Energy Trust Board of Directors Meeting

November 7, 2012

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116th Board Meeting

Wednesday, November 7, 2012, 12:15–5:00pm
421 SW Oak Street, Suite 300
Portland, Oregon

	Agenda	Tab	Purpose
12:15pm	**Call to Order** *(John Reynolds)* • Approve agenda		
12:20pm	**General Public Comment** *The president may defer specific public comment to the appropriate agenda topic.*		
12:25pm	**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.* • September 19 meeting minutes • Amending Policy on Information Regarding Program Participants, Contractors and Bidders (R648) • Amending Oregon Preference Policy (R649)	**1**	*Action*
12:30pm	**President's Report** *(John Reynolds)*		
12:40pm	**Cascade Natural Gas Funding Temporary Adjustment Using Reserves** (R650) *(Roger Hamilton and Steve Lacey)*	**2**	*Action*
12:55pm	**Draft 2013-2014 Action Plan & Draft 2013 Budget** *(Margie Harris and Sue Meyer Sample)*	**Separate Document**	*Information*
3:00pm	**Break**		
3:15pm	**Committee Reports**		
	• Audit Committee *(Ken Canon)*		*Information*
	• Evaluation Committee *(Debbie Kitchin)*	**3**	*Information*
	• Finance Committee *(Dan Enloe)*	**4**	*Information*
	• Policy Committee *(Roger Hamilton)*	**5**	*Information*
4:00pm	**Staff Report** *(Margie Harris)*		*Information*
5:00pm	**Adjourn**		

The next meeting of the Energy Trust Board of Directors will be held
Friday, December 14, 2012 at 12:15pm
at Energy Trust of Oregon, 421 SW Oak Street, Suite 300, Portland
Followed by the Staff Holiday Gathering

Tab 1 **Consent Agenda**
- September 19 meeting minutes
- Amending Policy on Information Regarding Program Participants, Contractors and Bidders (R648)
- Amending Oregon Preference Policy (R649)

Separate Document **Draft 2013-2014 Action Plan & Draft 2013 Budget**

Tab 2 **Cascade Natural Gas Funding**
Temporary Adjustment Using Reserves (R650)

Tab 3 **Evaluation Committee**
- Notes from September 28 meeting
- *Notes from October 30 meeting—if notes are available, they will be sent via e-mail prior to board meeting*
- 2010 New Buildings Impact Evaluation
- 2012 Oregon Residential Awareness and Perceptions Study
- Personal Energy Report, March 2012 Survey Report

Tab 4 **Finance Committee**
- Notes from October 22 meeting
- Third quarter dashboards
- August financials and contract summary report
- September financials and contract summary report
- Financial glossary

Tab 5 **Policy Committee**
- Notes from October 23 meeting

Tab 6 **Staff Report**
- Quarterly market indicators report
- True Up 2012: Tracking Estimate Corrections and True Up of 2002-2011 Savings and Generation Report

Tab 7 **Advisory Council Notes**
- RAC notes September 12
- *CAC/RAC: Notes from October 24 meetings—if notes are available, they will be sent via e-mail prior to board meeting*

Board Meeting Minutes—115th Meeting

September 19, 2012

Board members present: Rick Applegate (by phone), Julie Brandis (by phone), Dan Enloe, Roger Hamilton, Jeff King, Debbie Kitchin, Alan Meyer, John Reynolds, Anne Root, Dave Slavensky, Bob Repine (ODOE special advisor)

Board members absent: John Savage (OPUC ex officio), Joe Benetti, Ken Canon, Mark Kendall

Staff attending: Margie Harris, Ana Morel, Hannah Hacker, Amber Cole, Steve Lacey, Scott Clark, Sue Meyer Sample, Fred Gordon, John Volkman, Peter West, Jackie Cameron, Phil Degens, Sarah Castor, Dan Rubado, Erika Kociolek, Shelly Carlton

Others attending: Kari Greer (Pacific Power), Jim Abrahamson (Cascade Natural Gas), Holly Meyer (NW Natural), Lauren Shapton (Portland General Electric), Juliet Johnson (OPUC)

Business Meeting

President John Reynolds called the meeting to order at 12:12 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 included:

1) *August 22 meeting minutes*
2) *Amending Board Policy on Above-Market Cost (R645)*
3) *Amending Board Program Approval Policy (R646)*
4) *Amending Board Policy on Authority to Commit Incentive Funds for Energy Efficiency Projects in Future Years (R644)*

RESOLUTION 645

AMENDING ABOVE-MARKET COST POLICY

WHEREAS:

1. **Ratepayer funds for renewable energy projects may be used for "the above-market costs" of constructing and operating new renewable energy resources.**
2. **In 2002, the board adopted an above-market cost policy specifying a methodology for comparing the cost of a renewable resource with the market price of power, i.e., the price of non-renewable energy on the open market, using levelized present values.**
3. **The methodology identified the maximum amount that Energy Trust would pay toward a project.**
4. **Before 2007, most of Energy Trust's renewable generation came from larger, utility-scale wind projects. These projects were governed by "master agreements" negotiated with PGE and PacifiCorp, which established procedures for identifying projects and negotiating funding agreements. Energy Trust's above-market cost policy described different methodologies for utility-scale projects and smaller projects.**
5. **In 2007, the Oregon legislature limited Energy Trust funding for renewable energy projects to the costs of constructing and operating projects with a nominal generating capacity of 20 megawatts or less. Since then, the methodology for evaluating above-market costs has been the same for all renewable projects, whether utility-sponsored or not.**
6. **As Energy Trust has focused on smaller renewable projects, it has dealt with more projects that generate energy for use on site. Net-metered solar projects, which generate energy for a home and feed the surplus to the grid, are an example.**

It is therefore RESOLVED that the Energy Trust policy on above-market costs of new renewable resources is amended as shown in Attachment 1, to:

1. **Eliminate the process identified for utility-scale projects, leaving a process applicable to all projects of 20 megawatts and less in size;**
2. **Clarify that Energy Trust will use the retail energy rate paid by the customer to determine the market value of energy generated on-site; and**
3. **Recognize that the procedural aspects of the utility master agreements remain in effect, and may be used in negotiating funding agreements.**

ATTACHMENT 1

Energy Trust of Oregon Policy: Procedures for Evaluating the Above-Market Cost of a Renewable Resource Project

Utility-scale Renewable Resources

The utility-scale renewable resources are identified in competitive requests for proposals and other processes. The Energy Trust will work with the utilities in the design of the RFPs and the RFPs will describe the Energy Trust's above-market payment program.

1. **Review project proposals**: Proposals must provide the technical, resource, financial and project information and operating characteristics typical for responses to a utility-scale RFP. The Energy Trust will independently review this information. As applicable, the Energy Trust will work with the utility to seek agreement on the analytical methodologies and the assumptions about the costs, discount rates, and other key factors that affect the analyses. Staff will ensure that assumptions and methodologies align with approaches approved for utility integrated planning and OPUC rulings and will document this as part of any approval process. The Energy Trust will also work with the utility in their RFP processes as mutually agreed to review projects for above-market funding.

2. **Independent review:** The Energy Trust will independently evaluate the projects. This review will evaluate whether the proposed costs are consistent with the usual and customary costs for similar projects, the economic and technical feasibility of the projects, and credit and other financial factors. Detailed analyses will be prepared of the net present value of the power that would be generated over the life of the project. As appropriate, the evaluation will include integration, delivery, ancillary, shaping and transmission costs, and any other relevant costs or credits. The staff will compare these costs to the utilities' market cost of electricity and calculate the net-present value of the above-market payment. For bids that do not include integration or transmission, the Energy Trust will evaluate the lowest-cost alternatives available for providing these services.

3. **Definition of market cost**: Based on the Oregon Administrative Rules (OAR) definition of above-market cost, the Energy Trust will compare the renewable resource costs to the market value that is used by the utility to acquire non-renewable resources, provided the market value was developed using methods consistent with the utility's latest Integrated Resource Plan and the Commission-approved acquisition process. The market value will typically be an updated forward price curve or marginal non-renewable resource selected through a competitive bidding process. The market cost will be adjusted to match the expected daily and seasonal delivery schedule of the renewable resource if necessary.

4. **Calculate the above-market cost**: The defined market costs will be compared to the delivered price for the renewable resource for each year of operation. The difference between the two will define the above- or below-market cost for that year. The net-present value for these costs over the life of the project (or the contract term in the case of a Power Purchase Agreement) will be calculated using the appropriate utility's discount rate. If the net present value is positive, then this amount would define the maximum above-market cost that the Energy Trust could pay. If the net present value is zero or less, then there would be no above-market cost payments.

5. **Payment:** The Energy Trust can pay up to 100% of the above-market cost. The actual amount of the payment is determined on a case-by-case basis after considering the amount of funding available, the funding needed to develop the project, the benefits of the project, and the potential of the project to reduce renewable resource costs, provide replicable

~~benefits, address a resource with significant potential, or meet other considerations related to achieving the objectives of the Energy Trust Strategic Plan. If the above-market payments are made to a developer, the Energy Trust will provide information to the utility so that the forecasted utility payments to the developer do not exceed the net present value of the market cost of the power over the expected life of the project. The Energy Trust will also provide this information to the Commission. Payments may be made up-front or on a periodic basis over time based on production or other factors. Payments made over time may reflect the discounted time-value of those funds.~~

~~Mid to Small-Scale Renewable Resources~~

The Energy Trust will evaluate ~~medium and small-scale~~ renewable resource projects that are submitted under ~~the~~ Energy Trust programs.

1. **Review Project Proposals:** ~~The~~ Energy Trust will review the costs submitted by project sponsors. Whether through standard processes or RFPs, proposals must provide sufficient information to evaluate the project, including at least technical specifications, resource characteristics, energy delivery, integration, transmission, development timelines, operating plans, financial detail, tax benefits, risks, and personnel. ~~The~~ Energy Trust will evaluate the responses and compare these to the usual and customary costs and specifications for similar resources. For complex projects, independent consultants may be used to help with this review and due diligence. Information requirements will vary by program.

2. **Definition of Market Cost:** Based on the OAR definition of above-market cost, for projects delivering power to the utilities the Energy Trust will compare the renewable resource costs to the market value that is used by the utility to acquire non-renewable resources, provided the market value was developed using methods consistent with the utility's latest Integrated Resource Plan and the Commission-approved acquisition process. The market value will typically be an updated forward price curve, QF tariff, Commission-approved avoided cost filings, or marginal non-renewable resource selected through a competitive bidding process. The market price will be adjusted to match the expected daily and seasonal delivery schedule of the renewable resource if necessary. In the case of on-site and net-metered use, the market cost will be the retail rates for the customer under filed tariffs with the OPUC.

3. **Calculate the above-market cost:** The defined market costs will be compared to the delivered price for the renewable resource for each year of operation. The difference between the two will define the above or below market cost for that year. The net-present value for these costs over the life of the project (or the contract term in the case of a Power Purchase Agreement) will be calculated using industry-standards to determine the maximum above-market payment, if any, from the Energy Trust. The Energy Trust staff will document these assumptions as part of the review and the Energy Trust's approval processes, which will include a review of what was used in the developers bid compared to what is standard in the industry for rates of return and competitive cost of capital. If the net present value is positive, then this amount would define the maximum above-market cost that the Energy Trust could pay. If the net present value is zero or less, then there would be no above-market cost payments.

4. **Payment:** The Energy Trust can pay up to 100% of the above-market cost. The actual amount of the payment is determined on a case-by-case basis after considering the amount

of funding available, the funding needed to develop the project, the benefits of the project, and the potential of the project to reduce renewable resource costs, provide replicable benefits, address a resource with significant potential, or meet other considerations related to achieving the objectives of the Energy Trust Strategic Plan. Payments to applicants for projects generating for own-use may be capped at the calculated net present value when comparing the cost of the project to the proposer's retail rate, if this results in a lower above-market funding from the Energy Trust than provided in step 3 above. Payments may be made up-front or on a periodic basis over time based on production or other factors. Payments made over time may reflect the discounted time-value of those funds.

Standard-Offer Resources

The Energy Trust will have some programs that require a standard offer for all projects of a similar type. Standard offers can be necessary for market development to signal consistency for long range planning and investment, or because projects tend to have uniform costs. In such instances re-calculating the incentive for each project would be a barrier to the market development and unnecessary.

For programs that have been authorized by the board to offer a standard incentive, staff will follow the procedures outlined for mid to small-scale projects. The calculation will be based on the latest available data on average costs for projects in Oregon. This calculation will be updated at least once per year with incentives adjusted, if necessary.

Other Considerations

1. **Implementation of the Above-Market Methodology:** The procedures and analyses will determine the above-market cost based on the best information available at the time of the decision; the payment will be fixed based on this information and will not be adjusted for future changes. The Energy Trust will work with the utility and others to include the most current information in the calculation of the above-market costs.

2. **Energy Trust Payments:** The payment can be made to the developer, investors, lenders, utility or other parties. The Energy Trust may make a one-time payment, establish escrow accounts, or structure other arrangements.

3. **Modifications to the Procedures:** If the Energy Trust staff determines that these procedures hinder project acquisitions or that it could be in the ratepayers' interest to modify the procedure for evaluating above-market costs, the staff may request that the board make an exception to the procedures. Prior to doing this, Energy Trust staff will consult with the utilities, the Commission staff and, within the constraints of confidentiality and timing, also with the Renewable Advisory Council. The rationale for any case-specific modifications would be documented as part of the evaluation process for board approval.

~~3.~~4. **Utility master agreements.** Energy Trust has had master agreements with PGE and PacifiCorp for several years. These agreements were negotiated with the above-market cost methodology in mind, and are consistent with this methodology, but have somewhat different procedural requirements. If utilities submit funding requests pursuant to master agreements, those procedural terms will apply.

RESOLUTION 646

AMENDING BOARD PROGRAM APPROVAL POLICY

WHEREAS:

7. **Before December 2008, the board policy on program approval did not allow staff to move budgeted funds from one program to another without board approval.**
8. **In December 2008, the board changed the policy to allow staff to shift funds among program budgets within a given sector. However, the policy inadvertently defined "sector" to include only energy efficiency program sectors, whereas the board intends the renewable sector also to be included in this policy**

It is therefore RESOLVED:

4. **The board policy on program approval is amended to clarify that staff may shift funds between programs in the renewable energy sector, as shown in the attached.**

4.22.000-P Program Approval Process

History			
Source	**Date**	**Action/Notes**	**Next Review Date**
Board Decision	February 16, 2005	Approved (R319)	February 2008
Policy Committee	April 15, 2008	No changes	April 2011
Board Decision	December 19, 2008	Amended (R498)	December 2011
Board Decision	March 7, 2012	Amended (R620)	March 2014

Purpose:

1. Historically, the Board has approved programs in resolutions that specify projected energy savings and cost/aMW and estimated budget allocations for such items as incentives, marketing, administration and evaluation. Specific terms of program management have typically been addressed in separate resolutions authorizing program management contracts.
2. Experience has shown that if staff and contractors adhere to the original terms and conditions identified in Board resolutions authorizing programs, the programs may lose momentum while staff seeks approval to change program delivery, and considerable Board and staff time are consumed in complex and confusing adjustments.
3. Energy Trust has enough experience with these programs to warrant revising this process to make it more efficient.

It is therefore RESOLVED:

1. The Energy Trust of Oregon, Inc., Board of Directors hereby authorizes all existing programs to:
   a. Operate under a not-to-exceed budget cap established by the Board in the annual budget approval process or by special resolution; staff is authorized to manage the program within this budget until the next annual budget review; staff may move budgeted funds from one program to another within the same program sector (residential, commercial, ~~and~~ industrial and renewable energy) without board approval.
   b. Be managed to achieve a stretch energy savings and cost/aMW goal, recognizing that actual performance may achieve only a more conservative level below which the program would be reevaluated.

5. The Board will continue to review and approve program management contract terms.

3. Staff will provide the Board with quarterly status reports based on energy savings by program and sector (not individual contract). Reports would identify issues regarding program performance, such as:
   a. a program's long-term cost-effectiveness is trending in a negative direction, and/or the program is not expected to be cost-effective once it hits steady-state.
   b. the program is not expected to achieve significant savings over its life.
   c. a quarterly report shows that a program is trending below the conservative goal, the Board may call for an action plan to address the short-fall.

4. Staff will provide an update to the board on any movement of funds from one program to another at the next board meeting following such movement.

5. The Board retains discretion to modify or discontinue a program if it is not meeting expectations.

6. The Board will use the budget and action plan process to review, modify and adjust program goals and budget caps.

RESOLUTION 644

AMENDING POLICY ON COMMITMENT OF ENERGY EFFICIENCY INCENTIVE FUNDS IN FUTURE YEARS

WHEREAS:

9. Energy Trust has a variety of policies and practices aimed at managing funds efficiently and transparently.

10. One policy limits how much incentive funding may be committed before the year in which the funds will be spent.

11. The board policy committee reviewed the policy on authority to commit incentive funds for energy efficiency projects in future years, and concluded that the policy requires no amendment except to make it generally applicable to energy efficiency programs, rather than to programs whose names change periodically.

It is therefore RESOLVED:

6. The board policy on authority to commit incentive funds for energy efficiency projects in future years is amended as shown in the attached.

ATTACHMENT
4.21.000-P Authority to Commit Incentive Funds for Payment of Energy Efficiency Projects in future Years

History			
Source	**Date**	**Action/Notes**	**Next Review Date**
Board Decision	May 25, 2006	R391	May 2009
Policy Committee	May 19, 2009	editorial revision, deleting building tune-up program	May 2012

Purpose

To allow staff to commit future energy efficiency program incentive funds in advance of the payment year.

Background

Staff continues to identify effective program budget tools to manage available funds and provide transparency. Beginning in 2005, a series of changes were made to allow greater flexibility and accountability in managing program funds, including:

1. A transition from Board Approved Program (BAP) costs and savings for a limited two-year timeframe to an improved annual budgeting process dovetailed with program management contracts.
2. Changes to savings and generation projections, incorporating a range from conservative to best case.
3. Staff flexibility to shift funds to different line items within total program budgets, such as from administration and marketing to incentives
4. Reliance upon the annual budget process to highlight and incorporate program modifications
5. Design and use of a new quarterly report format to describe budget and savings variances by program
6. Design and use of a new quarterly forecast to project program and total cash flow expenditures and requirements on a 12-month rolling basis and compare them to budget
7. A planned mid-year review of actual program expenditures compared to budget and potential budget reallocations if warranted.

Authorizing Commitment of Incentive Funds for Payment of Energy Efficiency Projects in Future Years

WHEREAS:

1. Energy Trust continues to identify improved ways of managing program budgets and maintain accountability.
2. Beginning in 2005, the board approved changes to the annual budget process, program monitoring and reporting of savings and budget expenditures and provided staff the flexibility to shift funds within programs.

3. Staff has proposed an additional improvement to best serve customers with complex multi-year projects and incentive payment requirements in future years.

It is therefore RESOLVED:

1. For ~~the Production Efficiency, Building Efficiency, New Building Efficiency, Home Energy Savings Multifamily Initiative and Efficient New Homes~~energy efficiency programs, staff is granted authority to commit and reserve:
   - up to 75% of the financial incentive funds projected to be available in the following year; and
   - using these projected incentive funds as a base line, up to 25% toward projects expected to be funded in the third year.

2. This authority is subject to the following requirements: (a) such commitments shall be consistent with milestones or conditions in any reservation, tracking or other systems or requirements applicable to these programs; (b) funding commitments and reservation of future financial incentives shall be made for no more than two years; (c) financial incentive commitments will be tracked and reflected in forecasting reports; and (d) all future financial incentive commitments will be displayed by program and incorporated into the annual budget process.

Adopted by the Energy Trust of Oregon, Inc., Board of Directors on May 25, 2006. The Policy Committee made an editorial revision in May 2009, reflecting the fact that there is no longer a building tune-up program. In September, 2012, the board made the policy generally applicable to energy efficiency programs.

Moved by: John Reynolds Seconded by: N/A

Vote: In favor: 8 Abstained: 0

Opposed: 0

President's Report

John Reynolds presented on the Oregon Model for Sustainable Development at the University of Oregon. The University's goal is to have a net zero increase in campus energy use from new development projects. To do so, the University is first requiring any new buildings to achieve high levels of energy performance, and then retrofitting existing facilities so the energy savings captured there will be used to offset the remaining purchased energy needs of the new buildings. Funding for the retrofits is shared by new development project funds and the Central Energy Fund, 10 percent and 90 percent, respectively.

Anne Root joined at 12:15 p.m.

John showed a picture of the "Onyx Bridge" and said it may be a prime candidate for replacement. Energy savings would come from a combination of retrofitting three existing

buildings, the Friendly Hall, Condon Hall and Erb Memorial Union. John showed three other possible new buildings that could be a part of the project. Every building would have permanent integrated educational elements, training sessions and informational materials. John displayed a quote by Plato: “Human behavior is motivated by knowledge, emotion and desire.”

Bob Repine joined at 12:19 p.m.

John showed the cost breakdown of new development projects, including conventional project costs with LEED® Gold equivalency, LEED certification, training, Advanced Energy Threshold requirements and capital costs for energy retrofits in existing buildings. The Advanced Energy Threshold was defined as 35 percent more efficient than Oregon energy code. The cost above a conventional LEED® Gold project cost is expected to be 1 to 6 percent.

John said the dashboard displays in the new buildings would show information such as solar generated electricity.

Margie: This concept lends itself well to Governor Kitzhaber’s energy plan to using state buildings as testing grounds. I can communicate this to Margi Hoffmann, the Governor’s energy policy advisor.

Dan: What is the energy savings value?
John R: I could go into that detail but it would get complex quickly.

Integrated Solutions Implementation Quarterly Report: Project Update and Demo

Margie Harris and Scott Clark, IT director, presented a quarterly update on the Energy Trust Integrated Solutions Implementation Project, ISIP. In particular, Margie shared the accomplishments of Phase 1 of the two-part project. Margie said the project is a large-scale effort and a long-term commitment to update Energy Trust’s customer relationship management system, CRM, project tracking system and financial system for payments of rebates and incentives. Started in 2010, this project involves many people throughout the organization as well as the Program Management Contractors, PMCs. Energy Trust consulted with external parties, including the City of Portland and Joe Prats of IE Solutions, who helped Energy Trust design our initial systems.
Margie recognized Dan Enloe and Bob Mabry from Intel for their expertise in helping staff build a strong foundation for the project.

Scott and Margie presented the history of the project. In 2010, the project was presented to the board to fulfill the need to integrate three separate systems. The initial investments were designed to serve two, not four, utilities and built to last until 2012, the initial 10-year period for Energy Trust. With the extension of the public purpose charge, and the organization’s need for improved functionality and efficiencies in support of increased complexity, growing program goals and customer focus, a need arose for an updated, comprehensive solution.

The board approved funds in 2010 for the $3.7 million project. In January 2011, the project was initiated and a competitive RFP went out to select a software vendor. The RFP was awarded to Epicor Systems and Energy Trust purchased an off-the-shelf system. 2011 work included documentation of data, and how data is gathered and used. Staff worked closely with Epicor to implement the software. By fall 2011, staff and board members came to the conclusion that the software would not meet Energy Trust's data requirements. Contributing factors included that Energy Trust business model is unusual – we don't manufacture anything, have no inventory or warehouse, and actually pay our customers. Energy Trust parted amicably with Epicor instead of investing in a large amount of customization, which would not have been prudent. Staff came back to the board in November 2011 with the recommendation to divide the project into two phases. Phase 1 was to include foundational data modeling work, and improvements to the Customer Relationship Management (CRM) and finance systems, with Phase 2 to include improvements to the project tracking system. Phase 1 was to be completed by the end of the third quarter of 2012, and Phase 2 by the end of the second quarter of 2013.

Scott described Phase 1 and how the work within the phase was split into five, smaller workstreams. Scott thanked the Energy Trust staff from across the organization and PMC staff that has been committed to this project since its start.

- Workstream 1 was process analysis and design, a foundational piece of ISIP to document business processes and systems. Workstream 1 informs the other four workstreams as well as Phase 2.
- Workstream 2 covered data modeling, another foundational piece of the project. It was developed through interactions with users and IT staff, included 31 meetings led by Brian Sinclair, Energy Trust senior technical business systems analyst. Now, staff across the organization understands the importance of a quality data model. Like the process design, the data model is already in use.
- Workstream 3 evaluated the current finance system, Great Plains. Through the evaluation, it was determined Great Plains is a strong system though the current version being used was two versions behind. It was decided to upgrade Great Plains instead of replacing it. By the end of March 2012, the upgrade was completed successfully; it allows IT to upgrade to newer versions of other software and servers and improved processing time. Scott clarified the latest version of Great Plains software was included as part of the Great Plains annual maintenance fee, which was approximately $10,000.
- Workstream 4 was planning, budgeting and forecasting. Energy Trust conducted a workshop with an external expert and decided to strengthen existing Excel based budgeting tools. Scott noted that there is still a longer-term need for an enterprise system, and work in 2013 will be to analyze potential software solutions in this area.
- Workstream 5 was the CRM solution, the largest effort going on currently in ISIP. Based on a comprehensive RFP process, Energy Trust selected the Microsoft Dynamics CRM. Implementation kicked off in late June, and a go-live date is scheduled for October 12. Originally scheduled for the end of September, the decision to delay by two weeks was to ensure completion of the data migration, strengthen the integration with the project tracking system and conduct more user testing.

Margie: We believe it's prudent management to take a few more weeks to transition this core CRM tool to the Microsoft Dynamics solution. This will help us minimize risk and maximize success.

Alan: Will the CRM be in-house only?
Margie: Contractors will be able to use it and are currently being trained.
Scott: It's also web-based to allow that.

John R: Will the go-live date still precede any end-of-year bump in project activity?
Scott: That is a concern of moving the launch out, and one we are keeping our eye on, especially as we continue training. Training of staff and PMC staff started this month and that will help ease the transition.
Margie: We are training existing and new PMC staff, too.

Scott described Phase 2, which is evaluation of the program management and delivery system, currently FastTrack. The system has severe limitations, mostly because it's a legacy custom solution, meaning any changes needed take a lot of effort. Phase 2 will determine if a new system is needed. Thisphase will include process and system architecture analysis and design, RFP and selection, and implementation. Scott expects implementation work to be started in 2013, and recommends taking extra time to analyze the architecture of this critical application.

Margie: We originally thought we would complete Phase 2 mid-way through 2013. After our experiences in this project, we don't think that's practical. It's really about having the right people involved, something we have now with Scott and a steering committee in place. This project also needs to be balanced with the needs of the whole organization, including transition to a new CRM, transition to new PMCs, and regular ongoing operation needs. We need to balance the resources necessary to complete the project and extending the timeline is one way to do that.

Margie covered the project budget status. Phase 1 had a $2.2 million budget, $1.4 million of which was spent, leaving a projected $800,000 unspent. Margie said the remaining unspent funds from Phase 1 will be carried into the 2013 budget for Phase 2. Staff is now detailing what Phase 2 will look like and the budget needed. That budget recommendation will come back to the board within the 2013 budget proposal, slated for the November board meeting.

Roger: The Phase 2 budget will include rolling over $800,000 from Phase 1 and what else?
Margie: I don't have the figure yet. We need to go through the complete budgeting process first. We will have it to you in November.

Alan: Will a packaged program replace FastTrack or does it need to be customized?
Scott: That's largely what we will be evaluating. There are a few packaged solutions out there to consider. My preference is a packaged solution, instead of a custom solution.

Dave: Was $3.7 million originally for phases 1 and 2?
Margie: Yes.
Dave: Will Phase 2 fit within that budget?

Margie: We are hopeful. We were originally overly optimistic about the time and resources needed to complete this project. Now we have the right people involved, including a steering committee that I'm on which meets every two weeks. Scott and I also check in weekly on this project.

John R: Dan, you participated in this originally, what is your take?

Dan: I'm glad it's organized into phases and even into smaller pieces for Phase 1. I am concerned about all the transition coming up for Energy Trust with numerous contracts finishing in 2012. There's a peak load of decision-making operationally coming up before end of year. Staff may want to negotiate extensions there. Technically, what's in scope, how we're going to do it, we're there. There's a lot of contracts coming up.

Margie: That's the juggling act and your comment is very astute. End of year is traditionally the timing of a lot of contracts ending.

Jeff: How did you manage to underspend the budget by 30 percent or so?

Scott: Largely with the software purchase. Microsoft has extensive discounts for nonprofits. As we built out the budget for Phase 1, we made our best estimate at the beginning. We found some places to control costs. Also, internal staff was not needed as much as initially expected.

Dave: How did you share out the mapping of the data structure and process?

Scott: We have an internal system that staff can access, and we will work further on this during Phase 2.

John R: With the overrun on Epicor, it's very nice to see this balance in the budget.

Committee Reports

Finance and Compensation Committees (Dan Enloe)
Dan reviewed the July financials and referenced the dashboard graphs. Energy Trust is slightly behind on revenues, which are still greater than expenditures. What's unusual about 2012 is the project budget is linear and usually under run in the first half of the year and Energy Trust will play catch up in Quarter 4. This year, July is the first month where Energy Trust didn't hit the linear expected amount for a single month; Energy Trust is ahead of the curve on spending compared to traditional years. Dan is interested to see how this shapes out in Quarter 4 this year.

Alan: Do we budget based on historic expenditures or linear?
Dan: I think we budget linear.

Alan: This means we're spending less than we're taking in, which is good for a for-profit, not so good for a nonprofit.

Dan: We are up $8 million so far.

Sue Meyer Sample: To clarify, we do budget based on historic expenditures and expectations instead of linear, attempting to reflect the actual curve of expenditures.

Alan: So the budget may reflect the hockey stick?

Dan referenced the contract status summary report and noted the numerous contracts set to expire at the end of the year. Dan advocated for staggering the contract end dates moving forward.

Roger: For the incentives graph, there's a $7 million difference between this year and last. What's driving the increase in incentive payments?

Peter: Renewable energy projects and the Kick-Start bonus for commercial and industrial.

Margie: The Kick-Start bonus started at the beginning of 2012 and ended June 28. The bonus was used to offset potential impacts from changes in the Oregon Business Energy Tax Credit, and to bring projects in. I am confident we will hit between conservative and stretch goals.

Sue: There were additional solar incentives as well.

Dan: Also, utility managers at businesses are looking at return on investments for energy projects, which show a better deal right now than putting money in bank. It was a nice counterbalance to the Business Energy Tax Credit going away.
Margie: Another factor is renewable energy activity, especially for solar electric. The board approved transferring over $1 million from both the interest reserves and $600 thousand from the other renewables program in May of this year.

Dan: An interest rate item is we have funds where we try to make a return on investment while we wait to spend them. The Energy Trust investment policy gives guidelines on this. We are looking at alternatives that have slightly more risk and get better returns. Essentially, options that looked the best for our reserve money, which we hold for rainy days and warm winters, was laddered CD investments. Recommendation the Finance Committee will be making to the board is to initiate investments in brokered CDs with designated reserve funds. Debbie and I continue to have an interest in Oregon municipal bonds. While we can't claim tax benefits, interest rates are more favorable than CDs and we are investing in Oregon.

Alan: Brokered CDs have the highest rate of return and seem to also have the least amount of risk. It seems we would prefer to minimize the risk potential while earning a better return.

Dan: This is a very unusual interest rate environment;

Alan: What's the duration?

Sue Meyer Sample: Up to five years, and we will need OPUC approval for commitments in excess of two years. This will be the next step.

Alan: We are chartered with doing what's best for ratepayers. Is investing in municipal bonds that have lower interest rates and a higher risk a good investment?
Dan: We looked at the multiple benefits case. There may be a multiple benefit in investing in a public project, while earning a slightly lower rate.

Dave: The July 2012 expenses were less because of incentives. Is that because incentives go up and down throughout the year?

Margie: Typically 50 percent of program activity occurs in the last quarter of year. We account for that history in our forecasts and budgeting.

Dave: Based on completion of projects?

Margie: Yes. There's always a rush at the end of year by participants to get projects done and realize savings and generation.

Dave: Can you explain the non-capitalized equipment figure?
Dan: That was the cancellation of the ISIP services.
Margie: It's an unusual item.

Policy Committee (Roger Hamilton)
Roger said the committee reviewed the above-market cost methodology and proposed three revisions, which were approved in the consent agenda today, including to remove the reference to utility-scale projects, recognize that when Energy Trust funds net-metered projects the value of energy used onsite is the retail rate paid by the customer, and acknowledge use of utility master agreements.

Roger said the program approval policy, which allows staff to shift funds from one program to another within the same program sector, was recommended to be modified to include the Renewable Energy programs and sector. This revision was approved in the consent agenda today. Also, the committee routinely evaluates policies every three years. The committee reviewed the policy on staff authority to commit incentive funds for energy efficiency projects in future years and recommended a slight revision. The biopower-eligible fuels policy was reviewed but no changes recommended.

Roger said the committee discussed a proposed agenda for the next strategic utility roundtable to be held before the November 7 board meeting. The agenda is proposed to include talking about legislative items, an update on the Governor's 10-year energy plan, and a utility 101 for board members given by the electric and gas utilities. Margi Hoffmann, the governor's energy policy advisor, would be invited to participate.

The committee discussed a few OPUC items, including, effective August 24, the OPUC revised information transfer rules between Energy Trust and the utilities. This triggers several tasks

including staff needing to draft and adopt a new information policy. Policy options will be brought to the next Policy Committee meeting.

Dave: Reading through the notes, it seemed there was resistance to the OPUC ruling?

John Volkman: The original rules were negotiated in 2001, when the utilities were anxious about customer information going to a new organization. The original rules were pretty demanding, and implementing them was complex. Five years ago, we proposed to simplify them, while still ensuring that sensitive information is protected. It has taken the last three years for the utilities and everyone else to get comfortable with requiring less complex protections.

Margie: We are also interdependent with the OPUC and their staff liaison. We had a change in that liaison, including not having one for a few months. The information transfer rules are a customer service and cost issue for Energy Trust. We currently have to use data from publicly available sources to complete our evaluations and that involves many steps and inflates costs. Now we can expedite that, and we will have better customer service capabilities, especially with the updated CRM.

Roger: On October 9 the OPUC is having a public meeting to look at Energy Trust's request for an exception from OPUC cost-effective requirements because of the impact low natural gas prices are having on programs, especially residential weatherization measures. We are finding that our efficiency programs are threatened by low natural gas prices. Also, staff is looking at other measures beyond residential weatherization to see if low natural gas prices are affecting them. Staff will report back after the OPUC meeting.

Margie: This is a national issue; it's driven by the cost of natural gas being so low. For Energy Trust, it is affecting our residential air sealing, duct sealing, wall insulation and floor insulation measures. We are investigating options for reducing costs of delivery. Energy Trust will participate in the OPUC discussion.

Dan: One of our big costs is the labor part of the trade ally implementing the measure. Is there an opportunity for the measures Margie mentioned to offer do-it-yourself incentives to keep savings going but take direct labor costs out?

Margie: I don't think in every case we would be able to translate what a trained contractor does to do-it-yourself sealing or insulation. It takes technical expertise and equipment the average homeowner doesn't own.

Fred Gordon: Our prior experience with do-it-yourself measures is we need to spend more time on quality controls. We are looking at ways to reduce labor associated with these measures. For duct sealing, for example, a pilot of doing duct blasters on a sample basis instead of requiring contractors to do pre and post duct blaster test. We haven't had a lot of luck with do-it-yourself measures. To make these measures cost effective, avoided costs will have to go up, savings will have to go up and costs will have to go down.

Roger said the committee also approved the appointment of John Carr, new executive director for the Industrial Customers of Northwest Utilities, to the Conservation Advisory Council.

Evaluation Committee (Debbie Kitchin)

Alan presented as Debbie had not yet arrived. He listed five topics the committee discussed on August 23:

- Lighting shelf space survey was designed to see the penetration of various LEDs in the market and whether Energy Trust should be doing anything differently.
- Residential clothes washer market transformation study was conducted to see if the market had been transformed and to see if incentives were needed anymore.
- NEEA gas market transformation study evaluated whether, because NEEA works only on electric efficiency, some of their programs also impact natural gas efficiency. We wanted to see how much benefit might be left on the table, and found out the savings we were claiming were what we could get.
- One-year OPOWER study was completed. OPOWER is the pilot where a direct mail piece is sent to a subset of PGE and NW Natural residential customers comparing their energy use to that of their neighbors in similar homes.
- 2012 trade ally survey looked at satisfaction of trade allies and their relationship with Energy Trust. They are pretty well satisfied and gave Energy Trust an overall 88 percent satisfaction rate.

Phil Degens: In addition, the trade ally survey report with the staff response memo and the NW Natural Washington process evaluation are online.

Margie: We do have a very robust evaluation program. A lot of attention is paid to this by our Evaluation Committee, board members and outside members of the committee including Tom Eckman who works at the Northwest Power and Conservation Council and has a background in evaluation. Energy Trust has a rigor that is unparalleled across the country in evaluating programs and holding ourselves accountable. It's distinctive to what others do.

John R: What is the OPUC benchmark for trade ally satisfaction?

Phil: There is a customer satisfaction metric, but no satisfaction metric for trade allies. The relationship with trade allies is slightly different, as we work with them to make customers satisfied.

Margie: We are pleased by this survey. We listen, solicit feedback and improve. Trade allies are engaged at the Conservation Advisory Council and Renewable Energy Council level and at roundtables. We are interdependent and we care what they have to say. We have made a lot of investment in trade allies to strengthen and leverage relationships out in the field. We listen to what they need training on, like sales and marketing, and have improved our communications, tools and website in support of their needs.

Break

The board took a break at 1:40 p.m. and reconvened at 1:50 p.m.

Debbie Kitchin joined the meeting during the break.

Staff Report

Margie said the staff report today focuses on giving board members, especially those who are new, Energy Trust history and context. In particular, today's presentation is in response to a request from Jeff King at the last board meeting and to orient board members before upcoming budget and action plan presentations scheduled for the November board meeting.

Margie said there are three ingredients that represent Energy Trust. First and foremost, the 1.5 million customers Energy Trust serves. Energy Trust's role is to attract, engage and serve them. The second input is the strategy for delivering and providing programs and services to them. In some programs, it's Energy Trust doing that design and strategy, and serving customers directly. There is also a competitive program delivery model for other programs. Energy Trust's role is to define what the opportunity in the marketplace is, how to reach customers and what they need to make an investment in energy efficiency or renewable energy. The third input is those Energy Trust works within the field to design, develop and install the projects. This is where Energy Trust encourages customers to solicit bids from a variety of contractors. These three inputs determine how much energy was saved, how much energy was generated, the bill savings for customers who have directly participated in programs, and avoiding costs in utility infrastructure that would have had to be made to supply the equivalent amount of energy Energy Trust delivered. In addition, we quantify broader economic and environmental benefits derived from these investments.

Anne: How many states have an organization like Energy Trust?
Margie: Over half of states have a systems benefit charge; we call it a public purpose charge in Oregon. This is a percentage of revenue collected from customers and dedicated to investments in energy efficiency and in some cases, also renewable energy. Fewer than half a dozen have a dedicated nonprofit doing this: Vermont, Wisconsin, Maine, Washington D.C., as well as Nova Scotia. Energy Trust is the only one created specifically for this purpose.

Anne: These successes in energy savings then, is Energy Trust setting the benchmark?

Margie: We are in the top tier. The American Council for an Energy-Efficient Economy ranks states on energy efficiency and Oregon is consistently in the top five.

Margie clarified that utilities typically implement systems benefit charge programs in the other states, with the exception of the New York State Energy Research and Development Authority, NYSERDA, a state agency.

Margie described the structure of Energy Trust. Program development includes strategy, design, customer experience, planning and reporting. Program managers and sector leads engage heavily with contractors on all these activities. Program implementation is either contracted out or provided in-house, largely depending upon the program's volume of activity. Program implementation includes marketing and outreach, delivery and management, market allies training and quality control, IT and finance systems, evaluation and verification. A third

piece of Energy Trust's structure is supporting trade and program allies, which are primarily private, local, small businesses. There are 2,400 and many have 25 or fewer employees. It's a network of people who have the strength and knowledge base to provided the infrastructure to serve this industry.

John R: Isn't the major difference between us and Efficiency Vermont the fact that they use internal staff and we use contractors?
Margie: Yes. We contract out a lot of the program work with PMCs, whereas Vermont and Wisconsin use in-house staff.

Roger: What's the percentage of contracting versus in-house?
Margie: Approximately one-third of our services are provided in-house.

Dave: With trade and program allies, do you monitor the turn over?
Margie: We've had very few companies go out of business. We have an investment in them and if they're not performing at the level we expect, we work with them on training and inspections. Very few have been "delisted." It's been a healthy diversification of the marketplace. When we remove an incentive from our program, we also give a long lead time so contractors who rely on that measure in their business can adjust.

Margie clarified that under the implementation stage, the "delivery" is defining what to offer to a customer and the "installation" under the trade and program ally stage is the actual measure installation.

Debbie added that the incentive for energy-efficiency measures is typically given to the customer. Energy Trust is not under contract with trade allies.

Alan mentioned the implementation stage wording could be misleading and really belongs in the third trade and program allies stage. The wording could change for the implementation stage to "program delivery." Discussion ensued on how to best word the structure slide.

Margie completed the slide by describing the fourth customer stage, including customers investing in energy efficiency and renewable energy, incentives, rebates and financing, savings and generation, bill savings and environmental benefits.

Dave: Do you help customers to benchmark project costs?
Peter West: With small residential projects, a simple average doesn't work. When we evaluated such an approach, the average came with a plus or minus 40 percent deviation. So the average didn't mean anything and it was hamstringing the trade allies. On the commercial side, they often have their own contractors and understand how to calculate returns.

Margie described the 2012 budget allocations by sector and program. By sector, 68 percent, or $117 million, to electric efficiency; 16 percent, or $28.2 million, to gas efficiency; 13 percent, or $22.6 million, to renewable energy; 2 percent, or $3.6 million, to administration; and 1 percent, or $2.2 million, to Communications and Customer Service.

Roger: For the 13 percent for renewable energy, is this consistent with SB 1149 provisions?
Margie: Yes.
Roger: With the threat to gas efficiency cost effectiveness, under SB 1149, is there an opportunity for electric efficiency to take up slack of gas efficiency?
Margie: The efficiency budgets are separated by fuel and by funders We segregate funds we collect and we are accountable back to the utility customers who provided the funding. We are unable to move electric funds to gas, and vice versa. On the efficiency side, 80 percent of our expenditures have to benefit the utility territory from which the funds are collected and the remainder is for market transformation. With SB 1149 renewable energy, all the funds are dedicated to the individual electric utility territory from which the funds were collected. Also, we are only able to invest in new renewable energy systems and the generation must benefit the customers of that electric utility. In addition, we endeavor to keep administrative costs as low as possible. Incentives average 50-70 percent of the total budget, which is different between programs and within different stages of a single program.

With the next two slides, Margie outlined Energy Trust's four sectors, Commercial, Residential, Industrial/Agriculture and Renewables, and each sector's budget, stretch goals and delivery methods. The Commercial and Residential Sectors are delivered through competitively selected Program Management Contractors. Margie described Energy Trust's role and the PMC roles. Challenges of a PMC model include customer relationships being built and held by the PMC as they implement the programs. PMCs are also less focused on pilots, which are often developed and tested with in-house staff. Margie referenced a 2005 management audit evaluating when to use and when not to use the PMC model, the main factor being the maturity of the market. Margie discussed how staff evaluates the performance of the PMCs, the most important being to reach the savings and generation goals specified in PMC contracts. Beyond meeting savings and generation goals for a given cost, there are a series of other performance milestones for PMCs. Other factors include quality standards for data entry, reporting on progress, effectiveness in projecting pipelines, customer service and record keeping abilities, usage of brand and identity, marketing and quality control. Process evaluations assess the whole program and impact evaluations focus on estimating measure-specific savings and other results. Amber described how the Communications and Customer Service group evaluates the marketing materials produced each quarter by each PMC and assigns a score based on their ability to meet brand standards.

Margie continued describing the delivery methods for the Industrial and Renewables sectors, which are managed in-house with smaller contracts through industrial Program Delivery Contractors (PDCs), industrial Allied Technical Assistance Contractors (ATACs), and renewable technical assistance, studies and quality control contracts. Margie described Energy Trust's role versus contractor roles in these two sectors, as well as sector budgets and savings and generation goals. Margie suggested it may be appropriate to reassess when a program should be delivered by a contractor versus in-house. She plans to include budget for this analysis in 2013.

Dave mentioned it would be helpful to have reports on operating renewable energy projects approved by the board.

Margie described the customer's view of their interaction with Energy Trust when participating in a PMC-delivered program and how customer interactions are actually handled behind the scenes.

Dan: This slide really shows that Energy Trust's reputation depends on how we manage our relationships with the PMCs.

Margie described market transformation and how the majority of Energy Trust market transformation activity is budgeted to and delivered by the Northwest Energy Efficiency Alliance (NEEA). Energy Trust's contribution to NEEA is second only to the Bonneville Power Administration. NEEA is focused only on electric efficiency.

Dave: 80 percent of money collected needs to go back into the territory it came from, but the money budgeted to NEEA is spread out across the region?
Margie: Yes. Multiple utilities from throughout the region fund a broad range of NEEA activities.

Sue Meyer Sample clarified that Energy Trust updates the 80 percent in every budget process to make sure we are in line with the 80 percent requirements, and that no single utility is experiencing a deficit.

Discussion ensued on how the energy savings that are easier and cheaper to capture are being acquired and we are moving into an era of harder-to-reach savings and the associated increase in costs.

Margie described Energy Trust's annual planning cycle, including work with each utility to align Energy Trust budgets and each utility's individual Integrated Resource Plans. Margie mentioned the very unique nature of Energy Trust's close, collaborative working relationships with the utilities. She outlined the top 10 strengths of Energy Trust's model, leading with the mission-driven nature of Energy Trust and its stable funding sources, and a few challenges the Energy Trust model faces. In the end, the model is highly effective. Energy Trust is always motivated to look for ways to streamline and create efficiencies.

Bob Repine left the meeting at 3:10 p.m.

Margie briefly outlined the various offerings available to residential, commercial, industrial and agricultural customers. In all cases, Energy Trust provides information, encourages customers to make investments in energy efficiency and renewable energy, and provides incentives, rebates, and more recently, loans to bridge funding gaps. She described the varying roles held by board members, the Oregon Public Utility Commission and Energy Trust staff.

The board thanked Margie for her presentation.

Margie briefed the board on the upcoming Energy Trust 10-year anniversary celebration. The celebration includes fall regional events in Pendleton, Medford and Astoria, events that will include targeted invitations to local customers and local board members. A statewide reception will be held at Portland State University on October 10. The statewide reception received

generous donations from more than a dozen sponsors and the event will be put on with no cost to ratepayers.

Amber Cole, CCS director, further described the Portland reception, including the purpose, who was invited and the highlights of the program for the evening. Amber displayed a slide listing all the sponsors for the event, including PGE, Pacific Power, NW Natural and Cascade Natural Gas, among others.

