EnergyTrust
of Oregon, Inc.

Working for Oregonians
Building Our Energy Future

Energy Trust 2003 Annual Report
to the Oregon Public Utility Commission

April 15, 2004

Table of Contents

1 Message from the Executive Director

Oregon's energy future is bright. Across the state, families, businesses and communities are lowering their energy bills, and clean, renewable energy is being generated with investments from the Energy Trust of Oregon, Inc. In 2003, its first full year of operation, Energy Trust programs have made a positive and palpable difference in over 16,000 households and businesses, the economies of over 100 communities, and the environmental and economic health of our entire state.

By the end of 2003, Energy Trust programs – developed and implemented with the support of our utility partners, peer organizations, contractors and trade allies – helped save or produce nearly 32 average megawatts (aMW) of electricity and 208,000 therms of natural gas, enough energy to power 23,000 homes for a year. Our renewable energy investments supported more than 70 new grid-tied solar electric systems and a 41 megawatt wind farm. And that's just the beginning.

Our sights are set on the future. By 2012, our goal is to help Oregonians save 300 aMW of electricity and 19 million annual therms of natural gas and to meet 10 percent of Oregon's energy needs through renewable sources. Combined, that's enough power to offset the need for one or more new large conventional fossil-fueled power plants.

This annual report reviews the progress we made toward that goal in 2003, our first full year of operation. Impressive strides were taken during this initial start-up phase, introducing programs across the state and continuously improving their effectiveness. By year's end, five new energy efficiency programs were fully implemented and two additional programs were in development. Completed projects – from energy efficient lighting to high-efficiency gas furnaces – delivered 17.5 aMW in electricity savings and 208,223 therms. Coupled with committed projects, total electricity savings are double our 2003 goal of saving 21aMW.

Energy Trust renewable resource programs exceeded our 2003 goal by over 1milllion kilowatt hours (kWh). We delivered 125,233,785 kWh through 78 wind and solar projects, including the Combine Hills wind farm. The Solar Electric program, launched mid-year, reached its one-year objective of doubling the number of Oregon grid-tied photovoltaic systems by the end of 2003.

It is exciting to see our work pay off in measurable kilowatts and therms, and gratifying to provide Oregonians with cash savings at home and at work. Also satisfying are the long-term benefits our investments are delivering, including reduced environmental impacts such as greenhouse gas emissions, a hedge against future energy cost increases and preservation of Oregon's natural beauty.

These are the results that drive us toward the future. As we move into 2004, the Energy Trust is committed to its partnerships with the utilities, the Oregon Department of Energy and others to align our efforts to create an environmentally sound energy future for Oregon. We thank these partners and all the others who are making our success possible – our volunteer board, staff, contractors, trade allies, the Oregon Public Utility Commission and especially our first program participants.

Sincerely,
Margie Harris
Executive Director

II 2003 Highlights: More Services for More Oregonians

Carpe diem was the Energy Trust motto in 2003. We seized all 365 days of the year, launching six new programs, expanding our customer base and doubling program funding. With a lean staff of 26 and the support of four program contractors, three utilities, the Oregon Department of Energy, Northwest Energy Efficiency Alliance, a network of over 250 trade allies and numerous others, we delivered cost-effective energy efficiency and renewable energy programs throughout Oregon and set the pace for the next eight years. We're proud of the results.

Savings for over 16,000 participants
With cash incentives, we've made it affordable for Oregonians to reduce energy use and produce renewable power in homes and businesses across the state. Improved efficiency and renewable energy use provides utility customers with a hedge against future energy cost increases.

Rapid launching of new services
In 2003, we mobilized diverse resources and initiated six major programs for Oregon customers of PGE and Pacific Power: Building Efficiency, Home Energy Savings, Production Efficiency, Solar Electric, New Building Efficiency and Solar Water Heating.

Expansion into NW Natural territory
Through an agreement with NW Natural, we expanded our residential and commercial programs to include gas customers.

Support for Oregon businesses
Energy Trust programs helped our 257 trade allies build their Oregon-based businesses. Incentive payments allowed nearly 650 commercial and industrial participants to make capital investments, manage energy payments and be more competitive.

