds-PGE	3,605,501	3,507,531	97,971	6,924,396	6,809,326	115,070
Public Purpose Funds-PacifiCorp	2,698,318	2,151,164	547,154	4,994,832	4,656,264	338,568
Public Purpose Funds-NW Natural	4,096,072	3,847,825	248,247	7,081,571	7,189,465	(107,895)
Public Purpose Funds-Cascade	390,987	523,147	(132,160)	749,361	1,066,503	(317,142)
Total Public Purpose Funds	**10,790,878**	**10,029,666**	**761,213**	**19,750,160**	**19,721,558**	**28,602**
Incremental Funds - PGE	4,824,404	4,533,047	291,357	9,580,328	7,888,322	1,692,006
Incremental Funds - PacifiCorp	2,661,280	2,230,705	430,575	4,921,086	4,865,215	55,871
Revenue from Investments	6,618	10,000	(3,382)	13,920	20,000	(6,080)
TOTAL REVENUE	**18,283,180**	**16,803,417**	**1,479,762**	**34,265,494**	**32,495,096**	**1,770,398**
EXPENSES						
Program Subcontracts	3,579,256	3,736,168	156,911	6,784,606	7,426,194	641,588
Incentives	2,338,545	4,074,877	1,736,332	3,474,121	7,098,366	3,624,245
Salaries and Related Expenses	795,350	890,388	95,038	1,610,971	1,780,776	169,805
Professional Services	440,991	935,984	494,993	819,422	1,836,168	1,016,747
Supplies	2,226	10,354	8,128	5,157	20,707	15,551
Telephone	4,320	4,453	133	8,358	8,906	548
Postage and Shipping Expenses	492	833	342	1,628	1,667	38
Occupancy Expenses	53,614	58,434	4,820	108,038	116,867	8,829
Noncapitalized Equip. & Depr.	52,610	91,651	39,040	98,442	250,431	151,989
Call Center	56,913	44,917	(11,996)	110,756	89,833	(20,922)
Printing and Publications	7,105	17,112	10,008	42,363	34,225	(8,138)
Travel	6,757	13,849	7,091	11,149	27,697	16,548
Conference, Training & Mtng Exp	6,958	29,507	22,550	12,936	67,890	54,954
Interest Expense and Bank Fees	77	625	548	254	1,250	996
Insurance	7,800	9,167	1,367	15,600	18,333	2,733
Miscellaneous Expenses	0	225	225	0	450	450
Dues, Licenses and Fees	2,194	14,134	11,940	14,015	24,268	10,254
TOTAL EXPENSES	**7,355,207**	**9,932,677**	**2,577,470**	**13,117,816**	**18,804,031**	**5,686,214**
TOTAL REVENUE LESS EXPENSES	**10,927,973**	**6,870,740**	**4,057,232**	**21,147,678**	**13,691,065**	**7,456,613**

IS-Acct-YTD-001

Energy Trust of Oregon, Inc
Statement of Functional Expenses
For the Two Months Ending February 28, 2013

	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total	Budget	Variance
Program Expenses									
Incentives/ Program Management & Deliver	9,866,983	391,744	10,258,727				10,258,727	14,524,561	4,265,834
Payroll and Related Expenses	463,655	146,571	610,226	316,818	136,830	453,648	1,063,874	1,106,695	42,821
Outsourced Services	506,292	52,544	558,836	16,473	161,825	178,298	737,134	1,314,813	577,679
Planning and Evaluation	293,487	13,251	306,738				306,738	498,835	192,097
Customer Service Management	184,203	2,401	186,604				186,604	180,153	(6,451)
Trade Allies Network	54,762	2,478	57,240				57,240	79,247	22,007
Total Program Expenses	**11,369,382**	**608,990**	**11,978,372**	**333,291**	**298,654**	**631,945**	**12,610,317**	**17,704,304**	**5,093,987**
Program Support Costs									
Supplies	1,553	384	1,937	2,056	352	2,408	4,345	13,073	8,728
Postage and Shipping Expenses	520	157	677	313	134	447	1,124	1,308	184
Telephone	401	179	580	177	91	268	848	895	47
Printing and Publications	39,919	1,234	41,153	45	384	429	41,582	32,930	(8,652)
Occupancy Expenses	34,321	10,388	44,709	20,647	8,819	29,466	74,175	74,801	626
Insurance	4,982	1,508	6,490	2,997	1,280	4,277	10,767	11,774	1,007
Equipment	10,834	493	11,327	980	419	1,399	12,726	3,989	(8,737)
Travel	5,070	1,611	6,681	1,108	123	1,231	7,912	18,514	10,602
Meetings, Trainings & Conferences	3,723	1,608	5,331	3,428	276	3,704	9,035	41,040	32,005
Interest Expense and Bank Fees		100	100	154		154	254	1,250	996
Depreciation & Amortization	8,457	2,946	11,403	5,087	2,173	7,260	18,663	17,121	(1,542)
Dues, Licenses and Fees	819	3,539	4,358	962	1,238	2,200	6,558	10,441	3,883
Miscellaneous Expenses								301	301
IT Services	225,715	26,570	252,285	45,016	22,210	67,226	319,511	872,291	552,780
Total Program Support Costs	**336,316**	**50,717**	**387,033**	**82,969**	**37,497**	**120,466**	**507,499**	**1,099,728**	**592,229**
TOTAL EXPENSES	**11,705,698**	**659,707**	**12,365,405**	**416,260**	**336,152**	**752,412**	**13,117,816**	**18,804,032**	**5,686,216**
OPUC measure vs. 9%	**3.33%**								

Exp-Acct-YTD-002

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory - joint costs allocated at program level
For the Two Months Ending February 28, 2013
(Unaudited)

	ENERGY EFFICIENCY									RENEWABLE ENERGY				TOTAL		
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Oregon Total	NWN WA	ETO Total	PGE	PacifiCorp	Total	Other	All Programs	Approved budget	Change
REVENUES																
Public Purpose Funding	$5,360,638	$3,880,914	$9,241,552		$7,081,571	$749,361	$17,072,484		$17,072,484	$1,563,758	$1,113,918	$2,677,676		$19,750,160	$19,721,558	($28,602)
Incremental Funding	9,580,328	4,921,086	14,501,414				14,501,414		14,501,414					14,501,414	12,753,537	(1,747,877)
Revenue from Investments													13,920	13,920	20,000	6,080
TOTAL PROGRAM REVENUE	**14,940,966**	**8,802,000**	**23,742,966**		**7,081,571**	**749,361**	**31,573,898**		**31,573,898**	**1,563,758**	**1,113,918**	**2,677,676**	**13,920**	**34,265,494**	**32,495,095**	**(1,770,399)**
EXPENSES																
Program Management (Note 3)	401,288	251,859	653,147	10,011	207,938	14,919	886,015	36,671	922,748	93,873	52,698	146,571		1,069,319	983,435	(85,884)
Program Delivery	2,957,991	1,939,448	4,897,439	60,971	774,872	62,701	5,795,983	26,987	5,822,994	10,405	10,944	21,349		5,844,343	6,508,260	663,917
Incentives	1,797,169	708,228	2,505,397	19,412	549,977	27,334	3,102,120	1,608	3,103,728	261,551	108,846	370,397		3,474,125	7,098,367	3,624,242
Program Eval & Planning Svcs.	285,840	163,012	448,852	4,730	100,582	6,461	560,626	4,744	565,381	8,573	4,679	13,252		578,633	953,679	375,046
Program Marketing/Outreach	282,447	183,693	466,140	1,448	156,441	9,679	633,708	5,571	639,279	2,952	1,429	4,381		643,660	855,627	211,967
Program Quality Assurance	5,149	5,889	11,038	0	7,253	318	18,609	0	18,609	725	0	725		19,334	42,500	23,166
Outsourced Services	26,930	17,920	44,850	41	12,132	662	57,684	0	57,684	32,323	15,115	47,438		105,122	296,492	191,370
Trade Allies & Cust. Svc. Mgmt.	56,237	42,881	99,118	165	48,596	2,650	150,529	4,016	154,553	3,265	1,615	4,880		159,433	192,898	33,465
IT Services	101,217	60,855	162,072	774	53,440	3,243	219,529	6,173	225,714	17,068	9,502	26,570		252,284	688,867	436,583
Other Program Expenses	74,100	56,278	130,378	813	56,335	2,927	190,452	4,556	195,015	15,128	9,019	24,147		219,162	189,664	(29,498)
TOTAL PROGRAM EXPENSES	**5,988,367**	**3,430,063**	**9,418,430**	**98,365**	**1,967,566**	**130,894**	**11,615,255**	**90,326**	**11,705,698**	**445,864**	**213,846**	**659,707**		**12,365,405**	**17,809,789**	**5,444,374**
ADMINISTRATIVE COSTS																
Management & General (Notes 1 & 2)	202,570	115,766	318,336	3,371	65,430	4,371	391,508	2,846	394,358	14,356	7,549	21,905		416,260	607,697	191,434
Communications & Customer Svc (Notes 1 & 2)	163,586	93,487	257,073	2,722	52,838	3,530	316,163	2,298	318,464	11,593	6,096	17,689		336,152	386,546	50,393
Total Administrative Costs	**366,156**	**209,253**	**575,409**	**6,093**	**118,268**	**7,901**	**707,671**	**5,144**	**712,822**	**25,949**	**13,645**	**39,594**		**752,412**	**994,243**	**241,827**
TOTAL PROG & ADMIN EXPENSES	**6,354,520**	**3,639,314**	**9,993,834**	**104,457**	**2,085,832**	**138,794**	**12,322,917**	**95,470**	**12,418,518**	**471,812**	**227,489**	**699,301**		**13,117,816**	**18,804,032**	**5,686,201**
TOTAL REVENUE LESS EXPENSES	**8,586,446**	**5,162,686**	**13,749,132**	**(104,457)**	**4,995,739**	**610,567**	**19,250,981**	**(95,470)**	**19,155,380**	**1,091,946**	**886,429**	**1,978,375**	**13,920**	**21,147,678**	**13,691,063**	**(7,456,600)**
Cumulative Carryover at 12/31/12 (Note 4)	12,168,475	3,036,549	15,205,024	1,099,798	3,013,149	(392,281)	18,925,690	353,174	19,329,598	8,211,384	7,461,615	15,672,999	10,678,953	45,681,550	37,070,557	(8,610,993)
Interest attributed	1,740,000	1,160,000	2,900,000		5,000,000	392,281	8,292,281		8,292,281	585,000	2,235,000	2,820,000	(11,112,281)		7,900,000	7,900,000
Interest re-attributed	(1,740,000)	(1,160,000)	(2,900,000)		(5,000,000)		(7,900,000)		(7,900,000)				7,900,000		(7,900,000)	(7,900,000)
TOTAL NET ASSETS CUMULATIVE	**20,754,921**	**8,199,235**	**28,954,156**	**995,341**	**8,008,888**	**610,567**	**38,568,952**	**257,704**	**38,877,259**	**9,888,330**	**10,583,044**	**20,471,374**	**7,480,592**	**66,829,227**	**50,761,620**	**(16,067,593)**

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.
Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.
Note 3) Program Management costs include both outsourced and internal staff.
Note 4) Cumulative carryover at 12/31/2012 reflects audited results.

Energy Trust of Oregon, Inc
Program Expense by Service Territory
For the Two Months Ending February 28, 2013
(Unaudited)

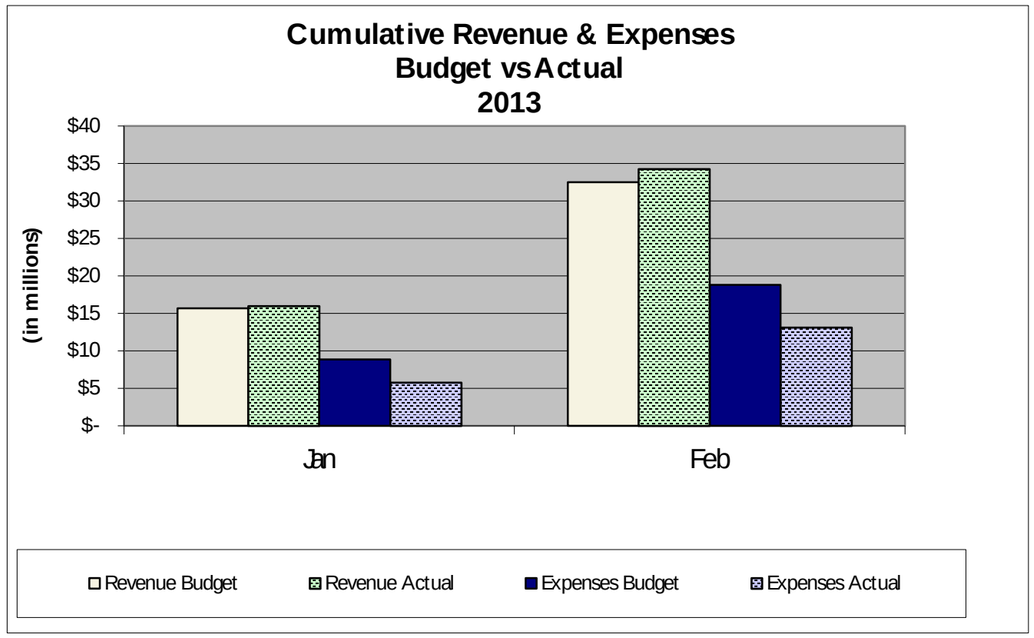
	PGE	Pacific Power	Subtotal Elec. Utilities	NWN Industrial	NW Natural Gas	Cascade	Subtotal Gas Providers	Oregon Total	Clark PUD WA	NWN WA	Total WA	ETO Total	YTD Budget	Variance
Energy Efficiency														
Commercial														
Existing Buildings	1,225,139	608,300	1,833,439	3,502	338,614	26,047	368,163	2,201,602	131	26,959	27,090	2,228,692	3,746,486	1,517,794
New Buildings	1,270,011	292,358	1,562,369	676	57,761	18,410	76,847	1,639,216				1,639,216	2,893,497	1,254,281
NEEA	224,562	169,406	393,968				**0**	393,968				393,968	475,914	81,946
Total Commercial	**2,719,712**	**1,070,064**	**3,789,776**	**4,178**	**396,375**	**44,457**	**445,010**	**4,234,786**	**131**	**26,959**	**27,090**	**4,261,876**	**7,115,897**	**2,854,021**
Industrial														
Production Efficiency	1,629,218	1,009,925	2,639,143	100,279	315,410	15,447	431,136	3,070,279				3,070,279	2,654,008	(416,271)
NEEA	145,342	109,644	254,986				**0**	254,986				254,986	244,630	(10,356)
Total Industrial	**1,774,560**	**1,119,569**	**2,894,129**	**100,279**	**315,410**	**15,447**	**431,136**	**3,325,265**				**3,325,265**	**2,898,638**	**(426,627)**
Residential														
Existing Homes	568,164	649,889	1,218,053		800,360	35,085	835,445	2,053,498		47,856	47,856	2,101,354	3,880,817	1,779,463
New Homes/Products	777,469	411,573	1,189,042		573,687	43,805	617,492	1,806,534		20,655	20,655	1,827,189	3,656,735	1,829,546
NEEA	514,615	388,219	902,834				**0**	902,834				902,834	636,771	(266,063)
Total Residential	**1,860,248**	**1,449,681**	**3,309,929**		**1,374,047**	**78,890**	**1,452,937**	**4,762,866**		**68,511**	**68,511**	**4,831,377**	**8,174,323**	**3,342,946**
Energy Efficiency Program Cos	**6,354,520**	**3,639,314**	**9,993,834**	**104,457**	**2,085,832**	**138,794**	**2,329,083**	**12,322,917**	**131**	**95,470**	**95,601**	**12,418,518**	**18,188,858**	**5,770,340**
Renewables														
Biopower	37,576	14,220	51,796					51,796				51,796	50,920	(876)
Solar Electric (Photovoltaic)	338,816	163,974	502,790					502,790				502,790	406,490	(96,300)
Other Renewable	95,420	49,295	144,715					144,715				144,715	157,762	13,047
Renewables Program Costs	**471,812**	**227,489**	**699,301**					**699,301**				**699,301**	**615,172**	**(84,129)**
Cost Grand Total	**6,826,332**	**3,866,803**	**10,693,135**	**104,457**	**2,085,832**	**138,794**	**2,329,083**	**13,022,218**	**131**	**95,470**	**95,601**	**13,117,816**	**18,804,030**	**5,686,214**