The board discussed the program, and questioned the proposed length of time for the speaker presentations. Dan suggested Margie add to her speech what the world would have looked like without Energy Trust. Amber outlined the role staff is hoping board members will play, including networking among attendees and participating in a more formal networking activity that involves attendees potentially approaching them to get help answering a set of five trivia questions. Amber thanked the board in advance for their support and participation at the event, and she thanked her CCS staff working on the celebration.

The board discussed the invitation list and potentially adding city managers that have not yet participated with Energy Trust. Margie encouraged the board and the utility representatives in the audience to send her any specific contacts they would like invited to any of the events.

Adjourn

The meeting adjourned at 3:47 p.m.

***Next meeting*.** The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, November 7, 2012, at 12:15 p.m. at Energy Trust of Oregon, Inc., 421 SW Oak Street, 3rd Floor, Portland, Oregon.

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Rick Applegate, Secretary

Board Decision

Amending Policy on Information Regarding Program Participants, Contractors and Bidders

November 7, 2012

Summary

Revise policy on Information Submitted by Program Participants, Contractors and Bidders to conform to new OPUC rules.

Background

- Since, 2004, Energy Trust has had a policy governing how it will protect the confidentiality of energy consumer information.

- This information is of two basic types:
  - Utility customer information:
    - Utilities provide Energy Trust with certain information about utility customers and their energy use. Electric utilities share this information pursuant to Oregon Public Utility Commission rules, and gas utilities share information pursuant to agreements with Energy Trust.
    - Energy Trust has data-transfer agreements with both gas and electric utilities. Under these agreements, different utilities provide different information to Energy Trust, with different procedures and constraints.
    - Energy Trust carefully protects the confidentiality of this information.
  - Energy Trust program participant information:
    - Energy Trust gathers information directly from program participants, and uses it to plan, administer, evaluate and report on programs.
    - Under Energy Trust board policy, Energy Trust does not make public residential program participant information, even to the OPUC, and discloses limited information about commercial and industrial participants.
    - Energy Trust shares this information with utilities and others only if they sign non-disclosure agreements.

- In 2009, Energy Trust began talking to utilities, user groups and the OPUC about how to streamline data-sharing to make Energy Trust programs more efficient while still protecting the confidentiality of consumer/participant information.

- Early this year, the OPUC began a process to revise the rules, and adopted revisions in August, 2012. The rules (OAR 860-086-0000 through 860-086-0040, http://arcweb.sos.state.or.us/pages/rules/oars_800/oar_860/860_tofc.html):
  - Extend data-sharing requirements to gas utilities;
  - Eliminate the requirement that utilities ask customers if they want to opt out of data-sharing;
  - Maintain the requirement that information about large customers (those using more than one average megawatt, and industrial gas users) not be provided unless they opt into information-sharing, but add a limited exception customer name, address and certain other information;

- Require Energy Trust to share program participation information with utilities; and
- Allow Energy Trust to use utility customer information to contact customers to inform them of Energy Trust incentives and services. Any customer may direct Energy Trust not to make contact.

Discussion

- The new rules require limited changes in Energy Trust policy: adopting references to the new rules; and allowing Energy Trust to share information with the utilities consistent with the new rules.
- The policy committee reviewed the proposed policy revisions and endorses them.

Recommendation

Approve changes to the board policy on Information Submitted by Program Participants, Contractors and Bidders to conform to new OPUC rules, by adopting Resolution 648. Specify that the changes are contingent on appropriate changes in the Energy Trust-utility data transfer agreements.

RESOLUTION 648

AMENDING POLICY ON INFORMATION SUBMITTED BY UTILITIES, PROGRAM PARTICIPANTS, CONTRACTORS AND BIDDERS

WHEREAS:

1. **Since, 2004, Energy Trust has had a policy governing how it will protect the confidentiality of energy consumer information.**
2. **This information includes data provided by utilities about customers and their energy use, and information that Energy Trust gathers directly from program participants to plan, administer, evaluate and report on programs.**
3. **The information is governed by Oregon Public Utility Commission (OPUC) rules, data-sharing agreements with utilities, and Energy Trust board policy.**
4. **In August, 2012 the OPUC revised the data-sharing rules, Oregon Administrative Rules 860-086-0000 through 860-086-0040,** http://arcweb.sos.state.or.us/pages/rules/oars_800/oar_860/860_tofc.html. **The rules:**
    - **Extend data-sharing requirements to gas utilities;**
    - **Eliminate the requirement that utilities ask customers if they want to opt out of data-sharing;**
    - **Maintain the requirement that information about large customers not be provided unless they opt into information-sharing, except customer name, address and certain other information;**
    - **Require Energy Trust to share program participation information with utilities;**

- **Allow Energy Trust to use utility customer information to contact customers to inform them of Energy Trust incentives and services, provided that any customer may direct Energy Trust not to make contact.**

5. **The new rules require limited changes in Energy Trust policy, primarily to allow Energy Trust to share information with utilities.**
6. **The board policy committee reviewed the policy changes and endorses them.**

It is therefore RESOLVED:

1. **The board policy on Information Submitted by Program Participants, Contractors and Bidders is amended as shown in the attached, contingent on appropriate changes in the Energy Trust-utility data transfer agreements.**

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]

Attachment: 4.17.000-P Policy on Information Submitted by Utilities, Program Participants, Contractors and Bidders

History			
Source	Date	Action/Notes	Next Review Date
Policy Committee	5/24/04	Review and discussion	8/24/04
Policy Committee	8/24/04	Reviewed for board action	9/9/04
Board	9/9/04	Action postponed pending further review and discussion	9/21/04
Board	7/6/05	Approved (R345)	7/08
Board	5/9/07	Amended (R438)	5/2010

Purpose: Energy Trust and its contractors acquire information from utilities, program participants and others. This document establishes Energy Trust policy on collection, use and disclosure of information about program participants. This policy also addresses confidentiality of contracts and bid information. The policy does not apply to information that is in the public domain.

1. Energy Trust will inform participants of this policy

Participants in Energy Trust programs will be advised of the contents of this policy by appropriate means (e.g., on program application forms, the Energy Trust web site and oral communications). Energy Trust and its contractors will offer participants a copy of this policy.

2. Energy Trust protects information ~~covered~~ provided by utilit~~iesy~~ ~~information transfer agreements~~

Utilities provide Energy Trust with information about energy consumers on condition that it is treated confidentially. This information is covered by Oregon Public Utility Commission administrative rules, OAR 860-086-000, et seq., and "information transfer agreements" negotiated with ~~the~~ each funding utility. Energy Trust will not afford access to this information ~~protected by utility information transfer agreements~~ to anyone who has not signed a confidentiality agreement consistent with the applicable administrative rules and information transfer agreements. ~~However, i~~If Energy Trust obtains written, oral (documented electronically or in writing), or electronic consent from an Energy Trust program participant, information relating to such participant is no longer subject to utility confidentiality agreements, and instead is governed by section~~s 4-5~~ 3 of this policy. ~~Energy Trust may disclose to utilities the names of Energy Trust program participants to ensure that Energy Trust information is accurate.~~

3. Energy Trust and those it works with use Participant Information only for Energy Trust purposes

A. Definition of Participant Information: "Participant Information" means information obtained from program participants that refers specifically to the participant by name, address, or other personally identifiable characteristics.

B. Generally. Energy Trust employees, contractors and sub-contractors will use Participant Information only for Energy Trust purposes. Contractors who receive Participant Information from Energy Trust may not disclose it to any other party unless required by law or the other party has by contract or other written agreement agreed to protect such information consistent with this Energy Trust policy. Contractors will consult with their Energy Trust contract manager when in doubt.

C. Collaborative analysis. Energy Trust analyzes Participant Information and aggregates it with other information to plan, evaluate and report on Energy Trust programs. If consistent with section 3 and if the shared data do not reveal Participant Information, Energy Trust may share such aggregated information with other analysts, recognizing that some of these analysts work for organizations with their own information disclosure policies and requirements.

D. Using Participant Information in marketing. Before using Participant Information in case studies, brochures, press releases, advertisements, marketing or other publicity material, Energy Trust and/or its contractors will obtain participant approval.

E. Information provided to government entities

(1) Energy Trust will treat residential program participant information as confidential. Energy Trust may report individual residential participant information if it does not identify the participant by name, address, telephone or other information that would allow identification of the individual.

(2) For non-residential programs, Energy Trust may include the following information in reports to the Bonneville Power Administration, the legislature, the Oregon Public Utility Commission ("OPUC") and other state agencies as necessary to meet Energy Trust responsibilities:

- participant name
- city or county of business
- Energy Trust services or incentive payments provided to the participant, or
- energy saved or generated as a result of Energy Trust services or incentives.

(3) Before providing Participant Information other than information listed in section 3.E(2), Energy Trust will obtain participant approval.

F. Information provided to utilities. Energy Trust will provide Participant Information to utilities as specified in OAR 860-086-000, which, as of September, 2012, consisted of

- name;
- service address (including apartment, unit, or suite number);
- meter number and other point-of-delivery identification numbers;
- information about efficiency program participation, such as measures installed since the inception of the efficiency programs; and
- whether an electric customer has agreed to the transfer of its proprietary customer information as a result of its participation in an efficiency program, and the term during which Energy Trust has the right to see it, if applicable.

4. Contracts

A. Except for contracts that concern personnel matters, contracts to which Energy Trust is a party will not be treated as confidential. For purposes of this policy "contract" does not mean program application materials.

B. If a contract specifically identifies as confidential sensitive business records or financial or commercial information that is not customarily provided to business competitors, Energy Trust will treat such information as confidential. However, Energy Trust may disclose all other information in the contract.

C. Subject to litigation or other legal disclosure and/or audit requirements, Energy Trust will not disclose information submitted in response to requests for proposals or other solicitations.

5. Audit

Energy Trust will afford auditors full access to participant information for purposes of audit.

6. Resolving issues

In the event the OPUC requests from Energy Trust information that a participant has reasonably designated as Confidential Information, Energy Trust will follow the procedure specified in section 3.c of the Grant Agreement between Energy Trust and the OPUC (available at http://energytrust.org/About/PDF/grant_agreement.pdf).

Board Decision
Amending Oregon Preference Policy

November 7, 2012

Summary

Amend the policy on Oregon preference.

Background

- Since 2003, Energy Trust has had a policy providing that "if price, fitness, availability and quality are otherwise equal, Energy Trust will give preference to a bidder whose goods or services are produced, acquired, or available in the State of Oregon."

Discussion

- To staff's knowledge, the policy has never come into play.
- In its routine review of Energy Trust policies, the Policy Committee agreed that the policy remains important symbolically and should be retained with minor editorial changes.

Recommendation

Adopt minor editorial changes to the Energy Trust policy on Oregon preference, by adopting resolution 649.

RESOLUTION 649

POLICY ON OREGON PREFERENCE

WHEREAS:

1. **Since 2003, Energy Trust has had a policy providing that if price, fitness, availability and quality are equal, Energy Trust will give preference to goods or services produced, acquired, or available in Oregon.**
2. **The Board finds that the policy continues to be an important statement of Energy Trust policy, and that the policy requires only minor editorial adjustments.**

It is therefore RESOLVED that the Energy Trust policy on above-market costs of new renewable resources is amended as shown in the Attachment.

Attachment: 4.14.000-P, Policy on Oregon Preference

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	October 1, 2003	Approved (R207)	October 2006
Policy Committee	September 21, 2006	No changes	October 2009
Policy Committee	November 4, 2009	No change	October 2012

Purpose

To adopt a policy on giving preference to Oregon contractors for major Energy Trust contracts.

Background and Relation to Strategic Plan/Action Plan

~~Goal 4 of t~~The Energy Trust strategic plan speaks to promoting a healthy business climate for Oregon's renewable energy and energy efficiency businesses. Having enlisted nearly 200~~0~~ trade allies to date, the Energy Trust clearly is making progress toward this goal. In ~~2003, in~~ response to inquiries about our policy on giving preference to Oregon contractors, ~~we~~ Energy Trust conducted a legal review and engaged ~~our~~ its advisory councils in discussion of the matter.

The pertinent provisions of Oregon Revised Statutes (ORS) cover public contracting. They provide:

> (1) In all public contracts, the public contracting agency shall prefer goods or services that have been manufactured or produced in this state if price, fitness, availability and quality are otherwise equal. ~~(emphasis added).~~
>
> ORS 279.021
>
> (1) After the bids are opened . . . and after a determination is made that a contract is to be awarded, the public contracting agency shall award the contract to the lowest responsible bidder.
>
> (2) In determining the lowest responsible bidder, a public contracting agency shall: . . .
>
> > (b) For the purpose of awarding the contract, add a percent increase on the bid of the nonresident bidder equal to the percent, if any, of preference given to that bidder in the state in which that bidder resides.
>
> ORS 279.029

Since the Energy Trust is not subject to Oregon public contracts law, Energy Trust is not bound to the above provisions.

~~Committee/Public Review~~

~~As a starting point for discussion, staff made reference to the above provisions in meetings of the Renewable Energy Advisory Council and Conservation Advisory Council September 17, 2003, and the Policy Committee meeting September 22, 2003.~~

~~In examining the above provisions of ORS, it was clear that m~~Most participants in these advisory council meetings ~~d~~did not support provisions of ORS 279.029 that could penalize out-of-state bidders. There was general support for the concept expressed in ORS 279.021 to give preference to an Oregon contractor if competing bidders score equally on other selection criteria. There was no consensus however, on the wording of such a policy. Participants expressed concern that the terms "manufactured" or "produced" may be too restrictive.

~~Recommendation~~

Given the general support for giving preference to Oregon bidders if competitors are equal in other respects, staff recommend~~s~~ed the Energy Trust board endorse a policy to grant such a preference if price, fitness, availability and quality are otherwise equal, to bidders whose goods or services are produced, acquired, or available in the State of Oregon. ~~For administrative efficiency, we propose applying the policy to contracts valued in excess of $500,000.~~.

~~Resolution~~Policy

~~BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors adopts as Energy Trust policy that, i~~If price, fitness, availability and quality are otherwise equal, Energy Trust will give preference to a bidder whose goods or services are produced, acquired, or available in the State of Oregon.

~~The board approved the resolution on the Oregon Preference policy at its October 1, 2003 board meeting with the changes noted above.~~

Board Decision

Cascade Natural Gas Funding Temporary Adjustment Using Reserves

November 7, 2012

Summary

Use Energy Trust interest income reserve to provide for a shortfall in revenue projections for Cascade Natural Gas (CNG).

Background

- In 2006, CNG agreed to collect a specified public purpose charge from its ratepayers as part of a decoupling mechanism approved by the Oregon PUC, and entered into a contract with Energy Trust to provide energy efficiency programs.
- The public purpose charge was not adequate to fund all cost-effective energy efficiency identified in CNG's least-cost plan. In 2008, to provide sufficient funds to meet integrated resource plan targets, the OPUC authorized CNG to use a deferral account. The authorization extended through September 30, 2012.
- A deferral account authorizes a utility to expend specified funds and recover those funds in a succeeding rate case providing regulators find the expenditures were prudently made.
- On October 23rd, the OPUC required CNG to consolidate all energy efficiency funding in a single public purpose charge to be collected under a tariff, and increased the charge from 1.69% to 3.16%. The change is effective November 1.

Discussion

- When access to the deferral account expired on September 30, 2012, it held approximately $335,000 for transfer to Energy Trust for operating expenses. Apparently, due to complications in the rate case and filing dates the deferral funds were not transferred before expiration.
- Because access to deferral account has expired, and funds under the new tariff may not be collected before November, there is a shortfall in CNG funding for Energy Trust.
- Energy Trust's 2012 budget for CNG was approved at $2.69 million; the budget assumed revenues at $3 million.
- Energy Trust 4th quarter expenses and revenue forecast shows program expenditures at $2.54 million, or 95% of budget.
- However, revenue projections, reflecting the loss of October 2012 deferral funds, mild weather, and timing of the rate filing show Energy Trust will receive approximately $600,000 less than anticipated at year-end 2012.
- Energy Trust is on track to hit 94% of its stretch goal if funded to the budget.
- In staff's judgment, interrupting service to CNG customers in light of the shortfall will have a negative impact on the momentum built in CNG territory.
- Based on current estimates, an additional $100,000 is needed to fund 2013 Cascade demand in 2013, leaving a total potential overall shortfall of approximately $700,000.
- The Energy Trust interest income reserve account has sufficient funds to temporarily cover the total CNG shortfall.

- CNG has indicated that it will replenish the interest reserve account by December 31, 2013.
- This replenishment process will take place after 2012 carryover amounts have been determined in January and contemplates a subsequent filing by CNG amending the amount collected through its Schedule 31 in the early part of 2013.
- No more than $700,000 will be needed to augment revenues through 2013.

Recommendation

Authorize the transfer of up to $700,000 from the Energy Trust interest income reserve account to the CNG operations account to be used for program implementation in 2012 and 2013, with the understanding that CNG will replenish the interest account by December 31, 2013.

RESOLUTION 650
CASCADE NATURAL GAS FUNDING TEMPORARY ADJUSTMENT USING RESERVES

WHEREAS:

1. **The recent Energy Trust 4th quarter expenses and revenue forecast shows program expenditures to come in at $2.54 million or 95% of budget.**
2. **Revenue projections for 2012 show Energy Trust will receive approximately $600,000 less than anticipated at year-end, due in part to weather and in part to a complication in CNG's rate case, which has resulted in CNG under-collecting funds for energy efficiency programs, causing a shortfall in the 2012 Energy Trust operating budget.**
3. **Energy Trust is on track to hit 94% of its stretch goal if funded to the budgeted level and feel any cessation of activity will have a negative impact on the momentum built in CNG territory.**
4. **Budgets for 2013 indicate additional demand over revenue projected of approximately $100,000.**
5. **Energy Trust's interest income reserve is adequate to temporarily fund the shortfall, provided CNG repays Energy Trust by the end of 2013.**

It is therefore RESOLVED that:

1. **The Executive Director is authorized to transfer up to $700,000 of interest income to the CNG operations account to be used for program services for CNG ratepayers in 2012 and 2013.**

2. **This transfer is authorized with the express understanding that CNG will repay the fund transfer (after accounting for any carryover of 2012 CNG funds) by December 31, 2013.**

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed:

Evaluation Committee Meeting

September 28, 2012 10:00am-1:00pm

Attendees

Debbie Kitchin, Board Member – Committee Chair
Dave Slavensky, Board Member
Mark Kendall, Board Member
Margie Harris, Executive Director
Tom Eckman, Northwest Power and Conservation Council, Expert Outside Reviewer
Derek Smith, Clean Energy Works Oregon, Chief Executive Officer
Katherine Johnson, Johnson Consulting Group, Evaluation Contractor (via phone)
Steve Lacey, Director of Operations
Fred Gordon, Director of Planning and Evaluation
Phil Degens, Evaluation Manager
Sarah Castor, Evaluation Sr. Project Manager
Dan Rubado, Evaluation Project Manager
Erika Kociolek, Evaluation Project Manager
Elaine Prause, Sr. Manager of Planning
Lakin Garth, Planning Senior Project Manager
Ted Light, Planning Project Manager
Jackie Goss, Planning Engineer
Amber Cole, Director of Communications and Customer Service
Sue Fletcher, Communications and Customer Service Sr. Manager
Shelley Carlton, Strategic Marketing Manager
Diane Ferington, Residential Sector Lead
Jessica Rose, Business Sector Manager

Agenda

1. Clean Energy Works Oregon Process Evaluation
2. Residential Awareness and Perceptions Survey
3. New Buildings Program Impact Evaluation

1. 2012 CEWO Process Evaluation

Presented by Phil Degens

The study period for this process evaluation was January to August 2012 and Johnson Consulting was the evaluation contractor. The goals of this evaluation were to assess current program operations and customer experiences, assess the effectiveness of the on-bill financing (OBF) offering, and assess the effectiveness of program offerings in encouraging the completion of Home Performance projects.

Methods: Included document and database review; interviews with Clean Energy Works Oregon (CEWO) staff, program implementation staff, allied firms (including Energy Trust, CSG, EnergySavvy), utilities, Craft3 (lender), ODOE, contractors (talked with 25 of 39 total), energy advisors (EAs – talked with 7 of 15 total); and many participant surveys. Seven of the surveys are done on a continuous basis at various key stages. The surveys are: post application, post assessment, post bid, post financing, post completion, satisfaction survey (folks that have done a project), dropouts, and participants with one year of payment history.

Key background for evaluation: OBF became possible with the Energy Efficiency and Sustainable Technology Act (EEAST, or HB 2626). It was tested as pilot by Clean Energy Works Portland (CEWP) between September 2009 and March 2011, weatherizing 500 homes. CEWO formed to expand OBF weatherization to other areas of Oregon. Funding was obtained with the goal of performing 6,000 weatherizations by 2013 (this has been revised to 1,500 per year).

The current state of CEWO: CEWO has successfully expanded beyond Metro Portland to Central Oregon, Rogue Valley, and South Central Oregon. Thirty-nine contractors are working on more than 800 projects throughout the state. CEWO has completed 3,900 test-ins, which make up the majority of Energy Trust's Home Performance with Energy Star (HPwES) program: 85% of gas and 76% of electric savings in 2012. The average loan size is $12k, and typically the project costs are the loan amount. This is comparable to other programs around the country where the average loan amount is $10k. Craft3 is the largest lender, making up $24 million in loans. The remaining banks account for 15% of projects and 6% are self-financed. The loan portfolio performance is great; the default rate is less than a half of one percent. CEWO leverages Energy Trust incentives and instant savings measures (ISMs): 10% of gas savings and 20% of electric savings in CEWO are from ISMs such as showerheads and lighting. CEWO continues to focus on internal quality control and monitoring; they gather information on an ongoing basis from customers and with a new software platform, are able to look at specific contractors and provide feedback on how they are doing in terms of completion rates, etc.

Changes and challenges to the Program: CEWO is changing the ways in which folks interact with the Program. CEWO is modifying program requirements to enhance customer participation, has changed the timing of the financing qualification step to after the contractor bid, and is refining messaging and the ways in which Program metrics are captured. EA responsibilities have shifted to quality control rather than helping customers navigate through the application process – this has decreased the amount of time spent on each project from 40 hours to about 8. Derek noted that this number is decreasing further, and the cost per project is now about $200, which is a tenfold reduction in 2 years. Steve asked if contractors' familiarity with the Program makes them able to help customers through the process. Derek responded that the investment was smart for the market; the EA played the role of helping the contractor through the process. Contractors are scaled up now, but they still have EAs on call. CEWO wants to make this more scalable and more cost-effective. CEWO does a 100% test-out – research has shown that folks desire confidence in good contractors and lenders value the 100% quality check. They know that the work is done well, and there are trained workers and contractors. Lenders know there will be savings, which results in happy customers that will pay back the loan. This is a key piece of unlocking private capital and leveraging Energy Trust dollars in the marketplace.

Other changes/challenges include additional competition among financial institutions, which reduced the need to provide incentives for banks to participate. Derek noted that a major purpose of the DOE funding was to provide risk mitigation to banks through credit enhancements. Now, CEWO has loan performance data and default rates. The value of CEWO and the OBF model is risk mitigation without credit enhancement. CEWO is working on moderate income and what we need now is more volume. Margie asked if there was a downside to less handholding. Katherine Johnson noted that the feedback we got from surveys and interviews is that the application process is confusing, and where the EA role is most valued is after the bid presentation. Folks get sticker shock, and are looking for EAs to make sure prices are reasonable. A concern brought up by EAs and customers is instances of contractors not being fair in prices. Customers want to be sure they are getting good value, but because

contractors are assigned, they don't feel confident they can get a fair price. Derek responded that EAs review all bids that come through. If EAs see anything they feel is out of line, they send it to CEWO, and CEWO staff will get on the phone with contractors and advocate for the customer. That process is not going to change. CEWO promotes a second bid, hopes to increase awareness of that, and will develop a system where at a measure cost level, there are price ranges that automatically flag high bids. A problem is that non-energy costs get into measure costs, which distorts measure cost pricing. This is something that happens with OBF, and we need to acknowledge and deal with it. As stated before, CEWO will eventually have a process in place so that if something comes in that is out of the price range, it will be automatically given to CEWO to look into and deal with. Mark asked if this is program-wide or just this particular segment. Derek responded that it is for CEWO. Phil noted that CEWO is almost the entire HPwES sector in terms of savings for Energy Trust. Derek noted that folks can request a second bid at any time if desired. CEWO is also looking into cost reviews and enabling customers to rate contractors and publish ratings, which should help put downward pressure on costs.

Energy Trust incentives for CEWO have changed over time, and are now more in line with HPwES. Cost-effectiveness of gas measures is an issue for all of our programs and projects. Reducing costs and engaging utilities more in the Program have been challenging, and additionally, having multiple funders means more requirements and reports.

CEWO's customer contact map was also revised – it is a lot better than the block diagram that CEWO used to have. The financing portion now comes after the bid, not before. This has pluses and minuses which come out in the report.

Critical CEWO Milestone	Past Seven Months (February through August 2012)	Cumulative Program Total Through August 2012
Test-ins Completed	1,874	3,900
Bids Accepted	957	1,660
Loans Approved	836	1,620
Test-Outs Completed	724	1,402

Completion rate is the ratio of test-outs to test-ins. The conversion rate has a different way of being calculated by CEWO. NYSERDA reports a 30% completion rate for their OBF program and is very happy with that; a 39% rate is tremendous in the HPwES sector. Derek noted that what we want to see is customers converting to projects; CEWO looks at a project from a cohort standpoint and watches it closely. Fifty percent is a tremendous conversion rate.

Critical CEWO Ratio	Past Seven Months (February through August 2012)	Cumulative Program Total Through August 2012
Completion Rate (Test Outs/Test Ins)	39%	36%
Loan Qualification Rate (Bids Accepted-Loans Approved/Bids Accepted)	13%	12%

Katherine noted that CEWO has a tremendous amount of data, and she appreciates CEWO staff's willingness to explain their data, which added value to the evaluation and enhanced the quality of results. Derek noted that data is important to inform this federal investment in the grand experiment of how to scale up this market. Dave asked why the loan qualification rate is so low. Phil clarified that it is a typo and should say "disqualification rate". Katherine added that it is very low, and this is a contributing factor to keeping program dropout rates low; CEWO has good lenders and most folks qualify. Derek noted that this is the value of OBF, using utility bill payment history to underwrite the loan; it is an important tool for the moderate income audience.

Phil noted that most programs do not report conversion rates. In New Jersey HPwES has a 38% conversion rate, Arizona has 30-40%. Debbie asked if those programs offer free test-ins. Derek said that contractors say to CEWO that this is a good number for them. Thirty-day time limits really emphasize conversion and it shows. Steve asked what the conversion rates are for existing single family Home Energy Reviews (HERs) - Diane responded that 2 years out, it is 30% and 1 year is about 17%. Phil noted that doing something after HER versus HPwES test-in is significantly different.

CEWO is expanding outside of Portland. Ten percent of completed projects are outside of Portland. Derek noted that CEWO has launched Hood River, Salem, Corvallis/Albany, Eugene, Lane County, and will be hitting the North Coast, so that percentage will grow. Mark asked when we surveyed contractors, did we ask those that did not participate in our trade ally program about perceptions of participating or about the quality of trade allies we are recruiting in these regions? Derek responded that to participate in CEWO firms must be an Energy Trust trade ally in good standing, must be BPI certified, and must have good QC mechanisms in place, good customer service, and high road agreements. Steve asked if there was a potential difference between contractor impressions about HPwES in free market versus HPwES participating in CEWO. Phil responded that most Home Performance projects are going through CEWO.

In terms of project financing, Craft3 is the primary lender. Umpqua has offerings in more than one market. Steve clarified that only Craft3 is providing on-bill repayment. He added that we will see when we can what the default rates on other banks and loans are versus the Craft3 product. Steve also asked if there are different qualification rates between different products. Derek responded that they are generally accessible and the rates are pretty much the same. Mark asked what characteristics of loan loss reserves/credit enhancements CEWO provided to new lenders. Derek said that is no longer part of the offering, although CEWO is obligated to continue through the end of the year. Our intention is to do that to help sell the loan portfolio and replenish to enable more lending in the market. The market will need credit enhancements to address moderate income.

Phil noted that the goal is to shrink the time from application to test-out (currently 186 days). Delays cause dropouts, so CEWO is looking into how to reduce that. Also, another goal is to reduce the time it takes to go from test-in to test-out by 50%, to 78 days.

Derek noted that CEWO did a business process review. Part of the issue is that the EA role gets in the way, creating a bottleneck on the scheduling and lending process. It's important to consider the lending when we compare to a cash market. Phil noted that we heard from EAs, contractors, and customers and all of them have a different view of where to shorten things. It will be a challenge to match all of those. Mark asked how much federal funding influences tracking and documentation. Derek responded that contractors do workforce reporting, there are some delays on payment due to paperwork issues. In terms of federal dollars, the reporting burden is on CEWO.

Future plans: Develop contractor ratings, integrating solar technologies, set up automated scheduling, review EA cost structure, consolidate information from test-in and test-out (integrated into one database), and standardize contractor process.

Energy Advisors: Seven of 15 EAs were interviewed. EAs provide customers third party advice on project savings, and are there for test-in and out, modeling, and for counsel on bids. They spend approximately 8 hours per project. EAs perceive that their lack of interaction with the customer at the bid presentation phase has reduced completion rates. They see the change in when the loan is processed as positive and negative. Ten percent go through the process and are not approved for a loan, which is negative. On the other hand, they are working toward project scope. EAs noted the issues with pricing mentioned by customers. Dave asked if CEWO could run credit checks to see if customers qualify before the bank does it. Phil responded that they look at certain things: credit score, bill payment score (arrears on payment history). Derek noted that CEWO encourages contractors to do that, due to issues with handling sensitive credit information - If they start collecting Personally Identifiable Information, they would be considered a mortgage broker, and CEWO can't afford the compliance burden – it is a distraction from what CEWO is trying to do. Margie responded that we can communicate to folks that if they want to expedite the process, they need to have their bill payment and credit history available. Derek noted that we ask customers to have their utility bills handy; it allows us to begin a relationship with them about current usage and go from there.

The barriers mentioned by EAs included confusion about CEWO and Energy Trust offerings; they feel they need guidance on how to provide feedback on project costs and since customers have expectations about level of advice on costs. Derek noted that this has been a historical challenge with this role. Contractors do not want EAs to be the price police. It's a tricky role to get right. Debbie commented that if there was an open process, the prices would be dealt with automatically. Derek responded that it is a balance – customers want to be handed a contractor. Debbie commented that we want both things. Margie commented that CEWO provides contractor referral to folks and then people say they want a competitive bid. The entire spectrum is represented there. Derek noted that promoting a second bid and making folks aware of that is important. Debbie asked if over time, costs are going up or down (invoiced costs of measures). Derek responded that project costs are stable. Diane added that the total project cost is down about $600 on average. Derek noted that CEWO has a scatterplot showing pricing per measure by contractor. The challenge is we push for itemization on bids, but not everybody understands the intricacies put into each item. Every home is different. Contractors are putting non-energy costs into energy measures to get around the requirement that no more than 20% of project costs can be non-energy-related for OBF (i.e. things likes remodeling, knob and tube wiring replacement, etc.) The real issue is when we look at measure pricing, we can't substantiate that contractors add in these types of non-energy costs, but off the record they will tell you "we do

that." Fred noted that this is a big issue for cost-effectiveness. Debbie commented that there may not be an incentive for contractors to reach the threshold of 20% of the project costs in CEWO. Fred responded that in discussions with contractors about how they package bids and the relationship between measures and how they bundle things, there is not a whole lot of one-on-one correspondence. Everyone has different methods. Debbie noted that outside OBF, there is not an incentive to push non-energy costs. Fred responded that it depends on what they think sells. Margie noted that some contractors refer many folks to the program. These contractors are able to fill a niche for improvements and package energy improvements with non-energy improvements. Derek responded that customers need flexibility. Financing can help but we can't load up utility bills with non-energy measures. Debbie noted that most people get home equity loans or lines of credit (HELOC) because those interest rates are lower. Derek responded that CEWO is bringing in HELOC products. We want financing options that meets the needs of all, not just OBF.

EAs suggested reviewing the QA/QC project requirements. For example, if just one thing is done, such as ceiling insulation, maybe it is not critical to do a test-out. Maybe have two levels of QA/QC depending on project size. EAs also recommended more competition among lenders and marketing using neighborhood and block by block approach.

Contractors: 25 contractors were interviewed; two thirds were from Portland. Average time firms have worked with CEWO is 16 months. Average of 50 jobs per firm, but there were a small number of high-volume firms. For these firms, nearly a third of firm sales were due to CEWO. Main work is insulation, duct and air sealing, with HVAC and hot water performed by subcontractors. The majority of contractors felt CEWO was a major influence in customers getting a home assessment and installing EE measures. They felt it was a good fit with the other weatherization services they offer. Some contractors said the process was too cumbersome or they did much of the sales/development work before signing them up with CEWO. Mark asked if this is a concern. Phil responded that some folks like to know that when they refer to CEWO, it isn't a dry hole. Derek added that this may relate to a time when there were too many process steps, which delayed people from getting paid – this had impacts on firms' cash flow. We took these steps out, which resulted in folks getting paid more quickly.

Contractors said customers liked financing and third-party verification the best; customer dislikes were paperwork, the number of steps and time requirements. Contractors had low levels of satisfaction with EAs. We didn't ask about this specifically, but some of the comments indicated contractors felt the EAs interfere with sales process, thought EAs were overloaded and slow response times led to delays and dropouts, and felt there was a lack of continuity with EAs. Most of these comments were focused on less experienced EAs.

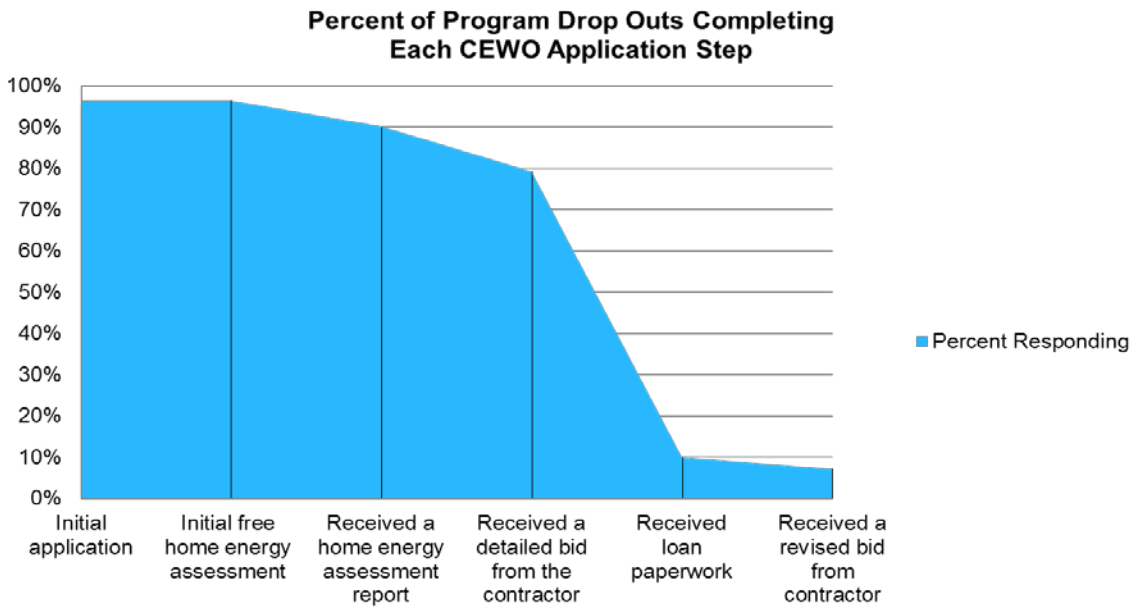
Participants: Seven participant surveys were fielded at various steps in the process. Satisfaction was high even among dropouts, and grew throughout the process. Also, there were high levels of satisfaction for contractors and EAs. Many respondents mentioned utility costs and energy costs as reasons for projects. Lots of people mentioned comfort, health, and home value as reasons for doing upgrades. Mark noted that energy savings is attributable to adoption, but is not necessarily the biggest part of the bell curve. Phil responded that the primary reason for doing project is cost savings and energy savings - the two are synonymous in peoples' minds. Home energy assessment and ISMs are drivers for initial interest in CEWO. Respondents felt the application process was clear, and most post-assessment respondents are highly satisfied with EAs, contractors, and home assessment. Post-bid respondents were pleased with the bid process overall; 50% of post-bid respondents asked for a revised bid during this process. Mark asked if that was a delay expense. Katherine responded that it lengthens the process because more information is needed from the contractor, and any time folks don't go with the bid

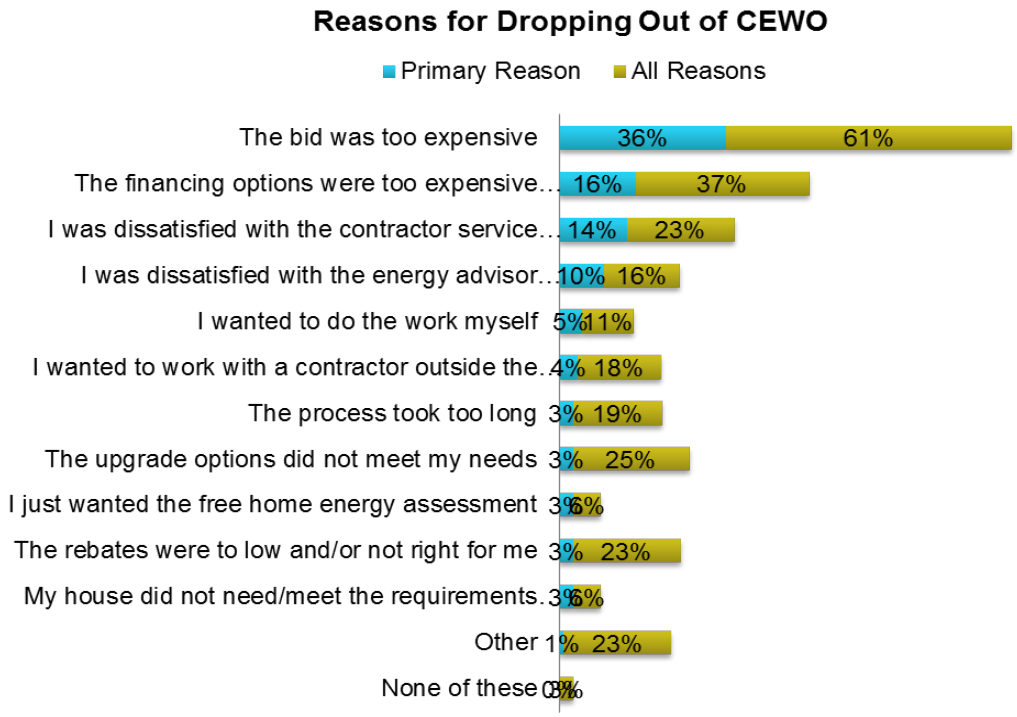
presented, the process is lengthened. Phil noted that most dropouts occurred with first bid and Derek added that the conversion rate on the second bid is high.

Post-financing respondents indicated they liked that the financing phase was fast, simple, and uncomplicated. The majority felt that financing options met their needs, but a majority also indicated that the interest rates were higher than expected. Post-completion respondents were satisfied with contractors and CEWO projects, and most (70%) would recommend CEWO to others.

A satisfaction survey was done for participants that had completed projects in the last 6 months. Financing and ISMs were the most compelling reasons for participation. Respondents were satisfied overall and with various program components. Ninety percent said it was easy or very easy to work with CEWO, indicating folks had a good experience in retrospect. They had mixed experiences with EA; less than half agreed they were valuable resources. Respondents wanted more flexibility in determining scope and selecting contractors, and wanted better communications with lenders. Debbie asked if we distinguished whether there was a strong preference for OBF versus financing. Phil responded that the loans made during that time were Craft3 loans, primarily OBF. This is an area we should research in the future. Derek noted that confidence is what customers really want, and flexible financing is important. OBF is an attractor to the program. Market to market comparisons will be important in the future. In Metro Portland, customers only have the OBF option, but downstate, they only have the credit union offering, which is a direct bill from lender. This is an important piece of information that will inform EEAST. Fred noted that customers may not know how OBF is different – what folks wind up doing may be more meaningful. Key findings from -post-participation survey results: a quarter said they paid off their loan. Half felt the projects were aligned with their cost expectations. Only a third said the cost was more expensive than anticipated and 18% said it was below expectations. Satisfaction was very high and many said they would use CEWO again if they were doing a home energy upgrade.

Dropout survey: Seventy percent left the program after receiving a bid from the contractor. Even though the survey was of program dropouts, 10% said they were still in the program. Dropouts were not dissatisfied with CEWO; they were primarily dissatisfied with the bid and contractor. In the graph below, we can see where most people drop out. Maybe focus on educating folks before they get too far into the CEWO process. This would mitigate the costs of handholding, and allow for bridging to another program. The reasons participants dropped out of CEWO included: the bid was too expensive, financing options were too expensive, and dissatisfaction with contractor services.





Recommendations: Develop more consistent ways to track metrics, including close rates, as a way to minimize dropouts. Develop survey instruments at key steps with questions that can be compared over time. Streamline the application process; perhaps shorten the review time allotted for specific steps as recommended by EAs. Review the costs and benefits associated with moving the loan qualification step to come after the initial test-in step. Consider changes in the EA role in response to customer, contractor and EA feedback. Develop some type of pre-screening checklist for customers to help identify viable candidates. Offer other solutions to program dropouts and bridge them from CEWO to another Energy Trust program (this should lower acquisition costs required to enroll customers). Allow more flexibility in terms of selecting

contractors, evaluating bids, and selecting financing options. As has already been mentioned as something in the works, provide some general pricing guidelines to customers.

Energy Trust Take: CEWO should train HPwES contractors and develop the market in new areas into which it is expanding. Trends in completion rates should be monitored. CEWO has the ability to track contractor performance and should use this information to engage with and provide feedback to contractors. CEWO is employing multiple strategies to control costs. Strategies that reduce dropouts, prequalify applicants, bridge applicants to more appropriate programs, and shorten time to completion should be pursued. CEWO should pursue cost guideline development, encourage EAs to be active advisors and maintain the avenue for customers to talk about costs and get a second bid if project costs exceed a specified level.

Debbie noted she was slightly concerned about the additive nature of these recommendations – having EAs be more active advisors means more costs and more time. We need to find that balance. The EA recommendation seems to be against the recommendation of trying to lower costs, and there are costs in the Program such as labor requirements, paperwork, etc. Derek noted that the wage requirements are a function of EEAST. Fred responded that a different strategy that Energy Trust is working on is providing folks with better payback estimates, which may drive high cost jobs to competitive bids. We will put this online eventually and make this available to CEWO and contractors. The puzzle we are working with is high variance in costs. Debbie noted that this is difficult because people give different assessments that are not consistent. What one person sees in a given amount of time in a home is different than someone else. Then you bid, and sometimes you are 10% higher and other times you are 10% lower than other contractors. Mark noted that we could go into some neighborhoods and estimate eligibility or energy costs easily, and use that to market to and motivate those customers. In certain neighborhoods, there should not be much variability in terms of housing stock and we could provide some bounds and expectations of costs. Debbie responded that there won't be much variation on energy measures, but there will be on non-energy measures.

Derek noted his appreciation for the professional, independent review; CEWO takes these recommendations seriously, they are grateful for the level of attention given to this. They value the relationship with Energy Trust; Energy Trust staff has been a pleasure to work with on this. Debbie asked, what are next steps for the report? Phil responded that we are getting comments back from CEWO and others. We sent the OPUC a schedule, and got a request to push back the schedule. The next draft should be final, and then will go to management team. We will write the staff response and it will go to the OPUC and will be embedded into the EEAST report, which is supposed to be done soon. Dave asked, if there is a delay period between the end of the evaluation and recent program changes. Phil responded yes, there is a delay with all evaluations, and the differences in the current program and the end of the evaluation will be highlighted in staff comments. The evaluation period went through August, so some of the data are very recent.

2. Residential Awareness Survey

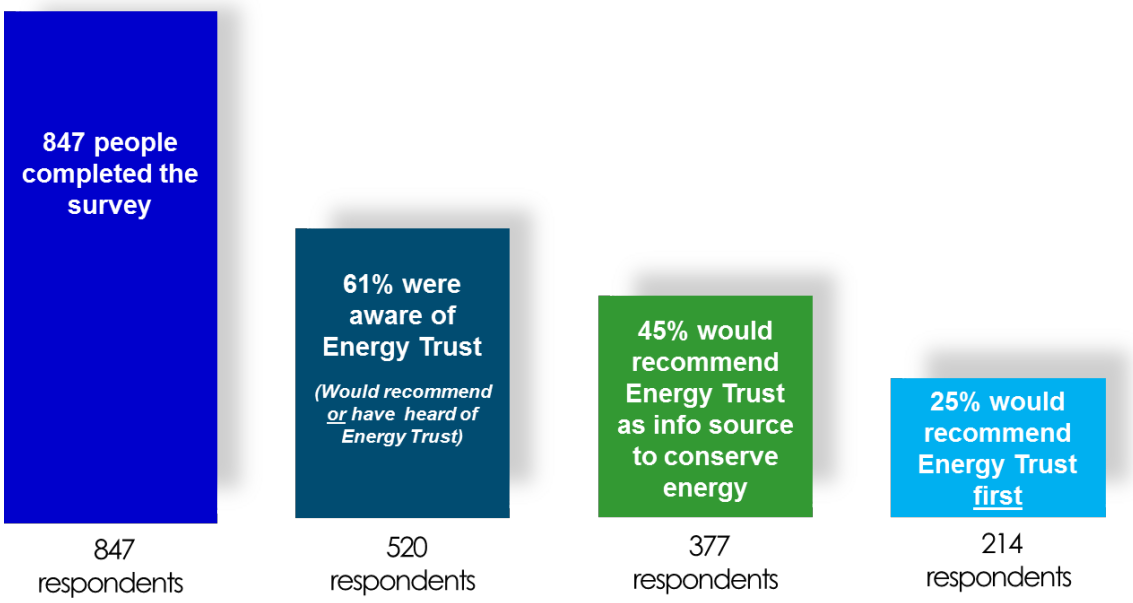
Presented by Sarah Castor

OnTarget Consulting and Research was the contractor for this survey. RIA did the survey the last 4 years and did a great job, but we wanted a different take on things this year. This was the 5th annual residential awareness survey. It helps give us insight into utility customer awareness and perceptions of Energy Trust and participation in our programs and energy efficiency more generally. This year we made a lot of changes to the survey questions and structure. We wanted to create a more actionable survey. This resulted in a shorter survey and more actionable results for CCS.

