

Facts About Energy Trust of Oregon, Inc.

Energy Trust was created to deliver energy efficiency and renewable energy programs and services to benefit utility ratepayers. Energy Trust is delivering on the Legislature's original intent to help utilities meet the energy needs of Oregonians with lower cost efficiency and clean renewable energy.

Accountable to the Oregon Public Utility Commission (OPUC), Energy Trust provides solutions, incentives and cost savings for residential, commercial and industrial utility customers, while protecting our environment and strengthening Oregon's economy. As of 2008, the annual utility bill savings to customers stemming from participation in Energy Trust programs is estimated at \$144 million per year.

General

- Energy Trust of Oregon is an independent nonprofit organization dedicated to helping Oregonians invest in and benefit from energy efficiency and clean renewable energy.
- Energy Trust programs and cash incentives help Oregonians use less energy and manage costs in their homes and businesses.
- Energy Trust serves Oregon customers of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas.
- Energy Trust provides services and incentives to single-family homeowners, multifamily property owners, manufactured home owners, school districts, cities, counties, and businesses of all sizes, serving approximately 7,000 businesses since 2002. Energy Trust also provides no- and low-cost energy-saving tips for renters and the general public.
- Especially in a tough economy, Energy Trust helps strengthen Oregon businesses by helping them better manage energy costs. In addition, Energy Trust helps support a network of more than 1,000 local trade ally contractors who help deliver services throughout the state.
- Saving energy costs a lot less than building new fossil fuel power plants—1/5 or less for electricity and 1/3 less for natural gas. By acquiring cost effective savings, Energy Trust helps keep power costs as low as possible for all Oregonians. Utilities rely on these energy savings as a resource to meet future power needs for their customers.
- Energy Trust customer satisfaction rates are consistently high, ranging between 86 to 94 percent “satisfied” or “very satisfied” in 2007 and 2008 for all program offerings.

Funding

- Basic funding for electric conservation and efficiency and renewable energy generation comes from a portion of a 3 percent “public purpose” charge paid by Oregon customers of Pacific Power and Portland General Electric. A total of ~74 percent goes to Energy Trust, 16 percent goes to low-income housing and weatherization, and 10 percent goes to weatherization in K-12 schools. This ratepayer fee was established in 1999 by the Oregon Legislature in SB 1149.
- In 2007, the Oregon Legislature passed SB 838, which allowed Pacific Power and PGE to seek additional electric efficiency funding and avoid purchasing more expensive electricity. Approved by the OPUC, Pacific Power and PGE's efficiency plans led to an additional \$22.1 million for electric efficiency Energy Trust programs in 2009.

- Additional funding for natural gas efficiency comes from public purpose charges paid by Oregon customers of NW Natural and Cascade Natural Gas, who asked Energy Trust to deliver their energy efficiency programs. These charges were established in 2003 (NW Natural) and 2006 (Cascade Natural Gas) through an OPUC tariff requested by the utilities.
- Beyond the 10 percent of electric public purpose funds dedicated to schools, Energy Trust has also invested an additional \$1.5 million to fund efficiency improvements in nearly 800 Oregon K-12 schools and another \$115,000 to support solar electric systems on 11 schools.
- About 1/3 of Energy Trust's total public purpose revenue is distributed across each type of customer – residential, commercial, and industrial.
- The amount of conservation and cost-effective efficiency available is determined by periodic studies that identify this lower cost market resource potential. Current estimates point to much more savings available over the next 20 years, perhaps as much as 1/5 of current energy requirements.
- Cash incentives from Energy Trust are calculated to motivate Oregon homeowners and businesses to make their own investments in energy-saving and renewable energy improvements. Energy Trust pays only what is needed to encourage this investment. In 2007, the average incentive paid across all sectors was 36 percent of energy efficiency improvement costs, and 23 percent of renewable energy improvement costs (excluding utility scale projects). When determining incentive rates, Energy Trust also accounts for other available incentives, including state and federal tax credits and utility rebates.
- Energy Trust uses independent third-party evaluations to determine the proportion of savings/generation that would have happened without incentives and deducts that amount from savings/generation totals. Known as "free riders," this group of participants is also compared to the "spillover" effect, where consumers take actions without Energy Trust incentives.
- With a small operating reserve, Energy Trust is budgeted to expend almost all available funds in 2009. To balance the budget in 2010, Energy Trust projects a carryover of about \$2 million in electric efficiency funds and \$4 million in renewable energy funds. Energy Trust projects a potential shortfall in gas funds. Such projections are subject to change.
- Other than a slowing in the Energy Trust New Homes construction program and some delays in large industrial projects, demand for Energy Trust services continues to grow significantly, even during this economic downturn.
- Growth in demand for Energy Trust services is evident in record call volume and a record number of requests for free Home Energy Reviews during recent months. The organization remains flexible, able to change incentives in response to market conditions.

Savings/generation (2002-2008)

- Total electric savings and renewable generation of 285 average megawatts, enough clean energy to power 221,000 Oregon homes.
- Total gas savings of 8.9 million therms, enough to heat approximately 18,300 Oregon homes with natural gas.
- Combined gas and electric savings/generation avoids putting 1 million tons of carbon into the atmosphere, the equivalent of removing 175,000 cars from our roads.