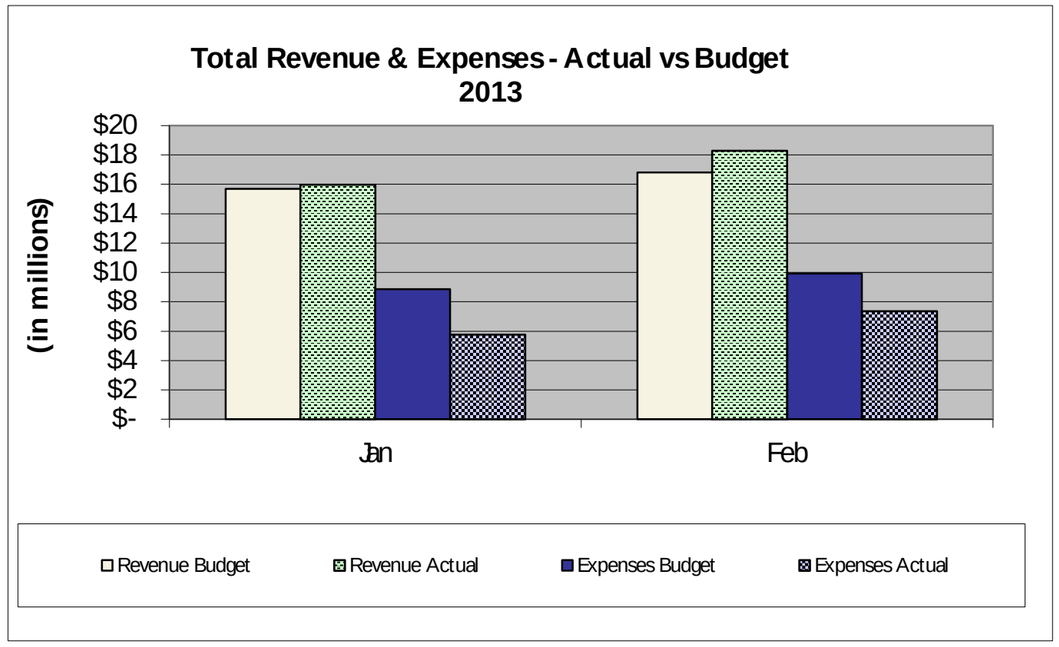
PUC-Proj-ST-07-C

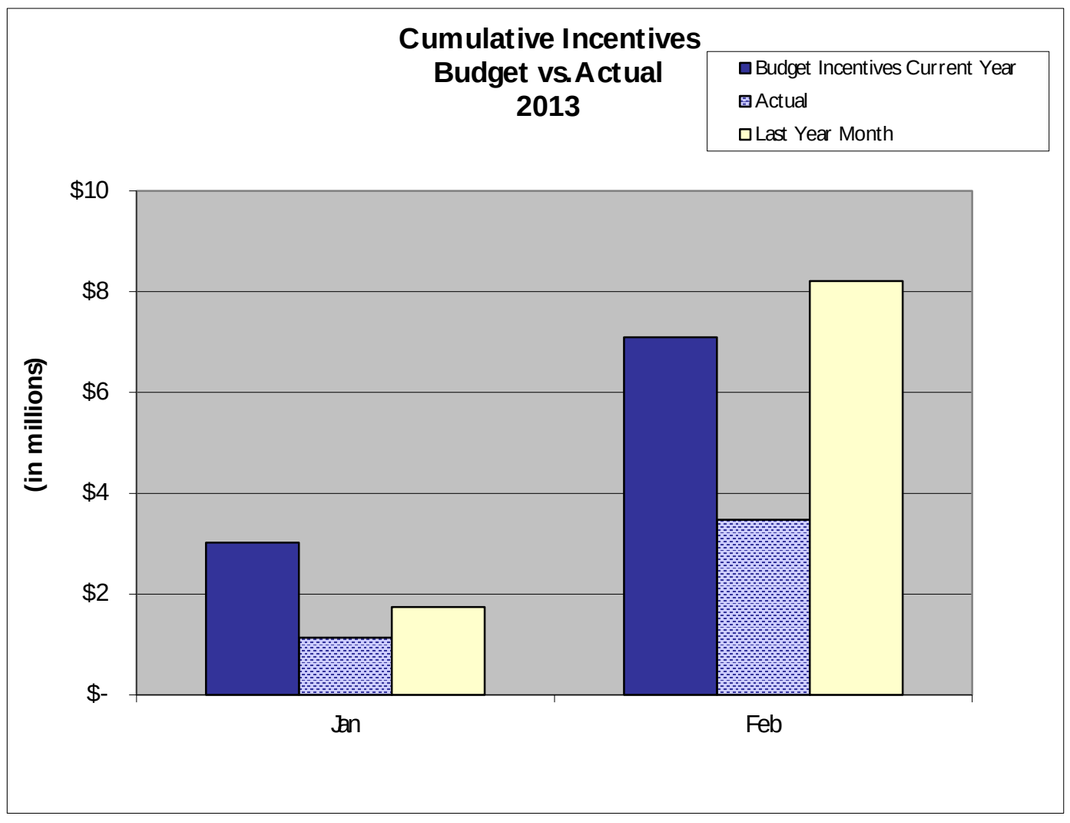
Energy Trust of Oregon, Inc.
ADMINISTRATIVE EXPENSES
For the Two Months and Year to Date Ended February 28, 2013
(Unaudited)

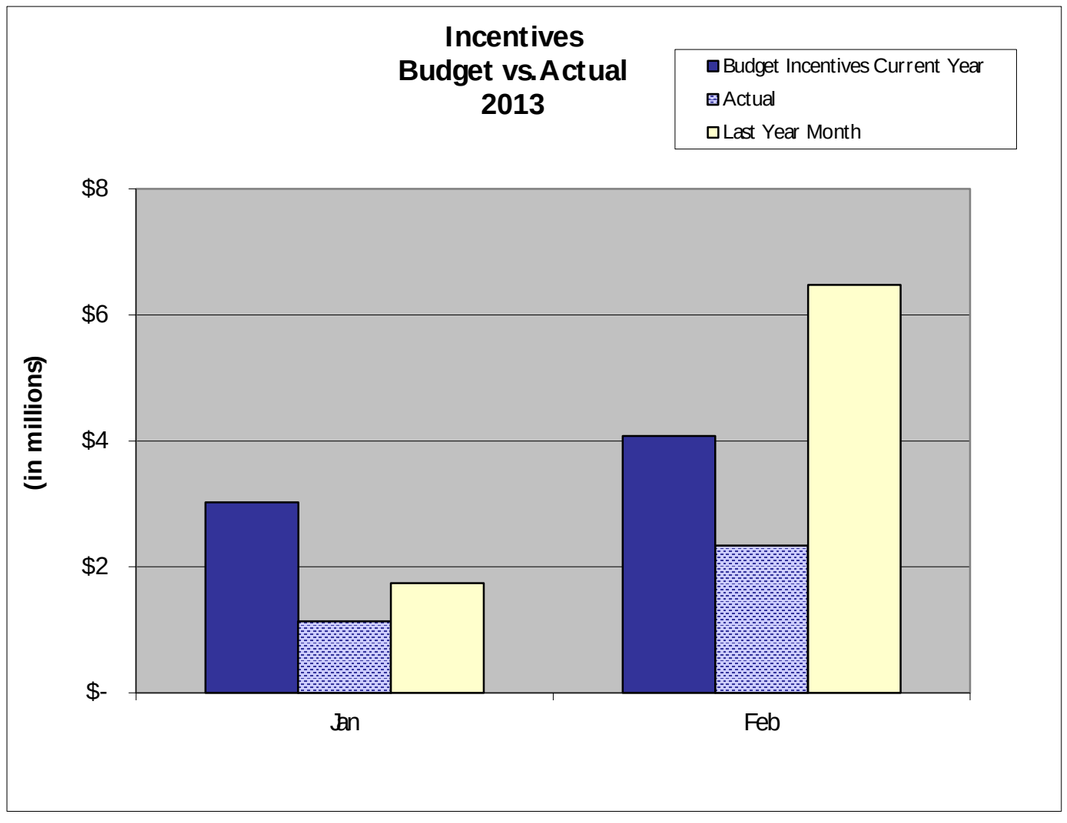
	MANAGEMENT & GENERAL						COMMUNICATIONS & CUSTOMER SERVICE					
	QTD	QUARTERLY	QUARTER	YTD			QTD	QUARTERLY	QUARTER	YTD		
	ACTUAL	BUDGET	REMAINING	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	REMAINING	ACTUAL	BUDGET	VARIANCE
EXPENSES												
Outsourced Services	$16,473	$111,213	$94,740	$16,473	$74,142	$57,669	$161,825	$232,500	$70,675	$161,825	$155,000	($6,825)
Legal Services		22,500	22,500		15,000	15,000						
Salaries and Related Expenses	316,818	486,386	169,567	316,818	323,969	7,151	136,830	207,877	71,048	136,830	138,434	1,604
Supplies	1,293	1,575	282	1,293	1,050	(243)	26	250	224	26	167	141
Telephone		350	350		233	233	15		(15)	15		(15)
Postage and Shipping Expenses								1,000	1,000		667	667
Noncapitalized Equipment								250	250		167	167
Printing and Publications	10	150	140	10	100	90	369	13,750	13,381	369	9,167	8,797
Travel	1,108	11,833	10,726	1,108	7,889	6,781	123	1,750	1,627	123	1,167	1,044
Conference, Training & Mtngs	3,428	44,372	40,945	3,428	27,807	24,379	276	7,125	6,849	276	4,750	4,474
Interest Expense and Bank Fees	154	1,875	1,721	154	1,250	1,096						
Miscellaneous Expenses		50	50		33	33						
Dues, Licenses and Fees	962	1,200	239	962	800	(161)	1,238	500	(738)	1,238	333	(905)
Shared Allocation (Note 1)	30,999	48,911	17,912	30,999	32,607	1,609	13,241	24,130	10,889	13,241	16,087	2,846
IT Service Allocation (Note 2)	45,016	175,283	130,267	45,016	122,815	77,799	22,210	86,502	64,292	22,210	60,609	38,399
TOTAL EXPENSES	**416,260**	**905,698**	**489,438**	**416,260**	**607,696**	**191,436**	**336,152**	**575,634**	**239,482**	**336,152**	**386,546**	**50,394**

Note 1) Represents allocation of Shared (General Office Management) Costs
Note 2) Represents allocation of Shared IT Costs


Cumulative Revenue & Expenses
Budget vs Actual
2013
(in millions)
$40
$35
$30
$25
$20
$15
$10
$5
$-
Jan
Feb
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Total Revenue & Expenses - Actual vs Budget
2013
(in millions)
$20
$18
$16
$14
$12
$10
$8
$6
$4
$2
$-
Jan
Feb
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Cumulative Incentives
Budget vs. Actual
2013
Budget Incentives Current Year
Actual
Last Year Month
(in millions)
$10
$8
$6
$4
$2
$-
Jan
Feb


Incentives
Budget vs. Actual
2013
Budget Incentives Current Year
Actual
Last Year Month
(in millions)
$8
$6
$4
$2
$-
Jan
Feb

R00407

For contracts with costs through: 3/1/2013

Energy Trust of Oregon
Contract Status Summary Report

Report Date: 3/20/2013

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Administration							
		Administration Total:	**7,478,312**	**2,511,376**	**4,966,936**		
Communications & Outreach							
		Communications & Outreach Total:	**3,827,390**	**2,094,910**	**1,732,479**		
Energy Efficiency Programs							
Northwest Energy Efficiency Alliance	Regional Energy Eff Initiative	Portland	39,138,680	22,455,063	16,683,617	1/1/10	7/1/15
ICF Resources, LLC	PMC BE 2013	Fairfax	7,731,351	748,266	6,983,085	1/1/13	12/31/13
Fluid Market Strategies LLC	2013 HES PMC	Portland	7,338,775	1,028,189	6,310,586	1/1/13	12/31/13
Portland Energy Conservation, Inc.	PMC NHP 2013	Portland	6,315,684	744,908	5,570,776	1/1/13	12/31/13
Portland Energy Conservation, Inc.	2013 NBE PMC	Portland	4,736,060	514,062	4,221,998	1/1/13	12/31/13
Intel Corporation	Intel D1X Megaproject	Hillsboro	4,000,000	2,540,546	1,459,454	11/15/12	12/31/14
Lockheed Martin Services, Inc.	2013 MF PMC	Cherry Hill	2,673,341	312,988	2,360,353	1/1/13	12/31/13
OPOWER, Inc.	OPOWER Agreement	Arlington	2,092,200	1,972,420	119,780	3/2/10	2/28/14
Oregon State University	CHP Project - OSU	Corvallis	2,024,263	1,920,000	104,263	12/20/10	12/20/13
Portland General Electric	PDC - PE 2013		1,871,000	269,867	1,601,133	1/1/13	12/31/13
Cascade Energy, Inc.	PDC - PE 2013	Walla Walla	1,725,055	325,398	1,399,657	1/1/13	12/31/13
Lockheed Martin Services Inc.	2012 MF PMC	Portland	1,660,001	1,595,846	64,155	1/1/12	12/31/12
RHT Energy Solutions	PDC - PE 2013	Medford	1,278,651	230,872	1,047,779	1/1/13	12/31/13
Cascade Energy, Inc.	PDC - PE 2013 Small Industrial	Walla Walla	1,147,500	208,994	938,506	1/1/13	12/31/13
Evergreen Consulting Group, LLC	PE Lighting PDC 2013	Tigard	1,071,000	188,027	882,973	1/1/13	12/31/13
Northwest Power & Conservation Council	Annual Work Plan		874,652	550,195	324,457	3/20/12	12/31/14
NEXANT, INC.	PDC - PE 2013	San Francisco	825,818	98,757	727,061	1/1/13	12/31/13
Ecova Inc	Plug Load Solutions Funding	Spokane	499,950	11,138	488,812	1/1/13	12/31/13
Evoworx Inc.	EnergySavvy Online Audit Tool	Seattle	495,000	216,309	278,691	1/1/12	12/31/13
Navigant Consulting Inc	PE Program Impact Evaluation	Boulder	490,000	470,340	19,660	12/15/11	6/30/13
Clean Energy Works Oregon Inc	Clean Energy Works	Portland	448,500	300,000	148,500	1/1/10	6/30/13
OPOWER, Inc.	OPower Personal Energy Reports	Arlington	425,850	0	425,850	8/1/13	7/31/15
Lockheed Martin Services, Inc.	PMC BE Transition - 2013	Cherry Hill	400,000	315,476	84,524	1/1/13	3/15/13
SBW Consulting, Inc.	BE Program Impact Evaluation	Bellevue	400,000	329,861	70,139	1/15/12	6/30/13
The Cadmus Group Inc.	NB Impact Eval 2010-2011	Watertown	295,000	153,160	141,840	1/13/12	12/31/13
Conservation Services Group, Inc.	2013 HES PMC Final Transition	Boston	273,000	219,624	53,376	1/1/13	3/31/13
Fluid Market Strategies LLC	2013 HES WA PMC	Portland	265,000	35,744	229,256	1/1/13	12/31/13
Research Into Action, Inc.	EB Evaluation	Portland	210,000	210,000	0	1/1/12	4/30/13
ICF Resources, LLC	NWN WA BE 2013	Fairfax	191,538	8,152	183,386	1/1/13	12/31/13
Research Into Action, Inc.	PE Evaluation	Portland	170,000	121,173	48,827	2/1/12	5/30/13
D&R International LTD	Market Lift Program	Silver Spring	150,000	0	150,000	1/1/13	9/30/13
ICF Resources, LLC	CHP Performance	Fairfax	116,320	77,920	38,400	8/5/09	6/30/13
ICF Resources, LLC	NWN DSM Initiative 2013	Fairfax	110,000	1,565	108,435	1/1/13	12/31/13
J. Hruska Global	Quality Assurance Services	Columbia City	100,000	0	100,000	1/1/13	12/31/14
PWP, Inc.	NBE Process Evaluation	Gaithersburg	100,000	59,491	40,509	1/6/12	12/31/13

*The city indicated is the contractor's mailing address, not necessarily the location where work was performed.