Meeting projections for 2012
We're well on our way to meeting our 2012 goals for energy savings and renewable power production. Electric savings and commitments are nearly double our 2003 goal, natural gas savings are gaining momentum, and renewable energy produced and committed is on target.

Collaboration and constant improvement
The Energy Trust enhanced program effectiveness by collaborating continuously with the three utilities, the Oregon Department of Energy and others, conducting independent program evaluations and making constant improvements.

Cleaner air today and tomorrow
With the energy saved and renewable power produced to date, we've offset tons of pollutants that would have been generated by fossil-fuel power plants – the equivalent of 309.5 million miles not driven.

Table 1: Estimated 2003 Savings, Generation and Costs by Sector and Utility

		PGE					Pacific Power					NWN		
		MWh	aMW	Costs	$/kWh	mil$/ aMW	MWh	aMW	Costs	$/kWh	mil$/ aMW	Therms	Costs	$/therm
Energy Efficiency Savings	Residential	36,349	4.1	$3,964,293	$0.11	$0.96	17,718	2.0	$2,201,810	$0.12	$1.09	202,939	$800,121	$3.94
	Commercial + Industrial	53,038	6.1	$8,378,852	$0.16	$1.38	46,528	5.3	$7,023,662	$0.15	$1.32	5,284	$57,315	$10.85
	Solar Thermal	0	0.0	$22,375	N/A	N/A	0	0.0	$14,987	N/A	N/A	0	$1,679	N/A
	Total Energy Efficiency	**89,386**	**10.2**	**$12,365,520**	**$0.14**	**$1.21**	**64,246**	**7.3**	**$9,240,459**	**$0.14**	**$1.26**	**208,223**	**$859,115**	**$4.13**
Renewables Generation	Open Solicitation	149	0.017	$135,818	$0.91	$8.01	5	0.001	$46,461	$9.73	$85.20	N/A	N/A	N/A
	Small Wind	0	0.000	$68,042	N/A	N/A	0	0.000	$45,574	N/A	N/A	N/A	N/A	N/A
	Large Wind	0	0.000	$88,932	N/A	N/A	124,830	14.250	$3,873,588	$0.03	$0.27	N/A	N/A	N/A
	Solar Renewable	45	0.005	$631,322	$14.11	$123.64	206	0.023	$902,202	$4.38	$38.41	N/A	N/A	N/A
	Total Renewables	**193**	**0.022**	**$924,114**	**$4.78**	**$41.89**	**125,041**	**14.274**	**$4,867,825**	**$0.04**	**$0.34**	**N/A**	**N/A**	**N/A**

		Combined- All Territories						
		MWh	aMW	Therms	Costs	$/kWh	mil$/aMW	$/therm
Energy Efficiency Savings	Residential	54,067	6.2	202,939	$ 6,966,224	$0.11	$1.00	$3.94
	Commercial + Industrial	99,566	11.4	5,284	$15,459,829	$0.15	$1.36	$10.85
	Solar Thermal	0	0.0	0	$39,041	N/A	N/A	N/A
	Total Energy Efficiency	**153,633**	**17.5**	**208,223**	**$22,465,094**	**$0.14**	**$1.23**	**$4.13**
Renewables Generation	Open Solicitation	153	0.017	N/A	$182,279	$1.19	$10.42	N/A
	Small Wind	0	0.000	N/A	$113,616	N/A	N/A	N/A
	Large Wind	124,830	14.250	N/A	$3,962,520	$0.03	$0.28	N/A
	Solar Renewable	250	0.029	N/A	$1,533,524	$6.12	$53.63	N/A
	Total Renewables	**125,234**	**14.296**	**N/A**	**$5,791,939**	**$0.05**	**$0.41**	**N/A**
Total Energy Trust Programs					**$28,257,033**			

Notes:

Commercial and Industrial Sector costs and savings are combined.

Utility Transition Program savings not factored into residential and commercial/industrial programs.