We had 847 respondents who were residential utility customers from around the state in Energy Trust service territories. They responded by telephone and web surveys but were all contacted by phone first. We tried to push people to the web because there were some extra functions as far as graphics and because it is more convenient for people to do whenever they have time. However, most folks still wanted to do the survey by phone. Surveys were completed with the household member who was responsible for energy decisions. OnTarget then weighted the responses to make the results representative of the population in the state. Weighting was done on homeownership, age, etc. This way we were able to get results that represented our customers and could be compared with previous survey years.

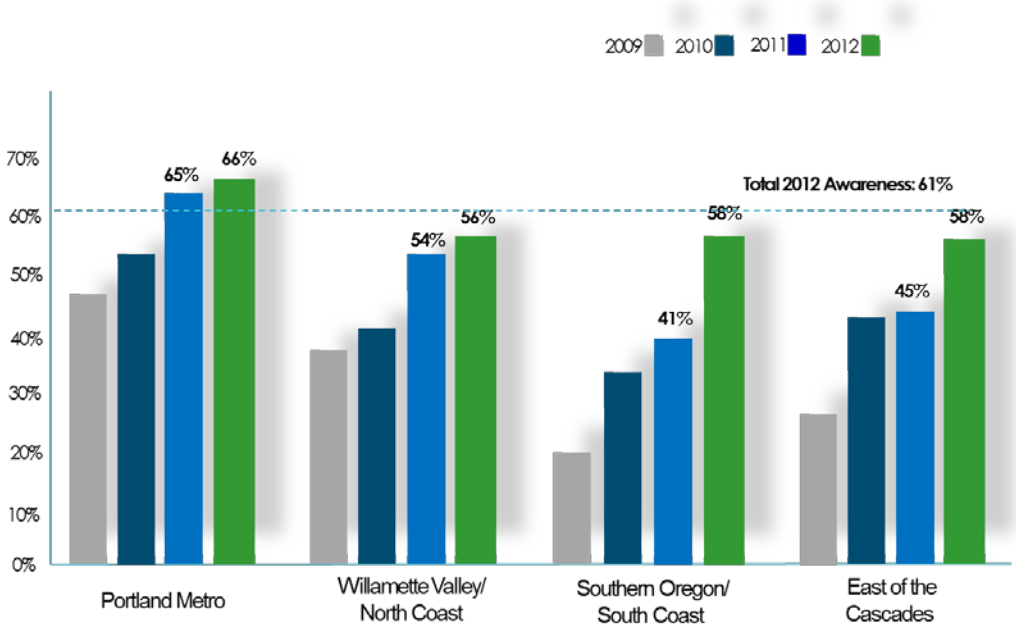
Respondent overview: 69% phone completed, 58% female, 75% homeowners, 61% age 55 or older. For electric, most were either PGE (48%) or Pacific Power (35%) customers. For gas, many respondents did not have gas service (44%), but those who did were primarily NW Natural customers (40%). Only 3.3% were Cascade Natural Gas customers and 7.7% did not know if they had a natural gas provider or who it was.

Awareness of Energy Trust: Respondents were first asked to choose an organization that they would recommend to get information about conserving energy. If they did not select Energy Trust, they were asked if they had ever heard of Energy Trust. 61% of all respondents were aware of Energy Trust. 45% responded that they would recommend Energy Trust as an information source, 25% responded that they would recommend Energy Trust first.

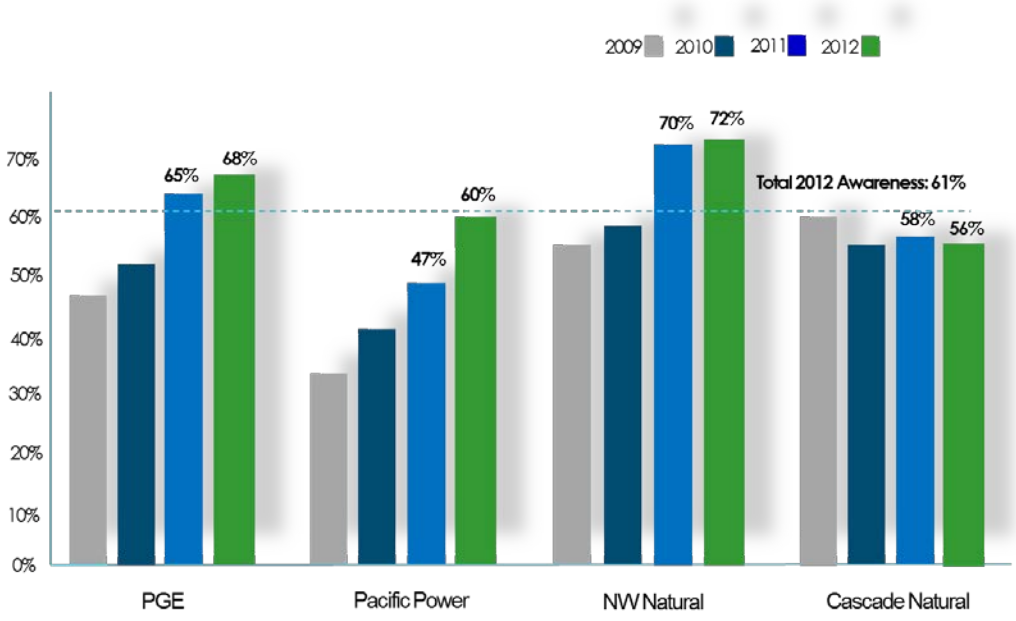


Energy Trust was also reported as the most preferred source to get information about conserving energy. It was the most often recommended information source and the most frequently listed as the respondent's top choice. Overall, 61% of respondents were aware of Energy Trust with some regional variations. Awareness has steadily increased over the past few years, most dramatically outside of the Portland Metro area.

Awareness of Energy Trust by Region



Awareness of Energy Trust by Utility



The web survey displayed an image of Energy Trust's logo and asked respondents if they had ever seen it before; 52% recognized the logo. Of those who were aware of Energy Trust, 34% reported having received services or incentives. Homeowners were much more likely to report receiving services or incentives than non-homeowners. Out of all respondents, 21% reported ever having used Energy Trust services.

Margie asked if we promote our services to multifamily tenants. Sue said that there are materials for tenants that multifamily contractors leave behind and tenant workshops are offered if the property manager is interested.

Next, respondents were asked if they were aware of different types of incentives and services. Fridge recycling and appliance incentives had the highest overall recognition, with 60% responding that they were aware of these services. This was closely followed by awareness of Energy Saver Kits, home energy audits and incentives for more efficient heating and cooling systems. Those who had used services in the past were more much more aware of Energy Trust services across the board.

When asked which specific services they had received from Energy Trust, 58% of Energy Trust users responded that they had received an Energy Saver Kit (ESK). People may later have recognized that they received a service like an ESK even if they initially reported not using Energy Trust services; 23% of people who had previously reported not using Energy Trust services report receiving a kit.

Services received from Energy Trust	Total sample aware of Energy Trust	Have used Energy Trust services	Haven't used Energy Trust services
Received an Energy Saver kits that contains light bulbs, a shower head and other water saving devices	34.6%	**58.3%**	**22.6%**
Purchased an efficient appliance from Energy Trust	23.1%	**49.1%**	**9.9%**
Recycled an old refrigerator or freezer and received a check from Energy Trust	16.3%	**36.6%**	**6.1%**
Received a home energy audit from Energy Trust	13.8%	**25.7%**	**7.8%**
Installed an efficient heating or cooling system or water heater and received a check from Energy Trust	11.5%	**27.4%**	**3.5%**
Installed insulation or sealed air leaks and received a check from Energy Trust	6.7%	**14.9%**	**2.6%**
Installed a solar electric system or solar hot water system and received a check from Energy Trust	1.5%	2.3%	1.2%

Margie asked if we have done research on what kind of pathway people take with program involvement and which entry points lead to which eventual outcomes. Sarah responded that we have looked at Home Energy Reviews as an entry point and follow through with energy saving measures and Erika is currently looking at follow through for other program entry points.

Many respondents first heard of Energy Trust through news media stories and mass media advertising. It used to be that utility bill inserts were the biggest source but now there is more awareness from non-utility sources. There are again large differences between Energy Trust users and non-users. Bolded entries are statistically significantly different between Energy Trust users and non-users.

How first learned of Energy Trust	Total sample aware of Energy Trust	Have used Energy Trust services	Haven't used Energy Trust services
Through news media stories	21.2%	**11.4%**	**26.1%**
Through advertising	20.4%	17.1%	22.0%
From my gas and/or electric utility	16.0%	**28.6%**	**9.6%**
From a friend or acquaintance	11.0%	8.6%	12.2%
From a contractor or retailer	7.9%	**14.9%**	**4.3%**
Through research and investigation	5.25	**8.6%**	**3.5%**
Other			

Mark asked how distinguished different marketing channels are, like OPB vs. local newspaper. Sarah responded that they are not that differentiated and that people can't really remember where exactly they heard of Energy Trust. Debbie said that bills tend to stick with people, so they might remember that channel better. Sue said that having info on which channel is attracting customers is very helpful.

Respondents strongly agreed that Energy Trust was a credible source of information. They also tended to agree that Energy Trust serves the residents of Oregon well and is a leader in energy efficiency and renewable energy. Mean scores were very high for these responses, especially among those that have received our services. Ninety-three percent of users reported that Energy Trust was a credible source of information.

Sue said that she was very happy with these numbers and relayed that the surveyor said they are very high for any organization. Fred added that with 30 years of experience in programs, these are very high numbers for customer confidence. Sarah said that this goes above and beyond just measuring customer satisfaction.

Attitudes about energy conservation: Most people thought they were above average in their interest in energy efficiency. When asked if their interest had increased or decreased in the past year, most said it had either stayed the same or increased. Among those who had not used our services, more reported that their interest has increased.

We also tested several messages to motivate energy efficiency actions. The message that primarily motivated respondents was "you can save energy and money." The next most effective was "enjoy a comfortable and more energy efficient home." Response to these messages was very consistent among both Energy Trust users and non-users.

Sue commented that there are motivating secondary messages, including about the environment, but most motivational messages are about energy and money. Mark concurred with this and said that money was probably the primary driver.

Respondents were asked what actions they had taken in the last 12 months and what they were planning in the next 12 months to reduce their energy use. The most common action was installing CFLs and next were clothes washers and other appliances. The most common planned action was to install CFLs and energy audits were the second most common.

Actions to reduce home energy use	Total survey sample actions taken in past 12 months	Total survey sample actions planned to take in next 12 months
Installing compact fluorescent light bulbs	51.9%	13.9%
Replacing a clothes washer	16.5%	9.3%
Replacing refrigerator or freezer	14.4%	11.5%
Replacing a water heater	14.2%	8.4%
Recycling an old or extra refrigerator	13.5%	10.7%
Replacing windows	13.5%	10.6%
Adding insulation	11.0%	11.3%
Replacing a furnace	9.3%	4.8%
Conducting an energy audit	8.5%	13.6%
Adding/improving duct insulation	7.8%	6.5%
Replacing a heat pump	5.1%	2.5%
Adding a solar electric system	2.0%	6.5%
Adding a solar water heating system	0.9%	4.1%

Information from Energy Trust: 42% of respondents reported receiving some type of information from Energy Trust in the past 12 months. Energy Trust users reported receiving information at a significantly higher rate than non-users (64% vs. 31%).

Dave asked if online bill payment had changed this since people never see bill stuffers if they pay online. Sarah said that probably yes, that was a factor. Sue added that it is probably one reason why the utility channel of marketing is not getting us as much as it used to.

When asked what information could help them determine how to use less energy, the most common response from Energy trust users was that they wanted us to provide detailed information about incentives and rebates that they qualify for. Next was to provide them with general information and suggestions on ways to save energy and money and then to recommend a specific next step that they could take to reduce home energy use. These responses were consistent among non-users as well.

When we asked non-users about if they were interested in getting information from Energy Trust on ways to conserve energy, about 50% said they would like info from us. This was higher among non-homeowners (57%)), probably because this group hasn't had as many opportunities to participate in our programs in the past. Then, non-users users were asked how they preferred to receive information from Energy Trust. The most preferred method was to receive information directly from Energy Trust, but to most respondents it did not matter whether the information came from Energy Trust or from their utility. The responses were essentially the same among past users.

Light bulbs: When asked about the presence of CFLs, 84% responded that they had some 'twisty bulbs' in their home. A majority reported having multiple CFL bulbs. About a third of respondents have more than 10 CFLs in their home. The rates of CFL usage were higher among Energy Trust users.

Number of "twisty bulbs" in home	Total survey sample	Have received Energy Trust services	Have not received Energy Trust services
Have 1 – 5 bulbs	32.0%	21.1%	35.3%
Have 6 – 10 bulbs	32.6%	28.9%	33.7%
Have 11 – 20 bulbs	25.3%	34.3%	22.5%
Have more than 20 bulbs	9.4%	14.5%	7.9%

Approximately 20% of respondents reported installing LED light bulbs in their homes. The question was nonspecific, so this could potentially include things like Christmas lights or other decorative or accessory lighting.

Key findings and recommendations: Energy Trust awareness has increased over time and in all regions of the state. We are well respected and trusted, especially by those that have used our services. Energy Trust is the most preferred source of information about ways to save energy. More than 70% of past users report a good understanding of Energy Trust's services. About 50% of non-users reported decent understanding of our offerings. Saving energy and money are the main reason that residential customers take energy conservation actions and messages with these themes were the most resonant.

The contractor's recommendations are to target all segments. They broke customers into three major segments: 1 - those that are aware of us and have used our services (21%), 2 - those that are aware of us and have not used our services (40%), and 3 - those that are not aware of us (39%). Energy Trust should continue promoting to segment 1, up its efforts with engaging segment 2, and focus on increasing awareness and getting name recognition with segment 3.

Energy Trust take: Awareness and participation continue to grow. Customers have very favorable opinions of Energy Trust. The majority of respondents were interested in energy efficiency and plan to take an action in the next year. Upcoming changes to data sharing rules will allow us to reach out more directly to customers.

Dave asked, what is the correlation between awareness and participation? Sarah responded that customers don't necessarily need to be aware of Energy Trust to use its services, particularly appliance rebates. Dave commented that it's expensive to keep awareness high, so why push it if you get participation even without awareness. Sarah responded that we need to keep customer participation going and promote our services which then feed into awareness. Awareness is a measureable byproduct of our efforts to market and promote specific services and offers. Fred said that there are other pieces of information from this survey that are more actionable than awareness. Phil said that we often include questions in this survey when there is no other obvious place or survey to ask them in. Dave said that it is costly to do surveys and asked when do you change questions if you are getting the same answers year after year. Sarah responded that we changed a lot of the questions this year. Phil said we have a lot of questions that we cycle in and out and evaluate what information is helpful to the organization in a given year. Sue said that CCS gets a lot of actionable information from this survey and that they use the results to change tactics for marketing and communication.

Dave then raised a point about survey burnout, saying that people may get tired of having us call them. Fred said that survey burnout is a serious issue for those who participate in our programs year after year. In that case, we have a way of rationing survey participation; we exclude people from the mix if we have recently interviewed them and we only talk to a small fraction of total participants. In the residential sector, with so many utility customers, most of

whom have not participated with Energy Trust in the last year, survey burnout is not a concern for a survey like Residential Awareness.

3. New Buildings Impact Evaluation

Presented by Sarah Castor

The New Buildings Impact Evaluation looked at the 2010 program year. The Cadmus group did the evaluation work. They did the evaluation of this program the previous two years, have lots of experience and do very good work. Site visits and analysis occurred March – August of this year, about two years after projects were completed. We have found that it takes about two years to complete the buildings and get stable usage data for evaluation. This was the first year of a two year impact evaluation cycle. The purpose is to true-up the savings estimates for 2010 projects based on operating conditions and calculation methods.

Methods: Cadmus selected a sample with all major tracks and measure categories represented. The sample also included the largest 26 projects by savings and 15 smaller projects that included measures of interest. Two buildings did not respond so the final sample was 39 buildings, representing 56% of electric and 62% of the gas savings for the program in 2010. The confidence level is 90% and precision is less than 10% for all measure categories. We had a good mix of measure categories with standard food service, HVAC, Lighting, Motors, quite a few custom projects, 15 LEED projects, and 1 Energy Star.

Cadmus reviewed electronic project files and calculation workbooks. They also reviewed energy simulation models. This was easier this year than in the past but there were still a few issues. Site visits were conducted with all projects to check the installed equipment and operating conditions. Engineering analysis was done to review calculations and inputs, review simulation models and calibrate models with actual usage data.

Results: The overall realization rates for the program were 94% for electric measures and 98% for gas measures. These numbers show that the program is estimating saving accurately on average, but these numbers hide quite a lot of variability for individual sites, particularly in the LEED category.

Measure Category	Total Number of Measures	Reported Electricity Savings (kWh)	Reported Gas Savings (therms)	Evaluated Electricity Savings (kWh)	Evaluated Gas Savings (therms)	Electricity Savings RR	Gas Savings RR
Standard Food Service	97	1,136,661	9,803	1,196,648	9,803	105%	100%
Standard HVAC	249	1,115,482	152,015	1,185,284	121,962	106%	80%
Standard Lighting	595	6,152,260	0	7,190,608	0	121%	N/A
Standard Motors	79	291,191	0	290,467	0	100%	N/A
Standard Water Heating	80	145,225	136,602	145,225	85,900	100%	63%
Custom	71	3,320,331	166,251	3,247,121	233,685	98%	141%
Custom Food Service	23	1,565,119	32,103	1,644,268	31,934	105%	99%
ENERGY STAR	1	1,041,218	4,687	1,248,104	7,913	120%	169%
LEED	50	11,276,835	633,091	8,412,507	618,212	75%	98%
Total 2010	1,245	26,044,322	1,134,551	24,560,232	1,109,409	94%	98%

All food service standard measures, with one exception, had reasonable estimates. In standard HVAC, the boiler measures varied considerably based on usage. Deemed numbers are applied across the board regardless of usage, so we may just need to get some better data on average usage to adjust the deemed savings values. The new DCV calculator is better at predicting savings. Dave asked about the controls component for HVAC. Sarah said that they are included in HVAC measures.

For standard lighting measures, a higher than assumed operating hours resulted in a high realization rate, which is good for the program estimates, but means that buildings are using their lights more than we thought. For standard motors, only one was at code level, which is better than in past years. In standard water heating, there were a couple units that were installed as back up only. Deemed savings does not reflect this type of low level of usage, so savings were over-estimated. In one grocery, a heat reclamation system affected savings from efficient water heaters. Tom asked if this was part of an energy smart grocer calculation. Sarah said it may have been. Fred said he didn't think that project was a grocery, but Sarah confirmed that it was a grocery.

In custom projects, food service realization rates were 100% or greater in all cases. Custom gas and HVAC had higher than expected realization rates after calibrating with EMS and billing data. Lighting and shell measures had generally reasonable estimates. In the Energy Star track, there was only one project, so it is difficult to say anything with such a small sample. The Energy Star project had a high realization rate. The NB program has been eliminating this track over time. According to Jessica, it is not a big piece of program anymore. Fred said it is a hook for some building occupants who are coming into a new building.

LEED projects had a 75% realization rate in electric and 98% in gas. However, this masks a lot of variation in these projects. Reasons include the way that LEED works in that savings are estimated as designed but then we have to go back and verify what is actually built. Program staff do not rerun models unless there are obvious/large discrepancies from the design during the site visit. No major themes were identified in savings variation - there is no one thing that we can fix to get realization rates to 100%.

Mark asked if they don't go back and redo calculations for as-built conditions, then the differences between design and as-built aren't captured until the evaluation? Sarah answered that that is correct. Savings models were not recalculated until this evaluation. Staff don't go back and re-run models because it is a big investment to do this. Fred said that is why we do the evaluation, to see how well the method is working to estimate savings. Tom asked if realization rates vary from year to year with LEED. Sarah said that it does. Fred said that LEED is tightening procedures and enforcement. But one question is still how much is actually kept in building as-built versus what is modeled in design? Does it work well enough for our purposes? LEED is bringing a huge percent of our NB participant buildings to us. We are happy to see realization rate that are not 25%.

<u>Recommendations and Response:</u>

- Remove LED exit sign incentives. We have seen this recommendation for the last couple of years because the measure shows up in projects started before 2009. There are currently no legacy measures in the program and we have not offered this incentive since 2009.
- Calculate lighting savings through lighting power density instead of by fixture. This is done for projects under the 2010 code.

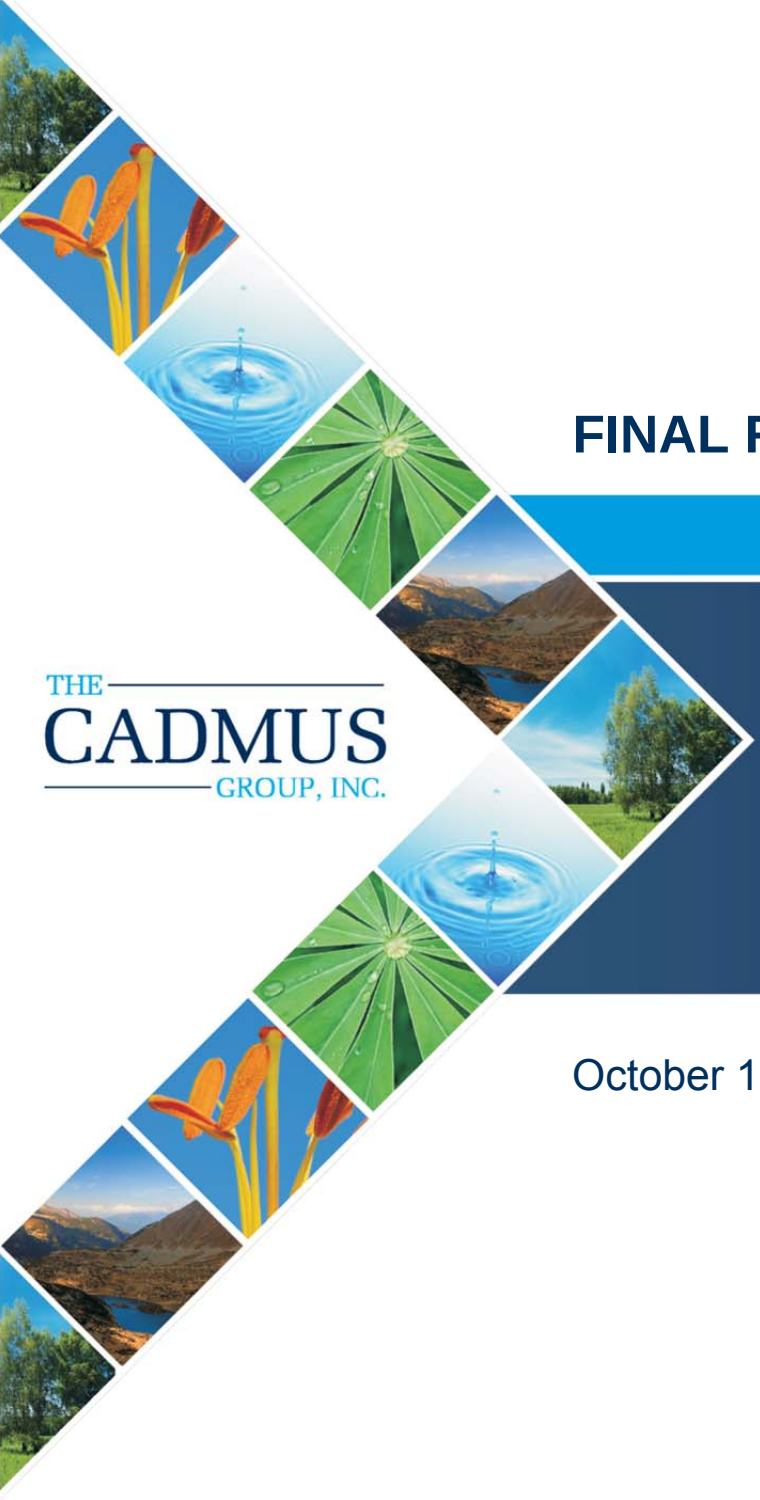
- Apply more appropriate savings to back up boilers and water heaters. This is currently done for custom but not prescriptive measures. In prescriptive, deemed savings are used across the board, unless we want to split out savings by usage type in deemed savings, but that could complicate the administration of the prescriptive measures. Tom said that it wouldn't be that hard to know if system was to be intended as back up. Then we could have a different deemed value for those systems.
- Account for interaction with heat recovery. This was changed in late 2010 for custom measures, but it is hard to do with prescriptive. We could make these all custom measures, but this places more of a burden on participants and the program.
- Obtain energy simulation models during the program year. This was done in late 2010 based on previous evaluation recommendations. PECI is now doing this for all projects.
- Maintain consistent documentation on simulation model files. PECI has since started a new labeling/organization system to improve this. That we get all electronic files at this point is a significant advance. Ensures that simulation models match approved savings for LEED projects.
- Provide more detail on exceptional calculations. Program needs to decide whether it is worth it to verify savings for every project.

Jessica said that for LEED buildings, a lot are coming through. For 2010, we essentially re-launched the program with a number of major changes. We are trying to get more people to focus on whole building efficiency and modeling. We want to redirect efforts to whole building modeling and have the models sent to Energy Trust for review instead of to the US Green Building Council. This gives us an alternate avenue to get more savings through LEED. Mark said that accurate simulation models should reflect the best estimates of energy savings, rather than having modelers tweak things to force a match with the approved savings.

Energy Trust Take: 2010 realization rates are close to 100% and comparable to 2009. Many of the recommendation we received have already been implemented. Additional recommendations around LEED projects and modeling are being considered by the program. Next time we will look at the New Buildings Process Evaluation.

Debbie asked about the next meeting. Sarah said it is already scheduled for October 30th from 10am-1pm. It will feature the SB838 evaluation. We will have the Existing Homes Process Evaluation for review as well. Steve said that we will have delegates from OPUC at the next meeting to see the presentation on SB838.

Dave asked what happens when measures get overtaken by code. Sarah responded that those measures go away if equipment is required by code.



THE CADMUS GROUP, INC.

FINAL REPORT

2010 New Buildings Program Impact Evaluation

October 18, 2012

Prepared by:

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Energy Services Division
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Prepared for:

Energy Trust of Oregon

EXECUTIVE SUMMARY

Energy Trust of Oregon (ETO) retained the Cadmus Group, Inc., (Cadmus) to complete an impact evaluation of the 2010 New Buildings Program, a comprehensive effort to assist owners of newly constructed or substantially renovated commercial and industrial buildings to achieve energy savings through four different tracks: Standard, Custom, ENERGY STAR, and LEED. A third-party program management contractor—Portland Energy Conservation, Inc.—implemented the 2010 New Buildings Program.

These tracks are described as follows:

- The Standard Track supports prescriptive equipment measures, such as lighting, motors, HVAC, and others, through deemed savings.
- The Custom Track provides incentives to reduce a building's energy use below a minimally code-compliant value. Measures usually involve more complex energy savings analysis than do prescriptive measures.
- The ENERGY STAR Track assists participants in certifying their buildings through the Environmental Protection Agency's national energy performance rating system.
- LEED Track projects receive incentives for achieving energy savings as part of certification by the U.S. Green Building Council.

Cadmus sampled 41 projects for evaluation, matching the evaluation level requested by ETO. The sample included: 26 of the largest savings projects (all with reported savings greater than 2,000 MBtu[1]); and a random sample of 15 smaller projects. The sample experienced attrition, however, due to two participants' refusal to respond to repeated contact requests. As shown in Table 1, the final sample contained 39 projects, consisting of 239 measures, representing 62% of the program's total reported, combined savings.

Table 1. 2010 Program and Sample Total Quantities and Reported Savings

	Total Number of Projects	Total Number of Measures	Reported Electricity Savings (kWh)	Reported Gas Savings (therms)	Reported Combined Energy Savings (MBtu)
Program Total	244	1,245	26,044,322	1,134,551	202,318
Sample Total	39	239	14,544,714	749,757	124,602

Cadmus evaluated the program through site visits and reviews of engineering calculations and building simulation models. Site visits validated proper installation and functioning of incented equipment, and provided operational characteristics data to support engineering analysis. Cadmus evaluated Standard Track measures primarily using industry-standard algorithms. Custom measures were analyzed through algorithms, detailed calculation spreadsheet reviews, simulation modeling, and/or energy management system trend data. Cadmus engineers analyzed

[1] MBtu is used throughout this report to represent million Btu.

differences between baseline and as-built simulation models for LEED projects. Cadmus analyzed ENERGY STAR Benchmarking projects by examining differences between baseline and as-built energy use intensities (EUI) using utility billing data. Through the impact evaluation, Cadmus identified a variety of factors reducing the overall program realization rate (the ratio of evaluated to reported savings), as shown in Table 2. Total combined reported energy savings (electricity and gas) represented 202,318 MBtu. Cadmus calculated the total combined evaluated energy savings as 195,386 MBtu, for a 97% overall realization rate.

Table 2. Overall 2010 Program Realization Rates and Energy Savings

Measure Category	Total Number of Measures	Reported Electricity Savings (kWh)	Reported Gas Savings (therms)	Evaluated Electricity Savings (kWh)	Evaluated Gas Savings (therms)	Electricity Savings Realization Rate	Gas Savings Realization Rate
Standard Food Service	97	1,136,661	9,803	1,196,648	9,803	105%	100%
Standard HVAC	249	1,115,482	152,015	1,185,284	121,962	106%	80%
Standard Lighting	595	6,152,260	0	7,190,608	0	121%	N/A
Standard Motors	79	291,191	0	290,467	0	100%	N/A
Standard Water Heating	80	145,225	136,602	145,225	85,900	100%	63%
Custom	71	3,320,331	166,251	3,247,121	233,685	98%	141%
Custom Food Service	23	1,565,119	32,103	1,644,268	31,934	105%	99%
ENERGY STAR	1	1,041,218	4,687	1,248,104	7,913	120%	169%
LEED	50	11,276,835	633,091	8,487,972	622,094	75%	98%
Total 2010 Sample	1,245	26,044,322	1,134,551	24,635,698	1,113,291	95%	98%

* Savings values listed in the impact evaluation are gross values. Calculation of a net-to-gross ratio fell outside the scope of this evaluation.

Primary factors affecting realization rates included:

- Actual operating conditions differed from deemed assumptions for lighting operating hours;
- Actual equipment operation differed from expected patterns;
- Observed equipment quantities differed from reported quantities; and
- Building simulation models did not accurately reflect as-built conditions or operating parameters.

The 2010 program savings realization rate of 97% exceeds the 2009 program evaluation value of 96%. Most measure types achieved high realization rates. The primary factors that lowered the overall realization rate included:

- Significant variation between proposed and as-built equipment types, building operation, and performance in LEED buildings;
- Applying the same deemed savings in the original savings estimates for gas-fired boilers regardless of whether they serve as primary or backup units; and

- Not accounting for lower consumption for condensing water heaters installed in conjunction with refrigeration heat recovery systems in grocery stores.

The issues were balanced out to a degree by higher savings resulting from:

- Longer actual lighting operating hours than deemed;
- Lower than expected as-built energy use intensity in one ENERGY STAR building; and
- Better than expected performance for Custom HVAC projects.

Overall, the 2010 program implementer performed a reasonable level of review and quality control to achieve high average project savings realization rates.

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MEMO

Date: October 18, 2012
To: Board of Directors
From: Sarah Castor, Evaluation Sr. Project Manager
Jessica Rose, Business Sector Manager, New Buildings Program
Subject: Staff Response to the 2010 New Buildings Program Impact Evaluation

The 2010 program year was a year of significant change for the New Buildings program. In addition to continued weak economic conditions, the Oregon energy codes for new commercial construction became much more stringent. Despite these challenges, the results of the 2010 New Buildings Impact Evaluation show that the program's overall realization rates remained about the same as 2009.

Since the transition to PECI as the program management contactor (PMC) in late 2009, the program has instituted several changes, many of which are not apparent in projects for a year or more given the long lead times in new construction. The changes implemented include:

- Program redesign and launch in October 2010 with the goal of simplifying overall structure, providing tiered incentives that increase with savings achieved and motivate customers to incorporate even more energy efficiency
- Quarterly coordination with planning and evaluation to address changing codes and standards
- Requirement of two reviews on all project submittals to ensure incentive requirements have been met
- Introduction of a required lighting calculator for 2010 code projects that calculates savings and incentives based on lighting power density compared to code
- Introduction of a simplified HVAC calculator for 2010 code projects that calculates savings and incentives for a number of HVAC measures, including demand control ventilation, unitary HVAC equipment, VFDs, fan power, air-to-air heat exchangers, and economizers
- Review of all models and calculations for modeled projects
- Review of model input/output files for LEED projects and correcting the calculation of savings as needed

The evaluator made several specific recommendations for program improvements based on 2010 project findings (in italics), many of which we have already addressed as part of the 2010 program redesign, or will address as follows:

- *Apply savings more appropriately to back-up boilers and condensing water heaters*
  For standard measures, the program does not currently distinguish the load usage of boilers and condensing water heaters for the purposes of determining savings or eligibility for incentives. Non-primary usage could incorporate a range

of situations, from peaking boilers that help make geothermal systems cost-effective, to water heaters that are installed to meet future loads, to purely redundant equipment. The program team will revisit this issue and make a recommendation to Energy Trust to account for secondary, backup boilers and condensing water heaters by either: 1) reducing the average standard savings claimed; 2) creating measure(s) for secondary equipment with lower savings and incentives; or 3) requiring equipment to be primary and meet certain load requirements or submit load calculations to verify equipment sizing to be eligible for incentives.

For custom projects, the program ensures the correct savings are calculated based on the expected load of each boiler and water heater. No savings are claimed for redundant boilers that have no expected load.

- *Account for reduced consumption through heat recovery*
  The program agrees with this recommendation, and has addressed this issue for modeled or custom measures in the program technical guidelines that were updated in December 2010. The guidelines outline and require that:
  - All interactions between standard measures (e.g. water heaters) and modeled measures are accounted for in the modeled measure savings by including the standard measures in the baseline model assumptions
  - All interactions between solar thermal collectors and water heating measures are accounted
  - Grocery stores larger than 50,000 square feet must include heat reclaim off the refrigeration system in the baseline model, as a recent NEEA market study indicated that heat reclaim has become standard practice in larger stores.

  Adjusting the standard gas measures to account for interactions with custom or modeled savings measures is more challenging as these savings numbers are deemed based on a variety of operating assumptions and cannot be easily overridden in FastTrack.

  One alternative approach would be to consider creating a separate standard water heater measure for grocery stores to discount savings for stores that also install heat reclaim. However, since the savings associated with this standard measure are based on estimated run times and water heating loads for a variety of applications, the program may find that the savings claimed in grocery applications (even with heat recovery) will vary minimally from the existing standard measure savings assumptions.

- *Obtain energy simulation models during program year*
  Since receiving this recommendation in late 2010 through the 2008 Impact Evaluation report, the program began collecting model files for all LEED and modeled projects. Starting in October 2010, the LEED application terms and conditions required project owners to provide Energy Trust with the energy simulation models and inputs. The program has collected modeling files for all projects that applied for LEED incentives after October 2010.

  The program has always collected and reviewed modeling files and spreadsheet calculations for Custom and Modeled Savings projects.

- *Maintain consistent documentation on simulation model files*
  For LEED projects, the program keeps each version of model files in separate folders each with the date of submission. Additionally, the program has updated the review memo template for both LEED and modeled savings projects that are submitted by the project representative or energy analyst. The LEED review memo specifies the names of all final documentation. For modeled savings, the review memo details the final savings for each measure, which are checked against the savings in the approved Savings Summary Worksheet. Going forward, the basis of the final incentive, supporting documentation, final incentive amount, and simulation models will be categorized consistently and clearly labeled for each projects in the program.

- *Ensure simulation models match approved savings for LEED projects*
  Currently the program reviews model input/output files but does not run the models unless there is a significant reason due to discrepancies. The program could re-run each model to verify that the models match the energy consumption output on a gross savings level. If a discrepancy is found, PECI would most likely need to make any adjustments without support from the design team, since most LEED projects are reviewed after construction and certification and the energy analyst does not receive technical assistance incentives. PECI will review the benefits and drawbacks to this approach with Energy Trust and document the final agreed-upon process in the Program Implementation Manual.

  The program agrees that the models should be clearly labeled with what information they support. If the program opens and runs each model in the process described above, the team will ensure that models are labeled appropriately.

- *Provide more detail on exceptional calculations*
  The program currently, as a process step, does place all exceptional calculation workbooks, simulations, and associated documentation in the project files. It was unfortunate that one of the selected projects did not have this information in the project files; only an earlier version of the calculation (not the final version) was in the electronic project file. As a part of the updated documentation processes described in the bullet above, PECI will ensure the final version of each exceptional calculation is included in the project file.

2012 Oregon Residential Awareness & Perceptions Study

Final Report

Funded by EnergyTrust of Oregon

Prepared by OnTarget Consulting & Research

September, 2012

ontarget
consulting + research

Introduction & Executive Summary

This report summarizes the results and key findings from the fifth annual Energy Trust of Oregon Residential Awareness and Perception Study. The purpose of the study was to provide Energy Trust staff with insights into the awareness and perceptions that the residential electric and/or natural gas customers located in its service territory had regarding its actions and marketing efforts, energy efficiency, renewable energy and related topics. Study results will be used to help design and support marketing efforts and implementation of current and future Energy Trust programs and communication efforts.

Key Findings/Dominant Themes

- Overall awareness of Energy Trust has increased vs. previous years in each of the four regions it serves and with all but one of the utilities it serves.
    - 61% of survey respondents reported being aware of Energy Trust in the 2012 survey, up from 56% in 2011 and 48% in 2010.
    - Awareness of Energy Trust in all of the geographical areas it serves was equal or higher in 2012 vs. 2011.
    - Respondents in the Portland Metro area reported the highest awareness of any region, with 66% of Portland Metro respondents reporting being aware of Energy Trust.
    - Customers from all but one of the utilities that Energy Trust serves reported equal or higher awareness of Energy Trust in 2012 vs. 2011. The small decrease in awareness from customers of Cascade Natural was within the statistical margin error, thus it was not a statistically significant decrease in awareness.
    - Customers of NW Natural reported the highest awareness of all utilities, with 72% of NW Natural respondents reporting being aware of Energy Trust.

- Oregon residents continue to show strong interest in taking actions that will conserve energy and reduce their energy costs.
    - Over 41% of survey respondents reported being more interested in taking additional actions to conserve energy and reduce energy costs than most people. Over 54% of respondents reported being about average with other people in their desire to take actions to conserve energy and reduce energy costs. Approximately 4% of respondents reported being less interested than others in their desire to take actions to conserve energy and reduce energy costs.

- Energy Trust continues to be well respected and trusted by the residents in its service territory. It is especially well respected and trusted by those that have used or received its services in the past.
    - Over 70% of all survey respondents gave Energy Trust a score of 4 or 5 (on a 1 – 5 scale) when asked if Energy Trust was a credible source of information to learn about energy efficiency and renewable energy.
    - Over 90% of survey respondents who had previously used Energy Trust services reported it as a credible source of information to learn about energy efficiency and renewable energy.

- Energy Trust is the preferred source to get information about ways to conserve energy and reduce energy costs.
    - Over 56% of survey respondents reported that Energy Trust would be the first organization they would recommend to others as a source to get information about ways to conserve energy and reduce energy cost, placing it as the most preferred source to get energy conservation information.

- The utilities Energy Trust serves are important and effective partners in driving use of Energy Trust services.
    - More respondents who first heard of Energy Trust from their gas and/or electric utility reported participating in Energy Trust services than from any other information source. Nearly 30% of survey respondents who first heard of Energy Trust through their gas and/or electric utility reported having used Energy Trust services.

- Oregon residents are aware of the types and breadth of service provided by Energy Trust.
    - Nearly 60% of survey respondents reported being aware of one or more of the residential services provided by Energy Trust.
    - The best known products and services include offering cash incentives to have old refrigerators or freezers recycled, offering cash incentives to residents who purchase more energy efficient refrigerators, freezers and clothes washers, and providing energy saver kits.

- Saving energy and money are the main reasons Oregon residents pursue energy-saving or renewable energy projects.
    - "Saving energy and money" was reported as the strongest motivation to take energy conservation actions vs. "enjoying a comfortable and more energy efficient home" and "save energy and the planet".

MEMO

Date: October 19, 2012
To: Board of Directors
From: Sarah Castor, Evaluation Sr. Project Manager
Sue Fletcher, Communications and Customer Service Sr. Manager
Susan Jamison, Homes Marketing Manager
Subject: Staff Response to the 2012 Oregon Residential Awareness and Perceptions Study

This year was our fifth annual Residential Awareness and Perceptions Study. As in previous years, a primary goal of the survey was to assess Oregonian's awareness of Energy Trust and energy efficiency in general to track changes over time. However, whereas previously we had asked many questions on energy use behaviors and attitudes, this year we structured the survey to focus on communication approaches and messages that motivate residential customers.

Awareness of Energy Trust continues to rise: in 2012, 61% of survey respondents had heard of Energy Trust, up from 56% in 2011. Awareness remains highest in the Portland Metro area and among PGE and NW Natural customers. A substantial increase was seen this year in Southern Oregon (58% in 2012 compared to 41% in 2011), where residents are served by Pacific Power. This increase may be the result of advertising by Pacific Power and Energy Trust as well as Energy Trust representatives living and working in that region. East of the Cascades, awareness is at 58%, up from 45% last year.

At least 21% of all respondents reported that they had received an incentive from Energy Trust or used one of our services, such as participating in a Home Energy Review or ordering an Energy Saver Kit.

In addition, opinions about Energy Trust were very favorable among both those that reported previous participation with Energy Trust and those who did not. Energy Trust was also the most commonly named organization that respondents would recommend to others as a source of information on conserving energy and reducing energy costs.

When asked what information respondents would most value receiving from Energy Trust, the majority said detailed information on incentives or general information and suggestions to save energy and money. Respondents indicated they would be interested in getting this information either directly from Energy Trust or through their local utility, reinforcing the benefit of utilizing both communication channels.

As in 2011, this year's survey was fielded using a mixed mode approach of both phone and web-based surveys. Due to the very small response to the postcard invitations to the

2011 web survey, this year a different methodology was used: respondents were invited, via phone rather than postal mail, to take the survey online, and callbacks were made to those who did not respond to the web survey. The web-based survey option was included because of its potential advantages in terms of cost, convenience to the respondent, and the ability to ask questions with visual elements. However, only 31% of 2012 surveys were completed online, with many respondents requesting to take the survey by phone. With the relatively small number of web respondents both this year and last, even with a significant change in survey methodology, the assumed advantages of a web-based survey were not borne out for the most part and Energy Trust may opt to return to a purely phone-based survey next year.

ENERGY TRUST OF OREGON
PERSONAL ENERGY REPORT
MARCH 2012 SURVEY REPORT

Final

Prepared for:
ENERGY TRUST OF OREGON

Prepared by:
OPINION DYNAMICS CORPORATION

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July, 2012

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1. EXECUTIVE SUMMARY

Energy Trust of Oregon (Energy Trust), in collaboration with NW Natural (NWN) and Portland General Electric (PGE), initiated OPOWER's Personal Energy Report (PER) on a pilot basis to 60,000 single-family households with service from both NWN and PGE. This report represents the third of three survey efforts designed to assess the value of the PER to participants and to provide process findings for the pilot:

- June 2011 Participant Survey (n=200)
- October 2011 Participant Survey (n=200)
- March 2012 Participant/Control Group Survey (n=500, 250 participant, 250 control)

The primary objective of this third survey was to provide a comparison between the energy saving and information seeking actions taken by participants in the pilot to the energy saving action taken by a control group. We also track changes in the last 14 months to actions by participants taken since receiving the reports.[1] We compare survey data collected in October and June to the data collected in March. [2] We also present a comparison between a participant and a control group in the March 2012 survey results. Key findings include:

- **The PER has a neutral effect on participant satisfaction with the collaborating utilities.** The majority of the control group (86%) and the majority of the participant group (86%) are satisfied with the services provided by NW Natural (as indicated by a 4-5 on a 5-point scale.) The majority of the control group (86%) and the majority of the participant group (91%) are also satisfied with the services provided by PGE (as indicated by a 4-5 on a 5-point scale), which does not represent a significant difference.
    - The October 2011 survey found that 60% of participants found the collaboration between ETO, NW Natural and PGE valuable.
- **Participants still favor the personal and neighbor comparisons in the PER, though the neighor comparisons may be polarizing for some customers.** Consistent with findings of the June and October surveys, the participants surveyed in March rated "seeing how my energy consumption compares to my neighbors" (47%) and "Seeing how my current energy consumption compares to my energy consumption one year ago" (45%) as the most useful sections of the report. Only 18% said "Getting tips of how to save more energy in my home" was the most useful part of the report, while 9% said there were no useful parts of the report. However, neighbor comparisons are also a source of negative feedback – 11% of all negative inquiries to the hotline indicated that they did not like some element of the comparison.

[1] This effort does not track changes in the same group of participants over time. We surveyed three distinct groups of participants in the June 2011, October 2011 and March 2012 surveys.

[2] Energy Trust of Oregon Personal Energy Report. 3-Month Study. Final August 2011, henceforth referred to as the "June Report;" and Energy Trust of Oregon Personal Energy Report. October Survey Report, Final October 2011, henceforth referred to as the "October Report."

- **Participants are reading and discussing the PER less than in previous months.** Over a third (36%) of the participants in the March 2012 survey reported that they read the report from cover to cover, significantly different from October (46%). A moderate percentage (10%) of the March survey respondents threw away or recycled the reports before reading them.[3] The percentage of participants who discussed the report with others and saved it for reference decreased from 46% and 37% in June to 28% and 22% respectively in March.

- **The percentage of PER participants who report taking action as result of the report is increasing and overall reported action is greater than the control group.** As the total length of time over which participants have been receiving reports increases, the percentage of participants who are taking action to reduce their homes' energy consumption is increasing, from 29% in June to 44% in October to 68% of the March survey participants. The percentage of the March survey participants who took action since first receiving the report is greater than the percentage of the March survey control group who has taken action in the past year (68% compared to 50%).

    - **One quarter of PER participants state that they intend to use the report to reduce their energy use in the next year and just over one fifth state that they do not intend to use the report.** Over a quarter (28%) of participants indicated they would use the report to help reduce their energy use. Other participants indicated they would use the report to stay informed of changes in their energy use (20%), to track changes over time (15%), to help decide what to install in their homes (12%), and to help reduce bills (6%). Almost a quarter (22%) said they would not use the information contained in the report over the next year.

- **PER participants' information-seeking practices have increased over time; however, the data is inconclusive as to how this differs from the control group.** In the March survey, 37% of participants reported that they had sought out additional information, which is higher than the 16% of participants in October and 12% of participants in June. There were no differences between the March control group and the March participant group in terms of the percentage who sought out additional information (40% vs. 37%), indicating that this may be a seasonal effect. Additional longitudinal research is needed to confirm these trends by comparing participant and control group findings over time.