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Skumatz Economic Research Associates Inc	Existing Homes Study	Superior	100,000	86,179	13,821	7/15/11	5/1/13
Vitesse LLC	Vitesse Data Center	Menlo Park	100,000	0	100,000	10/18/12	10/30/13
Energy Efficiency Funding Group Inc	Training Classes/Workshops	San Francisco	75,000	67,590	7,410	6/1/11	5/31/13
Hitachi Consulting Corporation	SOW #14 PMC Transition Support	Dallas	70,000	61,798	8,203	9/10/12	1/21/13
Pollinate Inc	Web Application Development	Portland	67,000	57,976	9,024	1/1/12	3/31/13
Glumac Inc	Data Center Analysis	Portland	64,525	51,424	13,101	6/7/12	4/30/13
Home Performance Contractors Guild of Oregon	Existing Homes Program Support	Portland	60,000	60,000	0	1/1/12	12/31/12
Portland Energy Conservation, Inc.	EE Consultant Services	Portland	54,170	50,758	3,412	6/1/11	12/31/13
The Cadmus Group Inc.	Commercial Op Pilot Eval	Watertown	50,000	33,141	16,859	7/1/11	12/31/13
The Cadmus Group Inc.	Path to Net-Zero Pilot	Watertown	49,000	43,143	5,857	11/1/09	12/31/12
PWP, Inc.	Comm SEM Initiative Evaluation	Gaithersburg	45,000	17,228	27,772	7/1/12	6/30/14
KEMA Incorporated	Shelf Space Survey	Oakland	42,750	21,375	21,375	12/1/12	9/30/13
Fluid Market Strategies LLC	New Homes QA Assurance	Portland	42,250	27,130	15,120	3/1/12	12/31/12
Portland General Electric	Utility Data Payment - OPOWER	Portland	40,000	19,928	20,072	8/1/10	2/28/14
Pollinate Inc	Energy Savings Estimate	Portland	39,250	32,505	6,745	11/1/12	4/1/13
NW Natural	Info Transfer & Reimbursement	Portland	35,000	21,263	13,737	7/12/10	2/28/14
The Cadmus Group Inc.	Lighting Pilot Evaluation	Watertown	35,000	5,178	29,823	4/1/12	12/31/13
WegoWise Inc	Wegowise Benchmarking License	Boston	35,000	20,000	15,000	5/14/12	5/14/14
Navigant Consulting Inc	CORE Improvement Pilot Eval	Boulder	34,000	5,007	28,994	9/1/12	8/30/14
Stellar Processes, Inc.	EPS Modeling Comparison	Portland	33,000	26,659	6,341	1/15/11	6/30/12
Navigant Consulting Inc	Sustainable Energy Syst Pilot	Boulder	30,000	18,811	11,189	2/15/11	6/30/13
Stellar Processes, Inc.	BE Measure Evaluation	Portland	25,000	12,500	12,500	10/24/12	10/24/14
Triple Point Energy Inc.	Breakfast Workshops	Portland	23,585	12,350	11,235	4/12/12	1/15/13
Michael Blasnick & Associated	Billing Analysis Process	Boston	20,000	3,938	16,063	1/1/10	12/31/13
Northwest Food Processors Association	NW Industrial EE Summit 2013	Portland	17,500	17,500	0	12/10/12	12/31/13
Lane Community College, NEEI Science Division	2013 Scholarship Grant	Eugene	16,600	0	16,600	1/1/13	12/31/13
Oregon Department of Energy	Oregon Leaders Project	Salem	15,000	15,000	0	9/19/11	1/31/14
Portland State University Foundation	Green Modular Classroom Proj	Portland	10,500	5,500	5,000	6/13/12	7/31/14
Conservation Services Group, Inc.	Technical Equipment	Boston	9,205	9,205	0	3/13/13	4/13/13
American Council for and Energy Efficient Economy	Utility Behavior Landscape		7,500	7,500	0	2/1/13	10/31/13
American Council for and Energy Efficient Economy	Case Studies		7,500	7,500	0	2/1/13	10/31/13
American Council for and Energy Efficient Economy	Opportunities for Scaling Up		7,500	7,500	0	2/1/13	10/31/13
Future Energy Conference	Future Energy Conference 2012	Portland	6,500	6,500	0	12/10/12	12/31/13
Hood River County School District	Energy Model Recalibration	Hood River	6,000	0	6,000	12/5/12	3/31/13
	Energy Efficiency Programs Total:		**92,917,524**	**39,066,434**	**53,851,090**		
Joint Programs							
Gilmore Research	Fast Feedback Survey	Seattle	104,000	19,500	84,500	10/1/12	6/30/14

*The city indicated is the contractor's mailing address, not necessarily the location where work was performed.

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
ICF Resources, LLC	Planning Consultant Services	Fairfax	64,700	63,840	860	6/16/11	5/31/13
Portland State University	Technology Forecasting		57,674	34,458	23,216	11/7/11	12/31/13
Navigant Consulting Inc	P&E Consultant Services	Boulder	22,040	21,357	683	6/30/11	7/1/13
Glumac Inc	Planning Technical Analysis	Portland	15,000	15,000	0	10/17/12	10/17/14
CoStar Realty Information Inc	Property Data	Baltimore	12,668	10,078	2,590	6/1/11	2/28/13
Gilmore Research	Customer Engagement Survey	Seattle	12,500	2,500	10,000	10/1/12	12/31/13
American Council for and Energy Efficient Economy	ACEEE Sponsorship - 2013		10,000	10,000	0	1/1/13	12/31/13
		Joint Programs Total:	**298,582**	**176,732**	**121,850**		
Renewable Energy Program							
Outback Solar LLC	Outback Solar	Portland	5,000,000	4,950,000	50,000	5/9/12	5/9/37
Sunway 3, LLC	Prologis PV installation		3,405,000	3,396,044	8,956	9/30/08	9/30/28
JC-Biomethane LLC	Biogas Plant Project Funding	Eugene	2,000,000	0	2,000,000	10/18/12	10/18/32
Rough & Ready Lumber Company	Biopower Funding Agreement	Cave Junction	1,685,088	1,684,787	301	7/21/06	7/21/26
Oregon Institute of Technology	Geothermal Resource Funding	Klamath Falls	1,550,000	750	1,549,250	9/11/12	9/11/32
Alder Solar LLC	Habilitation Center PV	Portland	1,236,750	1,224,244	12,506	1/18/08	12/31/28
Central Oregon Irrigation District	Juniper Ridge Hydroelectric	Redmond	1,000,000	1,000,000	0	10/31/08	6/30/31
Farm Power Misty Meadows LLC	Misty Meadows Biogas Facility	Mount Vernon	1,000,000	0	1,000,000	10/25/12	10/25/27
Three Sisters Irrigation District	TSID Hydro	Sisters	1,000,000	0	1,000,000	4/25/12	4/25/32
RES - Ag FGO LLC	Biogas Manure Digester Project	Washington	883,320	220,830	662,490	10/27/10	10/27/25
Stahlbush Island Farms, Inc.	Funding Assistance Agreement	Corvallis	827,000	551,334	275,666	6/24/09	6/24/29
RBS Asset Finance Inc	Black Cap Solar PV Funding	Chicago	600,000	600,000	0	10/1/12	10/1/37
Tioga Solar VI, LLC	Photovoltaic Project Agreement	San Mateo	570,760	368,942	201,818	2/1/09	2/1/30
C Drop Hydro LLC	C Drop Project - Klamath Irrig	Idaho Falls	490,000	490,000	0	11/1/11	11/1/31
Oregon Institute of Technology	Geothermal Resource Funding	Klamath Falls	487,000	487,000	0	3/2/10	3/2/30
City of Medford	750kW Combined Heat & Power	Medford	450,000	225,000	225,000	10/20/11	10/20/31
City of Pendleton	Pendleton Microturbines	Pendleton	450,000	150,000	300,000	4/20/12	4/20/32
K2A Properties, LLC	Doerfler Wind Farm Project	Aumsville	230,000	141,996	88,004	5/20/10	5/20/30
Farmers Irrigation District	Low Line Canal Pressurization	Hood River	150,000	95,000	55,000	9/26/12	11/30/32
Farmers Irrigation District	Indian Creek Corridor Project	Hood River	100,000	100,000	0	1/5/10	1/4/29
Wallowa Resources Community Solutions, Inc.	Upfront Hydroelectric Project		100,000	6,300	93,700	10/1/11	10/1/13
Stoller Vineyards, Inc.	Stoller Vineyards PV	Dayton	79,815	77,390	2,425	12/1/05	12/1/26
Construct Inc	RE Consultant Services	Portland	70,600	41,523	29,077	1/1/11	3/31/13
Wallowa Resources Community Solutions Inc	Integrated Biomass Energy Camp	Enterprise	70,000	70,000	0	2/1/12	1/31/27
City of Portland Water Bureau	Vernon Hydro	Portland	65,000	65,000	0	11/15/10	11/15/30
Bloomberg LP	Insight Services	San Francisco	45,600	41,700	3,900	4/1/11	1/1/14
University of Oregon	UO SRML Contribution	Eugene	45,000	45,000	0	3/9/12	3/9/13
MC Energy LLC	Small Wind Incentive	Spokane	43,250	43,250	0	9/21/10	9/21/25
Clean Energy States Alliance	CESA Year 10 (2013)		39,543	39,543	0	7/1/12	6/30/13
Wind Products Inc	Wind Consultant	Brooklyn	37,500	17,500	20,000	2/6/12	12/31/13

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Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Harold Hartman dba Lynhart Farms	17.5 kW PV project	Malin	32,500	31,386	1,114	5/25/07	5/25/27
Northwest SEED	Grant Agreement	Seattle	30,000	30,000	0	10/3/11	12/31/13
SPS of Oregon Inc	Spaur Microhydro	Wallowa	25,000	25,000	0	7/23/10	7/23/30
Robert Migliori	42kW wind energy system	Newberg	24,125	8,561	15,564	4/11/07	1/31/24
Wind Products Inc	Web Portal Tool	Brooklyn	24,000	25,000	-1,000	6/25/12	9/20/13
Farmers Conservation Alliance	FID Small Hydro Analysis	Hood River	20,000	0	20,000	11/1/12	3/29/13
Solar Oregon	Energy Education Sponsor 2013	Portland	16,000	16,000	0	1/1/13	12/31/13
Warren Griffin	Griffin Wind Project	Salem	13,150	9,255	3,895	10/1/05	10/1/20
Corbett Water District	Corbett Water District Hydro	Corbett	12,000	0	12,000	4/16/12	6/30/32
Clean Energy States Alliance	CESA ITAC		10,000	10,000	0	1/1/13	12/31/13
American Wind Group LLC	Anemometer Incentive Funding	Oasis	4,031	4,031	0	7/22/11	2/15/14
Blue Tree Strategies Inc	RE Consulting Services	Portland	3,600	3,555	45	6/14/11	5/31/13
eFormative Options LLC	RE Evaluation Consultant	Vashon	3,000	0	3,000	3/1/13	2/28/15
	Renewable Energy Program Total:		**23,928,632**	**16,295,921**	**7,632,711**		
	Grand Totals:		**128,450,440**	**60,145,374**	**68,305,067**		

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Notes on February 2013 Financial Statements

March 27, 2013

Revenue

February revenues of $18.3 million were $1.5 million (8.8%) above budget. Revenue for all the utilities was above budget for the year to date with the exception of Cascade and a relatively small negative variance for the consolidated NW Natural revenue sources.

After the first two months, revenue in the Cascade service territory is below budget by 30%. This shortfall is currently being discussed with Cascade representatives and we are anticipating additional revenues later this year to make up the shortage. In the meantime, expenditures in the Cascade service territory are also below budget, lessening the negative impact of the revenue variance.

	YTD Actual		YTD Budget	YTD Var	YTD %
PGE	16,504,724		14,697,628	1,807,096	12.3%
PAC	9,915,918		9,521,479	394,439	4.1%
NWN	7,081,571		7,189,465	(107,894)	-1.5%
CNG	749,361		1,066,503	(317,142)	-29.7%

Expenses

Program expenses for both Commercial and Residential are running at 40% of budgeted amounts. Industrial has spent about 15% more than their budget so far; several projects shifted from 2012 into 2013 late in 2012. Such variances this early in the year are not sufficient to be alarming and are likely a result of timing discrepancies. Forecasts will be updated in a couple of weeks which should provide a better gauge on activities. Renewables programs showed an overage in Solar expenditures. In this program, expenses were budgeted on a quarterly rather than a monthly basis. The Solar program has spent 14% more than their budget so far; expenses should smooth out next month.

Year to date incentive spending for the Efficiency Programs at this time last year was $4.8 million – 67% of the budgeted amount. This year the Efficiency Programs have spent only $3.1 million - 45% of the 2013 budget. (See tables below.) The new PMCs for both Existing Buildings and Existing Homes are continuing to get up to speed and expect to process significant quantities of incentives within the next month or two, reducing any backlog of payments. Incentives in the renewables program are currently $183K over the budget.

Management and General is about $191,000 below budget YTD due primarily to lower IT allocations than expected ($78K). IT has not yet spent the amounts budgeted in 2013 for Other Professional Services (for projects such as CRM enhancements and ISIP, Phase 2) so all departments are currently below budget for IT allocations. Management and General also had lower Outsourced Services than expected ($58K below budget) primarily because many of those costs are budgeted on a straight-line basis but are expensed as the work is completed. The initiation of several projects was delayed to accommodate year end reporting activities. There have been no outside Legal Services recorded to date ($15K below budget).

	Total Incentives			
	Year-to-Date 2013			
	Actual	Budget	Variance	Var %
Existing Buildings	205,295	1,127,561	922,266	82%
New Buildings	854,970	1,638,488	783,518	48%
Production Efficiency	1,192,745	791,291	(401,454)	-51%
Existing Homes	151,278	1,346,765	1,195,487	89%
New Homes & Products	697,832	1,939,823	1,241,991	64%
WA Programs - Combined	1,608	67,268	65,660	98%
Solar	327,706	167,174	(160,532)	-96%
Open Soliciation	42,691	20,000	(22,691)	-113%
Biopower				
Total Incentives	3,474,125	7,098,368	3,624,242	51%

	Total Incentives			
	Year-to-Date (Prior Year)			
	Actual	Budget	Variance	Var %
Existing Buildings	2,173,031	1,329,389	(843,642)	-63%
New Buildings	157,798	1,245,058	1,087,260	87%
Production Efficiency	790,648	213,866	(576,782)	-270%
Existing Homes	648,832	2,313,876	1,665,044	72%
New Homes & Products	983,136	1,959,963	976,827	50%
WA Programs - Combined	25,668	83,767	58,099	69%
Solar	3,373,784	579,323	(2,794,461)	-482%
Open Soliciation	61,180	37,365	(23,815)	-64%
Biopower	0	309,001	309,001	100%
Total Incentives	8,214,077	8,071,604	(142,473)	-2%

Financial Glossary

(for internal use) - updated August 9, 2012

Administrative Costs

Costs that, by nonprofit accounting standards, have general objectives which enable an organization's programs to function. The organization's programs in turn provide direct services to the organization's constituents and fulfill the mission of the organization.
i.e. management and general and general communication and outreach expenses

I. **Management and General**
- Includes governance/board activities, interest/financing costs, accounting, payroll, human resources, general legal support, and other general organizational management costs.
- Receives an allocated share of indirect costs.

II. **General Communications and Outreach**
- Expenditures of a general nature, conveying the nonprofit mission of the organization and general public awareness.
- Receives an allocated share of indirect costs.

Allocation
- A way of grouping costs together and applying them to a program as one pool based upon an allocation base that most closely represents the activity driver of the costs in the pool.
- Used as an alternative to charging programs on an invoice–by–invoice basis for accounting efficiency purposes.
- An example would be accumulating all of the costs associated with customer management (call center operations, Energy Trust customer service personnel, complaint tracking, etc). The accumulated costs are then spread to the programs that benefited by using the ratio of calls into the call center by program (i.e. the allocation base).

Allocation Cost Pools
- Employee benefits and taxes.
- Office operations. Includes rent, telephone, utilities, supplies, etc.
- Information Technology (IT) services.
- Planning and evaluation general costs.
- Customer service and trade ally support costs.
- General communications and outreach costs.
- Management and general costs.
- Shared costs for electric utilities.
- Shared costs for gas utilities.
- Shared costs for all utilities.

Auditor's Opinion
- An accountant's or auditor's opinion is a report by an independent CPA presented to the board of directors describing the scope of the examination of the organization's books, and certifying that the financial statements meet the AICPA (American Institute of Certified Public Accountants) requirements of GAAP (generally accepted accounting principles).

- Depending on the audit findings, the opinion can be unqualified or qualified regarding specific items. Energy Trust strives for and has achieved in all its years an unqualified opinion.
- An unqualified opinion indicates agreement by the auditors that the financial statements present an accurate assessment of the organization's financial results.
- The OPUC Grant Agreement requires an unqualified opinion regarding Energy Trust's financial records.
- Failure to follow generally accepted accounting principles (GAAP) can result in a qualified opinion.

Board-approved Annual Budget

- Funds approved by the board for *expenditures* during the budget year (subject to board approved program funding caps and associated policy) for the stated functions.
- Funds approved for *capital* asset expenditures.
- Approval of the general allocation of funds including commitments and cash outlays.
- Approval of expenditures is based on assumed revenues from utilities as forecasted in their annual projections of public purpose collections and/or contracted revenues.

Carryover Funds

- In any one year, the amount by which revenues exceed expenses for that year in a designated category that will be added to the cumulative balance and brought forward for expenditure to the next budget year.
- In any one year, if expenditures exceed revenues, the negative difference is applied against the cumulative carryover balance.
- Does not equal the cash on hand due to noncash expense items such as depreciation.
- Tracked by major utility funder and at high level program area--by EE vs RE, not tracked by program.

Commitments

- Represents funds obligated to identified efficiency program participants in the form of signed applications or agreements and tracked in the project forecasting system**.**
- If the project is not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Funds are expensed when the project is completed.
- Funds may be held in the operating cash account, or in escrow accounts.

Contract obligations

- A signed contract for goods or services that creates a legal obligation.
- Reported in the monthly Contract Status Summary Report.

Cost-Effectiveness Calculation

- Programs and measures are evaluated for cost-effectiveness.
- The cost of program savings must be lower than the cost to produce the energy from both a utility and societal perspective.
- Expressed as a ratio of energy savings cost divided by the presumed avoided utility and societal cost of energy.
- Program cost-effectiveness evaluation is "fully allocated," i.e. includes all of the program costs plus a portion of Energy Trust administrative costs.