The costs reflected in this table are based upon audited financial transactions from the Energy Trust's records. The audit scope did not include the specific program and service territory allocations nor the individual calculations of $/aMW. However, at a summary level, the total program costs tie with the total audited numbers. These costs do not include Energy Trust management and general nor general communications and outreach costs.

$/kWh and mil$/aMW columns are derived by dividing cost values by savings values and therefore do not add within the column.

III About the Energy Trust

Our mission

The Energy Trust is an independent nonprofit organization dedicated to energy efficiency and renewable energy production. We began work in March 2002 with a mission to change how Oregonians produce and use energy. We serve, and are funded by, Oregon customers of Pacific Power, Portland General Electric and NW Natural. Through innovative programs, the Energy Trust invests in efficient technologies and renewable resources that:

- Develop new sources of clean energy
- Help Oregonians lower their energy bills
- Stimulate the economy
- Protect the environment.

Our goals

The Energy Trust is working to fulfill the State of Oregon's vision to meet future energy needs through environmentally sound, clean energy sources. Our success is measured in kilowatt hours and therms saved and in renewable energy produced. Our 10-year goals come due in 2012.

Goals for 2012

- Save 300 average megawatts of electricity through energy efficiency investments, or enough to power two cities the size of Bend.
- Save 19 million annual therms of natural gas through energy efficiency investments, enough to fuel 79,000 home water heaters.
- Meet 10 percent of Oregon's energy requirements (450 average megawatts) through renewable energy sources, compared to today's level of about 1-2 percent[1].

Progress toward 2012 electricity goals[2]

- Approximately 18 percent toward 300 average megawatt electricity savings goal, including completed projects and commitments.
- Approximately 3 percent toward renewable energy production goal of 450 average megawatts, including completed projects and commitments.