- **Participants report taking more conservation actions overall compared to the control group; however, control group customers indicate fewer, but more saving-intensive, actions.** Participants are more likely to have reported in March that they turned down their thermostat to save energy since receiving the reports (36%) than in October (20%) or June (19%). Participants are more likely to report in March than they installed efficient lighting (19%) than in October (9%). In addition, participants are more likely to have reported in March that they insulated their home since receiving the reports (14%) than in October (3%) or June (3%). A greater percentage of the control group reported in the March survey that they have installed new windows or doors (21%) than the participant group (11%).

- **Participants are intending to take fewer actions in the future, indicating than many may have already taken the actions they intend to take as a result of the PER.** Participants were slightly

[3] The June and October surveys did not explicitly ask participants if they threw away or recycled the reports prior to reading, while the March survey did as can be seen in Figure 3 of the June 2011 Report, Figure 12 of the October 2011 Report and Figure 5 of the March 2012 Report

less likely to report that they had plans to take action in the future in March (35%) than in October (52%) or June (54%).

  - **However, participants report planning more actions in the future than the control group.** Just over a quarter (27%) of the control group reported that they have plans to reduce their energy consumption in the future, a significantly smaller percentage than the 35% of the participant group.

- It is important to remember that the impact of the PER in expected to be small, with savings goals under 2%. There may be some small differences between the treatment and control group that are not observable with the relatively small sample size of this study. Furthermore, energy saving actions may continue to develop over a period of years.

1.1 RECOMMENDATIONS

Based on our findings from the March 2012 survey efforts, we offer the following recommendations to Energy Trust:

- **Identify mechanisms to push participants to continue to take and plan actions.** The survey data suggest that participants may have taken most of the actions they intend to take because of the PER. While participants' planned actions are greater than the control groups', the number of planned actions is waning over time. The PER should consider mechanisms to promote future action and to keep PER participants engaged and challenged.

- **Keep the information new to maintain high readership levels.** Over time, participant engagement with the report continues to drop. The program should provide customized, tailored information at the household level in the reports to provide an incentive for continued readership.

- **Provide more useful information and tips.** After receiving the report over a period of 14 months, a greater percentage of participants rated the personal comparison module (45%) and neighbor comparison module (47%) as useful, than the energy saving tips module (18%). The program should develop the energy saving tips module to be more useful to participants, possibly by providing a greater number of tips in each report as was requested by 10% of participants in the March survey.

- **Consider ways to encourage customers who are not using the report to opt out.** As there is a certain cost for each report that goes out, the program could benefit from encouraging participants who do not read the report or do not plan to use the report to opt out.

Energy Trust of Oregon
851 SW Sixth Avenue, Suite 1200
Portland, Oregon 97204

Telephone: 1.866.368.7878
Facsimile: 503.546.6862
energytrust.org

MEMO

Date: October 20, 2012
To: Board of Directors
From: Philipp Degens, Evaluation Manager
Kate Scott, Home Project Manager
Subject: Staff Response to Personal Energy Report March 2012 Survey Report

The Personal Energy Report (PER) pilot has given Energy Trust many insights into the value of providing such a service to its customers. PER savings have inched upward and, as of August 2012,are 1.96% of electric and 1.2% of gas consumption.

Energy Trust plans to on continue this pilot for one additional year to study the persistence of savings. We will suspend sending the PER to half of the recipients and will continue to send the PER to the remaining recipients. This will allow Energy Trust to determine if savings persist after customers cease to receive a PER, and if savings gains continue to ramp for customers that will receive the PER for a third year. As savings are only recognized for each year that the customers receive the PER, the existence of savings that extend beyond this period could have significant impacts on the cost effectiveness of this service.

Significantly lower gas avoided costs have resulted in a challenging economic landscape and have made it less compelling to expand of this service to additional gas heated households. In the area of electrically heated households, Energy Trust may still pursue such a service.

In the future, if the PER is offered to a new set of customers, Energy Trust should consider targeting customers with higher levels of energy consumption, as well as providing customers a clear and easy method for opting out of the service. The former should increase the savings and make the PER service more cost effective, while the latter will ensure that the service is available to those that want it, reducing waste and increasing customer satisfaction.

Finance Committee Notes

October 22, 2012

The Finance Committee met at 3:00 pm on October 22, 2012 via teleconference with Dan Enloe, Finance Committee chair; Debbie Kitchin, Board Vice Chair; John Reynolds, Board Chair; Margie Harris, Executive Director; Pati Presnail, Controller and Sue Sample, CFO attending.

2012 Forecasted Results and 2013 Budget

Pati began the discussion with an explanation that efficiency revenues for the electric utilities in 2013 are based on our assumptions that we will receive what is needed to achieve IRP targets for those utilities via 838 funding. We have been working on reducing costs in order to minimize the potential impact on ratepayers. Increased carryover from forecasted 2012 results also served to reduce the requirement. We are awaiting responses from the utilities on those assumptions. She then went on to describe highlights from the 2012 forecast and the 2013 draft budget.

2012 Forecasted results

As of the most recent forecast, we project that for stretch savings:

	Compared to 2012 budget	Compared to 2012 IRP
PGE	96%	113%
PAC	117%	132%
NWN	108%	130%
CNG	101%	115%

We also forecast that we will be well below our key OPUC performance measures:

a. Administrative cost 4.2%—measures are 9% and 11%
b. Electric levelized cost, $.030 most likely—measure is 3.5 cents/kwh
c. Gas levelized cost, $.36 most likely—measure is 60 cents/therm

Highlights for 2013 budget

Resources (including carryover) versus expenses — $ millions

	Resources	Expense
EE	$ 165	$ 155
RE	$ 31	$ 16

Stretch savings:

	Compared to 2012 forecast	Compared to 2013 IRP
PGE	116%	120%
PAC	98%	120%
NWN	85%	130%
CNG	101%	106%

OPUC Performance Measures:

Administrative cost 4.6% - (ok)
Electric levelized cost .030 / .036 conservative
Gas levelized cost .48 stretch / .57 conservative

There are still some questions to be researched about gas levelized cost variations. More issues about the impacts of reduced gas costs will be addressed as part of the draft budget discussions with the Board.

Sue reported that there is an issue with Cascade's forecasted deficit in 2012 which carries forward into 2013. We will likely need to return to the Board with a request for use of interest reserves in order to accommodate that excess demand in 2012. In 2013, we can adjust requirements accordingly. Cascade has already filed its tariff and will need to file another in 2013 to reimburse the excess.

We will wrap up 2014 projections later this week in order to complete the budget package to be sent to the Board next week.

Update on Savings within Reach activities

Sue provided an update on the SWR program indicating that a couple of issues have surfaced since being brought to the Finance Committee:

- In order to be EEAST compliant, the program would need to have some funding by ODOE; we are in the process of negotiating an arrangement with both ODOE and Craft3 to enable this.

- Clean Energy Works has decided not to provide money for this effort with a contribution of a loan loss reserve. We are also negotiating with Craft3 about how we can reduce both the loan loss reserve and fee requirements for the program.

It is still expected that we will be able to move forward with the program in early 2013, despite these changes.

Other Items

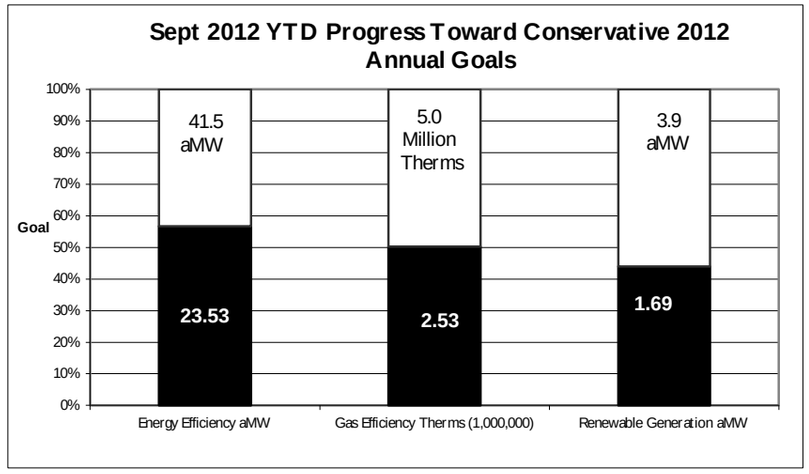
Margie informed the committee that the budget presentation will be different from past presentations in order to meet the needs of a relatively new Board membership. She asked the committee members for feedback as to how they might propose changing the presentation. They recommended a high level presentation with details contained within the packet provided. They also suggested beginning with summary level information to provide year over year perspective.

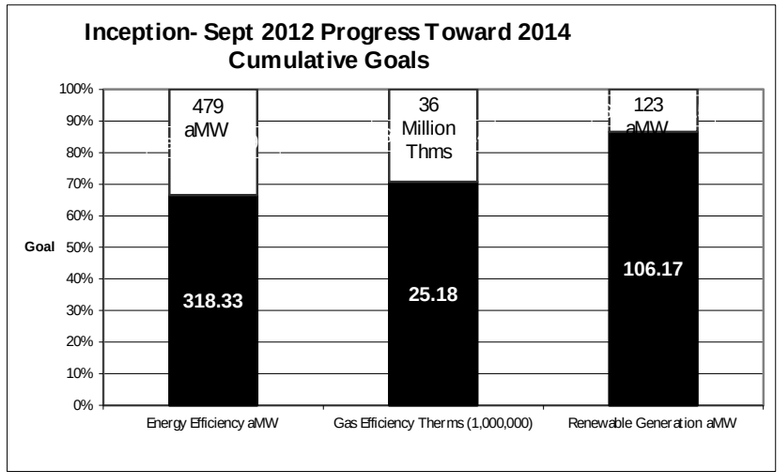
Finance Committee Schedule

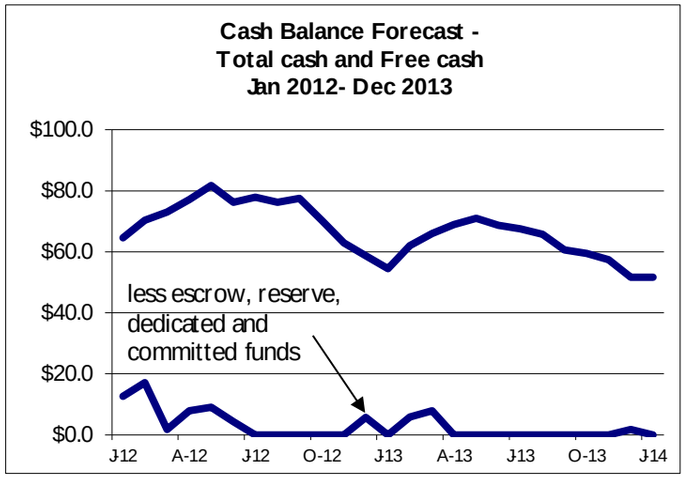
The next finance committee meeting is scheduled for November 26, 2012.

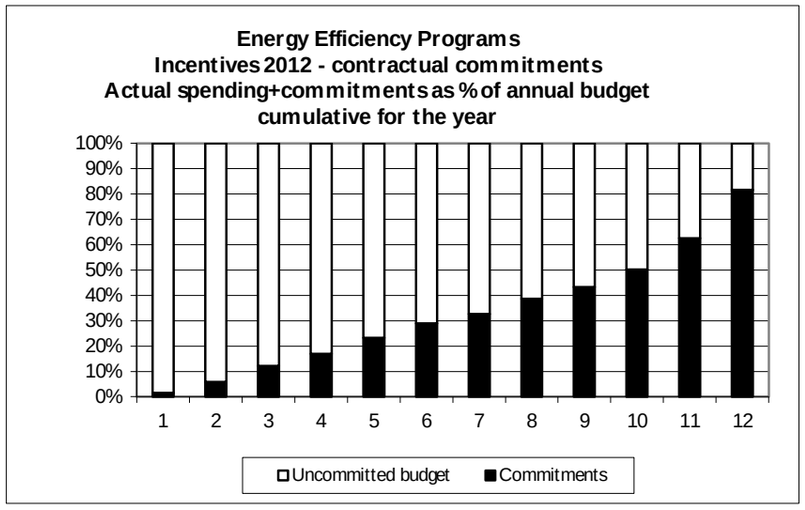
The meeting adjourned at 3:40 pm.

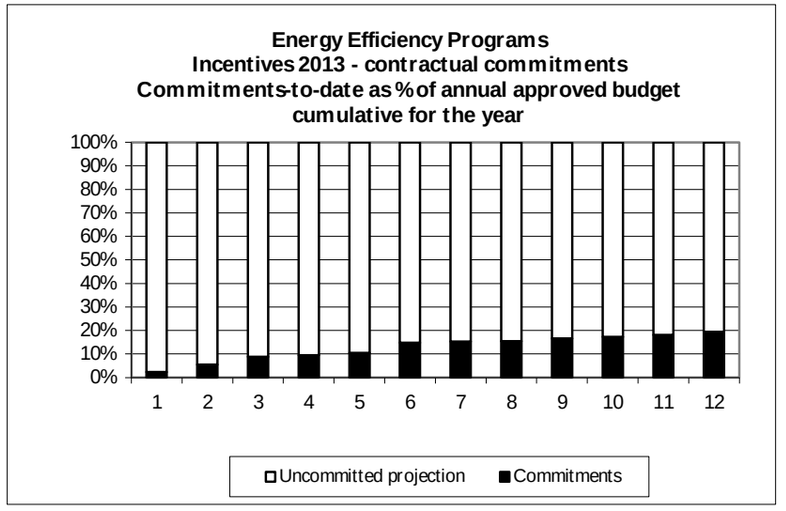
Energy Trust of Oregon, Inc.
Quarterly Dashboard-Third Quarter 2012 (UNAUDITED)







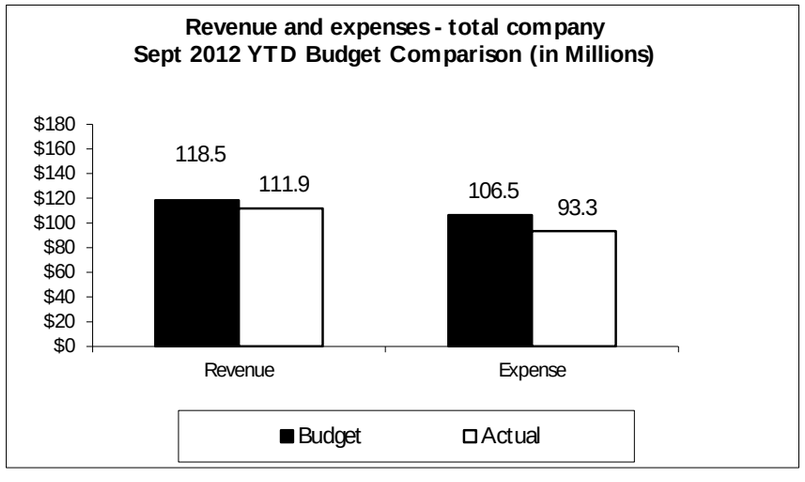


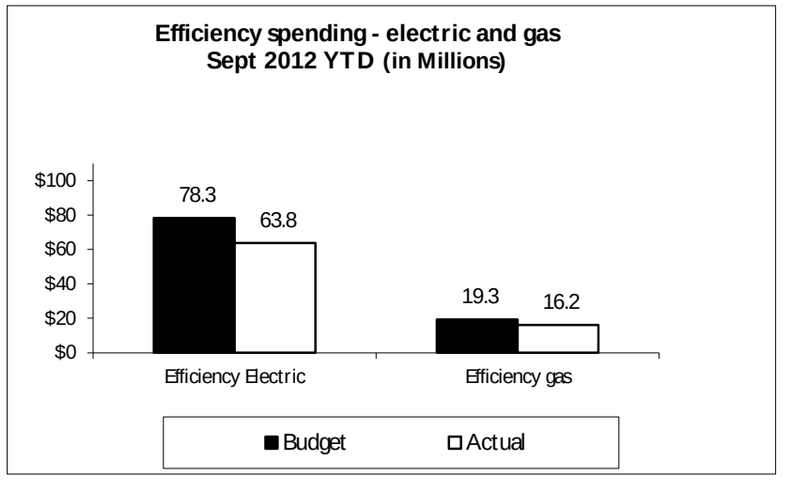


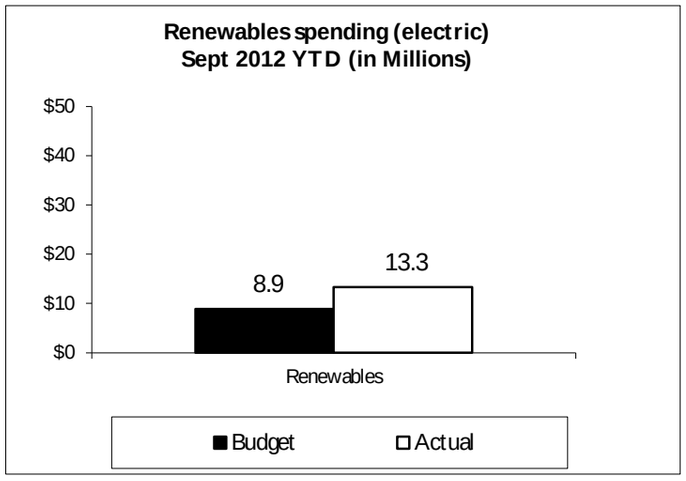
Renewable Energy Programs

Comittments for Current and Future Years

	2012	2013+
BioPower	$ 8.3	$ 1.2
Other renewables	$ 1.6	$ 6.2
Solar PV	$ 10.3	$ 3.5
PROJECTS	$ 20.1	$ 10.9







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

	AUG 2012	JUL 2012	DEC 2011	Change from Prior Month	Change from Beg. of Year
Current Assets					
Cash & Cash Equivalents	75,655,040	77,312,880	73,128,210	(1,657,840)	2,526,830
Restricted Cash (Escrow Funds)	560,763	560,717	938,755	46	(377,992)
Receivables	9,373	13,566	7,599	(4,194)	1,773
Prepaid Expenses	487,384	594,175	293,703	(106,791)	193,682
Advances to Vendors	1,025,188	1,770,500	2,438,724	(745,313)	(1,413,536)
Total Current Assets	**77,737,747**	**80,251,838**	**76,806,991**	**(2,514,091)**	**930,757**
Fixed Assets					
Program Equipment	32,781	32,781	63,213	0	(30,432)
Computer Hardware and Software	1,043,126	1,013,174	974,712	29,952	68,413
Software Development	167,003	90,929	899,718	76,074	(732,715)
Leasehold Improvements	309,767	309,767	309,767	0	0
Office Equipment and Furniture	633,165	633,165	627,017	0	6,148
Total Fixed Assets	**2,185,842**	**2,079,816**	**2,874,427**	**106,026**	**(688,585)**
Less Depreciation	(1,166,275)	(1,147,011)	(1,049,110)	(19,264)	(117,165)
Net Fixed Assets	**1,019,567**	**932,805**	**1,825,317**	**86,762**	**(805,750)**
Other Assets					
Rental Deposit	64,461	64,461	62,461	0	2,000
Deferred Compensation Asset	350,497	344,432	301,336	6,066	49,161
Total Other Assets	**414,958**	**408,893**	**363,797**	**6,066**	**51,161**
Total Assets	**79,172,273**	**81,593,536**	**78,996,105**	**(2,421,264)**	**176,168**
Current Liabilities					
Accounts Payable and Accruals	5,578,060	6,693,044	23,501,523	(1,114,984)	(17,923,463)
Deposits Held for Others	54,357	55,180	0	(823)	54,357
Salaries, Taxes, & Benefits Payable	569,542	583,215	481,910	(13,673)	87,632
Total Current Liabilities	**6,201,959**	**7,331,439**	**23,983,432**	**(1,129,481)**	**(17,781,474)**
Long Term Liabilities					
Deferred Rent	290,384	280,707	31,090	9,676	259,294
Deferred Compensation Payable	350,497	344,432	301,336	6,066	49,161
Other Long-Term Liabilities	15,590	15,820	15,030	(230)	560
Total Long-Term Liabilities	**656,471**	**640,959**	**347,456**	**15,512**	**309,015**
Total Liabilities	**6,858,429**	**7,972,398**	**24,330,888**	**(1,113,969)**	**(17,472,459)**
Net Assets					
Temporarily Restricted Net Assets	567,263	567,217	938,755	46	(371,492)
Unrestricted Net Assets	71,746,581	73,053,922	53,726,462	(1,307,341)	18,020,118
Total Net Assets	**72,313,844**	**73,621,138**	**54,665,217**	**(1,307,295)**	**17,648,626**
Total Liabilities and Net Assets	**79,172,273**	**81,593,536**	**78,996,105**	**(2,421,264)**	**176,168**

BS-Acct-YTD-001

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

	January	February	March	April	May	June	July	August	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)	$ 17,648,627
Non-cash items:									
Depreciation	28,028	16,871	26,398	18,587	22,172	12,333	17,683	19,264	$ 161,335
Loss on disposal of assets				895,749					$ 895,749
Receivables	(61)	(2,776)	12	(117,154)	119,829	(6,133)	3,238	178	$ (2,866)
Interest Receivable	(856)	(149)	702	(331)	1,886	(3,486)	(688)	4,015	$ 1,093
Advances to Vendors	974,854	674,855	(1,288,795)	393,582	692,603	(1,244,313)	465,438	745,312	$ 1,413,536
Prepaid expenses and other costs	(39,514)	38,551	(158,736)	70,773	(233,181)	(53,416)	75,050	106,791	$ (193,682)
Accounts payable	(17,938,184)	680,260	1,050,450	(285,542)	3,360,946	(3,309,454)	(311,775)	(1,115,807)	$ (17,869,106)
Payroll and related accruals	32,885	33,590	41,750	17,550	24,564	9,813	(15,750)	(7,608)	$ 136,794
Deferred rent and other	44,974	42,803	44,832	10,590	29,121	29,031	3,960	3,382	$ 208,693
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)	$ 2,400,173
Investing Activities:									
(Acquisition)/Disposal of Capital Assets	(23,704)	-	(2,884)		5,179	(32,970)	(90,928)	(106,026)	$ (251,333)
Cash rec'd from / (used in) Investing Activities	(23,704)	-	(2,884)	-	5,179	(32,970)	(90,928)	(106,026)	$ (251,333)
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	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	(1,657,796)	2,148,839
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	$ 76,215,803	$ 76,215,803

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

	2011	2012 Actual								2012 Budget			
	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	11,700,000	12,200,000	12,600,000	15,800,000
From other sources	1,400		3,055			120,669	367	3,238	178				
Investment Income	15,884	13,175	11,163	13,027	11,735	12,052	12,555	12,589	14,898	23,000	23,000	23,000	23,000
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	11,723,000	12,223,000	12,623,000	15,823,000
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	15,800,000	19,900,000	19,300,000	18,300,000
Net cash flow for the month	(14,343,628)	(9,451,810)	5,782,491	2,664,257	4,144,465.23	4,501,248	(5,517,690)	1,683,672	(1,657,795)	(4,077,000)	(7,677,000)	(6,677,000)	(2,477,000)
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	72,138,803	64,461,803	57,784,803
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	72,138,803	64,461,803	57,784,803	55,307,803
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)	(23,200,000)	(24,700,000)	(21,500,000)
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)	(57,700,000)	(56,800,000)	(54,600,000)	(50,300,000)
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)	(8,200,000)	(8,200,000)
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**	**-**	**-**	**-**	**-**	**-**	**-**
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	560,797	461,829	461,855
Net Escrow (Payments)/Funding	-	(92,305)		-	(203,270)			(82,753)			(99,000)		(45,000)
Interest Paid on Escrow Balances	53	17	32	67	33	38	56	46	46	35	32	26	26
Ending Escrow Balance[1]	938,755	846,467	846,499	846,566	643,329	643,367	643,423	560,717	560,763	560,797	461,829	461,855	416,882

[1]Included 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 Projection											
	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Cash In:												
Public purpose and Incr funding	18,800,000	18,800,000	17,100,000	16,500,000	14,500,000	13,200,000	12,300,000	12,500,000	12,300,000	12,200,000	13,400,000	16,900,000
From other sources												
Investment Income	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Total cash in	18,817,000	18,817,000	17,117,000	16,517,000	14,517,000	13,217,000	12,317,000	12,517,000	12,317,000	12,217,000	13,417,000	16,917,000
Cash Out:	19,600,000	9,500,000	11,300,000	10,900,000	11,300,000	13,500,000	13,000,000	13,700,000	17,000,000	15,600,000	16,200,000	20,300,000
Net cash flow for the month	(783,000)	9,317,000	5,817,000	5,617,000	3,217,000	(283,000)	(683,000)	(1,183,000)	(4,683,000)	(3,383,000)	(2,783,000)	(3,383,000)
Beginning Balance: Cash & MM	55,300,000	54,517,000	63,834,000	69,651,000	75,268,000	78,485,000	78,202,000	77,519,000	76,336,000	71,653,000	68,270,000	65,487,000
Ending cash & MM	54,517,000	63,834,000	69,651,000	75,268,000	78,485,000	78,202,000	77,519,000	76,336,000	71,653,000	68,270,000	65,487,000	62,104,000
Dedicated funds Adjustment	(22,000,000)	(22,400,000)	(22,400,000)	(22,400,000)	(22,400,000)	(22,400,000)	(11,000,000)	(11,000,000)	(11,000,000)	(11,000,000)	(11,000,000)	(11,000,000)
Committed Funds Adjustment	(51,500,000)	(51,600,000)	(51,600,000)	(51,600,000)	(51,600,000)	(51,600,000)	(50,500,000)	(50,500,000)	(50,500,000)	(50,500,000)	(50,500,000)	(50,500,000)
Cash Reserve	(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)	(8,200,000)	(8,200,000)
Ending Cash & MM, adj by Above	**-**	**-**	**-**	**-**	**-**	**-**	**7,819,000**	**6,636,000**	**1,953,000**	**-**	**-**	**1,761,903**
Escrow Cash Balance												
Beginning Balance	416,882	416,905	416,931	302,796	203,814	203,828	203,841	203,854	104,867	104,874	5,880	5,880
Net Escrow (Payments)/Funding			(114,162)	(99,000)				(99,000)		(99,000)		(45,000)
Interest Paid on Escrow Balances	24	26	27	19	13	14	13	13	6	6	0	0
Ending Escrow Balance[1]	416,905	416,931	302,796	203,814	203,828	203,841	203,854	104,867	104,874	5,880	5,880	(39,119)

[1]Included 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 Eight Months Ending August 31, 2012
(Unaudited)

	August			YTD		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
REVENUES						
Public Purpose Funds-PGE	2,782,893	2,720,534	62,359	24,917,012	23,646,739	1,270,273
Public Purpose Funds-PacifiCorp	1,918,689	2,219,823	(301,134)	17,241,461	17,907,508	(666,047)
Public Purpose Funds-NW Natural	208,684	631,788	(423,105)	13,878,380	15,504,275	(1,625,895)
Public Purpose Funds-Cascade	31,380	295,464	(264,084)	1,004,375	1,399,996	(395,621)
Public Purpose Funds-Avista	0	0	0	(25,458)	0	(25,458)
Total Public Purpose Funds	**4,941,646**	**5,867,610**	**(925,964)**	**57,015,769**	**58,458,517**	**(1,442,748)**
Incremental Funds - PGE	3,150,142	2,990,941	159,201	26,770,271	28,560,462	(1,790,191)
Incremental Funds - PacifiCorp	1,800,885	2,005,211	(204,326)	16,123,287	16,624,785	(501,498)
NW Natural - Industrial DSM	0	0	0	538,172	3,420,205	(2,882,033)
NW Natural - Washington	0	0	0	630,957	630,957	0
Special Projects - Clackamas County	0	0	0	200	0	200
Consulting Income	0	0	0	3,055	0	3,055
Contributions	0	0	0	7,140	0	7,140
Revenue from Investments	10,884	16,667	(5,783)	100,238	133,336	(33,098)
TOTAL REVENUE	**9,903,558**	**10,880,429**	**(976,872)**	**101,189,090**	**107,828,263**	**(6,639,173)**
EXPENSES						
Program Subcontracts	3,753,165	3,894,570	141,405	29,105,995	30,451,788	1,345,793
Incentives	5,998,597	7,399,229	1,400,631	42,039,715	44,698,740	2,659,025
Salaries and Related Expenses	791,711	848,737	57,026	5,821,134	6,767,627	946,493
Professional Services	493,276	886,414	393,138	4,387,047	7,325,641	2,938,594
Supplies	6,194	7,618	1,424	42,736	59,278	16,542
Telephone	3,820	4,530	710	30,413	36,243	5,830
Postage and Shipping Expenses	928	2,875	1,947	8,252	23,000	14,748
Occupancy Expenses	31,299	55,395	24,096	416,947	438,662	21,714
Noncapitalized Equip. & Depr.	52,183	159,821	107,638	1,138,865	664,890	(473,975)
Call Center	18,263	12,769	(5,495)	148,666	116,726	(31,940)
Printing and Publications	8,261	16,171	7,910	75,195	129,367	54,172
Travel	16,661	15,064	(1,597)	77,754	141,098	63,344
Conference, Training & Mtng Exp	16,737	31,495	14,758	84,637	260,460	175,823
Interest Expense and Bank Fees	5,000	625	(4,375)	5,000	5,000	0
Insurance	7,800	9,167	1,367	61,426	73,333	11,907
Miscellaneous Expenses	100	217	117	2,115	1,733	(382)
Dues, Licenses and Fees	6,858	7,083	225	94,567	100,794	6,228
TOTAL EXPENSES	**11,210,853**	**13,351,778**	**2,140,926**	**83,540,463**	**91,294,380**	**7,753,917**
TOTAL REVENUE LESS EXPENSES	**(1,307,295)**	**(2,471,349)**	**1,164,054**	**17,648,626**	**16,533,883**	**1,114,743**

IS-Acct-YTD-001

Energy Trust of Oregon, Inc
Statement of Functional Expenses
For the Eight Months Ending August 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	60,503,347	10,642,363		71,145,710			-	71,145,710	75,150,527	4,004,817
Payroll and Related Expenses	1,633,059	557,835	1,544	2,192,438	1,229,466	521,105	1,750,571	3,943,009	4,353,414	410,405
Outsourced Services	2,560,361	263,634		2,823,995	171,553	390,791	562,344	3,386,339	6,087,286	2,700,947
Planning and Evaluation	1,142,722	56,873		1,199,595	11,585		11,585	1,211,180	1,719,151	507,971
Customer Service Management	445,673	18,556		464,229			-	464,229	449,582	(14,647)
Trade Allies Network	249,621	18,270		267,891			-	267,891	331,465	63,574
Total Program Expenses	**66,534,783**	**11,557,532**	**1,544**	**78,093,859**	**1,412,604**	**911,897**	**2,324,501**	**80,418,360**	**88,091,424**	**7,673,064**
Program Support Costs										
Supplies	19,114	3,914	3	23,031	7,581	4,286	11,867	34,898	35,971	1,073
Postage and Shipping Expenses	2,661	720	1	3,382	1,271	1,468	2,739	6,121	16,303	10,182
Telephone	2,839	1,578	1	4,418	1,989	640	2,629	7,047	4,379	(2,668)
Printing and Publications	49,492	3,607		53,099	551	17,287	17,838	70,937	123,501	52,564
Occupancy Expenses	120,101	44,688	60	164,849	78,913	40,941	119,854	284,703	289,291	4,588
Insurance	17,694	6,584	9	24,287	11,626	6,032	17,658	41,945	48,362	6,417
Equipment	7,066	29,525	4	36,595	736,146	2,409	738,555	775,150	17,658	(757,492)
Travel	28,365	11,428	376	40,169	20,140	1,123	21,263	61,432	120,099	58,667
Meetings, Trainings & Conferences	12,616	5,105		17,721	25,753	3,778	29,531	47,252	182,994	135,742
Interest Expense and Bank Fees				-	5,000		5,000	5,000	5,000	-
Depreciation & Amortization	30,871	16,778	15	47,664	20,284	10,523	30,807	78,471	103,056	24,585
Dues, Licenses and Fees	59,717	11,095		70,812	7,657	1,882	9,539	80,351	76,173	(4,178)
Miscellaneous Expenses	1,484	31		1,515	168	29	197	1,712	1,165	(547)
IT Services	1,195,788	99,095		1,294,883	199,501	132,704	332,205	1,627,088	2,179,004	551,916
Total Program Support Costs	**1,547,808**	**234,148**	**468**	**1,782,424**	**1,116,579**	**223,100**	**1,339,679**	**3,122,103**	**3,202,957**	**80,854**
TOTAL EXPENSES	**68,082,591**	**11,791,679**	**2,012**	**79,876,282**	**2,529,184**	**1,134,997**	**3,664,181**	**83,540,463**	**91,294,380**	**7,753,917**

OPUC measure vs. 9% 5.38%

Exp-Acct-YTD-002

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory - joint costs allocated at program level
For the Eight Months Ending August 31, 2012
(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	$19,372,907	$13,463,215	$32,836,122		$13,878,380	$1,004,375	$47,693,419		$47,693,419	$5,544,105	$3,778,246	$9,322,351		$57,015,770	$58,458,518	$1,442,748
Incremental Funding	26,770,271	16,123,287	42,893,558	538,172			43,431,730	630,957	44,062,687					44,062,687	49,236,410	5,173,723
Consulting Income													3,055	3,055		(3,055)
Contributions													7,140	7,140		(7,140)
Special Projects	34		34		166		200		200					200		(200)
Revenue from Investments													100,238	100,238	133,336	33,098
TOTAL PROGRAM REVENUE	**46,143,212**	**29,586,502**	**75,729,714**	**538,172**	**13,878,546**	**1,004,375**	**91,125,349**	**630,957**	**91,756,306**	**5,544,105**	**3,778,246**	**9,322,351**	**110,433**	**101,189,090**	**107,828,264**	**6,639,174**
EXPENSES																
Program Management (Note 3)	1,516,901	1,157,008	2,673,909	37,482	793,839	45,894	3,551,124	88,295	3,639,419	236,854	320,954	557,808	1,544	4,198,771	4,036,664	(162,107)
Program Delivery	11,450,084	8,660,394	20,110,478	311,027	3,468,397	240,853	24,130,755	148,243	24,278,998	90,175	76,984	167,159	-	24,446,157	25,876,614	1,430,457
Incentives	15,016,190	10,233,758	25,249,948	263,518	5,557,247	318,639	31,389,352	175,160	31,564,512	7,602,567	2,872,638	10,475,205	-	42,039,717	44,698,739	2,659,022
Program Eval & Planning Svcs.	1,112,204	804,377	1,916,580	27,883	414,957	24,572	2,383,993	40,425	2,424,418	24,753	32,120	56,873	-	2,481,291	3,792,093	1,310,802
Program Marketing/Outreach	1,458,129	1,038,149	2,496,278	9,707	888,687	46,297	3,440,969	44,297	3,485,266	32,386	14,051	46,437	-	3,531,703	3,941,303	409,600
Program Legal Services	278	252	530	-	281	9	820	-	820	-	-	-	-	820	5,001	4,181
Program Quality Assurance	31,885	28,415	60,300	62	29,702	1,043	91,107	-	91,107	863	-	863	-	91,970	192,028	100,058
Outsourced Services	144,560	112,856	257,417	2,059	91,239	3,578	354,293	582	354,875	128,153	88,182	216,335	-	571,210	1,803,672	1,232,462
Trade Allies & Cust. Svc. Mgmt.	269,934	209,639	479,574	1,748	189,812	8,401	679,535	15,759	695,294	28,258	8,568	36,826	-	732,120	781,045	48,925
IT Services	494,993	380,859	875,852	6,888	265,571	13,178	1,161,489	34,300	1,195,789	39,859	59,237	99,096	-	1,294,885	1,734,116	439,231
Other Program Expenses	155,276	108,441	263,717	4,085	57,380	3,623	328,806	23,285	352,091	77,434	57,646	135,080	468	487,639	599,908	112,269
TOTAL PROGRAM EXPENSES	**31,650,434**	**22,734,148**	**54,384,583**	**664,460**	**11,757,113**	**706,088**	**67,512,243**	**570,346**	**68,082,591**	**8,261,302**	**3,530,380**	**11,791,679**	**2,012**	**79,876,282**	**87,461,183**	**7,584,900**
ADMINISTRATIVE COSTS																
Management & General (Notes 1 & 2)	1,002,198	719,867	1,722,065	21,040	372,284	22,358	2,137,747	18,059	2,155,806	259,314	114,064	373,378	-	2,529,184	2,411,230	(117,954)
Communications & Customer Svc (Notes 1 &	449,746	323,048	772,794	9,442	167,066	10,033	959,335	8,104	967,439	116,370	51,187	167,557	-	1,134,997	1,421,970	286,973
Total Administrative Costs	**1,451,944**	**1,042,915**	**2,494,859**	**30,482**	**539,350**	**32,391**	**3,097,082**	**26,163**	**3,123,245**	**375,684**	**165,251**	**540,935**	**-**	**3,664,181**	**3,833,200**	**169,019**
TOTAL PROG & ADMIN EXPENSES	**33,102,382**	**23,777,068**	**56,879,450**	**694,942**	**12,296,464**	**738,478**	**70,609,334**	**596,510**	**71,205,844**	**8,636,986**	**3,695,628**	**12,332,614**	**2,012**	**83,540,463**	**91,294,383**	**7,753,919**
TOTAL REVENUE LESS EXPENSES	**13,040,834**	**5,809,439**	**18,850,273**	**(156,770)**	**1,582,083**	**265,896**	**20,516,024**	**34,448**	**20,550,472**	**(3,092,881)**	**82,615**	**(3,010,266)**	**108,421**	**17,648,627**	**16,533,881**	**(1,114,746)**
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	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		7,900,000		7,900,000	585,000	2,235,000	2,820,000	(10,720,000)			
Interest re-attributed	(1,740,000)	(1,160,000)	(2,900,000)		(5,000,000)		(7,900,000)		(7,900,000)				7,900,000			
TOTAL NET ASSETS CUMULATIVE	**23,784,844**	**5,828,121**	**29,612,965**	**1,233,051**	**8,478,005**	**416,773**	**39,740,794**	**282,219**	**40,023,013**	**13,903,002**	**10,585,390**	**24,488,392**	**7,802,440**	**72,313,845**	**67,777,435**	**(4,536,410)**

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.

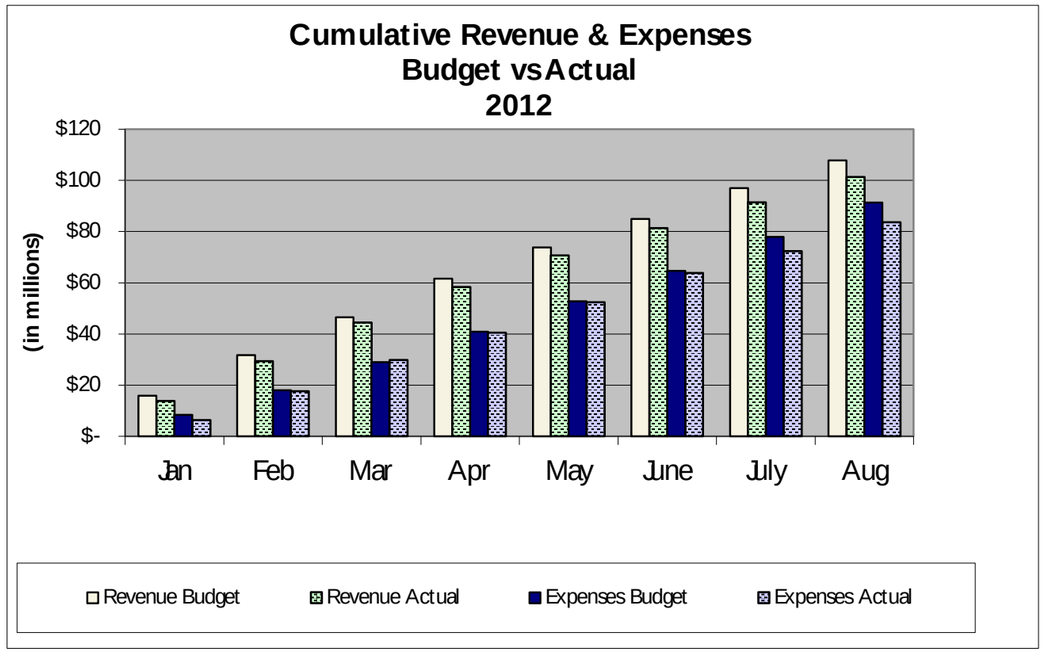
Energy Trust of Oregon, Inc
Program Expense by Service Territory
For the Eight Months Ending August 31, 2012
(Unaudited)

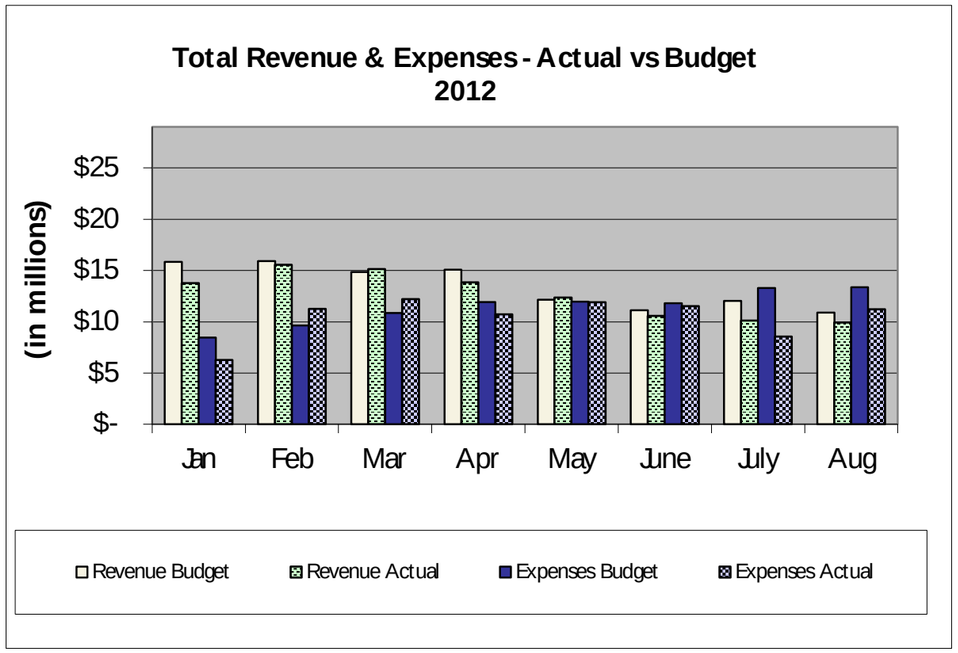
	PGE	Pacific Power	Total Electric	NWN Industrial	NW Natural Gas	Cascade	Total Gas	Oregon Total	NWN WA	Consulting	ETO Total	YTD Budget
Energy Efficiency												
Commercial												
Existing Buildings	7,371,851	6,346,182	13,718,033	106,182	3,465,666	192,571	3,764,419	17,482,452	200,451		17,682,903	22,277,698
New Buildings	4,877,167	3,320,143	8,197,310	101,080	604,961	79,988	786,029	8,983,339			8,983,339	9,730,603
NEEA	1,039,531	784,207	1,823,738				-	1,823,738			1,823,738	2,069,760
Total Commercial	**13,288,549**	**10,450,532**	**23,739,081**	**207,262**	**4,070,627**	**272,559**	**4,550,448**	**28,289,529**	**200,451**	**-**	**28,489,980**	**34,078,061**
Industrial												
Production Efficiency	6,875,635	3,982,248	10,857,883	487,680	163,925	90,724	742,329	11,600,212			11,600,212	14,974,052
NEEA	511,786	386,084	897,870				-	897,870			897,870	949,754
Total Industrial	**7,387,421**	**4,368,332**	**11,755,753**	**487,680**	**163,925**	**90,724**	**742,329**	**12,498,082**		**-**	**12,498,082**	**15,923,806**
Residential												
Existing Homes	5,127,568	4,637,024	9,764,592		5,174,437	174,646	5,349,083	15,113,675	260,048		15,373,723	17,627,515
New Homes/Products	5,769,854	3,167,731	8,937,585		2,887,475	200,549	3,088,024	12,025,609	136,011		12,161,620	14,286,789
NEEA	1,528,990	1,153,449	2,682,439				-	2,682,439			2,682,439	2,134,219
Total Residential	**12,426,412**	**8,958,204**	**21,384,616**		**8,061,912**	**375,195**	**8,437,107**	**29,821,723**	**396,059**	**-**	**30,217,782**	**34,048,523**
Energy Efficiency Program C	**33,102,382**	**23,777,068**	**56,879,450**	**694,942**	**12,296,464**	**738,478**	**13,729,884**	**70,609,334**	**596,510**	**-**	**71,205,844**	**84,050,390**
Renewables												
Biopower	64,214	748,158	812,372				-	812,372			812,372	1,191,050
Solar Electric (Photovoltaic)	8,357,407	2,269,353	10,626,760				-	10,626,760			10,626,760	4,361,606
Other Renewable	215,365	678,117	893,482					893,482			893,482	1,691,334
Renewables Program Costs	**8,636,986**	**3,695,628**	**12,332,614**				**-**	**12,332,614**		**-**	**12,332,614**	**7,243,990**
Consulting			0.00				-	-		2,012	2,012	
Cost Grand Total	**41,739,368**	**27,472,696**	**69,212,064**	**694,942**	**12,296,464**	**738,478**	**13,729,884**	**82,941,948**	**596,510**	**2,012**	**83,540,463**	**91,294,380**

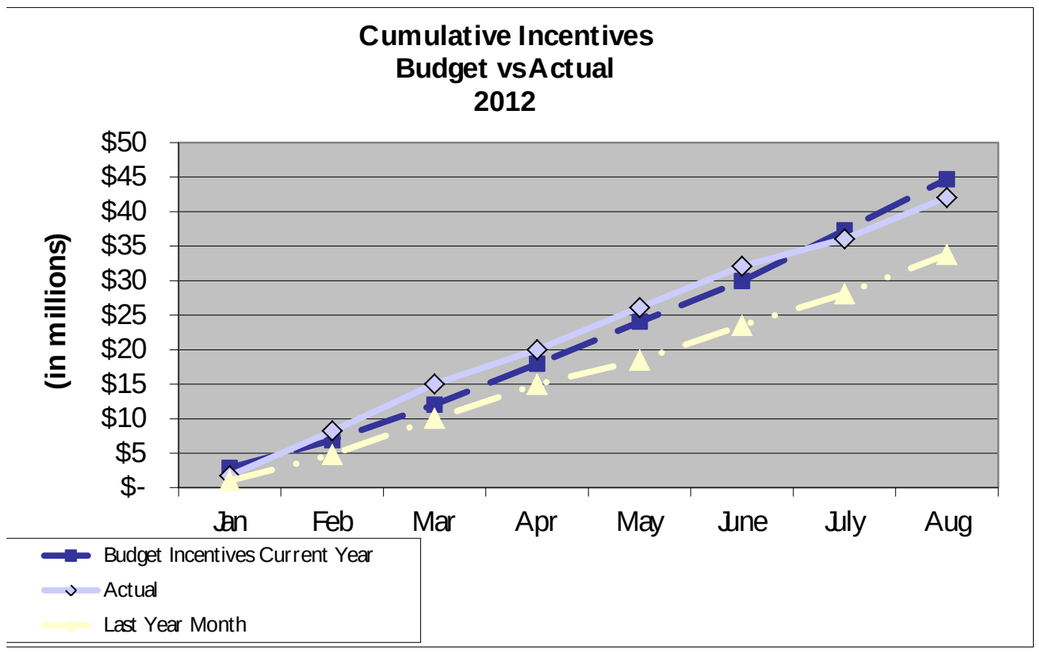
Energy Trust of Oregon, Inc.
ADMINISTRATIVE EXPENSES
For the Two Months and Year to Date Ended August 31, 2012
(Unaudited)