Dedicated Funds

- Represents funds obligated to identified renewable program participants in the form of signed applications or agreements and tracked in the project forecasting system.

- May include commitments, escrows, contracts, board designations, master agreements.
- Methodology utilized to develop renewable energy activity-based budgets amounts.

Direct Program Costs

- Can be directly linked to and reflect a causal relationship to one individual program/project; or can easily be allocated to two or more programs based upon usage, cause, or benefit.

Direct Program Evaluation & Planning Services

- Evaluation services for a specific program rather than for a group of programs.
- Costs incurred in evaluating programs and projects and included in determining total program funding caps.
- Planning services for a specific program rather than for a group of programs.
- Costs incurred in planning programs and projects and are included in determining program funding expenditures and caps.
- Evaluation and planning services attributable to a number of programs are recorded in a cost pool and are subsequently allocated to individual programs.

Escrowed Program (Incentive) Funds

- Cash deposited into a separate bank account that will be paid out pursuant to a contractual obligation requiring a certain event or result to occur. Funds can be returned to Energy Trust if such event or result does not occur. Therefore, the funds are still "owned" by Energy Trust and will remain on the balance sheet.
- The funds are within the control of the bank in accordance with the terms of the escrow agreement.
- When the event or result occurs, the funds are considered "earned" and are transferred out of the escrow account ("paid out") and then are reflected as an expense on the income statement for the current period.

Expenditures/Expenses

- Amounts for which there is an obligation for payment of goods and/or services that have been received or earned within the month or year.

FastTrack Projects Forecasting

Module developed in FastTrack to provide information about the timing of future incentive payments, with the following definitions**:**

- Estimated-Project data may be inaccurate or incomplete. Rough estimate of energy savings, incentives and completion date by project and by service territory.
- Proposed-Project that has received a written incentive offer but no agreement or application has been signed. Energy savings, incentives and completion date to be documented by programs using this phase. For Renewable projects-project that has received Board approval.
- Accepted-Used for renewable energy projects in 2nd round of application; projects that have reached a stage where approval process can begin.
- Committed-Project that has a signed agreement or application reserving incentive dollars until project completion. Energy savings/generations, incentives and completion date by project and by service territory must be documented in project records and in FastTrack. If project not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Dedicated-Renewable project that has been committed, has a signed agreement, and if required, has been approved by the board of directors.

Incentives

I. **Residential Incentives**

- Incentives paid to a residential program participant (party responsible for payment for utility service in particular dwelling unit) exclusively for energy efficiency and renewable energy measures in the homes or apartments of such residential customers.

II. **Business Incentives**

- Incentives paid to a participant other than a residential program participant as defined above following the installation of an energy efficiency or renewable energy measure.
- Above market cost for a particular renewable energy project.

III. **Service Incentives**

- Incentives paid to an installation contractor which serves as a reduction in the final cost to the participant for the installation of an energy efficiency or renewable energy measure.
- Payment for services delivered to participants by contractors such as home reviews and technical analysis studies.
- End-user training, enhancing participant technical knowledge or energy efficiency practices proficiency such as “how to” sessions on insulation, weatherization, or high efficiency lighting.
- CFL online home review fulfillment and PMC direct installations.
- Technical trade ally training to enhance program knowledge.
- Incentives for equipment purchases by trade allies to garner improvements of services and diagnostics delivered to end-users, such as duct sealing, HVAC diagnosis, air filtration, etc.

Indirect Costs

- Shared costs that are “allocated” for accounting purposes rather than assigning individual charges to programs.
- Allocated to all programs and administration functions based on a standard basis such as hours worked, square footage, customer phone calls, etc.
- Examples include rent/facilities, supplies, computer equipment and support, and depreciation.

IT Support Services

- Information technology costs incurred as a result of supporting all programs.
- Includes FastTrack energy savings and incentive tracking software, data tracking support of PMCs and for the program evaluation functions.
- Includes technical architecture design and physical infrastructure.
- Receives an allocation of indirect shared costs.
- Total costs subsequently allocated to programs and administrative units.

Outsourced Services

- Miscellaneous professional services contracted to third parties rather than performed by internal staff.
- Can be incurred for program or administrative reasons and will be identified as such.

Program Costs

- Expenditures made to fulfill the purposes or mission for which the organization exists and are authorized through the program approval process.
- Includes program management, incentives, program staff salaries, planning, evaluation, quality assurance, program-specific marketing and other costs incurred solely for program purposes.
- Can be direct or indirect (i.e. allocated based on program usage.)

Program Delivery Expense

- This will include all PMC labor and direct costs associated with: incentive processing, program coordination, program support, trade ally communications, and program delivery contractors.
- Includes contract payments to NEEA for market transformation efforts.
- Includes performance compensation incentives paid to program management contractors under contract agreement if certain incentive goals are met.
- Includes professional services for items such as solar inspections, anemometer maintenance and general renewable energy consulting.

Program Legal Services

- External legal expenditures and internal legal services utilized in the development of a program-specific contract.

Program Management Expense

- PMC billings associated with program contract oversight, program support, staff management, etc.
- ETO program management staff salaries, taxes and benefits.

Program Marketing/Outreach

- PMC labor and direct costs associated with marketing/outreach/awareness efforts to communicate program opportunities and benefits to rate payers/program participants.
- Awareness campaigns and outreach efforts designed to reach participants of individual programs.
- Co-op advertising with trade allies and vendors to promote a particular program benefit to the public.

Program Quality Assurance

- Independent in-house or outsourced services for the quality assurance efforts of a particular program (distinguished from program quality control).

Program Reserves

- Negotiated with utilities annually, with a goal of providing a cushion of approximately 5% above funds needed to fulfill annual budgeted costs. Management may access up to 50% of annual program reserve without prior board approval (resolution 633, 2012).

Program Support Costs

- Source of information is contained in statement of functional expense report.
- Portion of costs in OPUC performance measure for program administration and support costs.
    - Includes expenses incurred directly by the program.
    - Includes allocation of shared and indirect costs incurred in the following categories: supplies; postage and shipping; telephone; printing and publications; occupancy expenses; insurance; equipment; travel; business meetings; conferences and training; depreciation and amortization; dues, licenses,

subscriptions and fees; miscellaneous expense; payroll & related expense; outsourced services; and an allocation of information technology department cost.

Project Specific Costs (for Renewable Energy)

- Expenses directly related to identified projects or identified customers to assist them in constructing or operating renewable projects. Includes services to prospective as well as current customers.
- Must involve direct contact with the project or customer, individually or in groups, and provide a service the customer would otherwise incur at their own expense.
- Does not include general program costs to reach a broad (unidentified) audience such as websites, advertising, program development, or program management.
- Project-Specific costs may be in the categories of; Incentives, Staff salaries, Program delivery, Legal services, Public relations, Creative services, Professional services, Travel, Business meetings, Telephone, or Escrow account bank fees.

Savings Types

- **Working Savings/Generation:** the estimate of savings/generation that is used for data entry by program personnel as they approve individual projects. They are based on deemed savings/generation for prescriptive measures, and engineering calculations for custom measures. They do not incorporate any evaluation or transmission and distribution factors.
- **Reportable Savings/Generation:** the estimate of savings/generation that will be used for public reporting of Energy Trust results. This includes transmission and distribution factors, evaluation factors, and any other corrections required to the original working values. These values are updated annually, and are subject to revision each year during the "true-up" as a result of new information or identified errors.
- **Contract Savings**: the estimate of savings that will be used to compare against annual contract goals. These savings figures are generally the same as the reportable savings at the time that the contract year started. For purposes of adjusting working savings to arrive at this number, a single adjustment percentage (a SRAF, as defined below) is agreed to at the beginning of the contract year and is applied to all program measures. This is based on the sum of the adjustments between working and reportable numbers in the forecast developed for the program year.
- **Savings Realization Adjustment Factors (SRAF):** are savings realization adjustment factors applied to electric and gas working savings measures in order to reflect more accurate savings information through the benefit of evaluation and other studies. These factors are determined by the Energy Trust and used for annual contract amendments. The factors are determined based on the best available information from:
  - Program evaluations and/or other research that account for free riders, spill-over effects and measure impacts to date; and
  - Published transmission and distribution line loss information resulting from electric measure savings.

Total Program and Admin Expenses (line item on income statement)

- Used only for cost effectiveness calculations, levelized cost calculations and in management reports used to track funds spent/remaining by service territory.
- Includes all costs of the organization--direct, indirect, and an allocation of administration costs to programs.
- Should not be used for external financial reporting (not GAAP).

Total Program Expenses (line item on income statement)

- All indirect costs have been allocated to program costs with the exception of administration (management and general costs and communications & outreach).
- Per the requirements of Generally Accepted Accounting Principles (GAAP) for nonprofits, administrative costs should not be allocated to programs.
- There is no causal relationship—costs would not go away if the program did not exist.

Trade Ally Programs & Customer Service Management

- Costs associated with Energy Trust sponsorship of training and development of a trade ally network for a variety of programs.
- Trade Ally costs are tracked and allocated to programs based on the number of allies associated with that program.
- Costs in support of assisting customers which benefit all Energy Trust programs such as call center operations, customer service manager, complaint handling, etc.
- Customer service costs are tracked and allocated based on # of calls into the call center per month.

True Up

- True-up is a once-a-year process where we take everything we've learned about how much energy programs actually save or generate, and update our reports of historic performance and our software tools for forecasting and analyzing future savings.
- Information incorporated includes improved engineering models of savings (new data factor), anticipated results of future evaluations based on what prior evaluations of similar programs have shown (anticipated evaluation factor), and results from actual evaluations of the program and the year of activity in question (evaluation factor).
- Results are incorporated in the Annual Report (for the year just past) and the True-up Report (for prior years).
- Sometimes the best data on program savings or generation is not available for 2-3 years, especially for market transformation programs. So for some programs, the savings are updated through the annual true-up 2 or 3 times

Policy Committee of the Energy Trust Board of Directors

March 12, 2013

Attendees

Roger Hamilton, Rick Applegate (telephone) Ken Canon (telephone), Mark Kendall, Alan Meyer, John Reynolds, Margie Harris, Amber Cole, Fred Gordon, Steve Lacey, Debbie Menashe, Elaine Prause, Thad Roth and Sue Meyer Sample

1. Energy Trust Approach to Financing

Elaine Prause presented information regarding Energy Trust Staff's current approach to financing in connection with energy efficiency program delivery. Energy Trust has explored financing in a number of ways over the past several years including, (i) product development and co-branding efforts with Umpqua Bank, (ii) creation and support of a lender ally network of banks and other lenders, and (iii) on-bill repayment strategies through EEAST and Clean Energy Works Oregon. Additional Energy Trust financing efforts are in development with MPower, an affordable housing, multi-family on-bill repayment offering, as well as through the expected roll-out of a Savings Within Reach loan product offering. In addition, PACE mechanisms (Property Assessed Clean Energy) are being piloted in Oregon through Multnomah County. PACE financing permits repayment for clean energy investments through property tax assessments and billing. We will be learning from these efforts.

All of Energy Trust's financing efforts to date have developed in connection with specific program offerings, but without overall and explicit organizational guidelines. Ken Canon and Rick Applegate raised some overall questions regarding the actual benefits of financing for energy efficiency. Do energy efficiency customers benefit? Do lenders benefit? Are these benefits mutually exclusive? The Committee discussed how it is important to identify how much financing can further Energy Trust's objectives. Based on Energy Trust experience and experience in the industry, Staff believes that financing can further Energy Trust goals directly by providing needed capital for energy efficiency investments, but it can also serve as an outreach strategy. Using a network of lenders who are familiar with Energy Trust program offerings is a way of spreading information throughout the state. Credit unions, banks and other lenders could serve as information centers throughout the state. Staff and Committee members discussed how financing strategies provided different benefits for different customers, and it was agreed that we want to provide choices.

Elaine described how our next step is to clarify Energy Trust objectives in supporting financing, defining the opportunities it opens, and identifying the tools and tactics needed to achieve our objectives in order to take full advantage of relevant opportunities. To this end, Staff anticipates a scoping exercise to define the opportunities and target appropriate markets. The Committee discussed their interest in seeing outcomes and metrics to be used to measure these efforts, both in customer and savings effectiveness, as well as transaction costs.

Margie pointed out that there is a lot of discussion in the political and policy world on financing. Energy Trust has navigated these waters by responding to opportunities and requests as they have presented. We now feel it is time to share our expertise and our experiences. Staff explained that an overall financing strategy would be structured as a pilot with a corresponding evaluation plan. While this issue was originally thought to be a topic for discussion at the Board's upcoming June strategic planning workshop, beginning the scoping work should start before then. Staff is aiming to begin the scoping project to define objectives and identify a 3 and 5 year vision and would expect to come back to the Policy Committee, possibly in May, with some financing policy proposals. The Committee indicated their support for these next steps.

2. Legislative Update

Debbie Menashe reported that Staff is continuing to monitor relevant legislation and respond to information requests and technical questions as they are posed by legislators, the OPUC and ODOE. Margie and other Staff also continue to have meetings with legislators to provide general information on Energy Trust and on current activities in specific districts. Staff will continue to provide board members with updated reports on bills we track. At the Committee's meeting, Staff described its efforts over the past week in working with Representative Jules Bailey in workshops regarding HB 2801. HB 2801 sets out a number of energy efficiency initiatives: whole building assessment for residential and non-residential buildings, training and certification for building appraisers regarding energy efficiency, voluntary energy performance scoring for residential buildings, and a process for CCB certification of contractors for energy performance scoring. Energy Trust and the OPUC Staff are working closely with Representative Bailey to provide information regarding actual operation of these types of initiatives, and our efforts have been appreciated.

3. Energy Trust Performance Measures Adopted by OPUC

Margie and Thad reported on the OPUC's recent adoption of 2013 Performance Measures for Energy Trust in UM 1158. The OPUC performance measures define the OPUC's minimum performance expectations for the organization. They are intended to set a threshold by which regulators can measure the minimum achievements of Energy Trust programs, and are complementary to higher annual goals established by the Board. Such Energy Trust annual goals are determined in a separate and collaborative process involving the utilities and their IRP targets and ultimately resulting in the presentation and approval of Energy Trust annual budget and action plan by the Board. OPUC energy efficiency performance measures for 2013 are at higher levels than for 2012, reflecting Energy Trust's high levels of savings accomplished in 2012. With respect to renewable energy, no performance measures were set in 2012. Thad reported on productive discussions between OPUC and Energy Trust Staff during 2012 to arrive at the performance measures below.

Performance measures adopted are set forth in the matrix below and were discussed by the Committee and Staff:

Category	2013 Performance Measure
Energy Efficiency	• Obtain at least 47 aMW yearly savings • Levelized cost not to exceed 3.9 cents/kWh
Natural Gas	• Obtain at least 4.6 million annual therms yearly savings • Levelized cost not to exceed 57 cents/ annual therm
Renewable Energy	• M1–Report development assistance results • M2–Obtain at least .066 aMW yearly generation for standard net metered program projects • M3–3 year rolling average incentive not in excess of $40/allocated MWh for non-solar custom projects • M4–Report funding and criteria for selection for innovative and custom solar projects
Program Delivery Efficiency	• Administrative and program support costs below 9% of annual revenues
Financial Integrity	• Obtain an unmodified financial audit opinion annually
Customer Satisfaction	• Greater than 85% satisfaction rates for: o *Interaction with program representatives* o *Overall satisfaction*
Benefit Cost Ratios	• Report both utility system and societal perspective annually • Report significant mid-year changes as warranted in quarterly reports

4. Consent to Appointment of New Member to the Conservation Advisory Council (CAC)

Margie recommended the appointment of Karen Horkitz to the CAC. Karen is NEEA's Director of Market Execution. Pursuant to board policy, Energy Trust Staff can appoint CAC members after obtaining consent from the board Policy Committee. Energy Trust Staff believes that representation by NEEA on the CAC is important and worthwhile, and Karen brings particularly relevant and good expertise to the CAC. At NEEA, Karen oversees the implementation of the organization's portfolio of market transformation initiatives, which includes programs in residential and mass markets, as well as commercial, industrial and agricultural markets. Karen is responsible for directing NEEA's market transformation program management, marketing, and education and training functions, and for ensuring these activities deliver measurable value to NEEA stakeholders. Karen also serves as a member of NEEA's executive management team. Prior to her current role, Karen led NEEA's Market Research and Evaluation and Stakeholder Services business units.

The Committee unanimously supported this recommendation, and indicated that Karen is a very good choice. The appointment of Karen Horkitz received the full consent of the Committee.