Market value of savings/generation (2002-2008)

- Because of Energy Trust programs, electric utility customers use less fossil fuel generated power and have lower utility bills. As of 2008, the electric bill savings from customers participating in Energy Trust programs is estimated at \$132 million a year. By sector, the savings are:

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| Residential | \$ | 60.5 million |
| Commercial | \$ | 32.9 million |
| Industrial | \$ | 38.6 million |
- Because of Energy Trust programs, natural gas utility customers use less gas and have lower utility bills. As of 2008, the savings on gas bills from customers participating in Energy Trust programs is estimated at \$11.9 million a year. By sector, the savings are:

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| Residential | \$ | 6.7 million |
| Commercial | \$ | 5.2 million |
| Industrial | \$ | 0.17 million |
- The total combined savings value to customers stemming from Energy Trust programs is \$144 million annually as of 2008.

Economic impacts

Cumulatively, Energy Trust's clean energy savings and generation have:

- Created more than 1,800 Oregon jobs
- Stimulated \$60 million in wages and \$9.1 million in new business income
- Built and supported a Trade Ally Network of more than 1,200 contractors who install energy-efficient equipment, weatherization, solar systems, and other clean energy improvements

Awards

- 2003 ENERGY STAR Small Business Award for Excellence in Energy Efficiency
- 2003 American Council for an Energy Efficient Economy (ACEEE) Honorable Mention for outstanding energy efficiency programs for manufactured home duct-sealing and green LED traffic signal retrofit initiatives
- 2004 Solar Pioneer Award from the Oregon Department of Energy
- 2005 American Wind Energy Association Special Achievement Award for "consistent success in promoting energy efficiency and clean renewable energy for the state of Oregon"
- 2006 Excellence in ENERGY STAR Outreach Award
- 2007 Energy Star Special Recognition Award for Excellence in Commercial Service Programming
- 2007 American Council for an Energy Efficient Economy (ACEEE) Exemplary Program Award for New Buildings program; Honorable Mention for Production Efficiency program
- 2007 American Council for an Energy Efficient Economy (ACEEE) Certificate of Recognition for Exemplary Programs Honorable Mention to Production Efficiency and New Buildings programs, Manufactured Home Duct Sealing Pilot program, Green LED Traffic Light program
- 2008 Oregon Lodging Association Industry Partner of the Year to Lynn Schmidt, Energy Trust Existing Buildings Program
- 2008 Oregon Association of Professional Energy Managers Energy Manager of the Year Award to Spencer Moersfelder, Energy Trust New Buildings Program
- 2008 Excellence in ENERGY STAR Promotion Award for Commercial Food Service Campaign
- 2008 Excellence in ENERGY STAR Promotion Award for Change a Light, Change the World

- 2009 ENERGY STAR Partner of the Year Award for Home Performance with ENERGY STAR and Commercial Service Programming

Governance and management

- The Oregon Public Utility Commission appoints an ex officio member to the Energy Trust Board of Directors; other directors are independent volunteers. Board vacancies are filled consistent with Board development guidelines established by OPUC.
- Board meetings are open to the public with agendas and packets posted in advance on Energy Trust's Web site. Board minutes are also posted on the Web site.
- Energy Trust is accountable to OPUC and submits quarterly reports of accomplishments, audited financial statements, and annual reports indicating results compared to specific performance metrics set by the OPUC.
- With 5.3 percent administrative and program support costs in 2008, Energy Trust is well below the 11 percent cap set by the OPUC and also below the 9 percent "stretch" goal established by the Oregon Legislature. Administrative costs are consistent with generally accepted accounting practices for nonprofit organizations. Program support costs are defined in coordination with the OPUC to enable comparison with other recipients of public purpose funding.
- Energy Trust staff salaries are in line with others in its industry, determined through regularly updated independent, third-party salary surveys of like positions in public, private, and nonprofit sectors. The majority of staff positions are paid at mid-range or below.
- The Executive Director's salary is approved by the Board of Directors and benchmarked using the same data as other staff positions. The 2007 independent salary survey showed the Executive Director compensation as far below market, resulting in the Board's decision to gradually raise compensation for the position and bring it in line with organizations of similar size, budget, and complexity. This was done through a salary increase and a retirement plan contribution. With those adjustments, total compensation remains below the midpoint shown in the salary survey.

Accountability and transparency

- Independent reports on Energy Trust and all public purpose spending are completed by a third party and submitted biennially by the OPUC to the Oregon Legislature.
- Annual and quarterly reports, financial statements, budgets, action and strategic plans and other documents are posted on the Energy Trust Web site and presented in public meetings.
- Monthly public meetings of 2 advisory councils comprised of industry stakeholders and others are well attended, with meeting information and notes posted on the Web site.
- Financial statements are audited annually with the OPUC requiring an unqualified audit opinion. To date, all audits have fully complied.
- Board and staff disclosures of any related party transactions, if any, are reported annually in Form 990 (Federal) and CT-12 (Oregon) information returns. Copies are available upon request.
- Annual Form 5500 is filed to document pension activity.
- Quarterly internal auditing of incentive transactions determines validity and sufficiency of supporting documentation.
- All incentive transactions above \$20,000 are audited to validate payee, amount, and support.

- Independent third-party evaluations of all programs verify savings, generation and other results, with reports posted on the Web site. Final reported savings are adjusted when necessary.
- An independent management audit analyzes program administration and costs at least every five years with the report filed with OPUC and made available to the public.
- Board and staff must disclose in writing all actual or potential conflicts of interest.
- Code of ethics prohibits all financial activity that might compromise or appear to compromise the organization.

Office location

- Energy Trust is located in downtown Portland at 851 SW 6th Ave, Suite 1200, a newer and more energy efficient building.
- This location was selected after careful cost comparisons of 13 potential sites. The current office was chosen because of competitive price per square foot, minimum tenant improvements, favorable lease terms over 7 years, proximity to public transportation, and the inclusion of used desks, chairs and cubicles at no added cost.
- The new building owner recently upgraded the building exterior and lobby, while Energy Trust's original lease terms and costs have remained the same.