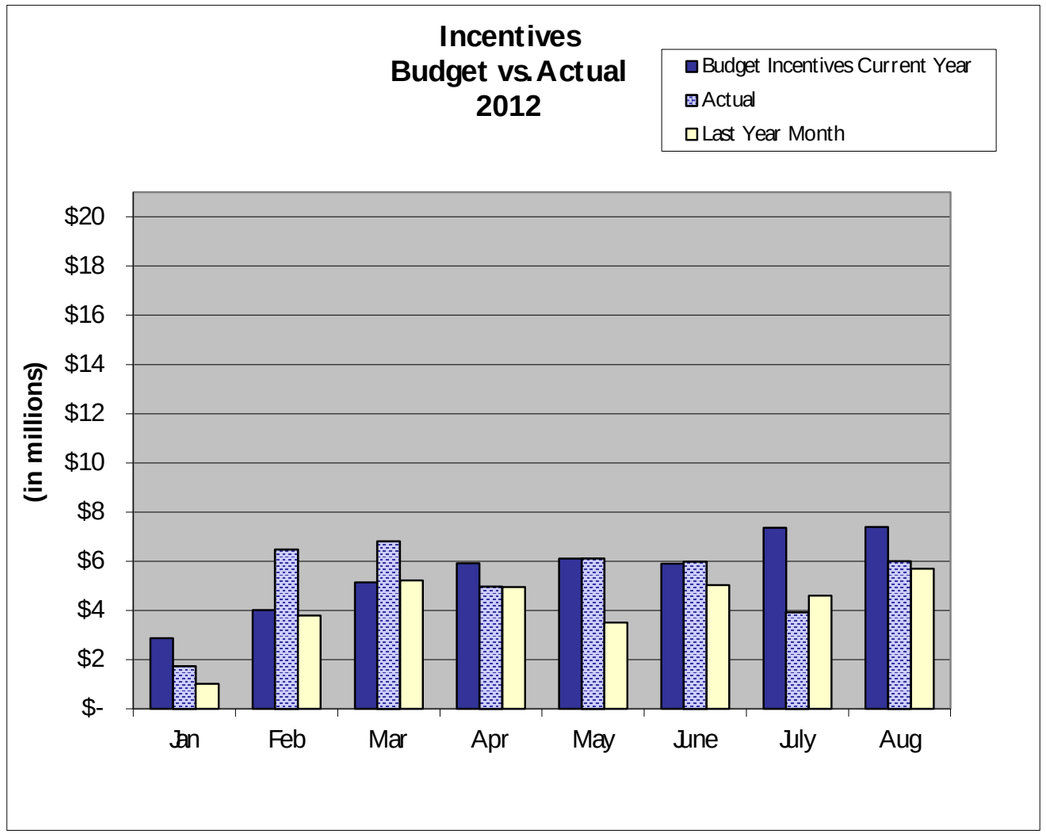
	MANAGEMENT & GENERAL						COMMUNICATIONS & CUSTOMER SERVICE					
	QTD ACTUAL	QUARTERLY BUDGET	QUARTER REMAINING	YTD ACTUAL	YTD BUDGET	VARIANCE	QTD ACTUAL	QUARTERLY BUDGET	QUARTER REMAINING	YTD ACTUAL	BUDGET	VARIANCE
EXPENSES												
Outsourced Services	$27,227	$130,346	$103,120	$147,611	$321,590	$173,979	$112,998	$193,250	$80,252	$390,791	$502,833	$112,042
Legal Services	1,357	35,625	34,268	23,943	95,000	71,058						
Salaries and Related Expenses	325,120	522,062	196,943	1,229,419	1,423,592	194,173	137,368	227,545	90,176	521,080	604,807	83,726
Supplies		1,500	1,500	3,397	4,000	603	766	625	(141)	2,115	1,667	(448)
Telephone	584	710	126	1,140	933	(207)	28		(28)	199		(199)
Postage and Shipping Expenses								1,250	1,250	809	3,333	2,525
Noncapitalized Equipment				731,503		(731,503)		500	500		1,333	1,333
Printing and Publications	143	75	(68)	294	200	(94)	7,275	12,500	5,225	17,154	33,333	16,180
Travel	4,179	9,164	4,985	20,140	24,437	4,297	739	1,750	1,011	1,123	4,667	3,543
Conference, Training & Mtngs	5,068	38,835	33,767	25,753	105,060	79,307	1,072	5,125	4,053	3,778	13,667	9,888
Interest Expense and Bank Fees	5,000	1,875	(3,125)	5,000	5,000							
Miscellaneous Expenses		25	25	112	67	(46)						
Dues, Licenses and Fees	4,241	1,258	(2,983)	7,657	5,774	(1,883)	603	625	22	1,882	1,667	(216)
Shared Allocation (Note 1)	29,115	53,548	24,433	122,129	141,961	19,832	13,893	29,024	15,132	63,362	76,946	13,585
IT Service Allocation (Note 2)	46,904	121,249	74,345	199,501	267,173	67,672	31,199	80,652	49,453	132,704	177,717	45,014
Planning & Eval (Note 3)	3,017	5,972	2,956	11,585	16,444	4,859						
TOTAL EXPENSES	**451,953**	**922,244**	**470,291**	**2,529,184**	**2,411,231**	**(117,953)**	**305,941**	**552,846**	**246,905**	**1,134,997**	**1,421,970**	**286,973**

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


Cumulative Revenue & Expenses
Budget vs Actual
2012
(in millions)
$120
$100
$80
$60
$40
$20
$-
Jan
Feb
Mar
Apr
May
June
July
Aug
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
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Cumulative Incentives
Budget vs Actual
2012
(in millions)
$50
$45
$40
$35
$30
$25
$20
$15
$10
$5
$-
Jan
Feb
Mar
Apr
May
June
July
Aug
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

R00407

For contracts with costs through: 9/1/2012

Energy Trust of Oregon
Contract Status Summary Report

Report Date: 9/19/2012

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Administration							
		Administration Total:	**8,199,133**	**2,472,188**	**5,726,946**		
Communications & Outreach							
		Communications & Outreach Total:	**3,072,361**	**2,166,920**	**905,441**		
Energy Efficiency Programs							
Northwest Energy Efficiency Alliance	Regional Energy Eff Initiative	Portland	39,138,680	21,834,920	17,303,760	1/1/10	7/1/15
Lockheed Martin Services, Inc.	PMC EB 2012	Cherry Hill	8,859,261	5,104,188	3,755,073	1/1/12	12/31/12
Conservations Services Group, Inc.	2012 HES PMC	Portland	6,961,172	4,636,894	2,324,278	1/1/12	12/31/12
Portland Energy Conservation, Inc.	PMC NHP 2012	Portland	6,652,175	4,044,748	2,607,427	1/1/12	12/31/12
Portland Energy Conservation, Inc.	2012 NBE PMC	Portland	4,780,560	3,051,473	1,729,087	1/1/12	12/31/12
Oregon State University	CHP Project - OSU	Corvallis	2,024,263	1,920,000	104,263	12/20/10	12/20/13
Cascade Energy, Inc.	PDC - PE 2012	Walla Walla	1,777,494	1,043,625	733,869	1/1/12	12/31/12
Portland General Electric	PDC - PE 2012		1,753,000	1,189,393	563,607	1/1/12	12/31/12
OPOWER, Inc.	OPOWER Agreement	Arlington	1,725,000	1,535,720	189,280	3/2/10	2/28/13
Lockheed Martin Services Inc.	2012 MF PMC	Portland	1,660,001	960,186	699,815	1/1/12	12/31/12
RHT Energy Solutions	PDC - PE 2012	Medford	1,397,810	875,262	522,548	1/1/12	12/31/12
Cascade Energy, Inc.	PDC - PE 2012 Small Industrial	Walla Walla	1,139,688	638,278	501,410	1/1/12	12/31/12
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	481,021	355,979	1/1/12	12/31/12
Evergreen Consulting Group, LLC	PE Lighting PDC 2012	Tigard	834,860	419,165	415,695	1/1/12	12/31/12
Ecova Inc	80 Plus Initiative - 2012	Portland	487,995	79,420	408,575	1/1/12	12/31/12
ICF Resources, LLC	BE PMC Transition Agreement	Fairfax	482,000	0	482,000	9/4/12	12/31/12
Navigant Consulting Inc	PE Program Impact Evaluation	Boulder	450,000	204,552	245,448	12/15/11	6/30/13
Clean Energy Works Oregon Inc	Clean Energy Works	Portland	448,500	300,000	148,500	1/1/10	12/31/12
SBW Consulting, Inc.	BE Program Impact Evaluation	Bellevue	400,000	142,870	257,131	1/15/12	6/30/13
The Cadmus Group Inc.	NB Impact Eval 2010-2011	Watertown	295,000	143,435	151,565	1/13/12	12/31/13
Cascade Energy Engineering, Inc.	Technical Service Provider	Portland	284,483	277,989	6,494	8/1/09	7/31/12
Evoworx Inc.	EnergySavvy Online Audit Tool	Seattle	225,000	126,730	98,270	1/1/12	12/31/12
Lockheed Martin Services Inc.	NWN WA BE 2012	Portland	202,200	89,456	112,744	1/1/12	12/31/12
Research Into Action, Inc.	EB Evaluation	Portland	195,000	122,715	72,285	1/1/12	12/31/12
Conservation Services Group Inc	2012 HES WA PMC	Westborough	193,726	84,242	109,484	1/1/12	12/31/12
Research Into Action, Inc.	PE Evaluation	Portland	170,000	54,590	115,410	2/1/12	10/30/12
PacifiCorp	Consumer Info Transfer	Portland	137,500	60,228	77,272	8/15/03	8/15/12
Opinion Dynamics Corporation	Evaluate OPOWER Pilot	Waltham	128,000	118,370	9,630	4/1/11	8/31/12
J. Hruska Global	Quality Assurance Services	Columbia City	125,000	76,792	48,208	1/18/12	12/31/12
ICF Resources, LLC	CHP Performance	Fairfax	116,320	64,948	51,372	8/5/09	6/30/13
Lockheed Martin Services, Inc.	NWN DSM Initiative 2012	Cherry Hill	110,000	29,035	80,965	1/1/12	12/31/12
PWP, Inc.	NBE Process Evaluation	Gaithersburg	100,000	41,213	58,787	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
Heschong, Mahone Group, Inc.	QA Consultant Services	Fair Oaks	88,500	88,500	0	3/15/11	12/31/12

*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
Johnson Consulting Group LLC	CEWO Process Evaluation	Frederick	80,000	41,747	38,253	12/12/11	11/30/12
QEI Energy Management, Inc.	Technical Energy Analysis		80,000	8,717	71,283	1/21/10	9/30/12
Energy Efficiency Funding Group Inc	Training Classes/Workshops	San Francisco	75,000	37,361	37,639	6/1/11	5/31/13
Hitachi Consulting Corporation	SOW #14 PMC Transition Support	Dallas	70,000	0	70,000	9/10/12	1/21/13
Portland Energy Conservation, Inc.	PECI NWN WA 2012	Portland	65,026	32,375	32,651	1/1/12	12/31/12
On Target Consulting & Research	OR Res Awareness Study - 2012	Lake Forest Park	65,000	59,729	5,271	3/1/12	12/31/12
Glumac Inc	Data Center Analysis	Portland	64,525	26,975	37,550	6/7/12	10/31/12
Portland Energy Conservation, Inc.	EE Consultant Services	Portland	54,170	37,271	16,900	6/1/11	12/31/13
Home Performance Contractors Guild of Oregon	Existing Homes Program Support	Portland	52,000	42,227	9,773	1/1/12	12/31/12
Pollinate Inc	Web Application Development	Portland	51,000	30,979	20,021	1/1/12	12/31/12
The Cadmus Group Inc.	Commercial Op Pilot Eval	Watertown	50,000	15,736	34,264	7/1/11	11/30/12
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	1,050	43,950	7/1/12	6/30/14
Delta-T, Inc.	New Homes QA Assurance	Goldendale	42,250	0	42,250	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
Research Into Action, Inc.	Eval SB 838 2010 & 2011 Funds	Portland	40,000	25,934	14,066	6/15/11	6/30/12
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
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	12,945	17,055	2/15/11	11/30/12
Seattle City Light	Lighting Design Lab Sponsor	Seattle	30,000	30,000	0	1/1/12	12/31/12
Clackamas County	Clackamas County Proj Outreach	Oregon City	25,000	17,000	8,000	5/1/12	12/31/12
MetaResource Group	EPS Evaluation	Portland	25,000	24,335	666	9/1/11	3/31/12
Portland General Electric	Seminar Sponsorship	Portland	24,950	24,950	0	1/1/12	12/31/12
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	20,000	3,500	16,500	8/22/12	1/31/13
MetaResource Group	Intel D1X Megaproject	Portland	20,000	4,650	15,350	10/10/11	12/31/12
Michael Blasnick & Associated	Billing Analysis Process	Boston	20,000	3,938	16,063	1/1/10	12/31/12
Lane Community College, NEEI Science Division	2012 Scholarship Grant	Eugene	16,600	3,400	13,200	1/1/12	12/31/12
Consortium for Energy Efficiency	Membership Dues - 2012		15,063	15,063	0	1/1/12	12/31/12
American Council for and Energy Efficient Economy	Next Generation EE Program Rev		15,000	15,000	0	1/1/12	10/31/12
Oregon Department of Energy	Oregon Leaders Project	Salem	15,000	15,000	0	9/19/11	1/31/14
Watershed Sciences Inc	Thermal Imaging Data Analysis	Corvallis	11,000	2,475	8,525	7/1/11	12/31/12
Portland State University Foundation	Green Modular Classroom Proj	Portland	10,500	0	10,500	6/13/12	7/31/14

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Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
American Council for and Energy Efficient Economy	Industrial Investment Decision		10,000	10,000	0	1/1/12	10/31/12
American Council for and Energy Efficient Economy	ACEEE Sponsorship - 2012		10,000	10,000	0	1/1/12	12/31/12
Association of Energy Services Professionals	AESP 2012 Membership	Phoenix	5,000	5,000	0	1/1/12	12/31/12
MetaResource Group	Sunriver Lodge Spillover Eval	Portland	5,000	2,288	2,713	8/13/12	12/31/12
MetaResource Group	Home Performance Focus Group	Portland	5,000	2,982	2,018	8/10/12	9/30/12
	Energy Efficiency Programs Total:		**86,582,509**	**50,891,615**	**35,690,894**		
Joint Programs							
Gilmore Research	Fast Feedback Survey	Seattle	110,000	79,000	31,000	5/1/11	5/31/13
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		28,577	16,118	12,459	11/7/11	12/31/12
Stellar Processes, Inc.	Resource Assessment Update	Portland	24,000	24,000	0	3/1/12	12/31/12
ECONorthwest	Economic Impact Analysis	Eugene	20,000	19,991	9	2/22/12	2/22/13
Excidian LLC	Business Finance Class	Wheeling	12,000	0	12,000	9/1/12	10/31/12
Navigant Consulting Inc	P&E Consultant Services	Boulder	4,600	4,600	0	6/30/11	7/1/13
	Joint Programs Total:		**293,877**	**211,029**	**82,848**		
Renewable Energy Program							
Outback Solar LLC	Outback Solar	Portland	5,000,000	0	5,000,000	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
Revolution Energy Solutions LLC	Biogas Manure Digester Project	Washington	1,766,640	110,415	1,656,225	10/27/10	10/27/25
Rough & Ready Lumber Company	Biopower Funding Agreement	Cave Junction	1,685,088	1,504,885	180,203	7/21/06	7/21/26
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
Three Sisters Irrigation District	TSID Hydro	Sisters	1,000,000	0	1,000,000	4/25/12	4/25/32
Stahlbush Island Farms, Inc.	Funding Assistance Agreement	Corvallis	827,000	551,334	275,666	6/24/09	6/24/29
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	245,000	245,000	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	0	450,000	10/20/11	10/20/31
CIty of Pendleton	Pendleton Microturbines	Pendleton	450,000	0	450,000	4/20/12	4/20/32
K2A Properties, LLC	Doerfler Wind Farm Project	Aumsville	230,000	132,925	97,075	5/20/10	5/20/30
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	0	70,000	2/1/12	1/31/27
City of Portland Water Bureau	Vernon Hydro	Portland	65,000	0	65,000	11/15/10	11/15/30

*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
Construct Inc	RE Consultant Services	Portland	64,000	27,578	36,422	1/1/11	12/31/12
Robert Andrew Volkman	Project Finanace Consultant	Portland	62,500	5,394	57,107	10/1/10	12/31/12
Bloomberg LP	Insight Services	San Francisco	45,600	24,900	20,700	4/1/11	1/31/13
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
CIty of Gresham	Wastewater Treatment Study		40,000	0	40,000	7/12/12	9/30/12
Clean Energy States Alliance	CESA Year 10 (2013)		39,543	0	39,543	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	15,000	15,000	10/3/11	12/31/13
Oregon Community Wind LLC	Anemometer Equipment Incentive	Portland	28,321	28,321	0	1/15/10	1/14/13
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	12,000	12,000	1/1/12	12/31/12
Wind Products Inc	Web Portal Tool	Brooklyn	24,000	20,000	4,000	6/25/12	9/30/12
Associated Master Inspectors LLC	Small Wind Program Consultant	Tigard	15,000	6,728	8,272	1/31/11	12/31/12
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	4/16/32
Carlson Small Power Consultants	Generator Case Study	Redding	10,500	0	10,500	4/16/12	7/1/12
Clean Energy States Alliance	CESA ITAC		10,000	10,000	0	1/1/12	12/31/12
Oregon Power Solutions, LLC	Anemometer Decommission		9,451	9,451	0	8/13/12	9/30/12
Ecofys US, Inc.	RE Consultant Services	Corvallis	6,800	6,640	160	4/18/11	12/31/12
American Wind Group LLC	Anemometer Incentive Funding	Oasis	4,031	4,031	0	7/22/11	2/15/14
Lane Community College, NEEI Science Division	Solar WH Technical Training	Eugene	4,000	4,000	0	1/1/12	12/31/12
Blue Tree Strategies Inc	RE Consulting Services	Portland	3,600	3,555	45	6/14/11	5/31/13
	Renewable Energy Program Total:		**23,116,924**	**12,838,868**	**10,278,057**		
	Grand Totals:		**121,264,805**	**68,580,619**	**52,684,185**		

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

Energy Trust of Oregon, Inc
BALANCE SHEET
September 30, 2012
(Unaudited)

	SEP 2012	AUG 2012	DEC 2011	Change from Prior Month	Change from Beg. of Year
Current Assets					
Cash & Cash Equivalents	76,930,364	75,655,040	73,128,210	1,275,325	3,802,155
Restricted Cash (Escrow Funds)	560,806	560,763	938,755	43	(377,950)
Receivables	27,022	9,373	7,599	17,650	19,423
Prepaid Expenses	476,935	487,384	293,703	(10,449)	183,232
Advances to Vendors	2,545,953	1,025,188	2,438,724	1,520,765	107,229
Total Current Assets	**80,541,080**	**77,737,747**	**76,806,991**	**2,803,333**	**3,734,089**
Fixed Assets					
Program Equipment	32,781	32,781	63,213	0	(30,432)
Computer Hardware and Software	1,045,496	1,043,126	974,712	2,370	70,783
Software Development	225,648	167,003	899,718	58,645	(674,070)
Leasehold Improvements	287,385	309,767	309,767	(22,382)	(22,382)
Office Equipment and Furniture	600,662	633,165	627,017	(32,503)	(26,355)
Total Fixed Assets	**2,191,972**	**2,185,842**	**2,874,427**	**6,130**	**(682,455)**
Less Depreciation	(1,131,085)	(1,166,275)	(1,049,110)	35,190	(81,975)
Net Fixed Assets	**1,060,887**	**1,019,567**	**1,825,317**	**41,320**	**(764,430)**
Other Assets					
Rental Deposit	64,461	64,461	62,461	0	2,000
Deferred Compensation Asset	356,563	350,497	301,336	6,066	55,227
Total Other Assets	**421,024**	**414,958**	**363,797**	**6,066**	**57,227**
Total Assets	**82,022,991**	**79,172,273**	**78,996,105**	**2,850,718**	**3,026,886**
Current Liabilities					
Accounts Payable and Accruals	7,482,362	5,578,060	23,501,523	1,904,302	(16,019,161)
Deposits Held for Others	53,217	54,357	0	(1,140)	53,217
Salaries, Taxes, & Benefits Payable	569,885	569,542	481,910	343	87,976
Total Current Liabilities	**8,105,464**	**6,201,959**	**23,983,432**	**1,903,506**	**(15,877,968)**
Long Term Liabilities					
Deferred Rent	300,060	290,384	31,090	9,676	268,970
Deferred Compensation Payable	356,563	350,497	301,336	6,066	55,227
Other Long-Term Liabilities	11,964	15,590	15,030	(3,626)	(3,066)
Total Long-Term Liabilities	**668,586**	**656,471**	**347,456**	**12,116**	**321,131**
Total Liabilities	**8,774,051**	**6,858,429**	**24,330,888**	**1,915,621**	**(15,556,837)**
Net Assets					
Temporarily Restricted Net Assets	589,606	567,263	938,755	22,343	(349,150)
Unrestricted Net Assets	72,659,335	71,746,581	53,726,462	912,754	18,932,873
Total Net Assets	**73,248,940**	**72,313,844**	**54,665,217**	**935,097**	**18,583,723**
Total Liabilities and Net Assets	**82,022,991**	**79,172,273**	**78,996,105**	**2,850,718**	**3,026,886**

BS-Acct-YTD-001

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

	January	February	March	April	May	June	July	August	September	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	$ 18,583,724
Non-cash items:										
Depreciation	28,028	16,871	26,398	18,587	22,172	12,333	17,683	$ 19,264	$ 19,147	$ 180,482
Loss on disposal of assets				895,749					548	$ 896,297
Receivables	(61)	(2,776)	12	(117,154)	119,829	(6,133)	3,238	$ 178	$ (17,553)	$ (20,419)
Interest Receivable	(856)	(149)	702	(331)	1,886	(3,486)	(688)	$ 4,015	$ (96)	$ 996
Advances to Vendors	974,854	674,855	(1,288,795)	393,582	692,603	(1,244,313)	465,438	$ 745,312	$ (1,520,765)	$ (107,229)
Prepaid expenses and other costs	(39,514)	38,551	(158,736)	70,773	(233,181)	(53,416)	75,050	$ 106,791	$ 10,449	$ (183,233)
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	$ (15,965,944)
Payroll and related accruals	32,885	33,590	41,750	17,550	24,564	9,813	(15,750)	$ (7,608)	$ 6,409	$ 143,203
Deferred rent and other	44,974	42,803	44,832	10,590	29,121	29,031	3,960	$ 3,382	$ (16)	$ 208,677
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	$ 3,736,555
Investing Activities:										
(Acquisition)/Disposal of Capital Assets	(23,704)	-	(2,884)		5,179	(32,970)	(90,928)	$ (106,026)	$ (61,015)	$ (312,348)
Cash rec'd from / (used in) Investing Activities	(23,704)	-	(2,884)	-	5,179	(32,970)	(90,928)	(106,026)	(61,015)	$ (312,348)
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	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	3,424,207
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	$ 77,491,170	$ 77,491,172

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

	2011	2012 Actual									2012 Forecast		
	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	11,200,000	11,600,000	14,500,000
From other sources	1,400		3,055			120,669	367	3,238	178	8,262			
Investment Income	15,884	13,175	11,163	13,027	11,735	12,052	12,555	12,589	14,898	9,180	11,000	11,000	11,000
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	11,211,000	11,611,000	14,511,000
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	18,400,000	19,000,000	18,700,000
Net cash flow for the month	(14,343,628)	(9,451,810)	5,782,491	2,664,257	4,144,465.23	4,501,248	(5,517,690.38)	1,683,671.72	(1,657,794.65)	1,275,366	(7,189,000)	(7,389,000)	(4,189,000)
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	70,302,169	62,913,169
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	70,302,169	62,913,169	58,724,169
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)	(13,500,000)
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)	(31,300,000)
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)	(8,200,000)	(8,200,000)
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**	**-**	**-**	**-**	**-**	**-**	**5,724,169**
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	461,838	461,865
Net Escrow (Payments)/Funding	-	(92,305)		-	(203,270)			(82,753)			(99,000)		(45,000)
Interest Paid on Escrow Balances	53	17	32	67	33	38	56	46	46	43	32	27	27
Ending Escrow Balance[1]	938,755	846,467	846,499	846,566	643,329	643,367	643,423	560,717	560,763	560,806	461,838	461,865	416,891

[1]Included 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 Draft Budget											
	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Cash In:												
Public purpose and Incr funding	15,600,000	16,600,000	16,800,000	15,000,000	13,400,000	11,800,000	11,700,000	11,200,000	11,100,000	12,800,000	12,500,000	16,600,000
From other sources												
Investment Income	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Total cash in	15,613,000	16,613,000	16,813,000	15,013,000	13,413,000	11,813,000	11,713,000	11,213,000	11,113,000	12,813,000	12,513,000	16,613,000
Cash Out:	19,800,000	9,100,000	12,800,000	12,100,000	11,400,000	14,100,000	12,800,000	13,000,000	16,300,000	14,000,000	14,500,000	22,400,000
Net cash flow for the month	(4,187,000)	7,513,000	4,013,000	2,913,000	2,013,000	(2,287,000)	(1,087,000)	(1,787,000)	(5,187,000)	(1,187,000)	(1,987,000)	(5,787,000)
Beginning Balance: Cash & MM	58,700,000	54,513,000	62,026,000	66,039,000	68,952,000	70,965,000	68,678,000	67,591,000	65,804,000	60,617,000	59,430,000	57,443,000
Ending cash & MM	54,513,000	62,026,000	66,039,000	68,952,000	70,965,000	68,678,000	67,591,000	65,804,000	60,617,000	59,430,000	57,443,000	51,656,000
Dedicated funds Adjustment	(13,900,000)	(13,900,000)	(13,800,000)	(15,100,000)	(15,400,000)	(15,700,000)	(17,800,000)	(17,800,000)	(17,800,000)	(17,800,000)	(17,800,000)	(17,800,000)
Committed Funds Adjustment	(33,000,000)	(34,100,000)	(36,100,000)	(46,600,000)	(49,000,000)	(49,000,000)	(48,600,000)	(48,600,000)	(48,600,000)	(48,600,000)	(48,600,000)	(48,600,000)
Cash Reserve	(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)	(8,200,000)	(8,200,000)
Ending Cash & MM, adj by Above	**-**	**5,826,000**	**7,939,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,761,903**
Escrow Cash Balance												
Beginning Balance	416,891	416,916	416,942	302,807	203,827	203,841	203,855	203,868	104,881	104,888	5,895	5,895
Net Escrow (Payments)/Funding			(114,162)	(99,000)				(99,000)		(99,000)		(45,000)
Interest Paid on Escrow Balances	24	26	27	19	14	14	14	13	7	6	0	0
Ending Escrow Balance[1]	416,916	416,942	302,807	203,827	203,841	203,855	203,868	104,881	104,888	5,895	5,895	(39,105)

[1]Included 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 Nine Months Ending September 30, 2012
(Unaudited)

	September			YTD		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
REVENUES						
Public Purpose Funds-PGE	2,807,344	2,731,825	75,518	27,724,356	26,378,564	1,345,791
Public Purpose Funds-PacifiCorp	2,058,495	1,990,363	68,132	19,299,956	19,897,870	(597,915)
Public Purpose Funds-NW Natural	529,002	549,583	(20,581)	14,407,382	16,053,858	(1,646,476)
Public Purpose Funds-Cascade	46,113	406,956	(360,843)	1,050,488	1,806,952	(756,464)
Public Purpose Funds-Avista	0	0	0	(25,458)	0	(25,458)
Total Public Purpose Funds	**5,440,954**	**5,678,727**	**(237,774)**	**62,456,723**	**64,137,244**	**(1,680,522)**
Incremental Funds - PGE	3,283,818	3,210,654	73,164	30,054,089	31,771,116	(1,717,027)
Incremental Funds - PacifiCorp	1,958,393	1,787,880	170,512	18,081,680	18,412,666	(330,986)
NW Natural - Industrial DSM	0	0	0	538,172	3,420,205	(2,882,033)
NW Natural - Washington	0	0	0	630,957	630,957	0
Special Projects - Clackamas County	0	0	0	200	0	200
Consumer Owned Electric	3,515	0	3,515	3,515	0	3,515
Consulting Income	0	0	0	3,055	0	3,055
Contributions	22,300	0	22,300	29,440	0	29,440
Revenue from Investments	9,277	16,667	(7,390)	109,515	150,003	(40,488)
TOTAL REVENUE	**10,718,256**	**10,693,928**	**24,328**	**111,907,346**	**118,522,191**	**(6,614,845)**
EXPENSES						
Program Subcontracts	3,765,176	3,909,127	143,951	32,871,147	34,360,915	1,489,768
Incentives	4,484,144	9,177,120	4,692,976	46,523,859	53,875,860	7,352,001
Salaries and Related Expenses	769,103	848,737	79,634	6,590,237	7,616,364	1,026,127
Professional Services	567,820	934,634	366,814	4,954,891	8,260,275	3,305,384
Supplies	8,609	7,618	(991)	51,345	66,896	15,551
Telephone	4,222	4,890	668	34,635	41,133	6,498
Postage and Shipping Expenses	1,175	2,875	1,700	9,427	25,875	16,448
Occupancy Expenses	52,569	55,395	2,826	469,517	494,057	24,540
Noncapitalized Equip. & Depr.	45,035	149,821	104,786	1,183,899	814,711	(369,188)
Call Center	13,963	12,833	(1,130)	162,629	129,560	(33,069)
Printing and Publications	26,367	16,171	(10,196)	101,562	145,537	43,976
Travel	7,029	21,814	14,785	84,783	162,913	78,130
Conference, Training & Mtng Exp	18,375	36,495	18,120	103,012	296,955	193,943
Interest Expense and Bank Fees	0	625	625	5,000	5,625	625
Insurance	7,800	9,167	1,367	69,226	82,500	13,274
Miscellaneous Expenses	5,288	217	(5,071)	7,403	1,950	(5,453)
Dues, Licenses and Fees	6,485	8,333	1,848	101,052	109,127	8,075
TOTAL EXPENSES	**9,783,159**	**15,195,872**	**5,412,713**	**93,323,623**	**106,490,252**	**13,166,629**
TOTAL REVENUE LESS EXPENSES	**935,097**	**(4,501,944)**	**5,437,041**	**18,583,723**	**12,031,939**	**6,551,784**

IS-Acct-YTD-001

Energy Trust of Oregon, Inc
Statement of Functional Expenses
For the Nine Months Ending September 30, 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	67,965,175	11,429,831		79,395,006			0	79,395,006	88,236,775	8,841,769
Payroll and Related Expenses	1,844,771	620,990	1,544	2,467,305	1,379,122	592,294	1,971,416	4,438,721	4,899,255	460,534
Outsourced Services	2,913,498	327,781		3,241,279	176,789	432,107	608,896	3,850,175	6,886,333	3,036,158
Planning and Evaluation	1,284,917	63,950		1,348,867	13,027		13,027	1,361,894	1,927,389	565,495
Customer Service Management	491,739	19,851		511,590			0	511,590	504,823	(6,767)
Trade Allies Network	277,268	20,294		297,562			0	297,562	374,270	76,708
Total Program Expenses	**74,777,368**	**12,482,698**	**1,544**	**87,261,610**	**1,568,937**	**1,024,401**	**2,593,338**	**89,854,948**	**102,828,846**	**12,973,898**
Program Support Costs										
Supplies	23,972	4,603	3	28,578	9,181	4,908	14,089	42,667	40,468	(2,199)
Postage and Shipping Expenses	2,999	837	1	3,837	1,485	1,586	3,071	6,908	18,341	11,433
Telephone	2,614	1,679		4,293	1,882	573	2,455	6,748	5,288	(1,460)
Printing and Publications	74,515	3,605		78,120	569	18,114	18,683	96,803	138,939	42,136
Occupancy Expenses	135,210	49,794	60	185,064	88,337	46,279	134,616	319,680	325,823	6,143
Insurance	19,936	7,342	9	27,287	13,025	6,823	19,848	47,135	54,407	7,272
Equipment	8,002	29,843	4	37,849	736,731	2,739	739,470	777,319	19,864	(757,455)
Travel	30,288	13,160	376	43,824	24,132	1,228	25,360	69,184	139,288	70,104
Meetings, Trainings & Conferences	17,821	8,853		26,674	32,337	3,540	35,877	62,551	204,805	142,254
Interest Expense and Bank Fees				0	5,000		5,000	5,000	5,625	625
Depreciation & Amortization	34,675	18,255	15	52,945	22,655	11,868	34,523	87,468	115,938	28,470
Dues, Licenses and Fees	65,149	11,095		76,244	7,768	2,107	9,875	86,119	81,430	(4,689)
Miscellaneous Expenses	2,684	31		2,715	217	4,066	4,283	6,998	1,312	(5,686)
IT Services	1,362,620	112,921		1,475,541	227,335	151,218	378,553	1,854,094	2,509,881	655,787
Total Program Support Costs	**1,780,486**	**262,017**	**468**	**2,042,971**	**1,170,653**	**255,050**	**1,425,703**	**3,468,674**	**3,661,406**	**192,732**
TOTAL EXPENSES	**76,557,854**	**12,744,715**	**2,012**	**89,304,581**	**2,739,590**	**1,279,451**	**4,019,041**	**93,323,623**	**106,490,252**	**13,166,629**
OPUC measure vs. 9%	**5.42%**									

Exp-Acct-YTD-002

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory - joint costs allocated at program level
For the Nine Months Ending September 30, 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	$21,555,111	$15,061,762	$36,616,873		$14,407,382	$1,050,488	$52,049,285				$52,049,285	$6,169,244	$4,238,194	$10,407,438		$62,456,723	$64,137,245	($1,680,522)
Incremental Funding	30,054,089	18,081,680	48,135,769	538,172			48,673,941		630,957	630,957	49,304,898					49,304,898	54,234,943	(4,930,045)
Consumer Owned Electric Funding								3,515		3,515	3,515					3,515		3,515
Consulting Income															3,055	3,055		(3,055)
Contributions															29,440	29,440		(29,440)
Special Projects	34		34		166		200				200					200		(200)
Revenue from Investments															109,515	109,515	150,003	40,488
TOTAL PROGRAM REVENUE	**51,609,234**	**33,143,442**	**84,752,676**	**538,172**	**14,407,548**	**1,050,488**	**100,723,426**	**3,515**	**630,957**	**634,472**	**101,357,898**	**6,169,244**	**4,238,194**	**10,407,438**	**142,010**	**111,907,346**	**118,522,191**	**($6,614,845)**
EXPENSES																		
Program Management (Note 3)	1,738,972	1,302,716	3,041,688	42,562	907,959	56,336	4,048,546	493	98,360	98,853	4,147,399	258,599	362,324	620,923	1,544	4,769,866	4,550,409	(219,457)
Program Delivery	12,980,892	9,631,166	22,612,058	349,542	3,925,684	286,780	27,174,064	802	170,931	171,733	27,345,797	104,170	82,961	187,131	0	27,532,928	29,207,281	1,674,353
Incentives	16,924,498	11,209,177	28,133,675	305,502	6,251,688	390,101	35,080,966	1,575	198,617	200,192	35,281,158	8,195,026	3,047,675	11,242,701	0	46,523,859	53,875,861	7,352,002
Program Eval & Planning Svcs.	1,276,611	892,604	2,169,214	33,579	470,024	30,426	2,703,244	145	43,228	43,373	2,746,617	27,659	36,291	63,950	0	2,810,567	4,262,013	1,451,446
Program Marketing/Outreach	1,655,988	1,169,951	2,825,939	10,141	978,872	55,959	3,870,910	0	69,150	69,150	3,940,060	48,030	18,691	66,721	0	4,006,781	4,437,940	431,159
Program Legal Services	275	250	525	0	285	10	820	0	0	0	820	0	0	0	0	820	5,625	4,805
Program Quality Assurance	35,649	31,691	67,340	58	34,311	1,234	102,943	0	0	0	102,943	863	0	863	0	103,806	217,108	113,302
Outsourced Services	187,099	144,900	331,999	2,349	104,714	4,323	443,386	0	0	0	443,386	157,783	102,414	260,197	0	703,583	2,057,650	1,354,067
Trade Allies & Cust. Svc. Mgmt.	298,522	230,202	528,724	1,908	210,809	10,092	751,533	107	17,366	17,473	769,006	31,005	9,140	40,145	0	809,151	879,093	69,942
IT Services	569,050	423,454	992,504	7,691	307,142	16,197	1,323,535	262	38,823	39,085	1,362,620	44,866	68,055	112,921	0	1,475,541	1,997,436	521,895
Other Program Expenses	185,297	127,500	312,796	4,679	71,490	4,706	393,671	160	24,220	24,380	418,051	84,856	64,308	149,164	468	567,683	674,445	106,762
TOTAL PROGRAM EXPENSES	**35,852,853**	**25,163,610**	**61,016,463**	**758,012**	**13,262,980**	**856,164**	**75,893,618**	**3,544**	**660,695**	**664,239**	**76,557,854**	**8,952,857**	**3,791,859**	**12,744,715**	**2,012**	**89,304,581**	**102,164,861**	**$12,860,280**
ADMINISTRATIVE COSTS																		
Management & General (Notes 1 & 2)	1,099,880	771,960	1,871,840	23,254	406,877	26,265	2,328,236	109	20,268	20,377	2,348,613	272,388	118,590	390,978	0	2,739,590	2,719,038	(20,552)
Communications & Customer Svc (Notes 1 & 2)	513,670	360,523	874,193	10,860	190,021	12,266	1,087,340	51	9,465	9,516	1,096,856	127,212	55,384	182,596	0	1,279,451	1,606,354	326,903
Total Administrative Costs	**1,613,550**	**1,132,483**	**2,746,033**	**34,114**	**596,897**	**38,531**	**3,415,576**	**160**	**29,733**	**29,893**	**3,445,469**	**399,599**	**173,975**	**573,574**	**0**	**4,019,041**	**4,325,392**	**$306,351**
TOTAL PROG & ADMIN EXPENSES	**37,466,402**	**26,296,089**	**63,762,492**	**792,127**	**13,859,876**	**894,695**	**79,309,189**	**3,705**	**690,431**	**694,136**	**80,003,325**	**9,352,456**	**3,965,832**	**13,318,288**	**2,012**	**93,323,623**	**106,490,252**	**$13,166,629**
TOTAL REVENUE LESS EXPENSES	**14,142,831**	**6,847,349**	**20,990,180**	**(253,954)**	**547,671**	**155,793**	**21,414,232**	**(189)**	**(59,471)**	**(59,660)**	**21,354,572**	**(3,183,212)**	**272,360**	**(2,910,852)**	**139,998**	**18,583,723**	**12,031,938**	**$6,551,785**
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		7,900,000				7,900,000	585,000	2,235,000	2,820,000	(10,720,000)			
Interest re-attributed	(1,740,000)	(1,160,000)	(2,900,000)		(5,000,000)		(7,900,000)				(7,900,000)				7,900,000			
TOTAL NET ASSETS CUMULATIVE	**24,886,841**	**6,866,031**	**31,752,872**	**1,135,867**	**7,443,593**	**306,670**	**40,639,002**	**(189)**	**188,300**	**188,111**	**40,827,113**	**13,812,671**	**10,775,135**	**24,587,806**	**7,834,017**	**73,248,940**	**63,275,492**	**$9,973,448**

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 Nine Months Ending September 30, 2012
(Unaudited)

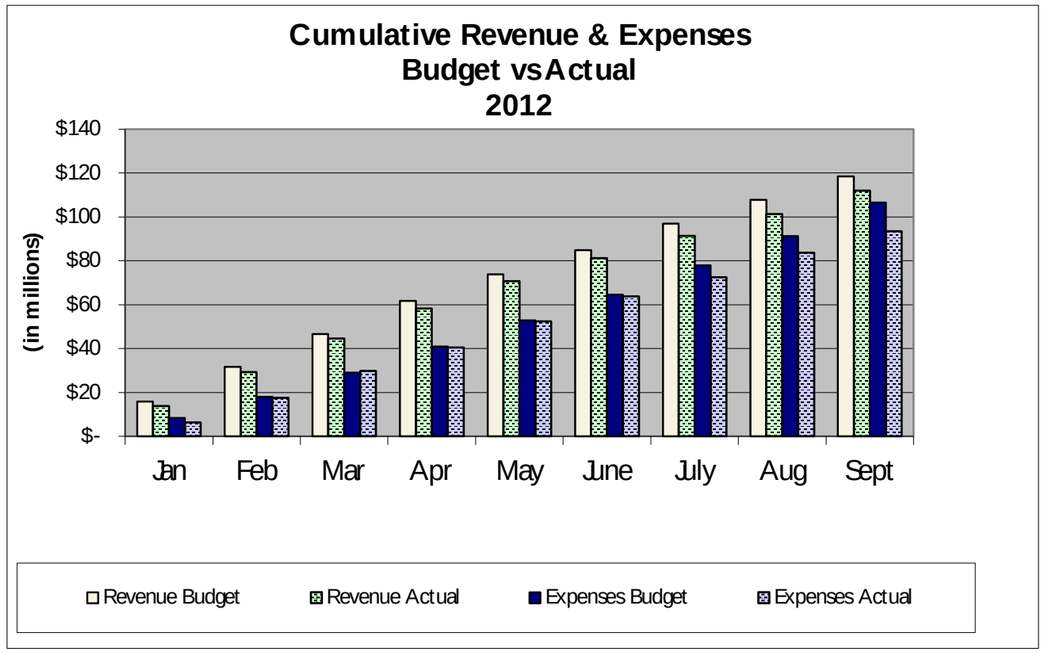
	PGE	Pacific Power	Elec. Utilities	NWN Industrial	NW Natural Gas	Cascade	Gas Providers	Oregon Total	Clark PUD WA	NWN WA	Total WA	Consulting	ETO Total
Energy Efficiency													
Commercial													
Existing Buildings	8,479,727	6,960,504	15,440,231	118,379	3,907,781	228,185	4,254,345	19,694,576	3,705	222,578	226,283		19,920,859
New Buildings	5,838,989	3,345,807	9,184,796	100,770	834,462	106,250	1,041,482	10,226,278			0		10,226,278
NEEA	1,181,424	891,250	2,072,674				0	2,072,674			0		2,072,674
Total Commercial	**15,500,140**	**11,197,561**	**26,697,701**	**219,149**	**4,742,243**	**334,435**	**5,295,827**	**31,993,528**	**3,705**	**222,578**	**226,283**	**0**	**32,219,811**
Industrial													
Production Efficiency	7,659,272	4,561,810	12,221,082	572,978	206,418	100,187	879,583	13,100,665			0		13,100,665
NEEA	583,283	440,021	1,023,304				0	1,023,304			0		1,023,304
Total Industrial	**8,242,555**	**5,001,831**	**13,244,386**	**572,978**	**206,418**	**100,187**	**879,583**	**14,123,969**			**0**	**0**	**14,123,969**
Residential													
Existing Homes	5,615,033	5,103,552	10,718,585		5,824,066	201,785	6,025,851	16,744,436		315,277	315,277		17,059,713
New Homes/Products	6,344,387	3,662,193	10,006,580		3,087,149	258,288	3,345,437	13,352,017		152,576	152,576		13,504,593
NEEA	1,764,287	1,330,952	3,095,239				0	3,095,239			0		3,095,239
Total Residential	**13,723,707**	**10,096,697**	**23,820,404**		**8,911,215**	**460,073**	**9,371,288**	**33,191,692**		**467,853**	**467,853**	**0**	**33,659,545**
Energy Efficiency Program Costs	**37,466,402**	**26,296,089**	**63,762,491**	**792,127**	**13,859,876**	**894,695**	**15,546,698**	**79,309,189**	**3,705**	**690,431**	**694,136**	**0**	**80,003,325**
Renewables													
Biopower	71,508	767,072	838,580				0	838,580			0		838,580
Solar Electric (Photovoltaic)	9,058,462	2,370,216	11,428,678				0	11,428,678			0		11,428,678
Other Renewable	222,486	828,544	1,051,030					1,051,030					1,051,030
Renewables Program Costs	**9,352,456**	**3,965,832**	**13,318,288**				**0**	**13,318,288**			**0**	**0**	**13,318,288**
Consulting			0				0	0			0	2,012	2,012
Cost Grand Total	**46,818,858**	**30,261,921**	**77,080,779**	**792,127**	**13,859,876**	**894,695**	**15,546,698**	**92,627,477**	**3,705**	**690,431**	**694,136**	**2,012**	**93,323,623**

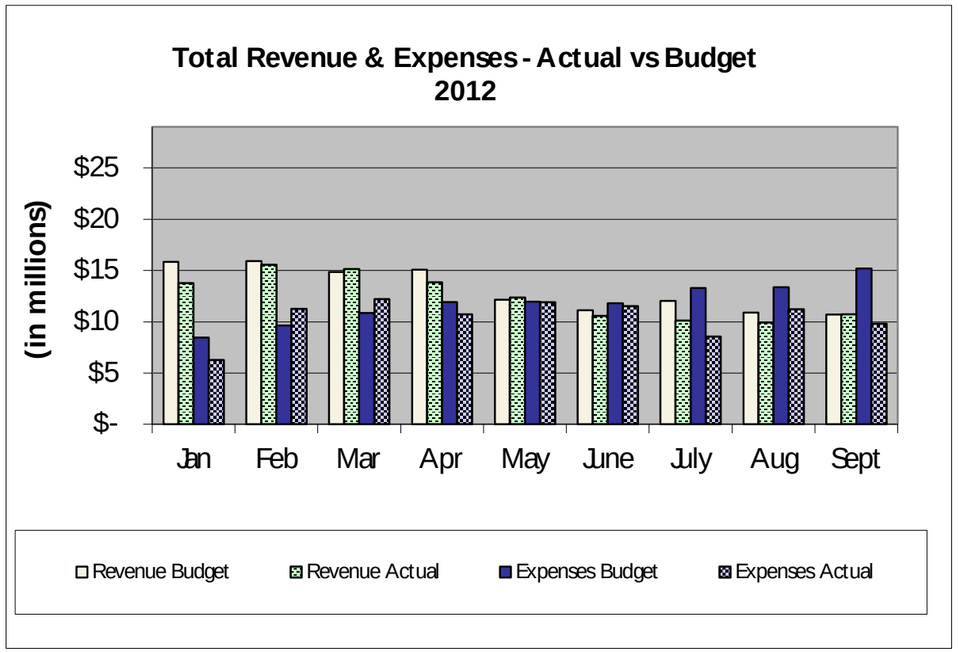
Energy Trust of Oregon, Inc.
ADMINISTRATIVE EXPENSES
For the Three Months and Year to Date Ended September 30, 2012
(Unaudited)