5. Navigant Consulting Production Efficiency Evaluation Funding

Debbie presented information on the 2009-2011 Production Efficiency Program Impact Evaluation contract which was awarded to Navigant Consulting in December 2011. Staff is recommending an amendment to the contract which will take the full contract budget above the Executive Director's contract signing authority limit of $500,000. The initial evaluation proposal had a budget of $450,000 and proposed a sampling strategy resulting in annual savings

estimates with an 80/20 confidence level. After discussions with Navigant, the sample size was increased to improve the statistical significance to a 90/10 confidence level and, as a result, the final contract budget was increased to $490,000. At the time of contract execution, Staff was aware of the potential of additional cost for an evaluation of this scope, but decided to try to complete the full evaluation at the $490,000 budget level. Staff now believes that it is appropriate to increase the budget for the contracted evaluation services to permit more site visitation and analysis.

To date, much of the evaluation work on program years 2009 and 2010 has been completed, and the evaluation is estimated to require an additional $58,000 to complete 2011 program participant site visits and finalize the evaluation analysis for all three program years. Navigant is performing site visit and analysis at more sites than originally projected, and at lower cost per site. Increased site visits provide for a more comprehensive evaluation, and, if authorized, the cost would increase the evaluation contract not-to-exceed cap by $58,000 to $548,000.

When compared to the previous Production Efficiency program impact evaluation that covered two years (2007-2008) and cost $483,000, the current budget for a program impact evaluation of three program years is viewed as reasonable. Staff endorsed this contract budget cap increase and proposes to take it to the Board in April, and the Committee agreed. The Committee supports bringing this contract amendment recommendation to the full board, and suggested that it be included on the consent agenda for the upcoming April meeting.

6. Lucid small hydro project

Thad provided the Committee with a short update on the Lucid Energy small hydro project. The project developers have submitted a revised application which is currently under review by Staff. The timing of the project has changed and they have received some additional investment.

7. Update on planning for the Board Strategic Planning Retreat

The Energy Trust Board of Directors Annual Strategic Planning Workshop is scheduled for June 7-8 at Reed College. Staff reported that workshop planning is underway and that the first meeting of the Board's Strategic Planning Committee was held on March 6, 2013. Proposed topics and an agenda are being finalized, and preparations of materials will soon begin.

8. Annual report on contractors receiving more than $500,000 in 2012

The Board policy on contract execution provides: "Not less often than annually, Staff shall report to the Policy Committee all instances in which Energy Trust has paid more than $500,000 to an individual contractor in a given calendar year." The 2012 report was provided to the Committee and reviewed at the meeting. Committee members reviewed the report.

Members discussed the next Policy Committee scheduled for April 30, 2013. Some of the Committee members will not be able to attend on that date, so Margie will ask Ana Morel to reschedule the meeting for a date when more members will be able to attend. Margie expects to present information on Energy Trust funding and goals at the next Policy Committee meeting, so it is important to have as many members as possible in attendance for this important topic.

Conservation Advisory Council

February 13, 2013

Attending from the Council:

Garrett Harris, Portland General Electric (for Anne Snyder-Grassman)
Don MacOdrum, Home Performance Guild
Juliet Johnson, Oregon Public Utility Commission
Don Jones, Jr., Pacific Power
Scott Inman, Oregon Remodeler's Association
Holly Meyer, NW Natural
Jim Abrahamson, Cascade Natural Gas
Bruce Dobbs, Building Owners and Managers Association
Brent Barclay, Bonneville Power Administration
Marlowe Kulley, City of Portland (for Andria Jacob)
Wendy Gerlitz, Northwest Energy Coalition
Jon Belmont, Oregon Department of Energy
Marshall Johnson
Matt Braman
Fred Gordon
Jessica Rose
Spencer Moersfelder
Paul Sklar
Scott Van Swearingen
Dan Rubado
Elaine Prause
Steve Lacey
Thad Roth
Amber Cole
Jackie Cameron

Attending from Energy Trust:

Kim Crossman
Oliver Kesting
Tom Beverly

Others attending:

Jeremy Anderson, Weatherization Industries Save Energy
Josh Weissert
Kendall Youngblood, PECI
Tim Davis, Conservation Services Group
Nick Michel, Lockheed Martin
Anne Curran, PECI

1. Welcome, introductions and 2012 preliminary results

Kim Crossman convened the meeting at 1:30 p.m. The agenda, notes and presentation materials are available on Energy Trust's website at www.energytrust.org/About/public-meetings/CACMeetings.aspx.

Kim gave an overview of the agenda: We will be reviewing preliminary 2012 results. The dashboards are a great representation of results, but it's not on the agenda to dive into them too deeply. We will be revisiting cost-effectiveness. The residential deemed savings calculator, Existing Multifamily changes and rooftop tune-up items all relate in some way to the overall discussion of cost effectiveness that we've had in the last several meetings. We will also do a deep dive on one of the commercial, cutting-edge pilots with Phil. The piece about serving on the Conservation Advisory Council will be last. It's the beginning of a discussion that may come back in the next council meeting.

Kim: The preliminary results show the best numbers we have at the moment. We saved 52.9 average megawatts; about 10 percent more than last year. We saved 5.9 million annual therms of natural gas; also about 10 percent over the prior year. What we don't see here are individual program goals, and we want to do a shakeout of the numbers, first. Production Efficiency had the most electric savings in 2012, and Existing Buildings is close behind. Existing stock in all sectors were big.

Scott Inman: Where does multifamily fall?
Kim: In Existing Buildings.
Scott Van Swearingen: It's about 10 to 15 percent of Existing Buildings' savings; and this year's savings are an increase from prior years.

Juliet Johnson: What's the biggest slice of Existing Buildings?
Oliver Kesting: Commercial office and retail lighting.

Kim: We did a lot of trend analysis last year, and came to the council with this in-depth data from March through May. We'll be doing those again for 2012, along with presentations, on about the same schedule this year.

Kim: Cascade Natural Gas therm savings are looking great this year, and that's an area where we typically struggled to meet goals; but not this year. We reached 99 percent of stretch goal.

Jim Abrahamson: At the next council meeting we will probably get to the dashboard, and I want to get deeper into the numbers. Instant-savings measures and kits accounted for a big piece of Existing Homes savings, and we'll need to dive into that the next time around. We need to get behind those numbers and see what's actually there.
Kim: That would be part of a deep dive trends presentation. Just to clarify, you are asking for specifics on the Existing Homes portion of Cascade Natural Gas savings, which is 82,000 therms of the 431,000 therms saved in Cascade Natural Gas territory overall, is that correct?. We may not be ready to address it today.
Jim: I want to put it out there for the next time around.

Kim: The trends analyses are the best place where we really parse things out. My understanding is this was a very successful year for renewables, as well. There are good numbers from wind and hydro.

Elaine Prause: We had a great year, and are very happy with the results.

Kim: It's hard to imagine that we continue to ramp up each year, especially when we have already been ramping at these levels for several years.

Juliet: It's surprising to me that Existing Buildings is so high. I would expect homes to account for more.
Don Jones: One reason is that there's a good run on lighting retrofits, because of the change this year.
Kim: Existing Homes represents the lion's share of gas savings. On electric, Production Efficiency is the highest; which is pretty close to typical savings. Add in New Buildings and Existing Buildings and we are way up.

Brent Barclay: Is lighting in industrial facilities served by Production Efficiency or Existing Buildings?
Kim: It's served by Production Efficiency. We don't split it by technology but by building type.

2. Cost-effectiveness update
Fred Gordon: This is a brief update on cost effectiveness, and you have heard details about most of this at past council meetings. Our appeal for home weatherization and solar water heating was approved a few months ago. The New Homes, New Buildings and Existing Buildings measures appeal hearing is scheduled on March 12.

Juliet Johnson: Tentatively, yes.

Fred: There are a bunch of measures on the gas side that I won't go through again, since you've heard them twice. We are asking for time to assess whether each measure has potential for market transformation, or for other exceptions that are part of the UM-551 cost-effectiveness rule. Based on further discussions with OPUC staff, we have now proposed to do this review of measures within six months, and then propose to the OPUC which measures to keep. We're trying to clear things up in time to do our planning for 2014. The appeal also recognizes that the primary purposes of New Homes and New Buildings programs as a whole are market transformation, and they should not be judged on a year-by-year basis. We are operating as if the appeal goes through, until we are directed otherwise.

Juliet: Like last time, we'll take it to a public meeting for the commission to consider. We'll circulate the memo to council members before the meeting, and your comments are welcome. We'll give you about a week or two to send comments back to us.

Marla Culley: So, you have two years to analyze and present the findings to the commission?
Fred: We offered to do it in six months, propose the measures that would pass the tests on a one-off basis, and then we'll decide on the best timing to make changes.

Holly Meyer: If you have six months to decide, what happens in March?
Fred: That's when the OPUC decides on the appeal, which includes the provision of the six-month process to review measures. If they decide to accept these things as market transformation, we can take a longer view of what to do with them.

Kim: It seems like our 2013 theme is cost effectiveness. We will visit and revisit it, and how it comes up in our programs. It's a topic that only a handful of people thoroughly understand. If we can do more to help all of you understand it, we will discuss it further to give you the knowledge and tools to better understand it.

Fred: My group could give a training on it soon, and council members could take advantage of that.
Juliet: That may be a good idea.

3. Deemed savings calculator to inform residential decision making

Matt Braman: Many of you have heard of the savings estimator. PECI, Clean Energy Works Oregon and Fluid all helped with this tool, and we thank them for all of their efforts. It's a database object that integrates into our systems to develop measure-level savings estimates. You provide a recommendation and this returns estimated savings. We can adjust savings estimates based on users' bills to give better recommendations. It can separate water heating and space heating loads, and lets us tell people where to focus their efforts.

> We now have years of stable results from many measures, and we can use that data to tell users what past participants have saved. It's simple and flexible, and we can add new measures easily. It can also help with measures where we don't offer incentives; gas furnaces, for example. We can still recommend they upgrade to a high-efficiency gas furnace and show the savings.

Holly Meyer: Even though there's no Energy Trust incentive, we can still show a big incentive, the savings.

Matt: Now, let me list off what the tool isn't. It's not a modeling tool. It can utilize customers' bills, but it doesn't require them. If a homeowner or contractor wants to enter a bid, it can use that cost to show project payback. It can be used by Clean Energy Works Oregon, our Home Energy Review report, consumers, our online audit tool and with Imagine Energy's tool.

Holly: Imagine Energy's savings numbers could be different than yours. What's the mechanism to reconcile the two?
Matt: Basically, their tool would provide the recommendations and our tool would use those for the savings estimates.

Matt continued: Historically, CSG's software modeled the home to provide a home energy report, and homeowners liked that report format. We continued using the report, but with program changes, we needed to find a new way to populate the report. The estimator takes information from FastTrack, our program tracking database, does the estimate and sends it back. We'll just show savings and incentives, but not payback, because we don't have costs.

> Right now, all the pieces and tools are still being tied together; and that's the hard part. By the end of February, we'll include it in the new Home Energy Review Report. That's phase one. Phase two will be development of a new customer facing tool. Customers can enter their own utility bill numbers and cost estimates into the tool, at that point.

Marlowe Kulley: Will they be able to log into it?
Matt: We don't want to do that, yet, and we need to do further work on it.

Scott Inman: Who decides what will be a recommended measure?
Matt: The home energy reviewer or contractor would determine that.

Scott: Would it make sense to include everything that's not up to current requirements?
Matt: We can add things later on. With replacement windows, we are trying to tell the homeowner what they will see happen to their bills. We can use their existing and new conditions, and they'll see a larger savings estimate if they have single-pane windows than double-pane windows. The tool avoids showing incremental costs and savings, which are harder to explain.

Wendy Gerlitz: If a customer puts in their bill information, how many months will they need to make it work?
Matt: We need the past 12 months to separate heating and other loads.

Wendy: By partnering with the utilities, can't we make it easier for the customer to get that information? Could you have some mechanism for letting utilities know the customer had a review, so they can provide the billing data?
Don Jones: Don't we push that data to you, already?
Matt: Yes, you do. We are looking into that for phase two. We are starting with customers entering it, for now.

Jim Abrahamson: It seemed like a Home Performance audit in earlier conversations. This is not just with a reviewer? Is it the online tool, also?
Matt: This is when someone actually goes into the house.

Matt: Home Energy Reviews won't change at all, it is just the way that we are using the information that is already collected.

Scott: But this can be made into an online tool for consumers?
Matt: That will be phase two, and we are also working on a contractor version that can be used as a sales tool.

Garret Harril: Are you going to give the customer lots of options of what they are looking for, so they can be more accurate?
Matt: We would like them to have a bid in hand so they aren't driving blind.
Fred: Basically, this is at the end of a long decision tree. It helps people see how things work out.
Matt: Right. We already have an online audit tool, and this comes after it.

Jim: There is a certain savings number associated with each Home Energy Review; including instant-savings measures. Will there be any savings from the Home Energy Review beyond that? If the customer did the recommended, non-incentive measures, would there be any therm savings?
Matt: It's a good case, but that's not the intention.

Don J: So this replaces CSG's tool?
Matt: Partially, but this will add more such as the consumer web tool and contractor sales tools.

Scott: It seems like there's a lot of overlap with the existing tool.

Kim: Would it be accurate to say that a primary purpose of the tool is to get past the barrier of customers doubting that energy savings are real?

Scott: I get my monthly Opower report each month, and it's a one-page comparison of my home vs. my neighbors' homes. It's a great tool for me. It can't be that expensive to send. This could be another tool like that monthly report.

Matt: There will be a close connection between the online tool and the existing consumer tool, so they could become more merged over time.

Charlie Grist: How did you vet performance and calibrate it? Where does your confidence come from?
Matt: We started with measures where we have stable results over time. We used billing data. We found we could separate water and space heat by isolating seasonal loads. We made some assumptions on electric water heat.

Charlie: Does someone get to identify that they have electric water heat?
Matt: Yes, they get to do that for water and space heat, but we are trying to keep it simple. It's not meant to be a modeling tool.

Charlie: It sounds like there's a billing data calibration with this one. There are a bunch of these tools out there, and each one does it differently. You've got a lookup table populated with typical loads for different configurations, and that gives you a baseline.

Don J: What will you use for savings reporting?
Matt: This is independent of any savings we would report.

Don J: Could you pick up this report and use it to report savings to the OPUC? Would the estimate match up with what you end up reporting?

Matt: In many cases the deemed savings are the same as we use in this report, but not all cases. We have more flexibility to provide homeowners more site specific information using the Savings Estimator.

Don MacOdrum: Will your disclaimer be complete? What years are in the set of data to build the averages used for deemed savings?
Fred: We use the most current year we can get. In some cases it's 2009, but it uses the closest three years' worth of data.

Don M: I know this is based on maturity of different programs and the result of a well-supported contractor network.

Matt: We will start engaging with trade allies on the contractor tool, and we don't have a report for them right now for Home Performance. Next Tuesday, we will start engaging the Home Performance contractors to learn what they want from this as an optional sales tool. It will go beyond Home Performance, over time.

Holly: How will it handle the fuel switching situation?
Matt: It will only work with the existing fuel type. It won't run "What-if-you-switched-fuel?" scenarios.

Don M: Does it show a combination of savings and dollars?
Matt: Yes, it's a three-year or five-year option.

Juliet: Refresh me about the payback requirement?
Matt: We want to provide the homeowner with payback information, and find out if they'll still do some measures to save energy, despite long payback periods. If we still see the same level of uptake, we can tell they are motivated by other reasons.
Fred: Our big cost-effectiveness problem is what the measures cost. We want to see if that information leads to some moderation on the high end of the costs.

Jeremy Anderson: What's the unit you use? Is it per house, per square foot, number of rooms or something else? What about windows?
Matt: A home energy reviewer estimates square footage. Windows would be per square foot installed, but it depends on the measure. We would estimate the incentives also.

Kim: Does the group want a demo of the tool?
Holly: Can we see it compared to Energy Savvy and Aclara to better understand the options?
Kim: We'll see what we can do.

Holly: When it comes to the customer using this on their own, the need isn't as clear to me. If I already have a contractor bid, as a homeowner, I'm not sure if I would go to this tool to plug the bid in.

Scott: How is this different from something like Energy Savvy? Does it show savings in different ways?
Matt: Energy Savvy only shows aggregate savings, but this will show measure level.

Scott: Energy Savvy doesn't give you the full range of possibilities.

Kim: When this comes back for a demo, we can talk about the proliferation of tools.

4. Existing Multifamily weatherization changes

Paul Sklar: Small Multifamily was served by the single-family program until recently, and we wanted to bring them together within large Multifamily. It would help us leverage the Oregon Department of Energy's small premium project package, and remove the non-cost-effective gas measures. The gas cost-effectiveness ratios were quite low for both large and small multifamily. Ceiling and floor insulation were not cost effective for gas-heated, small multifamily projects.

Charlie Grist: Where did the data come from?
Paul: We used data primarily from the last year, and removed the tax credit. Many of these are measures where we've had stable savings numbers.

Charlie: Even in the combined benefit cost ratio, the number is minus tax credits? That's really low.
Jeremy Anderson: These look pretty similar to the single-family numbers. When you take tax credits into account, you would expect the numbers to look better. Why aren't they?
Paul: We've seen this in single-family, too. In this program, heating loads are lower because of shared walls.

Paul continued: Results are very similar for wall insulation. Knee wall and rim joist insulation didn't really apply to some projects, but they aren't cost effective for gas. The overall impact on multifamily, on average, is less than 5 percent of gas savings in 2013. The Existing Buildings impact is less than 1 percent of gas savings. So it's a very minimal savings impact on Energy Trust. We determined that Multifamily will no longer offer incentives for ceiling and floor insulation with gas space heat. Small Multifamily will lose wall insulation and rim joist insulation.

Bruce Dobbs: Did you look at fenestration?
Paul: We didn't include it this time.

Bruce: Envelope measures, excluding windows, don't have a huge impact on Multifamily. Windows are expensive and don't pass the societal test, but they save a lot of energy. With prices going down for gas, people tend to want to use more because it's cheap. We are pushing to use less.
Kim Crossman: You're right, and that's the bigger issue.

Don Jones: Wasn't this part of the cost-effectiveness discussion for single family?
Fred: I think we left things less than clear. We discussed single family and put together a business case for it. We said we would work hard to drive costs down and savings up. These measures were such a small part of the program we had a hard time trying to imagine how we would work to lower the cost.

Don J: We shouldn't drop gas measures and miss opportunities, since we never know if the prices will stay down.
Fred: We were really unable to put a case together that we could accept internally. In Oregon, we do cost effectiveness at the measure level; not so in Washington.

Juliet Johnson: I am still thinking about this, but one option would be to propose continuing them. The commission hasn't said they will look at the cost-effectiveness matter, yet.

Wendy Gerlitz: Has anyone looked at these measures as part of a bundle that's typically done together to see if they pencil out as a group? Maybe that way you keep the measures, don't miss opportunities and they can be cost effective.

Paul: I haven't done that, and it would be interesting to do, but we would have to see if one measure drives the rest of them.

Don J: You've got a trade ally team targeting Multifamily, which is a hard-to-reach market, low gas prices and an OPUC willing to look at the long-term premium values of gas. I might not want to keep single-family going, and not do this, too. We understand that the cost test doesn't make everything come to a stop. I think that for a limited period of time, you should keep these in at the lowest cost you can.

Holly Meyer: What should we do today? What should the council provide?
Kim Crossman: We thought we may have had a process misstep, internally, because we had done a lot of work on this and not brought it to the council. It was small enough as a percent of Multifamily savings that we thought it didn't need discussion here. We re-thought our decision, and brought it here because it's part of the cost-effectiveness discussion. There is a plan to change these measures, and this is really more of a feedback item, so the discussion is great. It will help us rethink all of this. If something changes we will end up coming back.

Fred: We started out thinking that this looks expensive and isn't cost effective; plus, it's a small part of the program, so is it worth the political capital and time to appeal it? For less than 1 percent of Existing Buildings savings, should we bother with it? I'm hearing that we should drop these measures because the overall amount of cost is small and that we should keep them because the amount of savings is small. Both arguments I'm hearing are equally logical. Some folks are less than sure that we should cut these loose. There are concerns about consistency with the single-family program, and the limited number of gas measures. Also, I'm hearing an argument that "things like avoided cost might change." We haven't appealed any measures to the OPUC yet solely on the basis that things may change. It's difficult for the OPUC to set rules and make decisions solely on that basis.

Kim: If we had to be selective about exception requests, what should be our criteria: savings, equity or impact?

Wendy: You've got some exceptions, so are more coming?
Fred: The second big programmatic exception one was supposed to be the last one, but there may be measure-specific requests later on. We don't want to create a bad impression with the OPUC by asking for another exception every month.

Jim Abrahamson: This is something that normally would come in at the program level. It probably sparked calls to Holly and me because they were gas measures, and we don't have many gas measures left. What comes to the council will probably vary from instance to instance.

Holly: It seems that when things are on the margin, you make tweaks and get a two-year exception. It feels more like a tidal shift that's happened. It's not little things; more major shifts. Because it's a small budget, it's maybe good to make the exceptions while we look at the more fundamental cost-effectiveness tests. We shouldn't drop these measures that don't cost much until we figure out the big picture. Maybe we need a half-day workshop on what's included in the cost-effectiveness tests? It will allow us to give more educated feedback.

Don M: I agree with Holly's statement. I hope we're in a two-year revision process. When we ask the questions, we need to know a little about them, so we understand the types of answers we will get. At ACI Northwest, Charlie's cost-effectiveness presentation landed in the room with a thud because people realized it's more difficult to understand than they first thought. A cursory knowledge will help.

Charlie: UM551 has a well-crafted list of exceptions, and that's where we should go. On the electric side, there's a different premium adder for lost opportunity vs. other measures. In other words, there is some value to getting the savings later instead of missing the opportunity. With retrofits, there are times you shouldn't do them because they are too expensive, and other times you should look at them.

Don J: We know that some lost opportunities for retrofit are created by purchasing cycles and psychology involved. If we already have a crew of contractors there, we should try to make the investments while they are there.

Wendy: We don't want to lose the opportunity we could have by bundling things together. We may be missing an opportunity to install a measure that won't come back around. You run the programs and know what people are doing, and you can look at bundling in a way that makes sense.

Scott Inman: The only thing with forcing customers to buy a package is if you require one measure to be done, you don't risk anything; but if you require two things in a package, you risk losing both.
Wendy: I don't mean to get rid of the individual measures; just offer packages.

Jeremy: The way contractors sell multifamily is that landlords want windows, but they'll do other things while we're there. They don't care how much their tenants pay on utility bills, so they wouldn't do other things on their own. It's a lost opportunity if you don't do it when windows are installed. The same strategies for cost effectiveness in single-family can be used on Multifamily.

5. Commercial rooftop HVAC unit tune-up offering redesign
Spencer Moersfelder: This offering was developed during the height of the recession. In order to deliver it, you have to be a trade ally, and it's open to commercial customers in Oregon and Washington. There was a dramatic ramp up for projects and savings from rooftop tune-up from 2010-2012. We had tremendous gas savings, but they are relatively expensive in dollars per therm compared to other measures we do. We are trying to balance out savings and budget to bring in cost-effective savings and meet demand for other less expensive measures. There are really three measures here: three- to four-ton units had to be less than seven years old, and need to add an economizer.

Don Jones: Is there an OEM equipment requirement or can you make your own economizers?
Fred: I think it is only factory built; not build-your-own.

Spencer: Five to 30-ton rooftop units should be less than 10 years old and have an economizer already, but the measure adds demand control ventilation and carbon dioxide sensors, plus the outside air sensor has to be tuned up. It necessitates damper repair, when it's appropriate. Economizers open and close at the right temperatures to use outside air for cooling instead of cooling equipment.

Kim: Numerous national studies showed that well over 50 percent of economizers had failed.

Spencer: The key difference on the second tune up measure for units five to 30 tons is adding a new thermostat.

Spencer continued: We are no longer offering incentives on smaller units, but there are economies of scale for larger units. Smaller ones were borderline, in terms of cost-effective

savings. Folks at the PMC had conversations with trade allies who even asked why we offered incentives for smaller units. It's never popular to drop incentives, but at least they understood it.

> Tim Clark of ICF is doing a great job of communicating on behalf of Energy Trust. Trade allies feel good that there's an offering at all. We have a 2013 goal of serving about 1,500 units by June 30. Clark Public Utilities and NW Natural are working with us to serve 116 units in Southern Washington during the same period. We have somewhere in the neighborhood of 116 trade allies that are approved to work on rooftop tune-ups, but only a handful of them are regularly offering the measure.

Kim: So how does this relate to cost-effectiveness? We are looking proactively at our costs, high and low, and tuning up offerings to avoid cost-effectiveness issues down the road.
Spencer: The measure life is about seven years, so it's a shorter life. This, coupled with more expensive incentives per unit savings, functions to increase levelized cost.

Charlie Grist: Are you familiar with the Regional Technical Forum protocol for evaluation of savings?
Spencer: We are working regularly with Nick, and Dave Robison is doing the impact evaluation for us.

Charlie: There may be some opportunities to use the RTF protocol.
Fred: We are leaning pretty heavily on billing data to evaluate gas savings.

Brent Barclay: What about pricing on smaller units when you have a facility with many units vs. one, larger unit? It would be a shame to miss facilities with a large footprint but with many small units. A custom path may be an option in that case.
Spencer: The price ends up being the same because the contractor's work is very similar regardless of the size of the unit. The work associated with the individual, discrete measure is about the same either way.

Tim Clark: You do see that on strip malls and that sort of building more often. It takes a set amount of time to do the tune-up work either way.

Kim: Driving time ends up figuring into it, but the work period is about the same on small vs. large rooftop units.

Brent: It always disappoints when we make exceptions and split the market apart. It's an overall industry problem, but seems short-sighted on our part.

6. Conservation Advisory Council purpose

Kim: I was asked to facilitate the Conservation Advisory Council this year, and because of that, I decided to look for documents about our operating principles. It turns out they exist for both the Renewable Energy Advisory Council and the Conservation Advisory Council from a board meeting in 2007 where a charter was adopted for the advisory councils. There is an even older document from September 15, 2004, which talks about our operating principles, the things we are committed to do. These operating principles are included in the board resolution, are an example, and we are supposed to update them. Last time they were updated was 2004. So, this is a chance to speak up, and to put out your wish list. We try to keep the meetings casual and friendly, as a discussion where we can learn from knowledgeable people with great experience.

For instance, what types of things do we want to have on the agenda? Evaluations tend to get bumped because policy issues take their place. Today we can discuss it, and next time we can come back and make changes.

Don Jones: Which is the superseding document; the charter or the operating principles?
Kim: The charter comes from the board and is the superseding document. The operating principles are what we set. We can't make our operating principles go against the charter. We also want to set our own expectations.

Kim continued: As part of this first discussion, we should introduce ourselves as Conservation Advisory Council members, and explain a little about our roles, experience and time on the council.

Bruce Dobbs: I am on the BOMA board and take the information from these council meetings back to them. They want to know how the public purpose money is being spent, and the programs are operated. Building owners want to get a good return on the public purpose money. I've done this for six to seven years, about since the inception of the Conservation Advisory Council. It sometimes feels like decisions are already made, and we're a rubber stamp. Sometimes, but not always.

John Belmont: It's probably clear why the Oregon Department of Energy is part of this, since we have parallel goals with Energy Trust. We have a rotating system of who should be here for meetings, and it sometimes depends on the agenda topics.

Jim Abrahamson: I have been on the Conservation Advisory Council for four years representing Cascade Natural Gas. These councils, both renewable and conservation, are essential advisory councils to staff and board, and it's hard-wired into the Energy Trust's charter. Energy Trust has a public responsibility to have broad representation into reviewing its work. We had a good example with the Multifamily changes of looking like a rubber stamp. Many times we hear at Energy Trust's board meeting, "Has the Conservation Advisory Council reviewed this?" Multifamily incentives were a great example of a discussion where we identified issues the board should address or consider.

Kim: We are going to confer internally about the Multifamily changes, and we'll decide next steps and come back.
Jim: It's an issue that may not have come to the Conservation Advisory Council, but came here this time because of gas company sensitivity to loss of another gas measure.

Don Jones: Pacific Power operates programs in five other states, and we bring that experience in with us. I've been here since the very beginning, so have a long history. It is an advisory group, but what does that mean? Do you need us to vote on things? The key word is in the middle, "advisory." It's interesting to put the bounds around that meaning. I don't think we're the "Conservation Decision Council." You have the advantages of people helping you in hindsight by way of this group.

Garrett Harris: I'm standing in for Anne Snyder-Grassman, but will try to provide her perspective. As a supervisor at PGE, Anne supports SB 838 funded staff. It's good to be part of the discussion to know what's going on at Energy Trust.

Marlowe Kulley: Since the City of Portland isn't a funder, we bring a different perspective, which may be a slightly different view from the numerically-focused cost-effectiveness discussions. We are focused more on carbon emissions and equity, so it's not the same view.

Brent Barclay: Because I handle conservation programs at the Bonneville Power Administration, all the sectors and portfolios are my area. I've been on the Conservation Advisory Council for about three years. BPA looks for places we can align with Energy Trust and leverage resources. We have many utilities in Oregon that are surrounded by Energy Trust or are connected with you. There's an overlap of trade allies and gas territory overlaying our public utility territories, which means there is a good chance for collaboration. Asking Energy Trust staff what they would like from this group is as important as learning what's working for us.

Holly Meyer: It is interesting in how the role of the person assigned to the Conservation Advisory Council differs between utilities. Marketing people work together for congruent messaging, but I'm in the policy side for NW Natural, so I look at where we can leverage what happens here to help our business, and also have used the Conservation Advisory Council to advocate, speak up if we feel a topic hurts our customers and business. That approach hasn't seemed a very constructive and productive route to take at the Conservation Advisory Council, at times. I haven't been entirely clear about our role as advisors, in my 4 and one-half years, and it does sometimes feel more like a rubber stamp. Decisions are pretty well made, and if we strongly protest, Energy Trust may listen to us then stall and do what they were going to do, two months later. It makes sense that at the time you were set up, with new staff, there may have been more of a need for expertise from outside of Energy Trust, but now 10 years later you have experts on staff and some council members have less experience. That would lead to a change in the council's role. It makes sense to have us here, but you may need to equip us more, maybe each year, to advise you.

Kim: It helps to hear that perspective of what might have changed.

Wendy Gerlitz: The NW Energy Coalition is a nonprofit membership organization and is very diverse. It includes utilities, environmental groups, Energy Trust, contractors and anyone interested in the energy system and how we can promote clean energy. We focus on energy efficiency as the primary resource, followed by renewables. I have been on the Conservation Advisory Council for two years. Steve Weiss was here previously. I like this opportunity to get a deeper understanding of Energy Trust systems, how they work and how I can promote the work of Energy Trust. I can learn if things are running smoothly, and how I can help. There are lessons learned that I can share with folks in other states. Overall, the Conservation Advisory Council provides a diverse look from interesting perspectives. This group offers the public purpose charge diversity and discussions. We learn from each other. It took about six months for me to really understand what we do and our role. There are differences in how staff looks at, and values, our advice. We're not just a rubber stamp, but at times our opinion is more valued than at others. It's not consistent. Staff may not be clear how they can use this group to the fullest extent.

Don MacOdrum: The Home Performance Contractors Guild of Oregon is a member-based trade association focused on the house-as-a-system style of contracting. Energy Trust is a sponsor of the Home Performance with ENERGY STAR® program. I've been here since April 2011, and I have learned a lot from this group. Beyond all else, the learning and deepening of relationships and these connections are critical for a healthy industry. This discussion itself is a healthy thing. I distribute the information among my stakeholders, and like having the short feedback time we have here by having staff present. Since I'm focused on one program, it helps put things into perspective by seeing the rest of the Energy Trust operations. We definitely need more understanding of things like cost effectiveness to discuss these issues.

Scott Inman: The Oregon Remodelers Association has been part of the Conservation Advisory Council for a long time, and I've been here for about a year. I feel that I'm here to represent the trade allies. I've respected Energy Trust for keeping things inclusive. Prior utility programs were more exclusive and not market driven. Energy Trust has focused on small business and how many jobs are done by trade allies. That continuing focus keeps it market driven. It's great that you are looking at doing the right things, and keeping incentives fair. You are looking at the economic end of things and that needs to be part of it. It's important that we know what doesn't come to the council, but gets handled in other places, like technical specifications. As part of the Trade Ally Stakeholder Group, I look at the Weatherization Specifications Manual, and feel the staff has done a good job with those things. The savings results, year after year, show that you have it together. If you weren't making those results, this council might have a reason for more input, earlier. It's not broken. It's a diverse group in one room, and you get along well.

Juliet: I'm here because the legislature passed the bill that allowed Energy Trust to exist. The OPUC decided on this by rule. Energy Trust acts as a contractor to the OPUC, and reports back to us. There is a grant agreement with the OPUC. It's important that we look out for the ratepayer dollars. We've not had disciplinary actions at all with Energy Trust, but we do spend a lot of time explaining our oversight and what's happening at Energy Trust to the legislature. This group has a healthy interaction with those who speak up about impacts on their businesses. People would just go underground with their issues if you didn't have this forum. Updates on performance here are great. The fuel switching discussion has been healthy. I like it when people speak up and bring their experience and wisdom in. There's a good balance between requests for recommendations and informational items. It might be useful to toggle back and forth and look for agenda items from this group; and we could put forth some good synthesis thinking on some issues, like fuel switching.

Charlie Grist: The Northwest Power and Conservation Council was created by Congress back in the 1980s to develop a regional power plan. In my experience, this model of public purpose charge implementation by an independent third party is very rare, and Energy Trust has been one of the most successful examples of its type. Others haven't done as well. How we should use this group is a good question. I recommend that you, as a staff, decide what kinds of things this group can advise on, ask the board what they want from us, and the OPUC what they want. It can range from decision advice, how we evaluate, how we design programs, to just business relationships. If the board really wants advice from us, there should be a board member at each meeting. Does it have to be more formal? Maybe not; but how should they be engaged? We don't know whether any of this discussion goes forward to the board. There may be time-certain jobs that we should do. Three times per year we advise on something. Maybe some of it should be hard wired and the rest should float. Which ones do you want advice on, and which don't you? Open processes have made us successful in the Pacific Northwest.