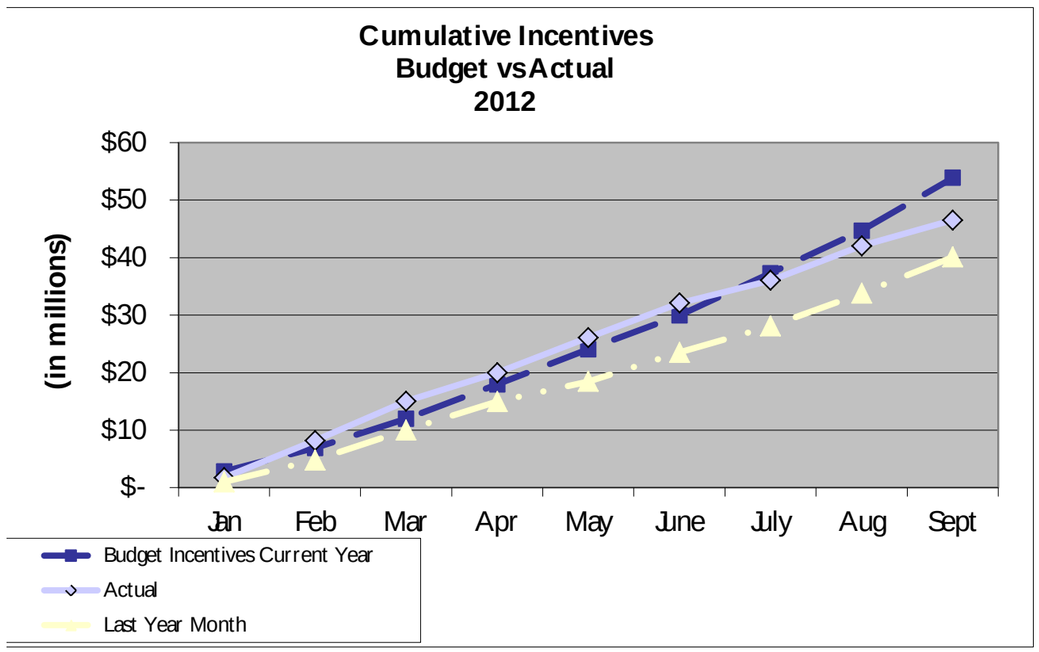
	MANAGEMENT & GENERAL						COMMUNICATIONS & CUSTOMER SERVICE					
	ACTUAL	QUARTER BUDGET	VARIANCE	ACTUAL	YTD BUDGET	VARIANCE	ACTUAL	QUARTER BUDGET	VARIANCE	ACTUAL	YTD BUDGET	VARIANCE
EXPENSES												
Outsourced Services	$29,753	$130,346	$100,593	$150,137	$365,039	$214,901	$154,314	$193,250	$38,936	$432,107	$567,250	$135,143
Legal Services	4,066	35,625	31,559	26,652	106,875	80,224						
Salaries and Related Expenses	474,703	522,062	47,360	1,379,002	1,597,612	218,611	208,519	227,545	19,026	592,231	680,655	88,424
Supplies	1,183	1,500	317	4,580	4,500	(80)	1,150	625	(525)	2,498	1,875	(623)
Telephone	670	710	40	1,226	1,410	184	58		(58)	229		(229)
Postage and Shipping Expenses								1,250	1,250	809	3,750	2,942
Noncapitalized Equipment				731,503		(731,503)		500	500		1,500	1,500
Printing and Publications	162	75	(87)	313	225	(88)	8,101	12,500	4,399	17,980	37,500	19,520
Travel	8,170	9,164	994	24,132	27,492	3,360	844	1,750	906	1,228	5,250	4,022
Conference, Training & Mtngs	11,652	38,835	27,183	32,337	118,005	85,667	833	5,125	4,292	3,540	15,375	11,835
Interest Expense and Bank Fees	5,000	1,875	(3,125)	5,000	5,625	625						
Miscellaneous Expenses	50	25	(25)	163	75	(88)	4,038		(4,038)	4,038		(4,038)
Dues, Licenses and Fees	4,352	1,258	(3,094)	7,768	6,193	(1,575)	828	625	(203)	2,107	1,875	(232)
Shared Allocation (Note 1)	43,402	53,548	10,146	136,416	159,810	23,394	21,997	29,024	7,027	71,466	86,621	15,155
IT Service Allocation (Note 2)	74,737	121,249	46,511	227,335	307,743	80,408	49,713	80,652	30,938	151,218	204,703	53,485
Planning & Eval (Note 3)	4,458	5,972	1,514	13,027	18,436	5,409						
TOTAL EXPENSES	**662,359**	**922,244**	**259,885**	**2,739,590**	**2,719,040**	**(20,551)**	**450,395**	**552,846**	**102,451**	**1,279,451**	**1,606,354**	**326,903**

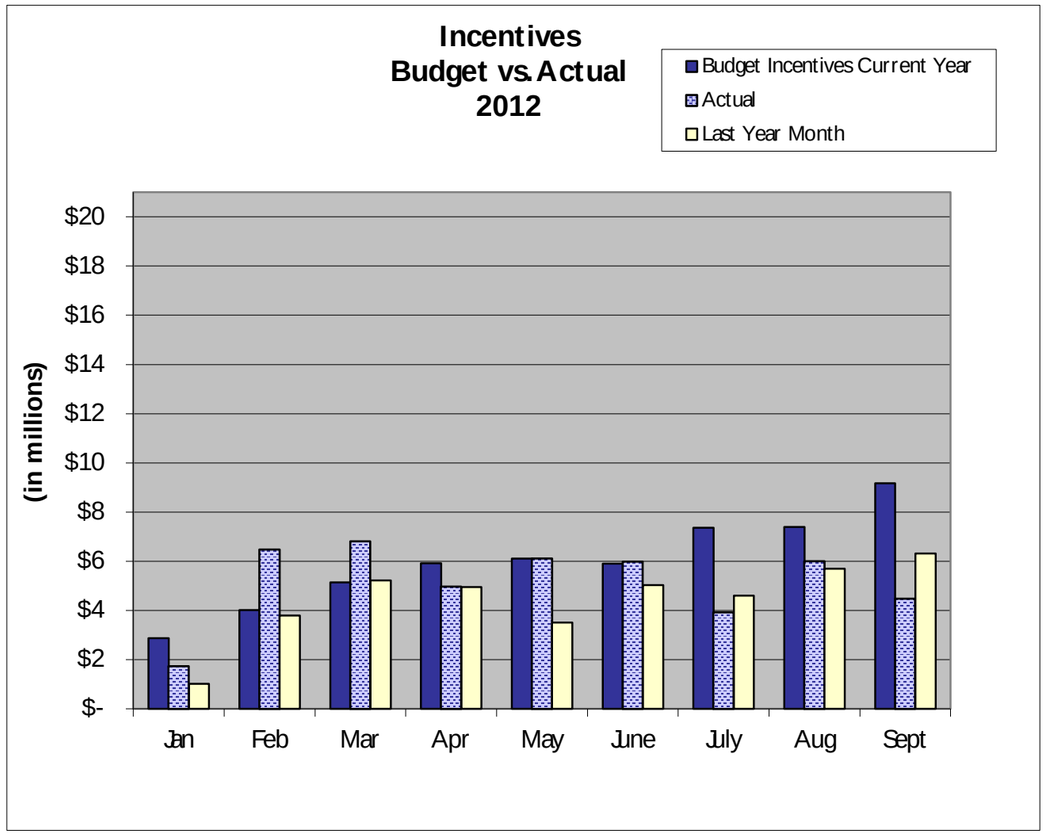
Note 1) Represents allocation of Shared (General Office Management) Costs
Note 2) Represents allocation of Shared IT Costs
Note 3) Represents allocation of Planning & Evaluations Costs

Exp-Prog-YTD-003


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


Cumulative Incentives
Budget vs Actual
2012
(in millions)
$60
$50
$40
$30
$20
$10
$-
Jan
Feb
Mar
Apr
May
June
July
Aug
Sept
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

R00407

For contracts with costs through: 10/1/2012

Energy Trust of Oregon
Contract Status Summary Report

Report Date: 10/18/2012

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Administration							
		Administration Total:	**8,157,736**	**2,685,523**	**5,472,213**		
Communications & Outreach							
		Communications & Outreach Total:	**3,068,591**	**2,284,585**	**784,006**		
Energy Efficiency Programs							
Northwest Energy Efficiency Alliance	Regional Energy Eff Initiative	Portland	39,138,680	24,846,310	14,292,370	1/1/10	7/1/15
Lockheed Martin Services, Inc.	PMC EB 2012	Cherry Hill	8,859,261	5,756,119	3,103,142	1/1/12	12/31/12
Conservations Services Group, Inc.	2012 HES PMC	Portland	6,961,172	5,207,493	1,753,679	1/1/12	12/31/12
Portland Energy Conservation, Inc.	PMC NHP 2012	Portland	6,652,175	4,537,313	2,114,862	1/1/12	12/31/12
Portland Energy Conservation, Inc.	2012 NBE PMC	Portland	4,780,560	3,421,563	1,358,997	1/1/12	12/31/12
Oregon State University	CHP Project - OSU	Corvallis	2,024,263	1,920,000	104,263	12/20/10	12/20/13
Cascade Energy, Inc.	PDC - PE 2012	Walla Walla	1,777,494	1,173,143	604,351	1/1/12	12/31/12
Portland General Electric	PDC - PE 2012		1,753,000	1,322,830	430,170	1/1/12	12/31/12
OPOWER, Inc.	OPOWER Agreement	Arlington	1,725,000	1,535,720	189,280	3/2/10	2/28/13
Lockheed Martin Services Inc.	2012 MF PMC	Portland	1,660,001	1,074,230	585,772	1/1/12	12/31/12
RHT Energy Solutions	PDC - PE 2012	Medford	1,397,810	992,629	405,181	1/1/12	12/31/12
Cascade Energy, Inc.	PDC - PE 2012 Small Industrial	Walla Walla	1,139,688	708,697	430,991	1/1/12	12/31/12
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	558,229	278,771	1/1/12	12/31/12
Evergreen Consulting Group, LLC	PE Lighting PDC 2012	Tigard	834,860	468,455	366,405	1/1/12	12/31/12
Ecova Inc	80 Plus Initiative - 2012	Portland	487,995	241,317	246,679	1/1/12	12/31/12
ICF Resources, LLC	BE PMC Transition Agreement	Fairfax	482,000	0	482,000	9/4/12	12/31/12
Navigant Consulting Inc	PE Program Impact Evaluation	Boulder	450,000	335,453	114,547	12/15/11	6/30/13
Fluid Market Strategies LLC	HES PMC Transition	Portland	449,000	69,255	379,745	8/23/12	12/31/12
Clean Energy Works Oregon Inc	Clean Energy Works	Portland	448,500	300,000	148,500	1/1/10	12/31/12
SBW Consulting, Inc.	BE Program Impact Evaluation	Bellevue	400,000	144,782	255,218	1/15/12	6/30/13
The Cadmus Group Inc.	NB Impact Eval 2010-2011	Watertown	295,000	148,003	146,997	1/13/12	12/31/13
Cascade Energy Engineering, Inc.	Technical Service Provider	Portland	284,483	277,989	6,494	8/1/09	7/31/12
Evoworx Inc.	EnergySavvy Online Audit Tool	Seattle	225,000	126,730	98,270	1/1/12	12/31/12
Lockheed Martin Services Inc.	NWN WA BE 2012	Portland	202,200	100,735	101,465	1/1/12	12/31/12
Research Into Action, Inc.	EB Evaluation	Portland	195,000	148,969	46,031	1/1/12	12/31/12
Conservation Services Group Inc	2012 HES WA PMC	Westborough	193,726	117,896	75,830	1/1/12	12/31/12
Research Into Action, Inc.	PE Evaluation	Portland	170,000	69,199	100,801	2/1/12	10/30/12
PacifiCorp	Consumer Info Transfer	Portland	137,500	60,228	77,272	8/15/03	8/15/12
Opinion Dynamics Corporation	Evaluate OPOWER Pilot	Waltham	128,000	118,370	9,630	4/1/11	8/31/12
J. Hruska Global	Quality Assurance Services	Columbia City	125,000	88,628	36,372	1/18/12	12/31/12
ICF Resources, LLC	CHP Performance	Fairfax	116,320	67,810	48,510	8/5/09	6/30/13
Lockheed Martin Services, Inc.	NWN DSM Initiative 2012	Cherry Hill	110,000	36,318	73,682	1/1/12	12/31/12
PWP, Inc.	NBE Process Evaluation	Gaithersburg	100,000	42,613	57,387	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

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Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Heschong, Mahone Group, Inc.	QA Consultant Services	Fair Oaks	88,500	88,500	0	3/15/11	12/31/12
Johnson Consulting Group LLC	CEWO Process Evaluation	Frederick	80,000	58,734	21,266	12/12/11	11/30/12
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	0	70,000	9/10/12	1/21/13
Portland Energy Conservation, Inc.	PECI NWN WA 2012	Portland	65,026	36,747	28,279	1/1/12	12/31/12
On Target Consulting & Research	OR Res Awareness Study - 2012	Lake Forest Park	65,000	61,394	3,606	3/1/12	12/31/12
Glumac Inc	Data Center Analysis	Portland	64,525	40,170	24,355	6/7/12	10/31/12
Pollinate Inc	Web Application Development	Portland	58,500	49,474	9,026	1/1/12	12/31/12
Portland Energy Conservation, Inc.	EE Consultant Services	Portland	54,170	39,666	14,505	6/1/11	12/31/13
Home Performance Contractors Guild of Oregon	Existing Homes Program Support	Portland	52,000	42,798	9,202	1/1/12	12/31/12
The Cadmus Group Inc.	Commercial Op Pilot Eval	Watertown	50,000	21,999	28,001	7/1/11	11/30/12
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	3,403	41,597	7/1/12	6/30/14
Fluid Market Strategies LLC	New Homes QA Assurance	Portland	42,250	0	42,250	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
Research Into Action, Inc.	Eval SB 838 2010 & 2011 Funds	Portland	40,000	25,934	14,066	6/15/11	6/30/12
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	0	34,000	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	12,945	17,055	2/15/11	11/30/12
Seattle City Light	Lighting Design Lab Sponsor	Seattle	30,000	30,000	0	1/1/12	12/31/12
Clackamas County	Clackamas County Proj Outreach	Oregon City	25,000	25,000	0	5/1/12	12/31/12
Portland General Electric	Seminar Sponsorship	Portland	24,950	24,950	0	1/1/12	12/31/12
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	7,250	15,750	8/22/12	1/31/13
MetaResource Group	Intel D1X Megaproject	Portland	20,000	4,650	15,350	10/10/11	12/31/12
Michael Blasnick & Associated	Billing Analysis Process	Boston	20,000	3,938	16,063	1/1/10	12/31/12
Lane Community College, NEEI Science Division	2012 Scholarship Grant	Eugene	16,600	3,400	13,200	1/1/12	12/31/12
Consortium for Energy Efficiency	Membership Dues - 2012		15,063	15,063	0	1/1/12	12/31/12
Oregon Department of Energy	Oregon Leaders Project	Salem	15,000	15,000	0	9/19/11	1/31/14
City of Portland Bureau of Planning & Sustainability	Sponsorships - 2012	Portland	12,000	12,000	0	9/27/12	12/31/12
Watershed Sciences Inc	Thermal Imaging Data Analysis	Corvallis	11,000	2,475	8,525	7/1/11	12/31/12
Portland State University Foundation	Green Modular Classroom Proj	Portland	10,500	0	10,500	6/13/12	7/31/14

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American Council for and Energy Efficient Economy	ACEEE Sponsorship - 2012		10,000	10,000	0	1/1/12	12/31/12
Association of Energy Services Professionals	AESP 2012 Membership	Phoenix	5,000	5,000	0	1/1/12	12/31/12
MetaResource Group	Sunriver Lodge Spillover Eval	Portland	5,000	3,038	1,963	8/13/12	12/31/12
MetaResource Group	Home Performance Focus Group	Portland	5,000	2,982	2,018	8/10/12	9/30/12
	Energy Efficiency Programs Total:		**86,958,009**	**57,220,158**	**29,737,851**		
Joint Programs							
Gilmore Research	Fast Feedback Survey	Seattle	110,000	84,000	26,000	5/1/11	5/31/13
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		28,577	16,118	12,459	11/7/11	12/31/12
Stellar Processes, Inc.	Resource Assessment Update	Portland	24,000	24,000	0	3/1/12	12/31/12
CoStar Realty Information Inc	Property Data	Baltimore	12,668	7,466	5,203	6/1/11	2/28/13
Excidian LLC	Business Finance Class	Wheeling	12,000	10,350	1,650	9/1/12	10/31/12
Navigant Consulting Inc	P&E Consultant Services	Boulder	4,600	4,600	0	6/30/11	7/1/13
	Joint Programs Total:		**286,545**	**213,853**	**72,692**		
Renewable Energy Program							
Outback Solar LLC	Outback Solar	Portland	5,000,000	0	5,000,000	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
Rough & Ready Lumber Company	Biopower Funding Agreement	Cave Junction	1,685,088	1,504,885	180,203	7/21/06	7/21/26
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
Three Sisters Irrigation District	TSID Hydro	Sisters	1,000,000	0	1,000,000	4/25/12	4/25/32
Revolution Energy Solutions LLC	Biogas Manure Digester Project	Washington	883,320	110,415	772,905	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
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	245,000	245,000	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	0	450,000	10/20/11	10/20/31
CIty of Pendleton	Pendleton Microturbines	Pendleton	450,000	0	450,000	4/20/12	4/20/32
K2A Properties, LLC	Doerfler Wind Farm Project	Aumsville	230,000	132,925	97,075	5/20/10	5/20/30
Farmers Irrigation District	Low Line Canal Pressurization	Hood River	150,000	0	150,000	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	0	70,000	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	27,578	36,422	1/1/11	12/31/12

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Robert Andrew Volkman	Project Finanace Consultant	Portland	62,500	5,394	57,107	10/1/10	12/31/12
Bloomberg LP	Insight Services	San Francisco	45,600	24,900	20,700	4/1/11	1/31/13
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
CIty of Gresham	Wastewater Treatment Study		40,000	0	40,000	7/12/12	9/30/12
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	15,000	15,000	10/3/11	12/31/13
Oregon Community Wind LLC	Anemometer Equipment Incentive	Portland	28,321	28,321	0	1/15/10	1/14/13
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	16,000	8,000	1/1/12	12/31/12
Wind Products Inc	Web Portal Tool	Brooklyn	24,000	20,000	4,000	6/25/12	9/20/13
Associated Master Inspectors LLC	Small Wind Program Consultant	Tigard	15,000	6,728	8,272	1/31/11	12/31/12
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	4/16/32
Carlson Small Power Consultants	Generator Case Study	Redding	10,500	0	10,500	4/16/12	7/1/12
Clean Energy States Alliance	CESA ITAC		10,000	10,000	0	1/1/12	12/31/12
Oregon Power Solutions, LLC	Anemometer Decommission		9,451	9,451	0	8/13/12	9/30/12
Ecofys US, Inc.	RE Consultant Services	Corvallis	6,800	6,640	160	4/18/11	12/31/12
American Wind Group LLC	Anemometer Incentive Funding	Oasis	4,031	4,031	0	7/22/11	2/15/14
Lane Community College, NEEI Science Division	Solar WH Technical Training	Eugene	4,000	4,000	0	1/1/12	12/31/12
Blue Tree Strategies Inc	RE Consulting Services	Portland	3,600	3,555	45	6/14/11	5/31/13
	Renewable Energy Program Total:		**22,383,604**	**12,947,411**	**9,436,194**		
	Grand Totals:		**120,854,485**	**75,351,531**	**45,502,954**		

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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

October 23, 2012

Attendees

Roger Hamilton, Alan Meyer, Ken Canon, John Reynolds, Amber Cole, Fred Gordon, Margie Harris, Steve Lacey, Sue Meyer Sample and Debbie Menashe

1. Strategic utility roundtable. It appears that November 7 will be too soon to discuss the proposed agenda items for the roundtable. The Governor's Final 10-Year Energy Plan has not yet been released and legislative concepts are not yet gelled. The Committee agreed that the board should instead use the November 7 time for the utilities to present a "Utility 101" briefing for the board. All members are strongly encouraged to attend, especially newer members. The Utility 101 briefing will begin at 10:00 am and go until 11:30 am after which lunch will be served. The full board meeting will begin as scheduled starting at the new permanent time of 12:15 pm.

2. Confidentiality policy (Attachment 1 - Policy on Information Submitted by Program Participants, Contractors and Bidders): The Oregon Public Utility Commission's new data-transfer rules require Energy Trust to share information about our program participants with utilities. This will require a change in Energy Trust board policy on confidential information. The proposed changes were reviewed and endorsed by the committee. The updated policy will appear on the consent agenda at the November 7th board meeting. Staff also briefed the committee on the status of negotiations with the utilities regarding the new information transfer agreements. Draft agreements have been provided to each of the four utilities, and meetings are planned to continue negotiations. Under the new OPUC rules, information transfer agreements must be finalized by November 22nd. Both Energy Trust and utility staff are working toward this deadline. Debbie Menashe advised the committee that the proposed confidentiality policy change is contingent on final execution of the new utility information transfer agreements.

3. Utility SB 838 supplemental efficiency funding:

   a. Report on negotiations with utilities over funding agreements and tariff filings. Electric utility tariffs need to be filed with the OPUC in time to take effect to fund programs in 2013. Steve Lacey reported on the status of negotiations with the utilities. It is anticipated that both PGE and Pacific Power will meet this deadline and that corresponding tariff filings will include funding to meet Integrated Resource Plan conservation and energy efficiency targets as a minimum. This conclusion has yet to be confirmed with the electric utilities as filings have not been made. Both NW Natural and Cascade Natural Gas have submitted their tariff filings which in turn correspond to meeting and potentially exceeding their respective IRP targets.

   b. Utility concerns with SB 838 evaluation of utility use of retained efficiency funds. The electric utilities are allowed to retain a portion of SB 838 funds to use for outreach in

support of Energy Trust programs. The OPUC required an independent evaluation of the utilities' use of these funds. The committee discussed feedback and communications from utilities regarding their concerns about the evaluation approach and findings. Much has changed and improved regarding communication and collaboration with both utilities since the initial evaluation was conducted.The evaluation committee meets October 30 to discuss the evaluation and representatives from both PGE and Pacific Power will be in attendance. Margie Harris invited board members to contact her with any questions on this matter.

4. Update on cost-effectiveness and gas avoided costs. The OPUC supported a filing by Energy Trust requesting a two-year exception process from the societal cost-effectiveness test for certain gas measures whose cost effectiveness is below the required threshold. Fred Gordon briefed the committee on the OPUC process which resulted in unanimous support for the exception requests. Another exception request will soon be submitted on remaining gas measures experiencing the same challenges. During the two-year period, Energy Trust will work with contractors to reduce the cost of delivery in an effort to strengthen the cost effectiveness of the individual measures. This time period will also provide an opportunity to monitor the cost of natural gas in the marketplace. This is a national issue for certain gas measures driven by the current low avoided cost of natural gas.

5. 2013 budget and action plan themes for November board meeting. Sue Meyer Sample and Margie Harris previewed the 2013 budget and action plan themes to be presented at the November 7th board meeting. The presentation approach will provide background information on how the action plan and budget connect to meeting utility IRP targets. Presentations will summarize information on the budget as a whole, including changes in revenue, expenditures and delivered savings. Highlights will include cost-management and efficiencies that enable Energy Trust to continue to acquire additional savings and generation at the same low levelized cost. A related resolution will be included at the November 7 board meeting regarding a staff recommendation to temporarily use a portion of Energy Trust interest earnings to continue to provide Cascade Natural Gas programs in 2012. Cascade is in the process of transitioning from a deferred retroactive tariff adjustment to a public purpose fund charge in support of Energy Trust services and programs. This transition will not be complete in time for Energy Trust to receive sufficient 2012 funds to meet program demand for Cascade customers between now and year end. The resolution will include background information regarding this recommended board action.

6. Meetings with editorial boards and communities. Margie and Amber Cole briefed the committee on our 10-year anniversary outreach efforts. Margie reported on successful visits to Pendleton and Medford where she toured many diverse Energy Trust projects and interacted with customers and other local representatives. The 10-year anniversary provides an opportunity to do state-wide outreach, and future visits around the state are planned for Astoria in early November and for other communities in early 2013. Possible visits include Salem, Coos Bay, Albany/Corvallis, Redmond/Bend, and Eugene/Springfield.

7. Routine Three-year Policy Reviews: Staff has no changes to suggest in the following policies, which came before the committee for their routine, three-year review:

a. Self-direct policy (Attachment 2). This complex policy deals with a unique situation that was created by the legislation (SB 1149) that created the 3% public-purpose charge in 1999. SB 1149 allows large energy-users (more than an average megawatt/year) to invest in energy projects (conservation or renewable) instead of paying into the fund that supports Energy Trust programs. The question is whether and to what extent a large energy user can "self-direct" energy projects at a site, reduce or eliminate their contribution to the public-purpose charge, and still take advantage of Energy Trust programs on other (non-self-directed) energy measures. The current policy represents a compromise that in our view continues to be workable. Staff does not recommend changing the policy.

b. Oregon preference (Attachment 3). This policy provides that "if price, fitness, availability and quality are otherwise equal, Energy Trust will give preference to a bidder whose goods or services are produced, acquired, or available in the State of Oregon." To our knowledge, the policy has never come into play but it is important symbolically. Staff suggests a couple of editorial changes.

c. Consent agenda (Attachment 4). This policy establishes guidelines for deciding when a matter is appropriate for the board's consent agenda. Staff believes the policy continues to work well and suggests no changes.

d. Waiving program caps (Attachment 5). This policy establishes guidelines under which the board will consider allowing incentives that exceed program caps, which are no higher than $500,000. Staff believes the policy continues to work well and suggests no changes.

e. Waste-to-energy (Attachment 6). This policy was developed in 2006, when there was a thorough discussion of the positive effects of generating energy from waste (reducing landfill and avoiding harmful disposal impacts) and the negative (reducing recycling). To our knowledge, the policy has not come into play, but it would be useful if one of these situations arises, and staff does not recommend any changes.

Attachment 1:

4.17.000-P Policy on Information Submitted by Program Participants, Contractors and Bidders

History			
Source	Date	Action/Notes	Next Review Date
Policy Committee	5/24/04	Review and discussion	8/24/04
Policy Committee	8/24/04	Reviewed for board action	9/9/04
Board	9/9/04	Action postponed pending further review and discussion	9/21/04
Board	7/6/05	Approved (R345)	7/08
Board	5/9/07	Amended (R438)	5/2010

Purpose: Energy Trust and its contractors acquire information from utilities, program participants and others. This document establishes Energy Trust policy on collection, use and disclosure of information about program participants. This policy also addresses confidentiality of contracts and bid information. The policy does not apply to information that is in the public domain.

1. **Energy Trust will inform participants of this policy**

   Participants in Energy Trust programs will be advised of the contents of this policy by appropriate means (e.g., on program application forms, the Energy Trust web site and oral communications). Energy Trust and its contractors will offer participants a copy of this policy.

2. **Energy Trust protects information ~~covered~~ provided by utilit~~ies~~y ~~information transfer agreements~~**

   Utilities provide Energy Trust with information about energy consumers on condition that it is treated confidentially. This information is covered by Oregon Public Utility Commission administrative rules, OAR 860-086-000, et seq., and ~~-~~"information transfer agreements" negotiated with ~~the~~ each funding utility. Energy Trust will not afford access to this information ~~protected by utility information transfer agreements~~ to anyone who has not signed a confidentiality agreement consistent with the applicable administrative rules and information transfer agreements. ~~However, i~~If Energy Trust obtains written, oral (documented electronically or in writing), or electronic consent from an Energy Trust program participant, information relating to such participant is no longer subject to utility confidentiality agreements, and instead is governed by sections 4-5 of this policy. ~~Energy Trust may disclose to utilities the names of Energy Trust program participants to ensure that Energy Trust information is accurate.~~

3. Energy Trust and those it works with use Participant Information only for Energy Trust purposes

A. Definition of Participant Information: "Participant Information" means information obtained from program participants that refers specifically to the participant by name, address, or other personally identifiable characteristics.

B. Generally. Energy Trust employees, contractors and sub-contractors will use Participant Information only for Energy Trust purposes. Contractors who receive Participant Information from Energy Trust may not disclose it to any other party unless required by law or the other party has by contract or other written agreement agreed to protect such information consistent with this Energy Trust policy. Contractors will consult with their Energy Trust contract manager when in doubt.

C. Collaborative analysis. Energy Trust analyzes Participant Information and aggregates it with other information to plan, evaluate and report on Energy Trust programs. If consistent with section 3 and if the shared data do not reveal Participant Information, Energy Trust may share such aggregated information with other analysts, recognizing that some of these analysts work for organizations with their own information disclosure policies and requirements.

D. Using Participant Information in marketing. Before using Participant Information in case studies, brochures, press releases, advertisements, marketing or other publicity material, Energy Trust and/or its contractors will obtain participant approval.

E. Information provided to government entities

(1) Energy Trust will treat residential program participant information as confidential. Energy Trust may report individual residential participant information if it does not identify the participant by name, address, telephone or other information that would allow identification of the individual.

(2) For non-residential programs, Energy Trust may include the following information in reports to the Bonneville Power Administration, the legislature, the Oregon Public Utility Commission ("OPUC") and other state agencies as necessary to meet Energy Trust responsibilities:

- participant name
- city or county of business
  - Energy Trust services or incentive payments provided to the participant, or
  - energy saved or generated as a result of Energy Trust services or incentives.

(3) Before providing Participant Information other than information listed in section 3.E(2), Energy Trust will obtain participant approval.

F. Information provided to utilities. Energy Trust will provide Participant Information to utilities as specified in OAR 860-086-000, which, as of September, 2012, consisted of

- name;
- service address (including apartment, unit, or suite number);
- meter number and other point-of-delivery identification numbers;
- information about electric efficiency program participation, such as measures installed since the inception of the efficiency programs; and
- whether an electric customer has agreed to the transfer of its proprietary customer information as a result of its participation in an efficiency program, and the term during which Energy Trust has the right to see it, if applicable.

4. Contracts

A. Except for contracts that concern personnel matters, contracts to which Energy Trust is a party will not be treated as confidential. For purposes of this policy "contract" does not mean program application materials.

B. If a contract specifically identifies as confidential sensitive business records or financial or commercial information that is not customarily provided to business competitors, Energy Trust will treat such information as confidential. However, Energy Trust may disclose all other information in the contract.

C. Subject to litigation or other legal disclosure and/or audit requirements, Energy Trust will not disclose information submitted in response to requests for proposals or other solicitations.

5. Audit

Energy Trust will afford auditors full access to participant information for purposes of audit.

6. Resolving issues

In the event the OPUC requests from Energy Trust information that a participant has reasonably designated as Confidential Information, Energy Trust will follow the procedure specified in section 3.c of the Grant Agreement between Energy Trust and the OPUC (available at http://energytrust.org/About/PDF/grant_agreement.pdf).

Attachment 2

4.10.000-P Eligibility of Self-Direct Businesses for Energy Trust Incentives

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	May 8, 2001	Approved (R27)	November 28, 2001
Board	November 28, 2001	Reviewed, Revised (R58)	January 30, 2002
Board	January 30, 2002	Reviewed, Revised (R69, R70)	April 3, 2002
Board	April 3, 2002	Reviewed, Revised (R96)	October 30, 2002
Board	October 30, 2002	Reviewed, Revised (R137)	October 2005
Board	May 25, 2006	Reviewed, Revised (R392)	May 2009
Policy Committee/Board	September 2, 2009	Reviewed, no changes	August 2012

ENERGY TRUST POLICY ON SELF-DIRECTION

WHEREAS:

1. **Oregon law allows entities that use over one average megawatt of electricity a year at a single site to direct their own electric efficiency and renewable energy projects and deduct the cost from the public purpose charge on their electric bills.**

2. **In 2002, Energy Trust adopted a policy allowing self-directors a full Energy Trust incentive for the new project only if the self-director agrees not to use self-direct credits at the same site for 36 months. The policy recognizes that self-directors should not have the same access to Energy Trust incentives as electric users who pay the public purpose charge.**

3. **The board wishes to clarify the policy and to make two substantive changes meant to facilitate the policy's administration.**

It is therefore RESOLVED:

The Energy Trust policy on self-direction is as follows:

Purpose: Energy Trust generally supports projects only of energy users who pay into the three percent public purpose fund on which Energy Trust programs are based. At the same time, Oregon's self-direction requirement can lead to situations in which an energy user reduces or eliminates its contribution to the public purpose fund by implementing energy efficiency or renewable energy measures certified by the Oregon Department of Energy. This policy outlines circumstances in which a self-directing energy user nevertheless qualifies for Energy Trust support.

1. Incentives:

A. No incentives for self-directed measures: No Energy Trust incentive will be given for any measure ("measure" includes technical studies and commissioning services) for which self-direction credit is also claimed.

B. Measures exempted: As long as it claims no self-direct credit for these measures, an energy user may receive 100% of the standard Energy Trust incentive for the following measures:

- **unitary HVAC systems;**
- **motor replacement; and**
- **measures determined by Energy Trust staff to have modest costs ($3,000 or less per project) and savings, and where application of this policy's requirements would unreasonably interfere with efforts to encourage participation in an Energy Trust program.**

C. All other measures: An energy user that seeks an Energy Trust incentive for a measure other than those exempted above:

- **must agree not to use any self-direct credits for 36 months at the same ODOE-certified site as the site of the proposed Energy Trust measure, and receive 100% of the standard Energy Trust incentive for the measure. After 36 months, the energy user may resume using self-direct credits, or**
- **if the energy user continues to use any self-direct credits for non-Energy Trust measures at the same site, the energy user will receive 50% of the standard Energy Trust incentive for the measure.**

2. Restrictions on funding for self-directors: No more than $1.5 million/year of Energy Trust funds (combined total) will be paid for efficiency projects to all firms that self-direct. With board approval (in the annual budget process or otherwise), this amount could be adjusted upward if program demand is running behind funding for a sustained period.

3. Allocation by customer class. Allocation of Energy Trust funds to self-directing end-users will not change the allocation of funds by customer class.

4. Repayment requirement: If the energy user accepts a full Energy Trust incentive for a measure and agrees not to use self-direction credits on its electric bill at a site for a 36-month period, Energy Trust staff:

A. Shall require repayment if the self-director begins using credits before the 36 months has ended. If required, recovery will be by the following formula: Refund Amount = 0.5 x A x B, *where* A = total amount of Energy Trust incentives paid and B = 36 minus the number of months elapsed since measure installation or completion, divided by 36. Repayment must be completed within two years of the time the repayment obligation is triggered.

B. May waive repayment for projects whose repayment obligation would be $3,000 or less.

5. <u>Energy efficiency and renewable energy measures considered separately:</u> Energy efficiency and renewable energy measures shall be considered separately for the purposes of this policy. That is, during the 36 months after a measure is installed at a site, a self-director may use self-direction credits for a renewable energy project at an ODOE-certified site if it receives Energy Trust incentives for an energy efficiency project at that site, or *vice versa,* with no repayment requirement.

Adopted on May 25, 2006, by the Energy Trust Board of Directors.

Attachment 3:

4.14.000-P Approve a Policy on Oregon Preference

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	October 1, 2003	Approved (R207)	October 2006
Policy Committee	September 21, 2006	No changes	October 2009
Policy Committee	November 4, 2009	No change	October 2012

Purpose

To adopt a policy on giving preference to Oregon contractors for major Energy Trust contracts.

Background and Relation to Strategic Plan/Action Plan

The Energy Trust strategic plan speaks to promoting a healthy business climate for Oregon's renewable energy and energy efficiency businesses. Having enlisted nearly 2000 trade allies to date, the Energy Trust clearly is making progress toward this goal. In response to inquiries about our policy on giving preference to Oregon contractors, Energy Trust conducted a legal review and engaged its advisory councils in discussion of the matter.

The pertinent provisions of Oregon Revised Statutes (ORS) cover public contracting. They provide:

> (1) In all public contracts, the public contracting agency shall prefer goods or services that have been **manufactured** or **produced** in this state if price, fitness, availability and quality are otherwise equal.
>
> ORS 279.021
>
> (1) After the bids are opened . . . and after a determination is made that a contract is to be awarded, the public contracting agency shall award the contract to the lowest responsible bidder.
>
> (2) In determining the lowest responsible bidder, a public contracting agency shall: . . .
>
> > (b) For the purpose of awarding the contract, add a percent increase on the bid of the nonresident bidder equal to the percent, if any, of preference given to that bidder in the state in which that bidder resides.
>
> ORS 279.029

Since the Energy Trust is not subject to Oregon public contracts law, Energy Trust is not bound to the above provisions.

Most participants in these meeting do not support provisions of ORS 279.029 that could penalize out-of-state bidders. There was general support for the concept expressed in ORS 279.021 to give preference to an Oregon contractor if competing bidders score equally on other selection criteria. There was no consensus however, on the wording of such a policy. Participants expressed concern that the terms "manufactured" or "produced" may be too restrictive.

Given the general support for giving preference to Oregon bidders if competitors are equal in other respects, staff recommended the Energy Trust board endorse a policy to grant such a preference if price, fitness, availability and quality are otherwise equal, to bidders whose goods or services are produced, acquired, or available in the State of Oregon.

Policy

If price, fitness, availability and quality are otherwise equal, Energy Trust will give preference to a bidder whose goods or services are produced, acquired, or available in the State of Oregon.

Attachment 4

2.01.001-A Consent Agenda Procedure

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	November 5, 2003	Approved (R221)	11/06
Policy Committee	October 19, 2006	Reviewed – no changes	11/09

Consent agenda procedures. Margie said the proposed resolution is basically the same as the one the board discussed earlier. Jason Eisdorfer said the board must trust that staff will self-identify non-controversial and routine items for inclusion in a consent agenda. He advised staff to err on the side of caution in that determination. However, he supports the consent agenda concept, especially because it provides the same amount of information as standard board resolutions, and will help streamline future board meetings.

Jason added that the board asked the Policy Committee to review the proposal, and determine if it should include a cap on the dollar amount. The committee decided that was not necessary. He said the committee also underscored that the conflict of interest policy will pertain to consent agenda items. Board members clarified that the board will decide if there should be public discussion of proposed consent agenda items, and that consent agenda items may be moved to the regular agenda only at the request of a board member. The board agreed to place consent agenda items after the public comment portion of future board meetings, to allow members of the public to raise any issues of concern before the board considers the consent agenda items.

Resolution

BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors hereby approves the option of placing board action items on a consent agenda, according to the following guidelines:

1. **Action items brought forward through the renewable energy open solicitation program will follow the process approved by the board specifically for that program.**
2. **Written decision documents on consent agenda items will follow the same format and contain the same information as provided for regular agenda items.**
3. **Where appropriate, consent agenda items will meet the following criteria:**
   - **Involve routine and non-controversial matters**
   - **Conform with a previously adopted board policy or implement a project previously approved by the board in a formal resolution**

- **Involves a cost-effective action as documented by pertinent financial information, energy savings/production, or other outcomes**
- **Can be accomplished within the board-approved budget with clearly specified budget authority**
- **No board or public comment is anticipated regarding the proposed action**

4. **If the consent agenda item authorizes an increase in expenditures under a previously existing contract, the resolution must include but not be limited to:**
   - **The original amount of the contract**
   - **The number and amount of prior increases**
   - **The amount of the current proposed increase**
   - **The reason for the increase, and**
   - **The resulting total contract amount**
5. **The existing conflict of interest rules apply to votes of all items on the consent agenda.**
6. **Any item on the consent agenda will be moved to the regular agenda upon request from any board member.**

Moved by: Tom Foley Seconded by: John Klosterman

Vote: 6 in favor 0 opposed 0 abstained

Adopted on November 5, 2003 by Energy Trust of Oregon, Inc., Board of Directors.

Attachment 5

4.20.000P Policy on Waiving Program Incentive Caps

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	Oct. 1, 2003	Approved (R 212)	Oct. 2006
Board Decision	Nov. 8, 2006	Approved (R412)	Nov 2009
Board Decision	Nov. 4, 2009	Approved (R527)	Nov 2012

Policy

The board may approve exceptions to program incentive limits (which may exceed $500,000 per incentive only with board approval) for projects that meet the following criteria:

1. **Exemptions require suspension of self-direction for a minimum of 3 years.**
2. **Exemptions will be approved only if there is available incentive budget.**
3. **Projects are expected to save energy at a cost per annual unit of energy saved ($ per annual kilowatt-hour/therm) to Energy Trust that is less than the current incentive levels for the applicable program.**

Moved by: Roger Hamilton Seconded by: Jason Eisdorfer

Vote: In favor: 9 Abstained: 0

Adopted as part of the Consent Agenda on November 4, 2009, by Energy Trust Board of Directors.

Attachment 6

4.24.000-P Waste-to-Energy Policy

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	November 8, 2006	Approved (R411)	November 2009
Policy Committee	November 17, 2009	No Change	November 2012

WASTE-TO-ENERGY POLICY

WHEREAS:

1. **Senate Bill 1149 defines "waste" as an eligible renewable resource.**
2. **Energy Trust wishes to establish criteria and procedures to guide its decisions regarding funding for waste-to-energy projects.**
3. **In October 2006, the Renewable Advisory Council discussed this matter and unanimously endorsed the policy proposed in this resolution.**

It is therefore RESOLVED:

1. **Among waste-to-energy projects, Energy Trust will give top funding priority to those projects using organic or biological wastes from human, animal or plant sources.**
2. **Among waste-to-energy projects, Energy Trust will give secondary funding priority to projects using wastes from manufacturing and industrial processes that are otherwise lost to commercial use, and that have no higher-value use than energy production. These projects will be considered as funds allow.**
3. **Eligible projects may use *de minimus* quantities (provisionally, less than 1% of energy content) of petroleum-based materials.**
4. **Energy Trust will prioritize waste-to-energy projects that meet the above criteria and: (a) do not use waste at the expense of a real, current alternative use with a higher social value, such as re-use or recycling; and (b) divert material from landfills, or otherwise avoid environmentally harmful waste disposal options.**
5. **Waste-to-energy projects will be part of the Biopower program, which will fund both waste and biomass projects from a single budget. All Biopower program procedures and policies will apply to waste-to-energy projects. In addition, RAC review of waste-to-energy projects will be required.**

Briefing Paper
Market Indicators Quarterly Report

October 2012

The purpose of this report is to track and assess changes in key economic indicators in an attempt to gain a better understanding of how demand for Energy Trust programs will respond to changing market dynamics. By monitoring the behavior of several widely used macro-level indicators we hope to stay closely attuned to any signs of improvement or further worsening of economic conditions, thereby providing Energy Trust program managers with the ability to respond to changes accordingly.

Since the last quarterly market indicators report was distributed in July 2012, the US economy has maintained modest growth in most sectors of the economy, although the ongoing debt crisis in Europe has kept exports, and therefore manufacturing, relatively constrained. However, there are positive signs in the economic data. Private sector payrolls have improved for the last 30 months, adding over 4,500,000 jobs to the economy over that period[1]. In the housing sector, the rate of new construction and the number of housing starts have both increased in recent months.

It was also recently announced that in September, the US had the lowest national unemployment rate since January 2009, at 7.8% (seasonally adjusted). This improvement from the previous monthly reading of 8.1% was due in part to revised July and August unemployment figures, which showed stronger employment gains than was previously thought.

In September, The Federal Reserve Bank announced that they will expand their program of 'quantitative easing' in an effort to foster more rapid economic growth by bringing down longer-term interest rates and mortgage rates. The Fed announced an additional $40 billion per month in purchases of longer term securities, bringing total monthly purchases to $85 billion, which will continue throughout the end of the year[2].

> "To underline the Federal Reserve's commitment to fostering a sustainable economic recovery, we said that we would continue securities purchases and employ other policy tools until the outlook for the job market improves substantially in a context of price stability."
> - Ben Bernanke, *Five Questions About the Federal Reserve and Monetary Policy*[3], Oct. 1st, 2012

[1] http://www.frbsf.org/news/speeches/2012/john-williams-0924.html?utm_source=frbsf-home-highlight-title&utm_medium=frbsf&utm_campaign=presidents-speech-2012-09-24

[2] From Ben Bernanke's *Five Questions About the Federal Reserve and Monetary Policy* http://www.federalreserve.gov/newsevents/speech/bernanke20121001a.htm

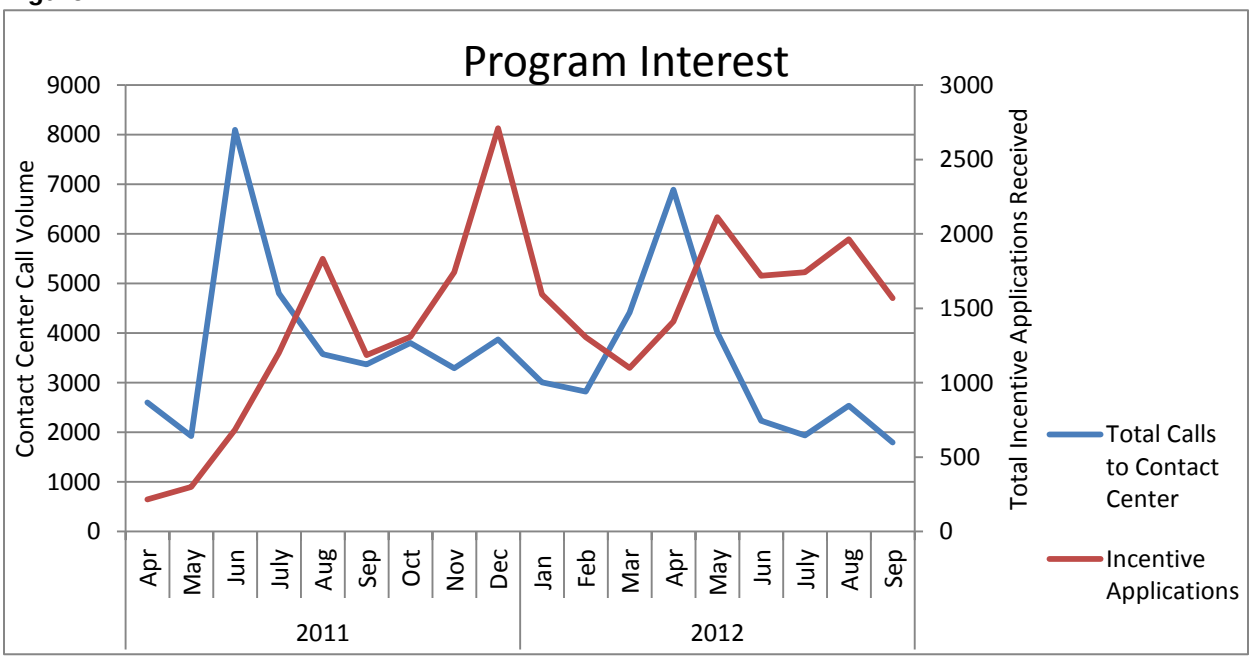
[3] http://www.federalreserve.gov/newsevents/speech/bernanke20121001a.htm

1.1 Energy Trust Programmatic Indicators

Existing Homes Report

In September, total calls to the Energy Trust Call center were down almost 50% from September 2011, but incentive applications were up by 383 from the previous year. Call center call volume is driven heavily in summer months by the presence (or lack thereof) of promotional marketing activities, and so far in 2012, the Energy Saver Kit (ESK) promotion in April produced the largest spike in program interest (58% of calls in April 2012 were related to ESKs). In 2011, calls to the contact center spiked during a June promotion of Energy Saver Kits (76% of June 2011 calls).