Fred: There was almost always a board member present until 18 months ago, then it fell off. We should talk to the board about it.

Kim: There are things we can do to re-forge those connections.

Holly: Some of our team has been reading a book called "Reinventing Fire." The book pointed out that the Pacific Northwest is leading the charge to retrofit buildings, and even with one of the mildest climates and low energy costs, we are leading. Maybe it's the structure of how we do things that leads to our success. We have the opportunity, as a group, to take things to the next level. We can help Energy Trust, but there are pieces written on cost effectiveness, for example, and we could really think about these things and dig in. It might shape solutions that can drive a message outside our region.

Kim: The “strategic plan” mentioned in the Conservation Advisory Council charter refers to our annual action plans, which are part of the budget development process and do come to the council every year. This language from the charter is in the original bylaws of Energy Trust.

> Frankly, we see the Conservation Advisory Council as part of the team. You collectively blanket the whole realm of energy efficiency in the region. It’s important to have you be a part of it. Please take a look at the charter and principles for next time.
>
> Think about what advisory should mean. How is staff thinking about using the Conservation Advisory Council for advice? We have a good framework, and maybe we need to make changes. We would like to give you known things that will come here, and when they will show up.

Wendy: I would like to get board input. Can we do it at the next board meeting?
Kim: Not the next time, since that meeting is next week, but we will discuss it internally and re-forge the linkages.
Jim: It is important to check in with them because they are always asking if things came to the Conservation Advisory Council, so they do think about it.

Fred: To know what is and what isn’t a board decision is something important for this group.

Kim: It would be good presentation for a board member to give to the Conservation Advisory Council.

Brent: Sometimes, other entities are represented here, but how do we steer this toward them? The Northwest Energy Efficiency Alliance used to be here, but isn’t for example. Targeted membership is something to consider.

Kim: We need to hear from you who should be represented. The Eugene Water and Electric Board is another organization without a Conservation Advisory Council member since Bill Welch retired; but they aren’t ready to send someone else yet. Our charter says we should have 10-18 members, and we currently have 16. Who is missing?

Don: Is there a parallel effort underway for the Renewable Energy Advisory Council?
Kim: I will check with Betsy, but there isn’t that I know of.

7. Public comment
There was none.

8. Meeting adjournment
Kim thanked all council members for their participation and adjourned the meeting at 4:35 p.m. The next council meeting is March 13, 2013.

Glossary

Last updated March 2013

Energy Industry Terms

This glossary is provided to the Energy Trust Board of Directors for general use. Definitions and acronyms are compiled from a variety of resources. Energy Trust policies on topics related to any definitions listed below should be referenced for the most up-to-date and comprehensive information.

Above-Market Costs of New Renewable Energy Resources
The portion of the net present value cost of producing power (including fixed and operating costs, delivery, overhead and profit) from a new renewable energy resource that exceeds the market value of an equivalent quantity and distribution (across peak and off-peak periods and seasonally) of power from a nondifferentiated source, with the same term of contract. Energy Trust board policy specified the methodology for calculating above-market costs.

Aggregate
Combining retail electricity consumers into a buying group for the purchase of electricity and related services. “Aggregator” is an entity that aggregates.

Air Sealing (Infiltration Control)
Conservation measures, such as caulking, better windows and weatherstripping, which reduce the amount of cold air entering or warm air escaping from a building.

Ampere (Amp)
The unit of measure that tells how much electricity flows through a conductor. It is like using cubic feet per second to measure the flow of water. For example, a 1,200 watt, 120-volt hair dryer pulls 10 amperes of electric current (watts divided by volts).

Anaerobic Digestion
A biochemical process by which organic matter is decomposed by bacteria in the absence of oxygen, producing methane and other byproducts.

Average Megawatt (aMW)
One megawatt of capacity produced continuously over a period of one year. 1 aMW equals 1 megawatt multiplied by the 8,760 hours in a year. 1 aMW equals 8,760 MWh or 8,760,000 kWh.

Avoided Cost
(Regulatory) The amount of money that an electric utility would need to spend for the next increment of electric generation they would need to either produce or purchase if not for the reduction in demand due to energy-efficiency savings or the energy that a co-generator or small-power producer provides. Federal law establishes broad guidelines for determining how much a qualifying facility (QF) gets paid for power sold to the utility.

Base Load
The minimum amount of electric power delivered or required over a given period of time at a steady rate.

Benefit/Cost Ratios
By law, Oregon public purpose funds may be invested only in cost-effective energy-efficiency measures—that is, efficiency measures must cost less than acquiring the energy from conventional sources, unless exempted by the OPUC.

Energy Trust calculates Benefit/Cost ratios (BCR) on a prospective and retrospective basis. Looking forward, all prescriptive measures and custom projects must have a total resource cost test BCR > 1.0 unless the OPUC has approved an exception. As required in the OPUC grant agreement, Energy Trust reports annually how cost effective programs were by comparing total costs to benefits, which also need to exceed 1.0.

Biomass
Solid organic wastes from wood, forest or field residues which can be heated to produce energy to power an electric generator.

Biomass Gas
A medium Btu gas containing methane and carbon dioxide, resulting from the action of microorganisms on organic materials such as a landfill.

Blower Door
Home Performance test conducted by a contractor (or energy auditor) to evaluate a home's air tightness. During this test a powerful fan mounts into the frame of an exterior door and pulls air out of the house to lower the inside air pressure. While the fan operates, the contractor can determine the house's air infiltration rate and better identify specific leaks around the house.

British Thermal Unit
The standard measure of heat energy. The quantity of heat required to raise the temperature of 1 pound of liquid water by 1 degree Fahrenheit at the temperature at which water has its greatest density (approximately 39 degrees Fahrenheit).

Cogeneration (Combined Heat & Power or CHP)
The sequential production of electricity and useful thermal energy, often by the recovery of reject heat from an electric generating plant for use in industrial processes, space or water heating applications. Conversely, may occur by using reject heat from industrial processes to power an electricity generator.

Compact Fluorescent Light Bulbs (CFL)
CFLs combine the efficiency of fluorescent lighting with the convenience of a standard incandescent bulb. There are many styles of compact fluorescent, including exit light fixtures and floodlights (lamps containing reflectors). Many screw into a standard light socket, and most produce a similar color of light as a standard incandescent bulb.

CFLs come with ballasts that are electronic (lightweight, instant, no-flicker starting, and 10–15 percent more efficient) or magnetic (much heavier and slower starting).Other types of CFLs include adaptive circulation and PL and SL lamps and ballasts. CFLs are designed for residential uses; they are also used in table lamps, wall sconces, and hall and ceiling fixtures of hotels, motels, hospitals and other types of commercial buildings with residential-type applications.

Conservation
While not specifically defined in the law or OPUC rules on direct access regulation, "conservation" is defined in the OPUC rule 860-027-0310(1)(a) as follows: Conservation means any reduction in electric power or natural gas consumption as the result of increases in efficiency of energy use, production or distribution. Conservation also includes cost-effective fuel switching.

Although fuel switching is part of the definition, this aspect of the rule has not been operationalized as of March 2013.

Cost Effective
Not specifically defined in SB 1149. The OPUC has a definition which refers to a definition from ORS 469.631 (4) stating that an energy resource, facility or conservation measure during its life cycle results in delivered power costs to the ultimate consumer no greater than the comparable incremental cost of the least-cost alternative new energy resource, facility or conservation measure. Cost comparison under this definition shall include but not be limited to: (a) cost escalations and future availability of fuels; (b) waste disposal and decommissioning cost; (c) transmission and distribution costs; (d) geographic, climatic and other differences in the state; and (e) environmental impact. ORS 757.612 (4) (SB 1149) exempts utilities from the requirements of ORS 469.631 to 469.645 when the public purpose charge is implemented.

By law, Oregon public purpose funds may be invested only in cost-effective energy-efficiency measures—that is, efficiency measures must cost less than acquiring the energy from conventional sources, unless exempted by the OPUC.

Cumulative Savings
Sum of the total annual energy savings over a certain time frame while accounting for measure savings "lives." (For example, if a measure is installed for each of two years, the cumulative savings would be the sum of the measure installed in the first year, plus the incremental savings from the savings installed in the second year plus the savings in the second year from the measure installed in the first year.)

Decoupling
A rate provision which reduces or eliminates the degree to which utility profits are driven by the volume of electricity or gas sold. Decoupling is thought by its proponents to reduce utility disincentives to support efficiency. There are many specific variants employed in different states and with different utilities.

Direct Access
The ability of a retail electricity consumer to purchase electricity and certain ancillary services from an entity other than the distribution utility.

Economizer Air
A ducting arrangement and automatic control system that allows a heating, ventilation and air conditioning (HVAC) system to supply up to 100 percent outside air to satisfy cooling demands, even if additional mechanical cooling is required.

ENERGY STAR®
ENERGY STAR is a joint Environmental Protection Agency and Department of Energy program that encourages energy conservation by improving the energy efficiency of a wide range of

consumer and commercial products, enhancing energy efficiency in buildings and promoting energy management planning for businesses and other organizations.

Environmental Protection Agency (EPA)
Founded in 1970, this independent agency was designed to "protect human health and safeguard the natural environment." It regulates a variety of different types of emissions, including the greenhouse gases emitted in energy use. It runs several national end-use programs, like ENERGY STAR, SmartWay, Smart Growth programs and green communities programs.

Evaluation
After-the-fact analysis of the effectiveness and results of programs. *Process and Market Evaluations* study the markets to be addressed and the effectiveness of the program strategy, design and implementation. They are used primarily to improve programs. *Impact evaluations* use post-installation data to improve estimates of energy savings and renewable energy generated.

Feed-in Tariff
A renewable energy policy that typically offers a guarantee of payments to project owners for the total amount of renewable electricity they produce; access to the grid; and stable, long-term contracts.

Footcandle
A unit of illuminance on a surface that is one foot from a uniform point source of light of one candle and is equal to one lumen per square foot

Free Rider
This evaluation term describes energy efficiency program participants who would have taken the recommended actions on their own, even if the program did not exist. Process evaluations include participant survey questions, which lead to the quantification of the level of free rider impacts on programs that is applied as a discounting factor to Energy Trust reported results.

Geothermal
Useful energy derived from the natural heat of the earth as manifested by hot rocks, hot water, hot brines or steam.

Green Tags (Renewable Energy Credits or RECs)
A Green Tag is a tradable commodity that represents the contractual rights to claim the environmental attributes of a certain quantity of renewable electricity. For wind farms, the environmental attributes include the reductions in emissions of pollutants and greenhouse gases that result from the delivery of the wind-generated electricity to the grid.

Here's how emission reductions occur: When wind farms generate electricity, the grid operators allow that electricity to flow into the grid because it is less expensive to operate, once it has been built, than generators that burn fossil fuels. But the electricity grid cannot have more electricity flowing into it than is flowing out to electricity users, so the grid operators have to turn down other generators to compensate. They generally turn down those that burn fossil fuels. By forcing the fossil fuel generators to generate less electricity, wind farms cause them to generate fewer emissions of pollutants and greenhouse gases. These reductions in emissions are the primary component of Green Tags.

Green Tags were developed as a separate commodity by the energy industry to boost construction of new wind, solar, landfill gas and other renewable energy power plants. Green Tags allow owners of these power plants to receive the full value of the environmental benefits their plants generate. They also allow consumers to create the same environmental benefits as buying green electricity, or to neutralize the pollution from their consumption of fossil fuels.

Green Tags are bought and sold every day in the electricity market. Tens of millions of dollars in Green Tags are under contract today. They are measured in units, like electricity. Each kilowatt hour of electricity that a wind farm produces also creates a one-kilowatt hour Green Tag. Wind farm owners may sell Green Tags to other purchasers, remote or local, to obtain the extra revenues they need for their wind farms to be economically viable.

Gross Savings
Savings that are unadjusted for evaluation factors of free riders, spillover, and savings realization rates. Energy Trust reports all savings in net terms, not gross terms, unless otherwise stated in the publication.

Heat Pump
An HVAC system that works as a two-way air conditioner, moving heat outside in the summer and scavenging heat from the cold outdoors with an electrical system in the winter. Most use forced warm-air delivery systems to move heated air throughout the house.

Heating, Ventilation and Air Conditioning (HVAC)
The mechanical systems that provide thermal comfort and air quality in an indoor space are often grouped together because they are generally interconnected. HVAC systems include: central air conditioners, heat pumps, furnaces, boilers, rooftop units, chillers and packaged systems.

Hydroelectric Power (Hydropower)
The generation of electricity using falling water to turn turbo-electric generators.

Incremental Annual Savings
Energy savings in one year corresponding to the energy-efficiency measures implemented in that same year.

Incremental Cost
The difference in cost relative to a base case, including equipment and labor cost.

Integrated Resources Planning (Least-Cost Planning)
A power-planning strategy that takes into account all available and reliable resources to meet current and future loads. This strategy is employed by each of the utilities served by Energy Trust, and for the region's electric system by the Northwest Power and Conservation Council. The term "least-cost" refers to all costs, including capital, labor, fuel, maintenance, decommissioning, known environmental impacts and difficult to quantify ramifications of selecting one resource over another.

Interconnection
For all distributed generation—solar, wind, CHP, fuel cells, etc.—interconnection with the local electric grid provides back-up power and an opportunity to participate in net-metering and sell-back schemes when they are available. It's important to most distributed generation projects to be interconnected with the grid, but adding small generators at spots along an electric grid can

produce a number of safety concerns and other operational issues for a utility. Utilities, then, generally work with their state-level regulatory bodies to develop interconnection standards that clearly delineate the manner in which distributed generation systems may be interconnected.

Joule
A unit of work or energy equal to the amount of work done when the point of application of force of 1 newton is displaced 1 meter in the direction of the force. It takes 1,055 joules to equal a British thermal unit. It takes about 1 million joules to make a pot of coffee.

Kilowatt
One thousand (1,000) watts. A unit of measure of the amount of electricity needed to operate given equipment.

Large Customers (with reference to SB 838)
Customers using more than 1 aMW of electricity a year are not required to pay electric conservation charges under SB 838. Additionally, Energy Trust may not provide them with services funded under SB 838 provisions.

Least Cost
The term “least-cost” refers to all costs, including capital, labor, fuel, maintenance, decommissioning, known environmental impacts and difficult to quantify ramifications of selecting one resource over another.

Levelized Cost
The level of payment necessary each year to recover the total investment and interest payments (at a specified interest rate) over the life of the measure.

Local Energy Conservation
Conservation measures, projects or programs that are installed or implemented within the service territory of an electric company.

Low Income Weatherization
Repairs, weatherization and installation of energy-efficient appliances and fixtures for low-income residences for the purpose of enhancing energy efficiency. In Oregon, SB 1149 directs a portion of public purpose funds to Oregon Housing and Community Services to serve low-income customers. Energy Trust coordinates with low-income agencies and refers eligible customers.

Lumen
A measure of the amount of light available from a light source equivalent to the light emitted by one candle.

Lumens/Watt
A measure of the efficacy of a light fixture; the number of lumens output per watt of power consumed.

Market Transformation
Lasting structural or behavioral change in the marketplace and/or changes to energy codes and equipment standards that increases the adoption of energy-efficient technologies and practices. Market transformation is defined in the Oregon Administrative Rules.

Megawatt
The electrical unit of power that equals one million watts (1,000 kW).

Megawatt Hour
One-thousand kilowatt hours, or an amount of electrical energy that would supply 1,370 typical homes in the Western U.S. for one month. (This is a rounding up to 8,760 kWh/year per home based on an average of 8,549 kWh used per household per year [U.S. DOE EIA, 1997 annual per capita electricity consumption figures]).

Methane
A light hydrocarbon that is the main component of natural gas and marsh gas. It is the product of the anaerobic decomposition of organic matter, enteric fermentation in animals and is one of the greenhouse gases.

Municipal Solid Waste
Refuse offering the potential for energy recovery. Technically, residential, institutional and commercial discards. Does not include combustible wood by-products included in the term “mill residue.”

Net metering
An electricity policy for consumers who own (generally small) renewable energy facilities (such as wind, solar power or home fuel cells). "Net," in this context, is used in the sense of meaning "what remains after deductions.” In this case, the deduction of any energy outflows from metered energy inflows. Under net metering, a system owner receives retail credit for at least a portion of the electricity they generate.

Net-to-Gross
Net-to-gross ratios are important in determining the actual energy savings attributable to a particular program, as distinct from energy efficiency occurring naturally (in the absence of a program). The net-to-gross ratio equals the net program load impact divided by the gross program load impact. This factor is applied to gross program savings to determine the program's net impact.

Net Savings
Savings that are adjusted for evaluation factors of free riders, spillover and savings realization rates. Energy Trust reports all savings in net terms, not gross terms, unless otherwise stated in the publication.