Figure 1.1

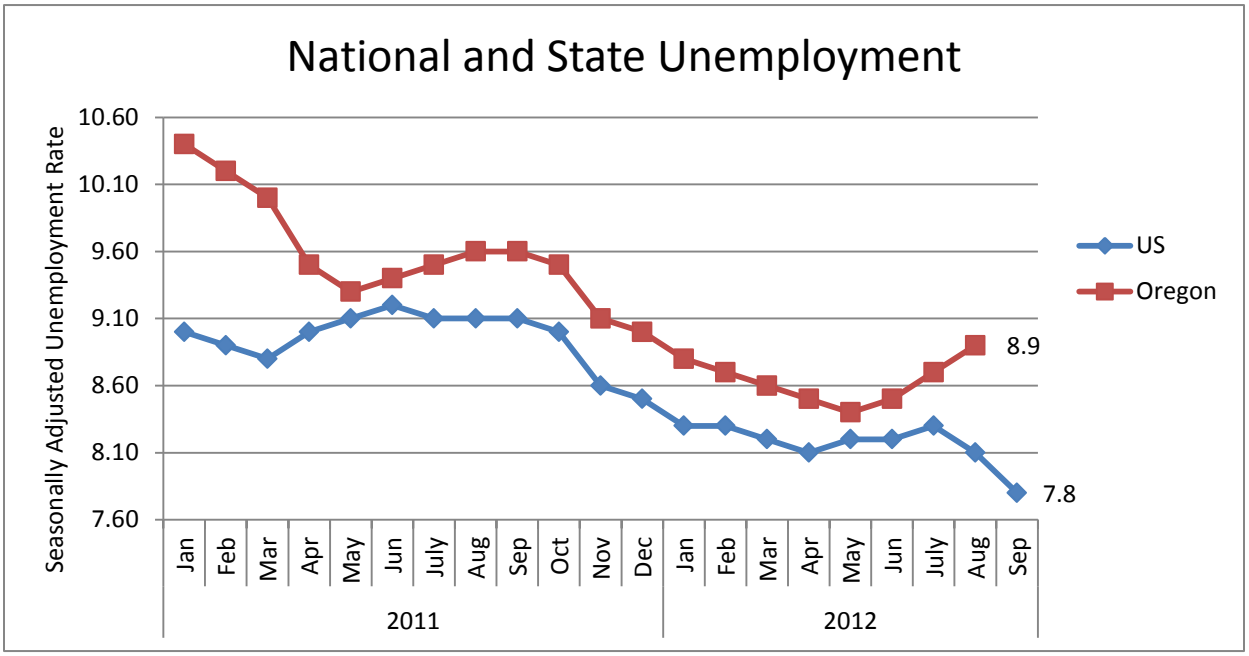


2.1 Macroeconomic Indicators

Unemployment-

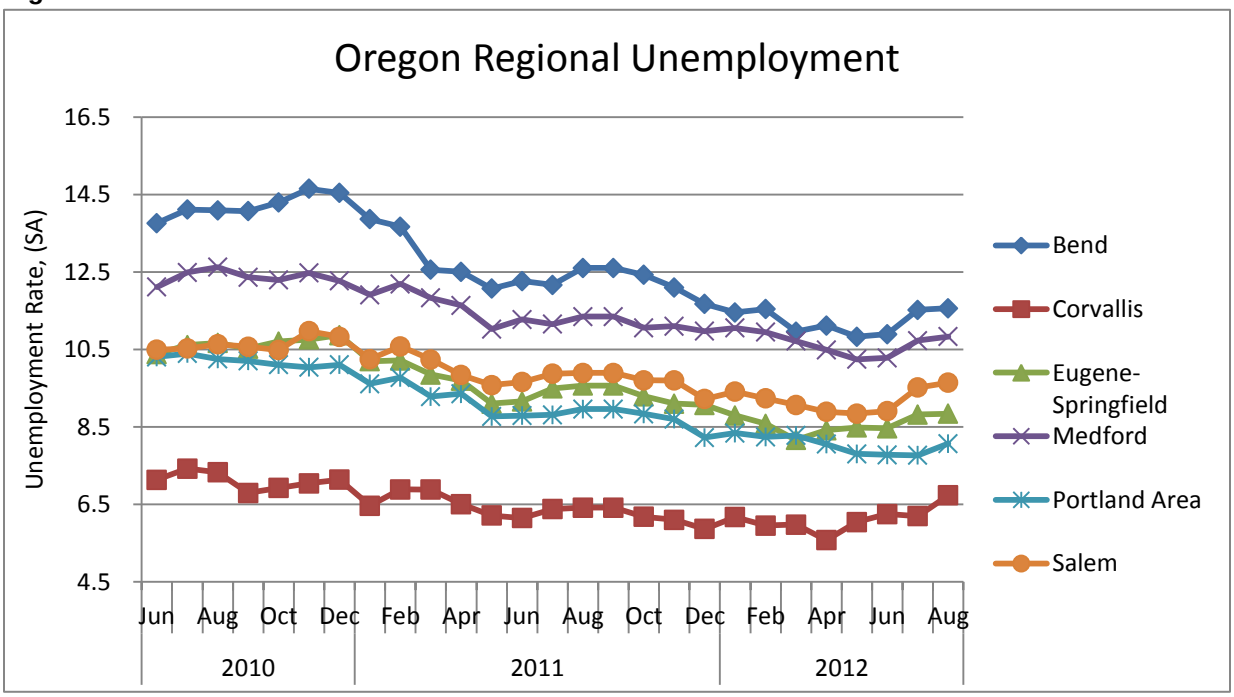
Nationally, the unemployment rate fell 0.3% in September to 7.8%, on a seasonally adjusted basis, its lowest level since January 2009. The number of unemployed people across the nation fell by 456,000 people in September.

Figure 2.1



Disappointingly, the statewide unemployment rate in Oregon rose from the previous month in all of the months June, July, and August. However, payroll employment increased for the sixth consecutive month in August, with non-farm payroll rising by 8,800 from September. These August employment numbers show that the Oregon workforce has added 1,600 jobs since August 2011, and 14,800 fewer people are now unemployed. All major population centers in Oregon posted increased unemployment rates in August as well.

Figure 2.2



New Homes Report-

Housing permit activity peaked in May 2012, and has since been slightly down on average, both at a national and a state level, although the rate of single-family construction is still greatly improved from the same time period in 2011.

Figure 2.3

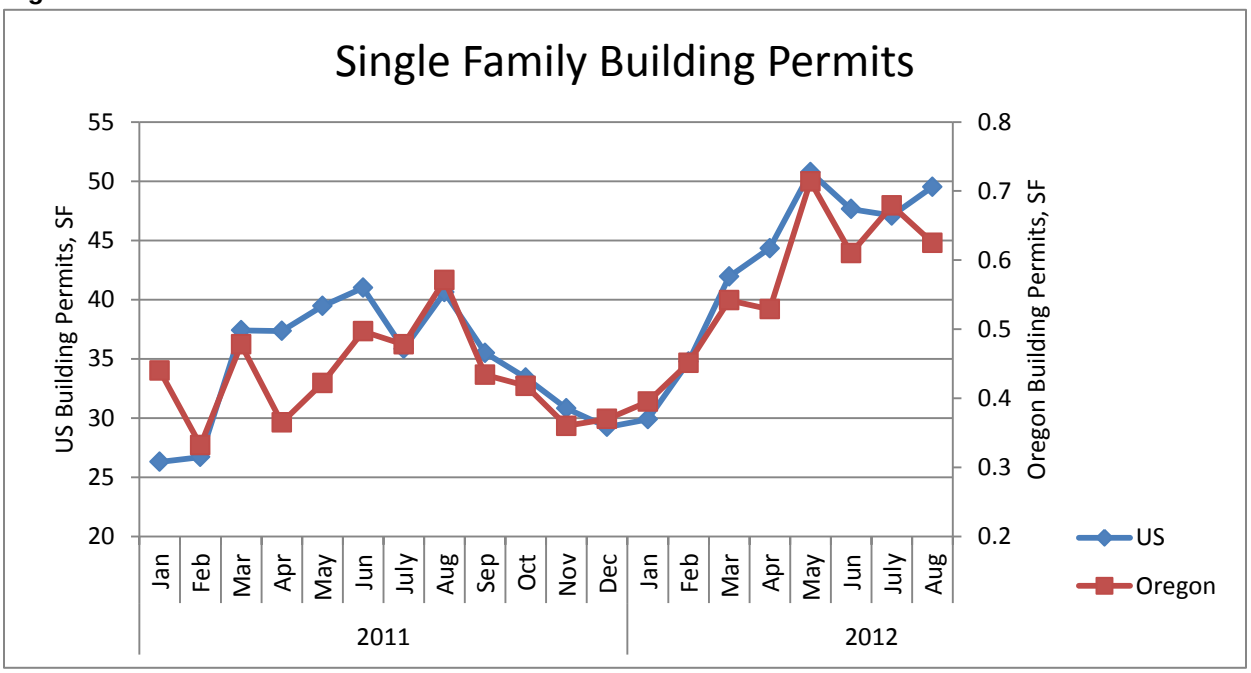
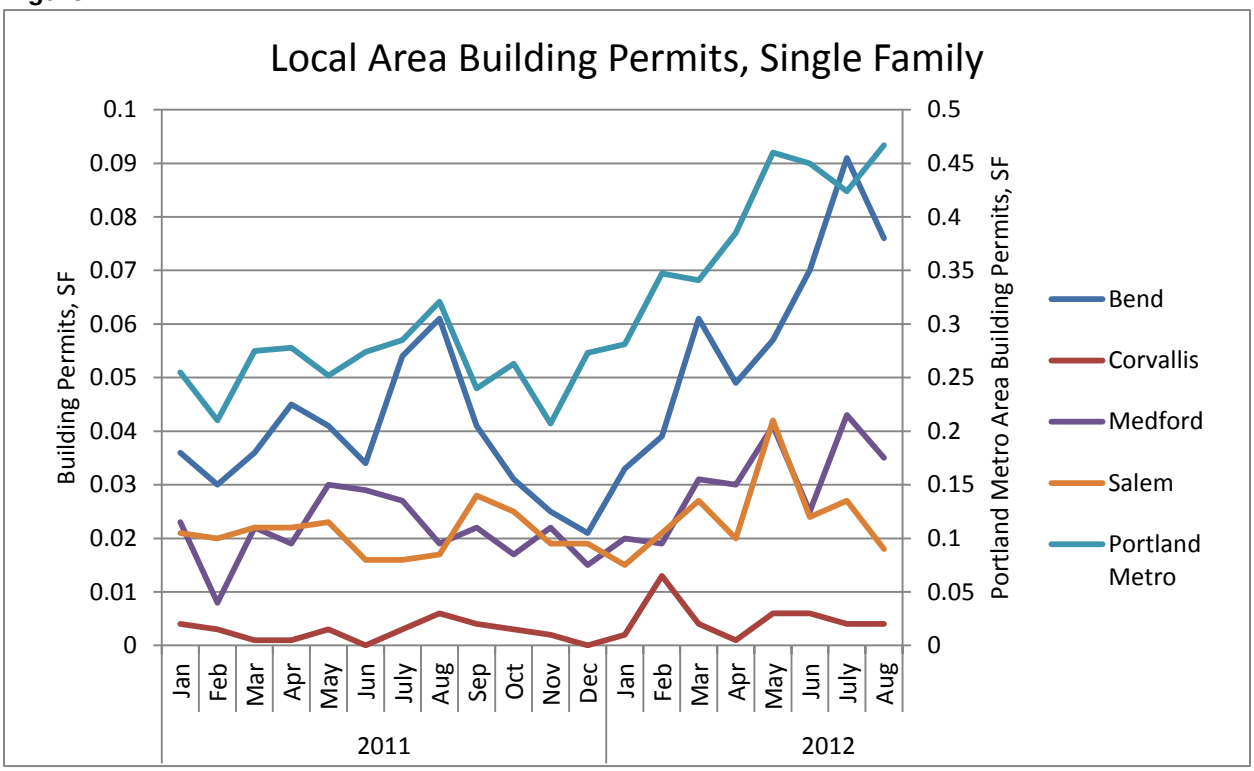
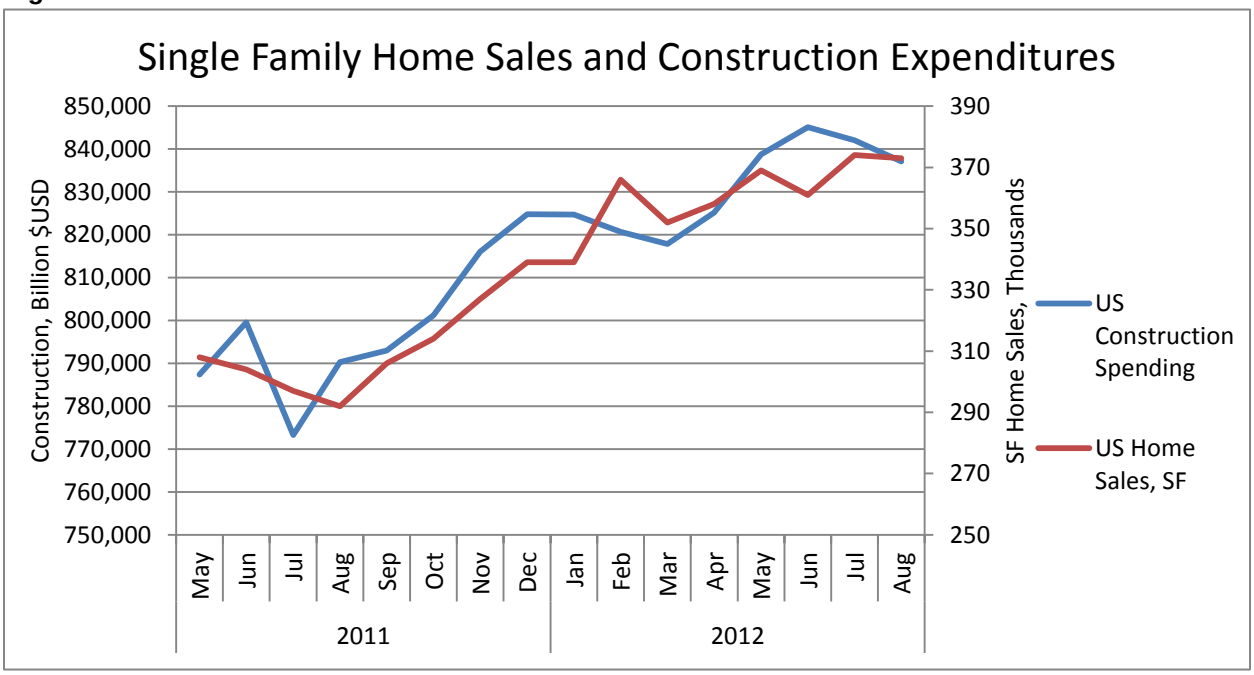


Figure 2.4



National Construction Expenditures-

Figure 2.5



Foreclosures-

The number of new foreclosure filings and foreclosures scheduled for sale has declined precipitously in each of the last three months. A substantial portion of this decline in recent months is due to the Oregon legislature's decision in March to enact rules that are aimed at protecting homeowners facing foreclosures. The legislation, SB 1552, was passed in March 2012 and will "require lenders to meet face to face with borrowers [in mediation] before initiating foreclosures"[4]. The Oregon legislature has also recently allocated funds to the Department of Justice and the Housing and Community Services Department to "ensure access to access to mediation, help eligible homeowners connect with wrongful foreclosure compensation, and acquire loan modifications"[5].

As noted by RealtyTrac, an online foreclosure data distributor, this move to require mediation for borrows has also been seen in several other states, and will likely have an impact on the rate of foreclosure filings. Daren Blomquist, vice president at RealtyTrac, said "this trend in state legislation intervening in the foreclosure process in some of the non-judicial states, particularly over the past six months to a year, is actually going to prolong the time it takes to fully clear this backlog of foreclosure properties"[6].

[4] http://www.oregonlive.com/front-porch/index.ssf/2012/03/oregon_house_passes_foreclosur.html
[5] http://www.leg.state.or.us/press_releases/hdo_052312.pdf
[6] http://www.oregonlive.com/business/index.ssf/2012/09/foreclosure_rates_fall_nationa.html)

Figure 2.6

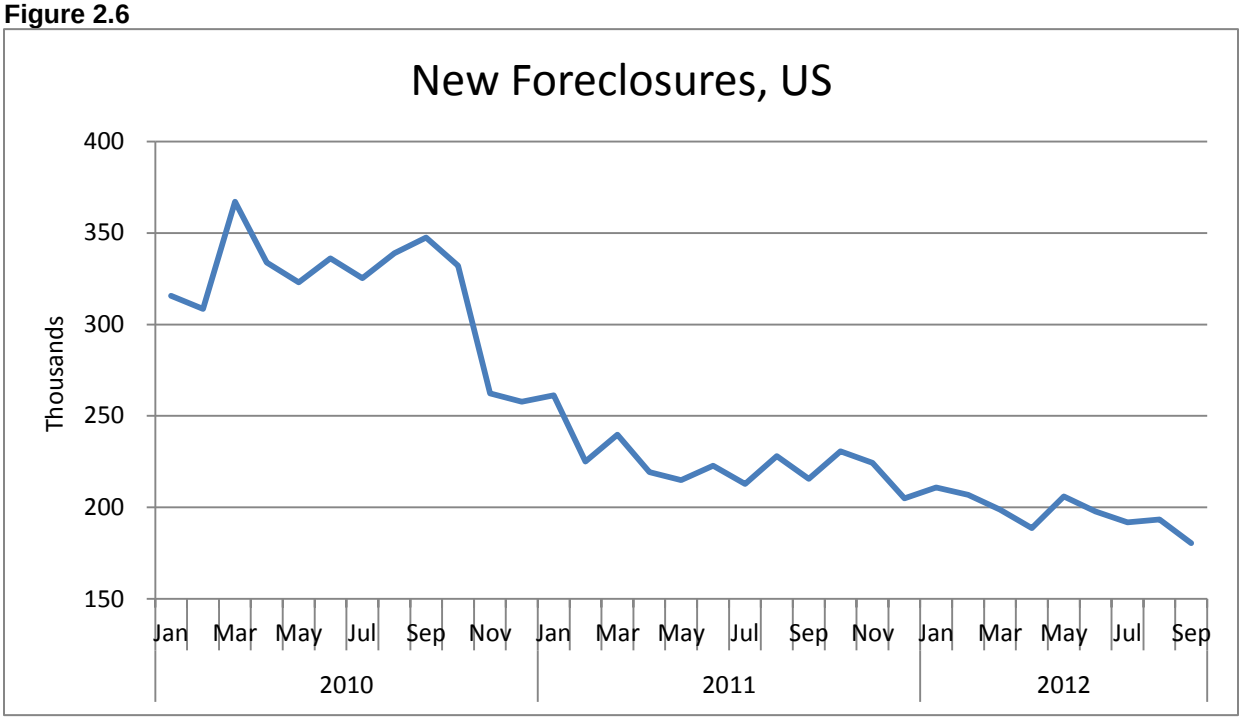
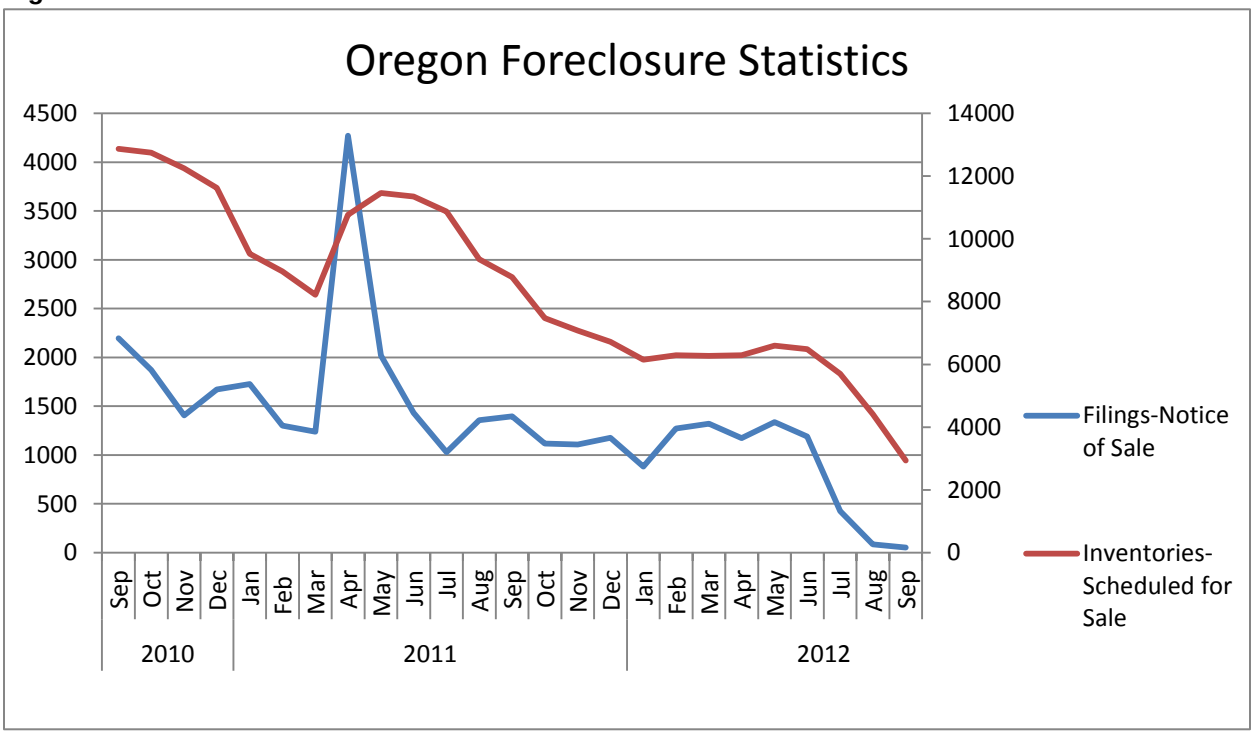


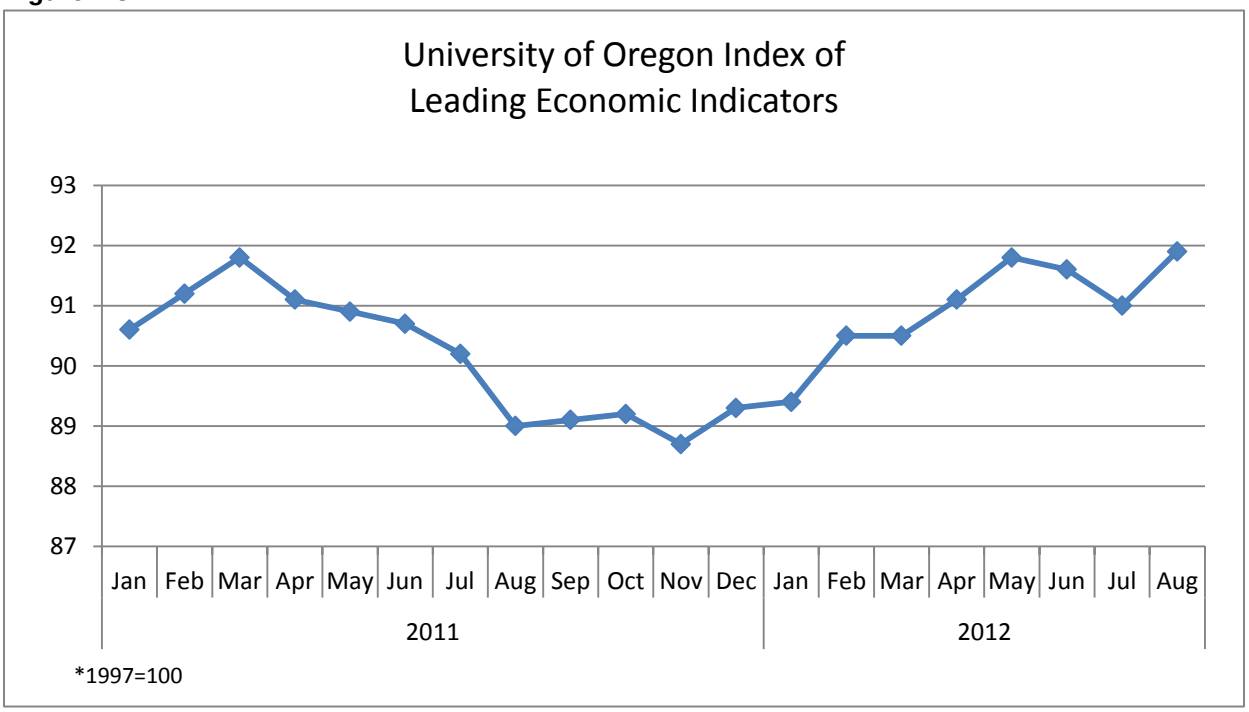
Figure 2.7



UO Index-

The University of Oregon Index of Leading Economic Indicators, rose 1.1 percent in August after relatively poor readings in both June and July. Initial unemployment claims, one of seven components of the UO index, dropped significantly in August, and employment services payrolls also improved, while manufacturing and trucking activity struggled to maintain their July levels. The rate of improvement in the UO index since the beginning of the year is encouraging for future growth prospects, but this rate still remains somewhat below the rate of growth that has been experienced in Oregon during the 1990's and early 2000's.

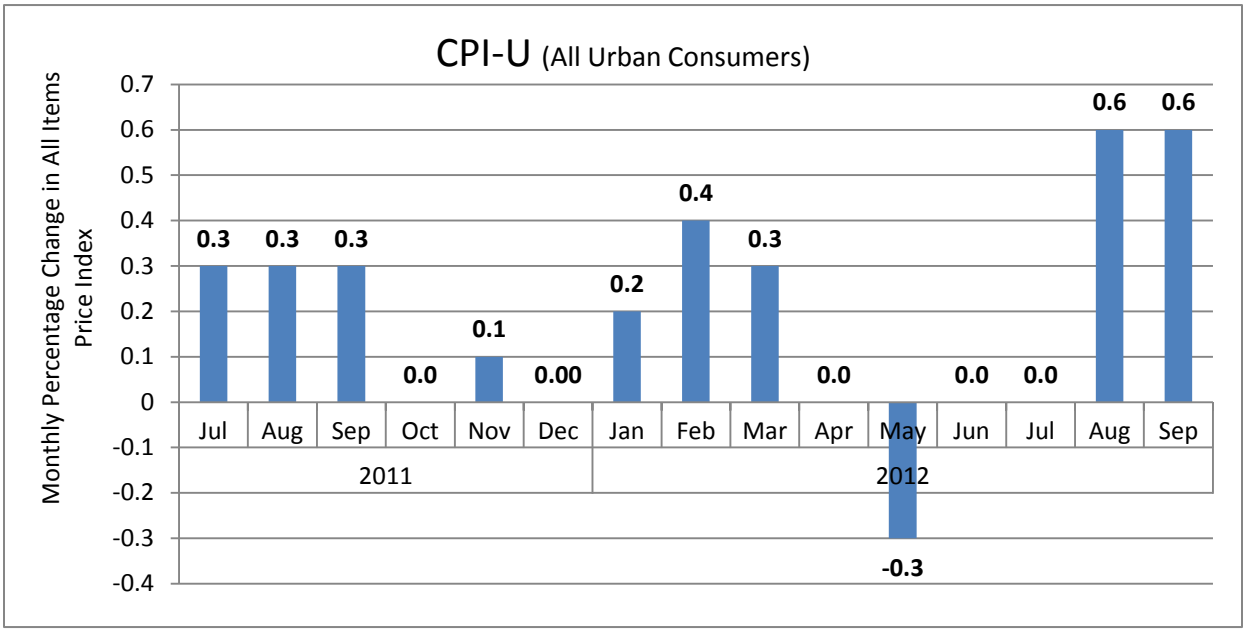
Figure 2.8



CPI-U

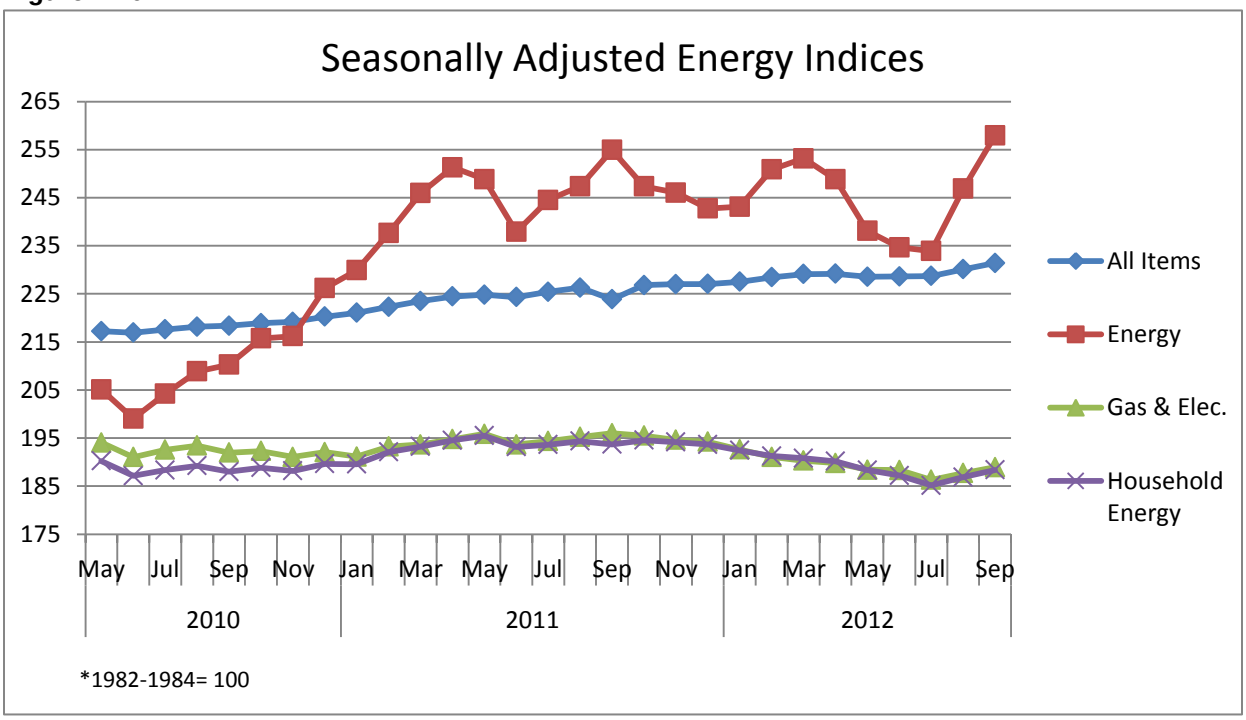
The consumer price index increased 0.6 percent in August, from July, which was the largest increase that the *All-Items* index has experienced in over two years, on a seasonally adjusted basis. However, 80 percent of the increase was due to gains in the gasoline index, which rose 9.0 percent over the month after four previous months of decline. Over the last 12 months, the *All-Items* index has improved 1.7 percent.

Figure 2.9



After four months of continuous decline, the energy index rose 5.6 percent in August. This was the largest increase in the energy index in over two years. As noted previously, much of the increase was due to increases in gasoline prices, although the indices for natural gas and electricity both increased as well (2.8 and 0.2 percent, respectively). Over the last year, the energy index has declined 0.6 percent, and the index for natural gas has declined 11.2 percent.

Figure 2.10

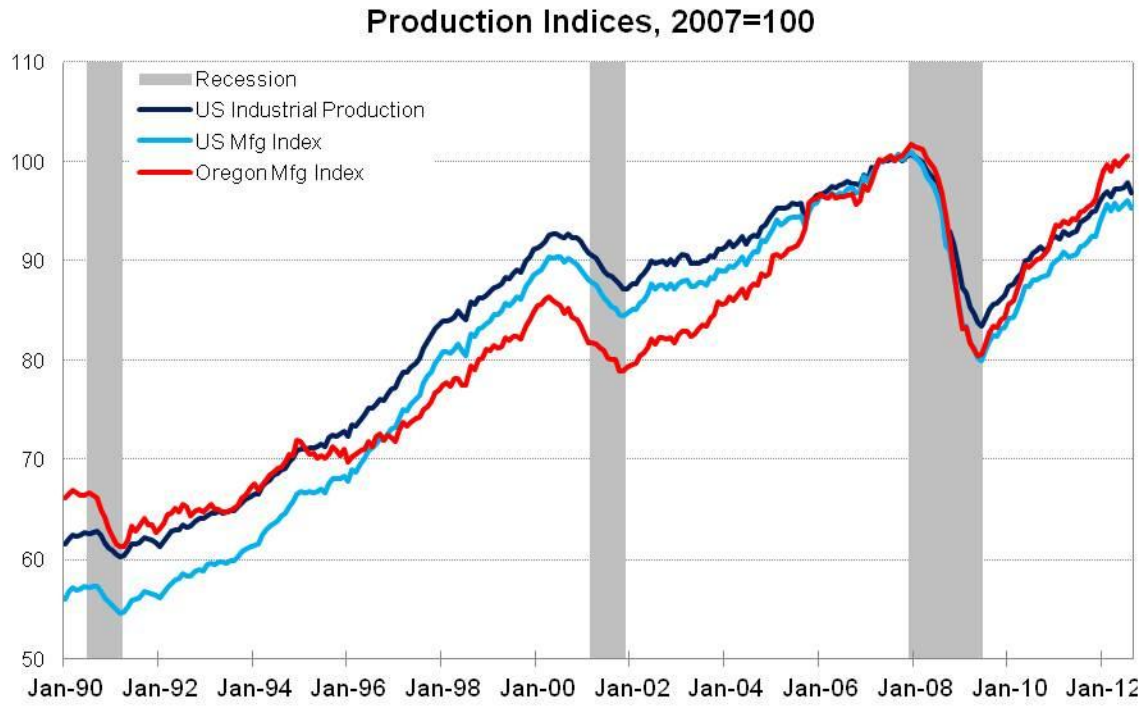


ISM Report on Business-

According to the September Manufacturing ISM *Report on Business,* "Economic activity in the manufacturing sector expanded in September following three consecutive months of slight contraction, and the overall economy grew for the 40th consecutive month"[7].

This ISM report describes a national index, and as noted by a recent blog article by the Oregon Office of Economic Analysis, Oregon's manufacturing sector is significantly different in nature than the nation as a whole. Specifically, an index that more truly reflects Oregon's industry mix would be more heavily weighted towards the production of wood products, computer and electronic products, and food manufacturing compared to the average US state. For this reason, OOEA has constructed an 'Oregon Manufacturing Index', which is shown in figure 2.11 below, comparing the Oregon index to nationwide manufacturing measures. (Oregon grows more slowly in 90's but faster in 2000's)[8].

Figure 2.11



*Source: State Oregon: Office of Economic Analysis

[7] http://www.ism.ws/about/MediaRoom/newsreleasedetail.cfm?ItemNumber=23167
[8] http://oregoneconomicanalysis.wordpress.com/2012/09/21/oregon-manufacturing-index/

Rate Cases

Early in 2012, PacifCorp filed two rate cases in Oregon, UE 245 and UE 246. Both of these filings were for rate increases, which will take effect January 1st, 2013. UE 246 is for a rate increase of 3.5%, or $41.2 million, while UE 245 described a 0.8% increase to reflect increases in power costs.

In the natural gas market, NW Natural filed rate reduction requests in both Oregon and Washington which will take effect November 1st. NW Natural has stated that the rate reductions are due to the "surge of new domestic gas supplies" which has put severe downward pressure on natural gas prices. In Oregon, the rate decrease amounts to about 8 percent for residential customers and 9 percent for commercial customers[9]. In Washington, retail rates for residential customers will go down by 9 percent, and commercial customer's rates will decrease by about 9.5 percent[10]. When considered in conjunction with other recent rate increase cases filed by NW Natural, residential customers can expect their net rate decrease to amount to roughly 2 percent in Oregon.

Around the State-

- Caithness Energy's Shepherds Flat wind farm near Arlington is now fully operational. At 845 megawatts, it's the largest wind project in Oregon. OPB, 9/22/2012

- Atlanta-based T5 Data Centers plans to build a 200,000-square-foot server farm in Hillsboro. It is expected to employ several dozen people. The Oregonian, 10/10/2012.

- Ashland-based Brammo Inc., the growing maker of electric motorcycles, will open a Portland research and development facility by the end of 2013. Portland Business Journal, 9/18/2012

- Territorial Seed Co. bought 35 acres south of Cottage Grove and plans to increase production. It employs 20 to 50 workers depending on the season. The Register-Guard, 9/16/2012

- Capital One Financial in Tigard will lay off about 217 collections department workers around the first of the year, though many of the affected employees may move to the company's fraud division. Statesman Journal, 9/28/2012

- Eugene-based Mohawk Metal Co., a custom metal fabricator, is expanding into Vancouver with plans to hire up to 20 people by the end of the year. The Columbian, 9/13/2012.

9 https://www.nwnatural.com/AboutNWNatural/PressRoom/2012PressReleases/NWNaturalFilesForRateReductionInOregon/

10 https://www.nwnatural.com/AboutNWNatural/PressRoom/2012PressReleases/NWNaturalFilesForRateReductionInWashington/

- Northwest Aluminum Trailers opened in Roseburg. It specializes in making boat and motorcycle trailers. It employs three people and plans to add a couple more in the future. The News-Review, 9/2/2012

- Grace Bio-Labs Inc. in Bend is expanding and will add 11 to 15 workers within the next year. The Bulletin, 9/14/2012

- Conservation Services Group Inc., an Energy Trust of Oregon contractor, will lay off 40 workers at its Portland office after losing its largest contract with the nonprofit last month. The Oregonian, 9/26/2012

True Up 2012: Tracking Estimate Corrections and True Up of 2002 – 2011 Savings and Generation

October 22, 2012

Introduction

True Up is the annual refinement of reported savings for Energy Trust funded energy savings and renewable generation[1]. The 2012 True Up utilizes evaluation results as of June 30, 2012. In the True Up process, adjustments are made to past savings and generation based upon corrections to transaction errors, new data on measure performance, anticipated evaluation results (for years and programs where there is yet to be an evaluation completed), and evaluation results. Upon completion, True Up enables the best reporting of energy savings and generation for Energy Trust funded programs. The 2012 True Up updates reported savings and generation by Energy Trust for the program years from 2002 – 2011.

The purpose of the "True Up 2012" report is to summarize these adjustments to Energy Trust savings and generation. The three parts of this report discuss (1) definitions for evaluation results by which savings and generation are adjusted, (2) updates made to Energy Trust data by program, and (3) the difference between pre- True Up and post- True Up savings and generation estimates.

Summary

There are some significant adjustments in the 2012 True Up. Total electric savings for 2002 – 2011 have fallen approximately 2.1% from 301.2aMW to 294.8 aMW and gas savings have decreased by 3.9% from 23.2 million therms to 22.3 million therms for the same time period. For 2011, electric savings were up 1.0% from 46.9 aMW to 47.4 aMW and total gas savings declined by 10.6% from 5.4 million therms to 4.8 million therms compared with the values reported in Energy Trust's 2011 Annual Report.

The largest factors underlying the changes in electric savings are: (1) lower free ridership in the Existing Buildings program for 2010 and 2011, (2) an improved realization rate for the New Buildings Program in its 2009 Impact Evaluation, (3) corrections to free ridership estimates for Production Efficiency in 2008 and 2009, (4) decreased savings estimates from CFLs in the residential sector and Existing Multifamily program from 2003 to 2011, and (5) improved savings for NEEA for 2010 and 2011.

The largest factors underlying the changes in gas savings are (1) changes in gas weatherization savings from the 2009 impact analysis for existing homes, (2) changes to free ridership and installation rates of Energy Saver Kits and Living Wise Kits for the Existing Homes Program, (3) lower savings estimates from the 2011 Personal Energy Reports pilot, and (4) lower New Homes Gas Market Transformation savings. Changes to gas savings for the commercial and industrial program were minor and resulted mainly from small adjustments to program Net-to-Gross ratios.

[1] There are no changes to renewable generation in the 2012 True Up

The 2012 True Up incorporated significant adjustments in savings to the following programs:

1) Existing Buildings: 2008 – 2011
2) New Buildings: 2009 – 2011
3) Production Efficiency: 2009 – 2011
4) Existing Homes: 2003 – 2011
5) New Homes and Products: 2004 – 2011
6) Gas Market Transformation: 2009 – 2011
7) NEEA: 2010 – 2011

The annual changes to electric and gas savings are summarized by program in the Results section below. Additionally, there is a series of tables that represents overall changes by sector for each year. Lastly, results from True Up 2012 are shown for each funding utility within Energy Trust of Oregon's service territory[2].

Definitions

Working Savings/Generation: The estimate of anticipated results which are practical for data entry by program personnel while approving individual projects. These savings are based upon estimates of typical savings or generation for prescriptive measures, and site-specific engineering calculations for custom energy efficiency measures. Prior years' True Up adjustments may be incorporated into estimates of working savings and generation for prescriptive measures, but transmission and distribution line loss savings are not included. In addition, there are no adjustments made for free riders (FR) who are customers that would have installed the measures absent program influence or, spillover, which represents customers who are influenced by the program but did not take the incentive for an efficiency measure. These are issues that are addressed when developing reportable savings/generation.

Reportable Savings/Generation: The estimate of results that are used to report Energy Trust achievements. Several factors are applied to working numbers in order to arrive at reportable figures. Realization Rates (RR) are used to adjust the initial engineering estimate; a realization rate of 100% indicates that site savings were as expected, on average. Another adjustment is for market effects, also known as a Net-to-Gross (NTG) ratio. The NTG ratio adjusts for free riders and spillover. The final adjustment is for avoided line and transformer losses.

Reportable savings estimates also have True Up adjustments, as described below, and any other corrections required to the original working values. These values are updated annually based on new information described through the True Up process. Additionally, adjustments may be based on results of Faster Feedback (FF). This is a short phone survey with a sample of recent program participants to assess satisfaction, understand customer decision making, and gather suggestions for program and process improvements. The survey is generally ten or fewer questions and is customized for each program or measure of interest. The goal of Fast Feedback is to get accurate answers to important questions within two months of program participation and to minimize the burden on survey respondents.

True Up adjusts Working Savings/Generation estimates in different programs for different reasons. These fall into the following categories:

[2] NW Natural's Washington service territory is unaffected by True Up

1) *Corrections:* Occasionally, through Energy Trust's routine quality assurance processes, transaction errors are discovered in the database, which require corrections. Individual transaction errors (i.e. typos that affect savings) are usually adjusted immediately and generic transaction errors (i.e. wrong deemed savings value for a measure) are easily fixed once per year during True Up.
2) *New Data:* Projections are updated based upon improved measure simulations and new data on measure performance.
3) *Anticipated Evaluation Results:* Experience shows that evaluated estimates of savings and generation can be either lower or higher than reportable estimates. Reportable estimates are often based on typical savings for prescriptive measures or "as installed" engineering analysis for custom measures. Impact evaluation uses energy use data and/or improved data on post-installation operation to improve reportable estimates. However, impact evaluations cannot be completed until well after programs finish a year's activity. This is due to the need to utilize post-installation energy use data. Based upon Board direction in the July, 2004 Strategic Work Session, staff is attempting to anticipate these effects in reportable savings for programs where there is not yet evaluation information available.
4) *Evaluation Results:* Once finalized, evaluations provide the most reliable representation of realized savings, and can replace the refined projections described above in (2) and (3). Evaluation results may change Energy Trust savings estimates for a single year or all prior years. This is dependent upon what other evaluations have already been performed for prior years and whether results seem applicable to prior years (e.g. similar measures, participants, and circumstances.)

Results

Existing Buildings

Evaluations of the Existing Buildings program for the 2009 program year were completed 2011[3]. The 2012 True Up incorporates the results of this assessment as evaluation factors for 2009. These results were also incorporated in a new anticipated evaluation factor for 2010 and 2011. Table 1 summarizes which evaluations have been applied to each program year. Tables 2A and 2B show in detail the various components of the 2008 – 2011 evaluation factors for gas and electric. Lastly, the old and new evaluation factors are shown in Table 3 along with the impact on each year.

In 2010, the Existing Multifamily program was moved to the commercial sector. While this program has had its own market effects analysis, new program impact evaluation has not been completed. Changes to this program's savings are based on free ridership estimates from Fast Feedback in 2010 and 2011. Total changes for multifamily are shown in Table 4.

[3] This evaluation was based on site visits and site metering.

Table 1: Existing Buildings Evaluations

Program	Year	Source	Type of Adjustment	Notes
BE	2003 - 2008	2003 - 2008 Evaluations	Evaluation Factor	Closed in Previous True Ups
BE	2009	2009 Evaluation	Evaluation Factor	Closed in this True Up
BE	2010 - 2011	2007 - 2009 Impact Evaluations 2009 - 2011 FR, FF Evaluations	Anticipated Evaluation Factor	RR Savings Weighted Average: 2007 - 2009 FR Savings Weighted Average: 2009 - 2011

Table 2A: 2008 - 2011 Existing Buildings Evaluation Factors - Electric

	Realization Rate	Net-to-Gross Ratio (Market Effects)			Combined Adjustment
Year	Engineering Adjustment	Free Riders	Participant Spillover	Non-Participant Spillover	Evaluation Factor
2008	99%	27%	1%	7%	80%
2009	85%	19%	1%	7%	76%
2010	92%	19%	1%	7%	82%
2011	92%	30%	1%	7%	72%

Table 2B: 2008 - 2011 Existing Buildings Evaluation Factors - Gas

	Realization Rate	Net-to-Gross Ratio (Market Effects)			Combined Adjustment
Year	Engineering Adjustment	Free Riders	Participant Spillover	Non-Participant Spillover	Evaluation Factor
2008	87%	26%	1%	7%	71%
2009	75%	19%	1%	7%	67%
2010	84%	11%	1%	7%	81%
2011	84%	27%	1%	7%	68%

Table 3: 2008 - 2011 Existing Buildings Evaluation Combined Adjustment

Year	Old Electric Factor	New Electric Factor	Change in Savings (aMW)	Old Factor Gas	New Factor Gas	Change in Savings (mTherms)
2008	69%	80%	0.62	60%	71%	0.12
2009	67%	76%	0.81	61%	67%	0.06
2010	88%	82%	(0.67)	84%	81%	(0.11)
2011		72%	0.28		68%	(0.05)
		Total	**1.04**		**Total**	**0.02**

Table 4a: 2010 - 2011 Existing Multifamily Electric Savings Adjustments

Year	Previous (aMW)	New (aMW)	Change (aMW)	% Change
2010	1.09	1.05	(0.04)	-4%
2011	1.50	1.57	0.07	5%

Table 4b: 2010 - 2011 Existing Multifamily Gas Savings Adjustments

Year	Previous (therms)	New (therms)	Change (therms)	% Change
2010	59,491	66,034	6,543	11%
2011	67,861	51,574	(16,287)	-24%

New Buildings

Evaluations of the New Buildings program for the 2009 program year were completed in 2011. The 2012 True Up incorporates the results of this assessment as evaluation factors for 2009 and as anticipated evaluation factors for 2010 and 2011 by averaging results from 2007, 2008, and 2009. Table 5 summarizes which evaluations have been applied to each program year. Tables 6a and 6b show in detail the various components of the 2009 – 2011 evaluations and anticipated evaluation factors for gas and electric. Lastly, the old and new evaluation factors are shown in Table 7 along with the impact on each year.

Table 5: New Buildings Evaluations

Program	Year	Source	Type of Adjustment	Notes
NBE	2003 - 2008	2003 - 2008 Evaluations	Evaluation Factor	Closed in Previous True Ups
NBE	2009	2009 Evaluation	Evaluation Factor	Closed in this True Up
NBE	2010 - 2011	2007 - 2009 Impact Evaluations 2009 - 2011 FR, FF Evaluations	Anticipated Evaluation Factor	RR Savings Weighted Average: 2007 - 2009 FR Savings Weighted Average: 2009 - 2011

Table 6A: 2008 - 2011 NBE Evaluation Factors - Electric

	Realization Rate	Net-to-Gross Ratio (Market Effects)			Combined Adjustment
Year	Engineering Adjustment	Free Riders	Participant Spillover	Non-Participant Spillover	Evaluation Factor
2009	97%	34%	1%	0%	65%
2010	92%	34%	1%	0%	62%
2011	92%	34%	1%	0%	62%

Table 6B: 2009 - 2011 NBE Evaluation Factors - Gas

	Realization Rate	Net-to-Gross Ratio (Market Effects)			Combined Adjustment
Year	Engineering Adjustment	Free Riders	Participant Spillover	Non-Participant Spillover	Evaluation Factor
2009	95%	32%	1%	0%	66%
2010	99%	32%	1%	0%	68%
2011	99%	32%	1%	0%	68%

Table 7: 2008 - 2011 New Buildings Evaluation Combined Adjustment

Year	Old Electric Factor	New Electric Factor	Change in Savings (aMW)	Old Factor Gas	New Factor Gas	Change in Savings (mTherms)
2008	58%	57%	(0.05)	60%	60%	0.00
2009	62%	65%	0.06	62%	67%	(0.04)
2010	52%	62%	0.26	53%	81%	0.15
2011	52%	62%	0.28	76%	68%	(0.04)
		Total	**0.55**		**Total**	**0.07**

Production Efficiency

Although there were no new impact evaluations completed for the Production Efficiency program in 2011, there were corrections to free ridership for 2008 and 2009 and updates to free ridership estimates for the 2010 and 2011 program years. Additionally, there were some smaller adjustments made to a suite of irrigation measures from 2008 through 2011 that had captured incorrect savings estimates within Fast Track. Table 8 summarizes the information used in the 2012 True Up to make adjustments to both evaluation and anticipated evaluation factors. Table 9a shows the realization rate, net-to-gross ratio, and combined evaluation factor adjustment for the electric savings measures and Table 9b shows the same information for the gas measures. Lastly, Table 10 provides a summary of the savings impacts for the Production Efficiency program resulting from the 2012 True Up.

Table 8: Production Efficiency Evaluations

Program	Year	Source	Type of Adjustment	Notes
PE	2003 - 2008	2003 - 2008 Evaluations	Evaluation Factor	Closed in Previous True Ups
PE	2009 - 2011	2006 - 2008 Impact Evaluations 2009 - 2011 FR, Fast Feedback Evaluations	Anticipated Evaluation Factor	RR Savings Weighted Average: 2006 - 2008 FR Savings Weighted Average: 2009 - 2011

Table 9A: 2008 - 2011 PE Evaluation Factors - Electric

	Realization Rate	Net-to-Gross Ratio (Market Effects)			Combined Adjustment
Year	Engineering Adjustment	Free Riders	Participant Spillover	Non-Participant Spillover	Evaluation Factor
2008	86%	25%	1%	0%	66%
2009	93%	21%	1%	0%	65%
2010	93%	15%	1%	0%	62%
2011	93%	14%	1%	0%	62%

Table 9B: 2009 - 2011 PE Evaluation Factors - Gas

	Realization Rate	Net-to-Gross Ratio (Market Effects)			Combined Adjustment
Year	Engineering Adjustment	Free Riders	Participant Spillover	Non-Participant Spillover	Evaluation Factor
2009	93%	21%	1%	0%	75%
2010	93%	4%	1%	0%	91%
2011	93%	20%	1%	0%	75%

Table 10: 2008 - 2011 Production Efficiency Evaluation Combined Adjustment

Year	Old Electric Factor	New Electric Factor	Change in Savings (aMW)	Old Factor Gas	New Factor Gas	Change in Savings (mTherms)
2008	74%	66%	(0.79)	74%	74%	0.00
2009	79%	75%	(0.47)	79%	75%	(0.01)
2010	89%	81%	(1.12)	96%	91%	(0.03)
2011	75%	81%	0.57	75%	75%	0.00
		Total	**(1.80)**		**Total**	**(0.04)**

Existing Homes

The 2012 True Up revised savings for the Existing Homes program for the years from 2003 through 2011. These revisions included a 20% adjustment to the program's electric savings. The main reason for this large decline in savings is due to an update of assumptions used for calculating the savings for compact fluorescent lamps (CFLs) that have been installed by the program going back to 2003.

According to the RTF timeline[4], savings for CFLs installed prior to 2010 should be calculated based on 2.3 average hours-of-use/day for interior and exterior residential single-family applications, and 2.49 average hours-of-use /day multi-family applications and savings for CFLs installed after 2010 should receive savings based on 1.9 hours-of-use[5]. A review of the

[4] RTF website for more information; http://www.nwcouncil.org/energy/rtf/
[5] This includes both single family and multi-family residences

existing savings data shows that kWh savings for Home Energy Review CFL installations were originally calculated based on the following hours-of-use assumptions:

2003-2006: 4.1 hours-of-use
2007-2011: 2.7 hours-of-use

Additionally, the change in connected watts assumption associated with the originally assigned FastTrack measure savings for HER CFLs has been shown to be inconsistent in past reporting. To remedy this reporting inconsistency, two reliable and representative samples of HER CFL measures were identified. The first, from 2006, which was used to determine the average wattage change (weighted by savings) that actually occurred for HER CFLs installed from 2007-2009 (49.86W), and adjust those savings to correct for the original change in connected watts assumption of 74 watts. The second representative sample was from 2010-2011, and showed a weighted average wattage change of 48.49 Watts for CFLs installed during 2010, and 46.7 Watts for 2011 (74W previously also). These calculated wattage changes were implemented for the trued-up savings to reflect the reality that the majority of contractor installed CFLs were 60W->14W conversions, rather than the 100W-> 26W conversion that were assumed for the initially assigned FastTrack measure savings. During 2010 and 2011, 8.96 percent and 2.56 percent of HER installed CFLs were 100W--> 26W conversions, respectively[6].

In addition to updated information for CFLs, the following list represents the remainder of changes to electric savings in the 2012 True Up for the Existing Homes program:

- 2011 free ridership estimates from Fast Feedback
- Updated savings from the 2011 Personal Energy Reports sent to PGE customers
- Other, smaller reporting errors in the Fast Track database

Table 11a shows the summary of changes to electric savings measures within the Existing Homes program made during the 2012 True Up.

Table 11a: 2003 - 2011 Existing Homes Electric Savings Adjustments

Year	Previous aMW	New aMW	aMW Change	% Change
2003	1.06	0.89	(0.17)	-16%
2004	1.15	0.88	(0.27)	-24%
2005	1.36	1.06	(0.30)	-22%
2006	1.12	0.91	(0.22)	-19%
2007	1.57	1.34	(0.23)	-15%
2008	2.63	2.19	(0.44)	-17%
2009	2.94	2.60	(0.35)	-12%
2010	4.29	3.40	(0.89)	-21%
2011	6.70	4.96	(1.74)	-26%
Total	**22.82**	**18.22**	**(4.60)**	**-20%**

Similar to electric savings, the 2012 True Up also incorporated a large downward revision to gas savings of 16% from the time period covering 2008 to 2011. With the completion of the 2009

[6] 5,184-26W CFLs installed in 2010 and 2600-26W CFLs installed in 2011

Existing Homes impact analysis, Planning was able to adjust reportable gas savings for that program year and to adjust the anticipated evaluation factors for 2010 and 2011. The update evaluation and anticipated evaluation factors for 2009 and 2010-11, respectively, were fell most largely upon the following gas weatherization measures: ceiling, floor, and wall insulation and air and duct sealing. These changes were reflected not only in the standard track program but also in the home performance program which had previously claimed modeled rather than prescriptive, deemed savings.

In addition to the adjustments made to gas weatherization measures from the 2009 impact analysis, the following list shows the additional adjustments made to gas savings measures within the Existing Homes program:

- 2011 free ridership estimates from Fast Feedback
- Updated free ridership and installation rate assumptions for low flow showerheads and faucet aerators in both Energy Saver and Living Wise kits
- The removal of gas savings from the Prescriptive Duct Sealing and Repair pilot[7]
- Updated savings from the 2011 Personal Energy Reports sent to PGE customers

Table 11b shows the summary of changes to gas savings measures within the Existing Homes program made during the 2012 True Up.

Table 11b: 2003 - 2011 Existing Homes Gas Savings Adjustments

Year	Previous Therms	New Therms	Therms Change	% Change
2008	851,085	860,121	9,037	1%
2009	1,089,390	988,224	(101,166)	-9%
2010	1,148,372	924,568	(223,804)	-19%
2011	1,671,033	1,208,077	(462,956)	-28%
Total	**4,759,879**	**3,980,990**	**(778,889)**	**-16%**

New Homes and Products

The 2012 True Up revised savings for the New Homes and Products program for the time period from 2004 through 2011. The 20% downward adjustment to electric savings during this time period was based upon the same CFL hours of use and change in connected wattage assumption updates that were discussed in the Existing Homes program, above. The main difference between the CFLs offered by these two programs is that the New Homes and Products program mainly offers buy-downs on CFLs at retail. More recently, this program has had substantial success within the specialty CFL market and has not offered retail vendors incentives for buy-downs of general twist CFLs in quite some time. However, the savings formulas used for these bulbs is quite similar to those that are direct installed and delivered via kits through the Existing Homes program. Thus, there is a similar downward revision in savings. Table 12 shows the annual adjustments to electric savings for the New Homes and Products program.

There were no additional adjustments to other electric or gas measures within the New Homes and Products program during the 2012 True Up.

[7] "Pilot experienced quality control problems, and was therefore not evaluated. Absent a reasonable estimate of savings, savings were removed from Energy Trust accounting through the True Up."

Table 12: 2003 - 2011 New Homes and Products Electric Savings Adjustments

Year	Previous aMW	New aMW	aMW Change	% Change
2004	0.34	0.28	(0.06)	-17%
2005	1.91	1.57	(0.33)	-17%
2006	3.21	2.69	(0.52)	-16%
2007	4.59	3.40	(1.18)	-26%
2008	5.66	4.21	(1.45)	-26%
2009	4.26	3.50	(0.76)	-18%
2010	5.38	4.37	(1.01)	-19%
2011	6.41	5.38	(1.04)	-16%
Total	**31.76**	**25.41**	**(6.35)**	**-20%**

Market Transformation Savings

In June of 2008, a code change in residential housing was introduced that required a significant increase in the energy efficiency of new homes built in Oregon. The new code mandated that any home built after June 2008 must have some combination of a more efficient heating system, duct work, lighting, windows, envelope, and water heating.

Previously, Energy Trust claimed these savings based upon a forecast of homes to be built in its service territory. In 2011, more information on the number of homes built in 2009 and 2010 and expected to be built in 2011 allowed for updating the gas market transformation savings. Table 13 provides a summary of the change in savings between the original forecast of homes to be built and the number of homes actually built within Energy Trust service territory. Savings to 2011 were left unchanged by True Up since the original estimates were updated mid-year.

Looking ahead, savings from the 2008 Oregon Residential Specialty Code (ORSC) and the 2011 ORSC will continue to be tracked and booked on an ongoing basis, in a manner similar to how the Northwest Energy Efficiency Alliance (NEEA) tracks the electric savings from new homes code changes.

Table 13: 2009 - 2011 Energy Trust Gas Market Transformation: New Homes Adjustments

Year	Previous Therms	New Therms	Therms Change	% Change
2009	229,349	177,976	(51,374)	-22%
2010	303,240	186,189	(117,051)	-39%
2011	178,274	178,274	0	0%
Total	**710,863**	**542,439**	**(168,424)**	**-24%**

Northwest Energy Efficiency Alliance (NEEA)

Energy Trust staff made updated the NEEA savings for 2010 and 2011 as part of the 2012 True Up. Energy Trust's share of savings from NEEA initiatives in 2010 increased by 2.67 aMW compared with the savings that were claimed in that year; these savings were not adjusted in last year's True Up. Updated savings estimates for 2010 included increases for the 80 Plus, Ductless Heat Pump, and Drive Power initiatives and declines for the Residential Lighting, Commercial Real Estate, and Building Operations initiatives. The increase in commercial and industrial sector savings in 2011 was due primarily to higher savings estimates for the Commercial Real Estate, 80 Plus/Energy Star 5.0 Commercial Desktops, and Drive Power initiatives for last year.

Table 14: 2010 - 2011 Northwest Energy Efficiency Alliance Updates

Year	Residential (aMW Change)	Commercial (aMW Change)	Industrial (aMW Change)	Total NEEA (aMW Change)
2010	2.23	(0.02)	0.45	2.67
2011	0.00	1.50	0.46	1.96
Total	**2.23**	**1.49**	**0.92**	**4.63**

Results Summary – 2012 True Up Impacts by Sector by Year

The following summary tables present the difference between the old reportable and new reportable savings and generation values resulting from the 2012 True Up of program activity. In the following table, an average megawatt means that loads are reduced by an average of one megawatt or 8760 MWh during each year of the measures' lives. Million annual therms reflects the annual therm savings of measures' lives in millions. In the summary, a change of 0% may not necessarily imply that there were no corrections, only that the corrections may not be significant enough to appear due to rounding.

Table 15: Summary for 2002 - 2011

Electric - Average Megawatts			
2002 - 2011	**Old Reportable**	**New Reportable**	**% Change**
Electric Efficiency	**301.2**	**294.8**	**-2.1%**
Residential	114.1	105.3	-7.7%
Commercial	89.1	92.3	3.6%
Industrial	98.0	97.1	-0.9%
Renewables	**104.5**	**104.5**	**0.0%**
Gas - Million Annual Therms			
2002 - 2011	**Old Reportable**	**New Reportable**	**% Change**
Gas Efficiency	**23.2**	**22.3**	**-3.9%**
Residential	11.8	10.9	-8.0%
Commercial	9.5	9.5	0.9%
Industrial	1.9	1.8	-2.1%

Table 15a: Summary for 2011

Electric - Average Megawatts					
2011	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Electric Efficiency	**46.9**	**47.4**	**1.0%**	**37.7**	126%
Residential	16.9	14.1	-16.4%	11.9	119%
Commercial	16.2	18.4	13.7%	13.9	132%
Industrial	13.8	14.8	7.5%	11.9	125%
Renewables	**1.5**	**1.5**	**0.0%**	**3.7**	40%
Gas - Million Annual Therms					
2011	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Gas Efficiency	**5.4**	**4.8**	**-10.6%**	**4.4**	110%
Residential	2.3	1.8	-20.1%	2.1	88%
Commercial	2.1	2.0	-5.2%	1.6	125%
Industrial	1.0	1.0	0.0%	0.7	140%

Table 15b: Summary for 2010

Electric - Average Megawatts					
2010	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Electric Efficiency	**45.6**	**44.8**	**-1.8%**	**33.7**	133%
Residential	12.2	12.5	2.7%	10.6	118%
Commercial	17.6	17.2	-2.6%	13.2	130%
Industrial	15.9	15.2	-4.2%	10.0	152%
Renewables	**3.3**	**3.3**	**0.0%**	**4.5**	73%
Gas - Million Annual Therms					
2010	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Gas Efficiency	**4.6**	**4.3**	**-6.9%**	**3.8**	112%
Residential	1.9	1.5	-18.4%	2.0	76%
Commercial	2.2	2.2	2.4%	1.2	185%
Industrial	0.6	0.6	-5.0%	0.7	86%

Table 15c: Summary for 2009

Electric - Average Megawatts					
2009	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Electric Efficiency	**28.0**	**27.3**	**-2.5%**	**31.2**	87%
Residential	10.4	9.3	-10.7%	9.5	98%
Commercial	9.3	10.2	9.3%	12.8	80%
Industrial	8.3	7.8	-5.6%	8.9	88%
Renewables	**2.6**	**2.6**	**0.0%**	**6.8**	39%
Gas - Million Annual Therms					
2009	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Gas Efficiency	**2.9**	**2.7**	**-5.0%**	**1.9**	144%
Residential	1.5	1.3	-10.2%	0.8	158%
Commercial	1.2	1.2	1.6%	1.0	121%
Industrial	0.2	0.2	-4.0%	0.1	271%

Table 15d: Summary for 2008

Electric - Average Megawatts					
2008	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Electric Efficiency	**30.8**	**28.7**	**-6.8%**	**21.7**	132%
Residential	15.6	13.7	-12.1%	9.0	153%
Commercial	7.7	8.3	7.4%	5.9	141%
Industrial	7.5	6.7	-10.5%	6.7	100%
Renewables	**33.3**	**33.3**	**0.0%**	9.5	351%
Gas - Million Annual Therms					
2008	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Gas Efficiency	**2.5**	**2.6**	**5.2%**	**2.0**	133%
Residential	1.5	1.5	0.6%	1.1	134%
Commercial	1.0	1.2	11.8%	0.9	132%
Industrial	0.0	0.0	0.0%	None	

Table 15e: Summary for 2007

Electric - Average Megawatts					
2007	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Electric Efficiency	**29.7**	**28.3**	**-4.8%**	**21.5**	131%
Residential	16.1	14.7	-8.8%	7.3	201%
Commercial	5.8	5.8	0.0%	4.6	127%
Industrial	7.8	7.8	0.0%	9.6	81%
Renewables	**46.9**	**46.9**	**0.0%**	**114.9**	41%
Gas - Million Annual Therms					
2007	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Gas Efficiency	**2.4**	**2.4**	**0.0%**	**1.7**	143%
Residential	1.3	1.3	0.0%	1.0	126%
Commercial	1.2	1.2	0.0%	0.7	166%
Industrial	0.0	0.0	0.0%	0.0	

Table 15f: Summary for 2006

Electric - Average Megawatts					
2006	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Electric Efficiency	**25.9**	**25.2**	**-2.8%**	**16.1**	156%
Residential	12.3	11.5	-6.0%	6.4	181%
Commercial	5.8	5.8	0.0%	3.7	157%
Industrial	7.8	7.8	0.0%	6.1	129%
Renewables	**2.0**	**2.0**	**0.0%**	**33.0**	6%
Gas - Million Annual Therms					
2006	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Gas Efficiency	**2.3**	**2.3**	**0.0%**	**2.6**	92%
Residential	1.0	1.0	0.0%	1.1	87%
Commercial	1.4	1.4	0.0%	1.4	95%

Table 15g: Summary for 2005

Electric - Average Megawatts					
2005	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Electric Efficiency	**36.8**	**36.1**	**-1.7%**	**32**	113%
Residential	9.0	8.4	-7.0%	6	140%
Commercial	7.6	7.6	0.0%	6	126%
Industrial	20.2	20.2	0.0%	20	101%
Renewables	**0.5**	**0.5**	**0.0%**	**27**	2%
Gas - Million Annual Therms					
2005	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Gas Efficiency	**1.4**	**1.4**	**0.0%**	**1.3**	107%
Residential	1.0	1.0	0.0%	0.9	106%
Commercial	0.4	0.4	0.0%	0.4	110%

Table 15h: Summary for 2004

Electric - Average Megawatts					
2004	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Electric Efficiency	**26.5**	**26.2**	**-1.2%**	**30**	87%
Residential	9.3	8.9	-3.6%	4	223%
Commercial	7.4	7.4	0.0%	6	123%
Industrial	9.8	9.8	0.0%	19	52%
Renewables	**0.1**	**0.1**	**0.0%**	**22**	0%
Gas - Million Annual Therms					
2004	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Gas Efficiency	**1.0**	**1.0**	**0.0%**	**2.3**	43%
Residential	0.9	0.9	0.0%	0.9	102%
Commercial	0.1	0.1	0.0%	1.4	5%

Table 15i: Summary for 2003

Electric - Average Megawatts					
2003	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Electric Efficiency	**16.0**	**15.8**	**-1.1%**	**33**	48%
Residential	6.7	6.5	-2.6%	8	81%
Commercial	5.8	5.8	0.0%	13	44%
Industrial	3.6	3.6	0.0%	13	27%
Renewables	**14.3**	**14.3**	**0.0%**	**18**	79%
Gas - Million Annual Therms					
2003	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Gas Efficiency	**0.6**	**0.6**	**0.0%**	**None**	
Residential	0.6	0.6	0.0%	None	
Commercial	0.0	0.0	0.0%	None	

Table 15j: Summary for 2002

Electric - Average Megawatts					
2002	**Old Reportable**	**New Reportable**	**% Change**	**Action Plan Conservative Goal**	**% of Goal Achieved**
Electric Efficiency	**15.0**	**15.0**	**0.0%**	**None**	
Residential	5.7	5.7	0.0%	None	
Commercial	5.9	5.9	0.0%	None	
Industrial	3.4	3.4	0.0%	None	
Renewables	**0.0**	**0.0**	**0.0%**	**None**	

Results Summary – 2012 True Up Results by Utility Provider

The following tables show the final, reportable annual savings result from True Up 2012 for each utility provider within Energy Trust service territory.

Portland General Electric

Table 16: Portland General Electric Savings (aMW) 2002 - 2011

PGE	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residential	3.6	3.8	5.3	5.0	6.9	8.4	8.2	5.7	7.2	8.7
Commercial	4.0	4.0	4.2	5.2	4.1	3.8	5.6	7.1	9.5	10.7
Industrial	1.8	0.9	1.2	14.2	2.8	3.7	2.9	4.4	8.3	8.5
Total	**9.4**	**8.8**	**10.7**	**24.4**	**13.8**	**15.9**	**16.7**	**17.2**	**25.1**	**27.9**

Pacific Power (aMW)

Table 17: Pacific Power Savings (aMW) 2002 - 2011

PAC	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residential	2.1	2.6	3.6	3.4	4.6	6.3	5.5	3.6	5.2	5.4
Commercial	1.9	1.7	3.1	2.4	1.7	2.1	2.7	3.1	7.6	7.7
Industrial	1.6	2.7	8.7	6.0	5.0	4.0	3.8	3.4	6.8	6.3
Total	**5.7**	**7.0**	**15.4**	**11.7**	**11.3**	**12.4**	**12.1**	**10.1**	**19.7**	**19.5**

NW Natural (Millions of Annual Therms)

Table 18: NW Natural Savings (millions of annual therms) 2003 - 2011

NW Natural	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residential	0.61	0.92	0.95	0.95	1.13	1.34	1.20	1.44	1.73
Commercial	0.00	0.08	0.44	1.31	1.15	1.10	1.10	2.01	1.76
Industrial	0.00	0.00	0.00	0.00	0.00	0.01	0.18	0.53	0.95
Total	**0.61**	**1.00**	**1.39**	**2.26**	**2.28**	**2.45**	**2.48**	**3.98**	**4.43**

* Includes savings for both Firm and Interruptible customer and Residential Market Transformation

* Savings are for Oregon programs only

Cascade Natural Gas (Annual Therms)

Table 19: Cascade Natural Gas (annual therms)

CNG	2006	2007	2008	2009	2010	2011
Residential	23,186	129,477	121,388	134,899	73,420	107,431
Commercial	53,908	19,128	48,565	65,277	197,747	208,932
Industrial	0	0	0	46,462	47,436	87,009
Total	**77,094**	**148,605**	**169,953**	**246,637**	**318,603**	**403,373**

RENEWABLE ENERGY ADVISORY COUNCIL
Notes from meeting on September 12, 2012

Attending from the council:
Glenn Montgomery, OSEIA
Matt Hale, Oregon Department of Energy
Dick Wanderscheid, Bonneville Environmental Foundation
Jason Busch, OWET
Suzanne Leta Liou
Juliet Johnson, OPUC
Megan Decker, RNP
Bruce Barney, PGE
Bruce Griswold, Pacific Power

Attending from Energy Trust:
Kacia Brockman
Chris Dearth
Sue Fletcher
Betsy Kauffman
Peter West
Sue Meyer Sample
Jed Jorgensen
Shelly Carlton
Dave McClelland
Thad Roth

Others attending:
John Reynolds, Energy Trust board member
Alisa Dunlap, Pacific Power
Mark Kendall, Energy Trust board member
Lauren Shapton, PGE

1. Welcome and introductions

Betsy Kauffman called the meeting to order at 9:30 a.m. No adjustments to the notes were suggested. The notes were approved. The meeting agenda and presentation materials are available on Energy Trust's website at www.energytrust.org/About/public-meetings/REACouncil.aspx.

Betsy announced that Thor Hinckley is no longer on the council and has been replaced by Bruce Barney. Thor made great contributions to the council. He is out of town and Betsy will thank him for his service. Lauren Shapton of PGE introduced Bruce and said that he has been working on solar for years and this change allows both Thor and Bruce to take on new responsibilities.

Bruce said that he has been with PGE for 11-12 years primarily in project management in dispatchable standby generation. He has knowledge in interconnections, is involved in net metering and feed-in tariff installations, and has a 3-kW system at home.

2. 2013-14 budget themes

Thad Roth presented the 2013-2014 budget themes. The discussion today is not about numbers, which will come later in the budget process. Today the presentation is on budget themes, status of activity for 2012 and the calendar for the budget process. Energy Trust staff are waiting for revenue forecasts from the utilities by the end of the week. The importance of today is to give a sense of how staff is thinking about 2013 and how will the program adjust to meet challenges. Thad said he is looking for council feedback today.

Thad will be covering challenging market fundamentals, how they affect Energy Trust and how staff will respond to those challenges and build a market for distributed renewables in Oregon.

He will cover technologies, market opportunities, the effort to develop markets and the competitive process for incentives.

These themes represent a continuation of the strategy Energy Trust has been deploying for the last two years. Not all of these challenges affect technologies the same way.

The challenging market fundamentals called out:

1. Federal incentives: Production Tax Credit has a year-end expiration date. This is important to remember. The fall election might also be an impact. At a minimum there will be a gap in timing. The U.S. Department of Agriculture has had a significant energy component in its budget and has supported rural projects. Those incentives are also being reduced. That impacts a number of the technologies that Energy Trust supports.
2. State incentive reductions: New versions of these programs are in place with permanent or temporary rules. Budgets are dramatically reduced. That hole creates a challenge for Energy Trust, and is a funding gap Energy Trust incentives cannot fill. There are still targeted programs available. There is a Biomass Producer or Collector tax credit that still exists without a cap. It supports woody biomass and other biofuels and helps fill the gap there.

Matt Hale: The next auction for the renewable development grant is about to be issued by the Department of Revenue. The credits will be sold in $500 chunks. The lowest bid accepted will be $475. Announcement of this auction will be coming shortly. It is not a pass through but a grant. Also, $250,000 per project is the cap.

3. Low wholesale/avoided cost rates: Conditions are challenging in the wholesale energy market. Energy is cheap right now and is expected to stay that way.
4. Near-term Renewable Portfolio Standard requirements: In Oregon, RPS requirements are met through 2018-2020. Even in Washington it looks in hand through 2016.
5. Energy Trust budget plateau: In the past Energy Trust has had carry-forward budget. Those funds have been distributed to projects. Now Energy Trust has a $14.5 million budget. These numbers approximately translate to $8 million in PGE territory and $6 million in Pacific Power territory.

The question is how does Energy Trust continue to grow its portfolio given these conditions? Thad said this is what the council will be talking about today.

Energy Trust's portfolio approach allows the program to support a variety of technologies, biomass, geothermal, small wind, hydro and solar. Energy Trust staff has followed this approach for several years, and has discussed this approach in the past at council meeting. The overall feedback has been to support a full range of technologies and staff plans to continue this portfolio approach in the 2013 budget. It allows Energy Trust to respond to market changes, does not require picking a winning technology and allows staff to work statewide most effectively. It also helps meet generation goals through management of the portfolio. Energy Trust is working with the Oregon Public Utility Commission to reestablish performance measures for the renewable energy sector. The conversation with the OPUC will address annual funding and support of generation goals given changes in tax credits. Staff expects results of these conversations by the end of the year.

Right now, Energy Trust responds to the market and meets it where it is prepared to develop. Fifty percent or more of Energy Trust incentives have gone to net-metered projects or smaller projects. That will continue with solar but that will also happen more on the custom side.

Because of budget constraints Energy Trust will not be able to support as many larger projects, and the avoided-cost rates make developing qualifying facilities more challenging. Think of a small waste water treatment plant, $1.5 to $2 million project cost, 200-kW nameplate capacity, as a good example of a custom project Energy Trust can support moving forward. Energy Trust will see bigger projects but they will be fewer and farther between. It is also more likely that there will be projects on the public side.

As expected in a tough market, Energy Trust will need more marketing and outreach. Staff hasn't been doing much marketing recently but anticipates a need now. Staff also expects to need to do research to identify opportunities and determine which projects to pursue. They see an opportunity to document performance to create replicable models. Examples here include biogas plants and wastewater treatment plants.

Energy Trust has always provided development assistance, and has done this in biomass, hydro and geothermal. Currently Energy Trust co-funds and caps that assistance at $40,000. The benefit is that Energy Trust gets in early, gets to understand the development group and gets an inside track on the project. What staff is proposing is to significantly expand the amount of assistance to projects and work done in this area.

In the last five years, this type of assistance has averaged around $20,000 per project. Staff is considering going as high as $150,000. This is tentative and the amount has not been determined. Energy Trust might not be able to provide incentives on these projects but can help projects get to the point of development. Staff thinks that Energy Trust is in a unique circumstance to assist. Staff is knowledgeable and can be effective in terms of directing these projects. The concept would be to add additional funds to offer an enhanced development assistance fund. It would be a competitive process. Energy Trust can create a real opportunity for strong projects.

Staff is proposing to continue the competitive process for incentives. Energy Trust is in the second round for Pacific Power. Pacific Power is where there has the greatest constraint and greatest demand. Staff thinks that this process has improved the quality of projects seen, and they plan to expand to PGE projects.

Glenn: Can you give an example of development opportunities that might not otherwise pursue projects without intervention?
Thad: For certain types of technologies developers are choosing to leave the state. Providing regular resources might create demand where it might not have been. There are not small pools of funding to access in the development phase. There will be a development plan connected to these funds. Think about it as a mini construction loan in the way it is distributed. The project would accomplish certain milestones and a predetermined funding amount would be distributed.
Matt: I would add that Oregon Community Renewable Energy Feasibility Funds are fully subscribed.

Glenn: When you look at your budget, do you see other projects declining and a need for this?
Thad: Yes, we see the pipeline declining. But we see that with our budget constraint we cannot make up that loss. This development assistance fund concept was first introduced in 2010 to the council. We are now here based on current market conditions and we need to make some changes.

Mark: The number of countervailing issues that you have identified, the OPUC metrics will take these into account?
Thad: We are having those conversations right now.

Juliet: We are really in the beginning stages of that conversation. We understand these factors. We are interested in going past just a generation goal and considering other measures.

Thad: It is a tough market right now. It is the reality. You focus on the opportunities and continue to build with good strong projects.

Thad discussed what the program has accomplished:

- Biopower
  - 6 projects to complete, 1 project delayed till Q1 2013
  - 1 project funded
  - 2 projects mothballed
- Hydropower
  - 3 projects completed
  - 3 projects funded, 2 will complete in 2012
  - 2 projects abandoned
  - Demand for development assistance declined
- Geothermal
  - 0 projects to complete
  - 1 project funded
  - Demand for development assistance exceeded forecast
- Wind
  - 2 projects to complete, 1 project delayed until 2013
  - All planned program development activities have been completed

The program did have two biopower projects that didn't move forward for a couple of reasons.

Glenn: The results that are labeled as "projects to complete," are those from prior years?
Thad: Yes.

Bruce: Can you frame these results in terms of generation?
Thad: 2.5 MW of biomass. The two that didn't move forward would have been 400 kW. They are projects that might come back.
Jed: The hydro projects are 1.1 MW, 12 kW and 25 kW. Of the two that are going to complete, one is 10 kW and one is adding 110 MW hours to their system. There is a 250-kW project that will complete next spring.
Betsy: The geothermal at OIT is a 1.5-MW project.
Chris: The small wind program is uncertain, because turbines haven't always done what they say they will do. We have worked with a multi-state advisory on standards. Our pipeline has diminished, but we have increased incentives and are seeing business pick up. There has been a lull in this area.

Mark: You said those biomass projects might come back. Would more robust pro forma have helped?
Thad: No. The projects were facing challenges locally that weren't happening in other states so they shifted their focus to projects outside of Oregon. They might reapply under a competitive process.

Thad moved the discussion to solar, and that the challenge on the Pacific Power side, in particular, is fewer resources.

Kacia: 2012 has been a transition year going from a larger budget to a smaller budget. We have aggressively managed demand through incentive reductions. Activity is at a level that we can support. It is a balancing act however. Things have slowed down considerably. We have heard that from the Oregon Department of Energy, too. We are thinking of doing some marketing and awareness building. We had a lot of activity in Q1 and Q2 and are well positioned for 2013 and 2014. We have been able to fund a couple of large utility-scale projects, which are on track. We have paid out $7.5 million in our standard program, $1.75 million to the Baldock utility-scale project, we have $3 million more reserved for pipeline projects, and anticipate paying an additional $5.6 million to two more utility-scale projects before year-end. We still have the Renewable Energy Tax Credit so it is a strong market still for residential solar.

Peter: Do we have a feed-in tariff market number? Can we put this in a broader context?
Kacia: The feed-in tariff supports a comparable level of activity. It has created more commercial activity than residential since there isn't a state tax credit to be applied. Contractors have used it to sell larger commercial projects.

Thad outlined the budget calendar:

- Sept. 12 – Budget Themes Presentation to the council
- Oct. 24 – Draft 2013-14 Budget Presentation to the council
- Nov. 28 – Final 2013-14 Budget Presentation to the council
- Dec. 14 – Board approval of 2013-14 budget

Peter: The comment period is tight, so please take note and keep that in mind.

3. Wave power update

Jason Busch of the Oregon Wave Energy Trust presented and is the executive director.

Jason: I have been at OWET for three years and we have been pushing for the last six years for wave energy development in Oregon. One New York Times article has pushed things forward, and we are finally getting some traction. The Pacific Marine Energy Center grid connected test site. We are fortunate to have a test site in Oregon. We have the best weather for this technology and have received the lion share of federal dollars to test technology. There is no tidal testing in Oregon. That is happening in Washington and Alaska. There is a mobile ocean test berth in Newport. We have the equipment to test devices, including a wave tank. We can also test mid-stage technology in Newport.

Betsy: How deep is the tank?
Jason: Six feet. You can emulate a 100-year storm in it. It is a very useful tool and we are lucky to have it. We can use it to test readiness of technology. It is about moving technology through the commercialization cycle.

Jason said there are a variety of technologies are being tested in Oregon and/or built by Oregon companies and deployed elsewhere.

a. Ocean Power Technologies will be in the water soon. The same model that will be deployed in Oregon has been deployed in Scotland. For Oregon they have removed all of the hydraulic fluids. The goal is to eliminate any potential contamination problems if something goes wrong. OPT has spent a lot of time coming up with a system that doesn't need this fluid.
b. Ocean Sentinel is a device that monitors the output of a wave power machine and relays data back to shore. Wave Energy Technology New Zealand is now connected to the Ocean

Sentinel. It has a three-point anchoring system and is producing electricity. Anchors have been a nightmare for the industry and costly.

c. Atmocean is another system reliant on a system of floats. This device moves water at high pressure back to shore to be pushed through a Pelton Turbine.

John: Is there a navigation hazard with this technology?
Jason: Yes, boats will have to avoid this area. This is a long-term concern of fisherman. The fishing industry likes single leg mooring because there is less chance for entanglement. But single leg moorings have safety concerns. Safety will always have to be a concern as well as other impacts.

Jason: I personally don't think that Atmocean will be deployed in Oregon. Our goal is to track the industry and build knowledge but we know not everything will be placed here. We are going to focus on the larger utility-scale options. There are a whole host of technologies being tested; not all are appropriate for placement here. We think for Oregon that we can absorb 500 MW onto the grid without any transmission upgrades.

d. Columbia Power Technologies is an Oregon based company that has a device in the Puget Sound.
e. Principal Power has been pushing hard on a creative development that would generate power off of Coos Bay and be tied to the LNG facility. LNG would purchase the wind power generated as well. They have a device deployed in Portugal.
f. Oregon Renewable Power Company is deploying technology in Maine this summer.
g. Verdant Power has a device in the East River in New York. These had problems with blades breaking off and they are creating new blades.

Jason: The Pacific Marine Energy Center is the next big issue. We think that the federal government will pick Oregon as a grid-connected test center. We believe that we have secured first round funding of $25 million. We hope the Department of Energy will cover most of the costs. We had to get a $4 million match. We want to be prepared for the next round of DOE funding. We are in the siting process now. Newport, Reedsport, Coos Bay and Camp Rilea are options for siting.

Juliet: How did you get the matching funds?
Jason: A variety of sources including PGE, DOE, OWET and NMREC.

Jason: The Territorial Sea Plan is a plan is to identify a handful of sites in Oregon for ocean energy. The state and Governor's office is engaged in the plan's development. We want to get it to LCDC for approval in November 2012. Goal 19 applies to the marine environment. It protects the environment and fishing interests. The plan's goal is to find sites to accommodate a handful of technologies. This plan would offer a clear path forward. We would be one of the first states to address wave energy in planning. At the end of the day this will be stepping on some fishing industry toes. My goal is to minimize the scope of the Territorial Sea Plan and to allow us to revisit the plan in seven to 10 years. We want to finish this in 2012 and make sure that we have sites identified for the next 10-15 years.

Jason: The UK is still the leader in wave energy but the U.S. is a follower. The U.S. budget is far smaller. We are really testing in earnest in the U.S. and Oregon is the leader in the U.S. We have started seeing interest in equity partners. There is limited applicability in the U.S. of the technology but worldwide it is huge.

Jason said they have a conference coming up on September 26 and 27 at the Doubletree in Portland.

Glenn: Where is the Pelamis?
Jason: Larger companies continue to invest in it but it is a very fragile technology. The company has expressed recent interest in coming to Oregon.

Betsy: The OPT buoy goes in when?
Jason: Very soon. We will need a good weather window to deploy.

Mark: What are the challenges to being competitive for federal funding and to securing match funding?
Jason: There are huge challenges. It will always be tough. But wave energy has a role to play in distributed generation. Worldwide populations along the coasts make this sector viable.

Mark: If you need $25 million how do you get a $12 million match?
Jason: We are putting together a consortium of ownership for PMEC. We would like to see PGE, Lockheed Martin, Chevron and others come to the table. We hope DOE will fund much of it and we will have to come up with $4 million or $5 million.

4. Fall competitive process

Thad presented and said there was an email sent to council members on August 29 on the fall competitive process in Pacific Power territory. In January 2012 staff conducted the first competitive process. This is the second iteration of that process. Eligible projects will match the criteria established in January. Projects must need $150,000 or more in incentives and begin construction before November 15, 2013. Energy Trust has $2.8 million for allocation to this process. Staff wants it to surface projects. The review process will be the same. Projects that make it through this process will be presented at the November council meeting and go to the board in December. Staff has already have received some interest.

Jason: Is it consecutive competitive rounds?
Thad: There will be another opportunity, probably in Q2 2013. For this release the allocation will all be contained in this round. We will at least do this once a year if not more.

Betsy: The application is not online. Interested parties need to request an application. Send anyone you know who is interested our way.

5. Update on solar water heating cost effectiveness

Fred Gordon, Director of Planning and Evaluation presented and said Energy Trust has an investment challenge with solar water heating, which is an efficiency measure. This issue goes across a range of measures. This challenge and discussion of it is about 2013 programs.

Fred: In 2011 we had a total of 145 total solar water heating systems installed. Solar water heating is an energy-efficiency measure under Energy Trust's enabling legislation. These volume numbers include gas and electrically heated pools and hot water in both residential and commercial sites. These volumes probably represent well under 1 percent of our gas energy efficiency program. It could grow. We are not experiencing a cost-effectiveness issue with the electric systems yet.

Suzanne: Is one of the reasons why this is a low volume offer because of gas prices?
Fred: We created a plan eight years ago to try to make solar water heating cost effective. It hasn't happened. It is small-scale effort at this point. Solar electric has done well over this time.
Peter: You have a competing technology that has plunged in price. That market has changed. Solar water heating has bumped up cost-wise or stayed steady over that time.

Fred: Solar electric is also a renewable offer which means it isn't subject to the cost-effectiveness test.

Fred: Efficiency must cost less than gas and electricity over the system's life. There are two tests. The first is the societal test, with benefits to the utility and participant together. The second is the utility system test, with benefits to the utility system. The primary investment test for energy-efficiency investments used by the OPUC is all benefits to the utility and participant over total combined costs to participant and Energy Trust. For solar water heating a proxy is included for non-energy benefits, what the customer pays, net of tax credits, minus three years of energy bill savings. The investment test excludes costs and benefits that are not directly tied to the utility or participant such as jobs. We can use a proxy to support a measure that is not meeting the societal test because large, clear, hard-to-quantify, non-energy benefits have not been factored in. Solar water heating fits these criteria. The role of the OPUC is support the ratepayer, so they cannot include job creation as a benefit.

Kacia: The utility test determines how much we pay in incentives and the societal test determines if we can offer an incentive.

Fred: What has changed? In order to say that this measure is cost effective, system costs must go down. They haven't, they've gone up. Plus, while we don't know exactly what will happen with load forecasts and costs, gas prices have gone down significantly.

Fred presented the 2011 program averages for commercial and residential solar water heating showing the costs, incentives, savings, non-energy benefits, present value of energy benefits to utility, and utility and societal tests. [Slide 8 in presentation.]

Fred: We ran through the numbers and compared savings to the cost. The non-energy benefits have been supporting the measure in the test. At this point, for home domestic hot water systems, the proxy for non-energy benefits is covering 85 percent of the costs, and the value of energy savings to the utility system can't cover the other 15 percent. Solar water heating system costs would have to go down dramatically to pass the test.

Fred: We have had seen some recent innovation that could increase savings per dollar invested, a lower-cost thermosiphon system. Rob Del Mar has also reviewed our system requirement to reduce installation costs. We think that we can knock 10-15 percent off of the system cost. But with the proxy supporting the measure, lower cost will not help the measure pass the societal test. Without the proxy, costs per therm saved would need to go down by more than 85 percent and this is not realistic.

Fred shared language from the OPUC rule UM-551 that allows exceptions to the societal test. [Slide 10 in presentation.] The exceptions include: produces significant non-quantifiable, non-energy benefits, will increase market acceptance and is expected to lead to reduced cost of the measure, consistency with other demand-side management programs in the region, increases participation in a cost-effective program, measures cannot be changed frequently and the measure will be cost effective during the period, included in a pilot or research project, or required by law or consistent with Commission policy and/or direction.

Fred addressed some reasons why several exceptions do not apply and pilots have to be pointed to cost effectiveness. He said staff is considering a variety of options for these measure and welcomes council feedback.

The options are:

- Discontinue solar water heating for gas systems in 2013
- Request a transition period, $4.70/therm in 2013, $3 in 2014, then end program
- Request an exception from the OPUC to continue for two years. Arguments include:
    - Cost-effectiveness rule might change
    - Legislature could decide to make solar water heating a renewable energy technology
    - Avoided-cost forecast could change
    - These arguments do not stem from the exception categories listed in UM-551 except for "OPUC direction"

Fred: If we continue, to pass the utility system test, the incentive can be no more than approximately $4.70/therm. Program design options could help. We could cap the overall cost/therm. We could target high-volume business water users, or we could consider tankless systems or other cost innovations. The ideal spot in the market is people that need a constant source of hot water. We haven't seen those customers coming to our doors.

Fred: Energy Trust has other energy-efficiency measures with issues related to the cost-effectiveness test. We are looking at this in the context of other appeals to the OPUC. This question of solar water heating is tied to a more complex one. We are open to feedback on these options and considerations.

Mark: I am wondering if it could be packaged with other conservation measures?
Fred: The logic we have used today is that you need a reason to bundle. It is when we have a really good case that you get more cost-effective savings It's difficult to argue that we can use solar water heating to promote other measures because it is not driving a very large market.
Kacia: You also get diminishing returns if you have solar and efficient water heaters at the same site; each saves less than it would by itself.

Mark: Are we seeing a trend with solar electric and heat pump water heaters?
Fred: We just approved scaling up heat pump water heaters to 200 installs. Depending on how it goes, we may market those more heavily in 2013.

Peter: Does OSEIA have a strategy around solar hot water?
Glenn: No.

Juliet: I am intrigued with bundling, is that an option?
Fred: We need volume to make it work. It is hard to use bundling to promote other more cost-effective measures without volume.

Dick: How much is the thermosiphon system?
Dave: I have heard between $4,000-$5,000.

6. Public comment
There was no public comment.

7. Meeting adjournment
Betsy thanked all council members for their participation and adjourned the meeting at 12:00 p.m. The next full council meeting is October 24, 2012.