Nondifferentiated Source (Undifferentiated Source)
Power available from the wholesale market or delivered to retail customers.

Photovoltaic
Direct conversion of sunlight to electric energy through the effects of solar radiation on semi-conductor materials. Photovoltaic systems are one type of solar system eligible for Energy Trust incentives.

Public Utility Commissions
State agencies that regulate, among others, investor-owned utilities operating in the state with a protected monopoly to supply power in assigned service territories.

Public Utility Regulatory Act of 1978 (PURPA)
Federal legislation that requires utilities to purchase electricity from qualified independent power producers at a price that reflects what the utilities would have to pay for the construction of new generating resources. The Act was designed to encourage the development of small-scale cogeneration and renewable resources.

Qualifying Facility (QF)
A power production facility that generates its own power using cogeneration, biomass waste, geothermal energy, or renewable resources, such as solar and wind. Under PURPA, a utility is required to purchase power from a QF at a price equal to that which the utility would otherwise pay to another source, or equivalent to the cost if it were to build its own power plant.

Renewable Energy Resources
a) Electricity-generation facilities fueled by wind, waste, solar or geothermal power or by low-emission nontoxic biomass based on solid organic fuels from wood, forest and field residues
b) Dedicated energy crops available on a renewable basis
c) Landfill gas and digester gas
d) Hydroelectric facilities located outside protected areas as defined by federal law in effect on July 23, 1999

Renewable Portfolio Standard
A legislative requirement for utilities to meet specified percentages of their electric load with renewable resources by specified dates, or a similar requirement. May be referred to as Renewable Energy Standard.

Retrofit
A retrofit involves the installation of new, usually more efficient equipment into an existing building or process prior to the existing equipment's failure or end of its economic life. In buildings, retrofits may involve either structural enhancements to increase strength, or replacing major equipment central to the building's functions, such as HVAC or water heating systems. In industrial applications, retrofits involve the replacement of functioning equipment with new equipment.

Roof-Top Units
Packaged heating, ventilating and air conditioning unit that generally provides air conditioning and ventilating services for zones in low-rise buildings. Roof-top units often include a heating section, either resistance electric, heat pump or non-condensing gas (the latter are called “gas-paks”). Roof-top units are the most prevalent comfort conditioning systems for smaller commercial buildings. Generally small (<10 ton) commodity products, but very sophisticated high-efficiency versions are available, as are units larger than 50 tons.

R-Value
A unit of thermal resistance used for comparing insulating values of different material. It is basically a measure of the effectiveness of insulation in stopping heat flow. The higher the R-Value number, a material, the greater its insulating properties and the slower the heat flow through it. The specific value needed to insulate a home depends on climate, type of heating system and other factors.

SB 1149
The Oregon legislation enacted in 1999 allowing for the creation of a third party, nonprofit organization to receive approximately 74 percent of a 3 percent utility surcharge (public purpose charge) and deliver energy-efficiency and renewable energy programs to the funding Oregon ratepayers of Portland General Electric and Pacific Power. Energy Trust was approved by the OPUC to deliver the services. The rest of the surcharge is distributed to school districts and Oregon Housing and Community Services.

SB 838
SB 838, enacted in 2007, augmented Energy Trust's mission in many ways. Most prominently, it provided a vehicle for additional electric efficiency funding for customers under 1 aMW in load, and restructured the renewable energy role to focus on generation plants that produce less than 20 aMW. SB 838 is also the legislation creating the state's Renewable Portfolio Standard and extended Energy Trust's sunset year from 2012 to 2026.

Sectors
For energy planning purposes, the economy is divided into four sectors: residential, commercial, industrial and irrigation.

Self-Directing Consumers
A retail electricity consumer that has used more than one average megawatt of electricity at any one site in the prior calendar year or an aluminum plant that averages more than 100 average megawatts of electricity use in the prior calendar year, that has received final certification from the Oregon Department of Energy for expenditures for new energy conservation or new renewable energy resources and that has notified the electric company that it will pay the public purpose charge, net of credits, directly to the electric company in accordance with the terms of the electric company's tariff regarding public purpose credits.

Societal Cost
Similar to the total resource cost as including the full cost to install a measure including equipment, labor and Energy Trust cost to administer and deliver the program, societal cost also includes any costs beyond those realized by the participant and Energy Trust associated with the energy-saving project. Typically additional societal benefits are seen with energy-efficiency projects that can be difficult to quantify and include in the Societal Cost Test for cost effectiveness.

Solar Power
Using energy from the sun to make electricity through the use of photovoltaic cells.

Solar Thermal
The process of concentrating sunlight on a relatively small area to create the high temperatures needed to vaporize water or other fluids to drive a turbine for generation of electric power.

Spillover
Additional measures that were implemented by the program participant for which the participant did not receive an incentive. They undertook the project on their own, influenced by prior program participation.

Therm
One hundred thousand (100,000) British thermal units (1 therm = 100,000 Btu).

Total Resource Cost
The OPUC has used the "total resource cost" (TRC) test as the primary basis for determining conservation cost-effectiveness as determined in Order No. 94-590 (docket UM 551). SB 1149 allows the "self-directing consumers" to use a simple payback of one to 10 years as the cost-effectiveness criterion.

Tidal Energy
Energy captured from tidal movements of water.

U-Value (U-Factor)
A measure of how well heat is transferred by the entire window—the frame, sash and glass—either into or out of the building. U-Value is the opposite of R-Value. The lower the U-Value number, the better the window will keep heat inside a home on a cold day.

Wave Energy
Energy captured by the cyclical movement of waves in the ocean or large bodies of water.

Watt
A unit of measure of electric power at a point in time, as capacity or demand. One watt of power maintained over time is equal to one joule per second.

Wind Power
Harnessing the energy stored in wind via turbines, which then convert the energy into electricity. Mechanical power of wind can also be used directly.

Weatherization
The activity of making a building (generally a residential structure) more energy efficient by reducing air infiltration, improving insulation and taking other actions to reduce the energy consumption required to heat or cool the building. In practice, "weatherization programs" may also include other measures to reduce energy used for water heating, lighting and other end uses.

Energy Industry Acronyms

AAMA	American Architectural Manufacturers Association	Trade group for window, door manufacturers
A/C	Air Conditioning	
ACEEE	American Council for an Energy-Efficient Economy	Environmental Advocacy, Researcher
AEE	Association of Energy Engineers	
AEO	Annual Energy Outlook	
AESP	Association of Energy Services Professionals	Energy services and energy efficiency trade org
A+E	Architecture + Energy	Outreach program for architects
AFUE	Annual Fuel Utilization Efficiency	The measure of seasonal or annual efficiency of a furnace or boiler
AgriMet	Agricultural Meteorology	Program for soil moisture data
AIA	American Institute of Architects	Trade organization
AIC	Association of Idaho Cities	Local government organization
aMW	Average Megawatt	A way to equally distribute annual energy over all the hours in one year; there are 8,760 hours in a year
AOI	Associated Oregon Industries	
APEM	Association of Professional Energy Managers	
ARI	Air-Conditioning and Refrigeration Institute	AC trade association
ASE	Alliance to Save Energy	Environmental advocacy organization
ASERTTI	Assocation of State Energy Research and Technology Transfer Institutions, Inc.	
ASHRAE	American Society of Heating, Refrigeration, and Air Conditioning Engineers	Technical (engineers) association
ASME	American Society of Mechanical Engineers	Professional organization
ASiMi	Advanced Silicon Materials LLC	Manufacturer of polysilicon with plants in Moses Lake and Butte Mountain
AWC	Association of Washington Cities	Local government trade organization
BACT	Best Achievable Control Technology	
BCR	Benefit/Cost ratio	See definition in text
BEF	Bonneville Environmental Foundation	Nonprofit that funds renewable energy projects
BETC	Business Energy Tax Credit	Oregon tax credit
BOC	Building Operator Certification	Alliance funded project that trains and certifies building operators
BOMA	Building Owners and Managers Association	
BPA	Bonneville Power Administration	Federal power authority
C&RD	Conservation & Renewable Discount	BPA program
CAC	Conservation Advisory Council	
CARES	Conservation and Renewable Energy System	Defunct consortium of Pacific Northwest PUDs
CCS	Communications and Customer Service	A group within Energy Trust

CCCT	Combined Cycle Combustion Turbine	
CEE	Consortium for Energy Efficiency	National energy efficiency group
CEWO	Clean Energy Works Oregon	
CFL	Compact Fluorescent Light bulb	
CHP	Combined Heat and Power	
CNG	Cascade Natural Gas	Investor-owned utility
ConAug	Conservation Augmentation Program	BPA program
CHT	Coefficient of Heat Transmission (U-Value)	A value that describes the ability of a material to conduct heat. The number of Btu that flow through 1 square foot of material, in one hour. It is the reciprocal of the R-Value (U-Value = 1/R-Value.
COU	Consumer-Owned Utility	
COP	Coefficient of Performance	The Coefficient of Performance is the ratio of heat output to electrical energy input for a heat pump
CT	Combustion Turbine	
CUB	Citizens' Utility Board of Oregon	Public interest group
Cx	Commissioning	
DG	Distributed Generation	
DSI	Direct Service Industries	Direct Access customers to BPA
DOE	Department of Energy	Federal agency
DSM	Demand Side Management	
EA	Environmental Assessment	
EASA	Electrical Apparatus Service Association	Trade association
ECM	Electrically Commutation Motor	An Electrically Commutation Motor, also known as a variable-speed blower motor, can vary the blower speed in accordance with the needs of the system
EE	Energy Efficiency	
EER	Energy Efficiency Ratio	The cooling capacity of the unit (in Btu/hour) divided by its electrical input (in watts) at standard peak rating conditions
EF	Energy Factor	An efficiency ratio of the energy supplied in heated water divided by the energy input to the water heater
EIA	Energy Information Administration	
EIC	Energy Ideas Clearinghouse	Washington State University program that provides energy-efficiency information, Alliance funded project
EPA	Environmental Protection Agency	Federal agency
EPRI	Electric Power Resource Institute	Utility organization

EPS	Energy Performance Score	Brand name used by Energy Trust for the rating that assesses a newly built or existing home's energy use, carbon impact and estimated monthly utility costs
EQIP	Environmental Quality Incentive Program	
EREN	Energy Efficiency and Renewable Energy Network	DOE program
ESS	Energy Services Supplier	
EWEB	Eugene Water & Electric Board	Utility organization
FCEC	Fair and Clean Energy Coalition	Environmental advocacy organization
FEMP	Federal Energy Management Program	
FERC	Federal Energy Regulatory Commission	Federal regulator
GHG	Greenhouse gas	
HER	Home Energy Review	A free visit to a customer's home by an Energy Trust energy advisor to assess efficiency and provide personalized recommendations for improvement
HSPF	Heating Season Performance Factor	
ICNU	Industrial Consumers of Northwest Utilities	Trade interest group
ICF	ICF International	Existing Buildings Program Management Contractor
ICL	Institute for Conservation Leadership	
IDWR	Idaho Department of Water Resources	State agency
IEEE	Institute of Electrical and Electronic Engineers	Professional association
IESNA	Illuminating Engineering Society of America	
IOU	Investor-Owned Utility	
IRP	Integrated Resource Plan	
ISIP	Integrated Solutions Implementation Project	
kW	Kilowatt	
kWh	Kilowatt Hours	8,760,000 kWh = 1 aMW
LBL	Lawrence Berkeley Laboratory	
LED	Lighting Emitting Diode	Solid state lighting technology
LEED	Leadership in Energy & Environmental Design	Building rating system from the U.S. Green Building Council
LIHEAP	Low Income Housing Energy Assistance Program	
LIWA	Low Income Weatherization Assistance	
LOC	League of Oregon Cities	Local government organization
MEEA	Midwest Energy Efficiency Alliance	Midwest Market Transformation organization, Alliance counterpart
MLCT	Montana League of Cities and Towns	Local government organization
MLGEO	Montana Local Government Energy Office	Local government organization
MW	Megawatt	Unit of electric power equal to one thousand kilowatts
MWh	Megawatt Hour	Unit of electric energy, which is

		equivalent to one megawatt of power used for one hour
NAHB	National Association of Home Builders	Trade association
NCBC	National Conference on Building Commissioning	
NEEA	Northwest Energy Efficiency Alliance	
NEEC	Northwest Energy Efficiency Council	Trade organization
NEEI	Northwest Energy Education Institute	Training organization
NEEP	Northeast Energy Efficiency Partnership	Northwest market transformation organization, Alliance counterpart
NEMA	National Electrical Manufacturer's Association	Trade organization
NERC	North American Electricity Reliability Council	
NFRC	National Fenestration Rating Council	
NRC	National Regulatory Council	Federal regulator
NRCS	Natural Resources Conservation Service	
NRDC	Natural Resources Defense Council	
NREL	National Renewable Energy Lab	
NRTA	Northwest Regional Transmission Authority	
NWEC	Northwest Energy Coalition	Environmental advocacy organization
NWBOA	Northwest Building Operators Association	Trade organization
NWFPA	Northwest Food Processors Association	Trade organization
NWN	NW Natural	Investor-owned utility
NWPPA	Northwest Public Power Association	Trade organization
NWPCC	Northwest Power and Conservation Council	Regional energy planning organization, "the council"
NYSERDA	New York State Energy Research & Development Authority	New York public purpose organization
OBA	Oregon Business Association	Business lobby group
OEFSC	Oregon Energy Facility Siting Council	Authority to site energy facilities in Oregon
ODOE	Oregon Department of Energy	Oregon state energy agency
OPUC	Oregon Public Utility Commission	
OPUDA	Oregon Public Utility District Association	Utility trade organization
OPEC	Organization of Petroleum Exporting Countries	
ORECA	Oregon Rural Electric Cooperative Association	Utility trade organization
OSD	Office of Sustainable Development	
OSEIA	Solar Energy Industries Association of Oregon	Volunteer nonprofit organization dedicated to education/promotion
OTED	Office of Trade & Economic Development	Washington State agency
P&E	Planning and Evaluation	A group within Energy Trust
PDC	Program Delivery Contractor	Company contracted with Energy Trust to identify and deliver industrial and agricultural services to Energy Trust customers
PEA	Pacific Energy Associates	
PECI	Portland Energy Conservation, Inc.	Energy Trust Program Management Contractor

PGE	Portland General Electric	Investor-owned utility
PG&E	Pacific Gas & Electric	California investor-owned utility
PMC	Program Management Contractor	Company contracted with Energy Trust to deliver a program
PNGC	Pacific Northwest Generating Cooperatives	
PNUCC	Pacific Northwest Utilities Conference Committee	
PPC	Public Power Council	National trade group
PPL	Pacific Power	
PSE	Puget Sound Energy	Investor-owned utility
PTC	Production Tax Credit	
PTCS	Performance Tested Comfort Systems	Alliance project that promotes the efficiency of air-systems in residential homes
PUC	Public Utility Commission	Oregon and Idaho PUCs
PUD	Public Utility District	
PURPA	Public Utility Regulatory Policies Act	See definition in text
QF	Qualifying Facility	
RAC	Renewable Energy Advisory Council	
RE	Renewable Energy	
REIT	Real Estate Investment Trust	
RETC	Residential Energy Tax Credit	Oregon tax credit
RFI	Request for Information	
RFP	Request for Proposal	
RFQ	Request for Qualification	
RNP	Renewable Northwest Project	Renewable energy advocacy group
RSES	Refrigeration Service Engineers Society	Trade association
RTF	Regional Technical Forum	BPA funded research group
SCCT	Single Cycle Combustion Turbine	
SCL	Seattle City Light	Public utility
SEED	State Energy Efficient Design	Established in 1991, requires all state facilities to exceed the Oregon Energy Code by 20 percent or more
SEER	Seasonal Energy Efficiency Ratio	A measure of cooling efficiency for air conditioners; the higher the SEER, the more energy efficient the unit
SGC	Super Good Cents	Alliance project & legacy BPA & utility program that promotes the sales of SGC homes
SIS	Scientific Irrigation Scheduling	Agricultural information program
SNOPUD	Snohomish Public Utility District	Washington State PUD
SEIA	Solar Energy Industries Association	Volunteer nonprofit organization dedicated to education/promotion
SWEEP	Southwest Energy Efficiency Partnership	Southwest market transformation group, Alliance counterpart

T&D	Transmission & Distribution	
TNS	The Natural Step	
TRC	Total Resource Cost	See definition in text
TXV	Thermal Expansion Valve	
	University of Oregon Solar Monitoring Laboratory	Solar resource database
U-Value		The reciprocal of R-Value; the lower the number, the greater the heat transfer resistance (insulating) characteristics of the material
USGBC	U.S. Green Building Council	Sustainability advocacy organization responsible for LEED
VFD	Variable Frequency Drive	An electronic control to adjust motion
WAPUDA	Washington Public Utility District Association	Utility trade organization
WNP	Washington Nuclear Power Plant	
WPPSS	Washington Public Power Supply System	Also called "whoops"
WUTC	Washington Utilities and Transportation Commission	
Wx	Weatherization	
W	Watt	