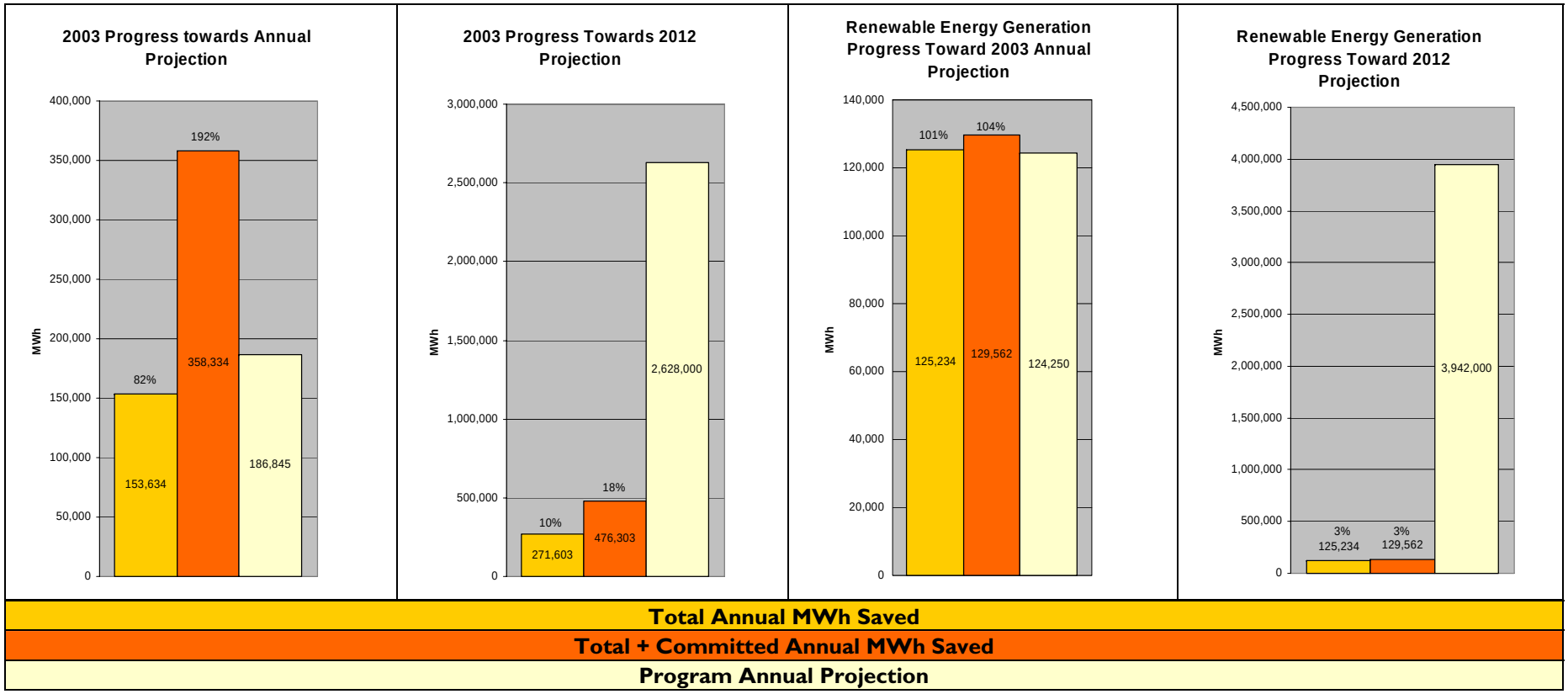
Our approach

As a nonprofit organization, the Energy Trust is dedicated to operating as efficiently as possible. We manage our programs with a small staff, deliver the majority of our programs through contracts with service providers, and provide services through a network of several hundred small business trade allies around the state. Our work is shaped by members of two advisory councils, overseen by a volunteer citizen board. We take pride in being accountable to the public through an open, accessible decisionmaking process.

[1] Includes wind, geothermal, landfill and sewage gas, utility and utility customer green power purchases, and wood waste. Assumes small amount of grid-tied solar power does not affect total. Sources: Portland General Electric, PacifiCorp, Oregon Department of Energy.

[2] Since Energy Trust services to NW Natural customers began after mid-2003, no annual goal was set. The 2012 goal was adopted in December 2003. Tracking against gas goals will begin in 2004.

Figure 1: Electric Program Progress Toward 2003 and 2012 Goals[3]



Notes:
Scales are different for all three graphs.
Committed values represent a snapshot of kWh estimated to be saved from committed projects at the time of this report.

[3] In 2003 Energy Trust programs saved 121,327 gas therms and logged project commitments to save 121,327 additional therms. Gas programs began in mid year. Goals for gas were not established until December 2003.

Action Plan
The Energy Trust operates under a two-year action plan, first developed in October 2002 and updated in 2003. The original action plan called for the Energy Trust to field five new energy efficiency programs and three new renewable energy programs in 2003. The following changes were made in 2003:

- The Solar Water Heating program was added to the roster of new programs, increasing the number of new programs to six.
- The residential new construction program scheduled for introduction in 2003 was divided into two programs, Efficient New Homes and Efficient Home Products, and rescheduled for launch in 2004.
- Biomass and small wind programs were delayed to allow the Energy Trust to assist PGE and Pacific Power in attracting large renewable energy projects targeted for implementation in 2004 and 2005.

Recognition
Energy Trust was recognized with the following honors and awards in 2003:

- **U.S. EPA's Green Power Partnership**
  As a partner, the Energy Trust was recognized for its efforts to reduce emissions associated with U.S. power generation through the procurement of green power.

- **2003 ENERGY STAR® Small Business Award**
  The Energy Trust received one of five awards presented by U.S. EPA in recognition of small businesses that prevent pollution and promote energy efficiency.

- **Oregon Restaurant Association Partner Honor**
  This trade association recognized the Energy Trust for supporting the Oregon restaurant industry with energy efficiency incentives and services.

Partnerships and Outreach

The Energy Trust relies on many other organizations and individuals to assist in developing, promoting and delivering programs. In 2003, we collaborated with many public and private sector organizations. Primary among them are the three utilities and the Oregon Department of Energy, along with Northwest Energy Efficiency Alliance. Other collaborative relationships include American Institute of Architects, Bonneville Power Administration, City of Portland Office of Sustainable Development, EPA ENERGY STAR, Industrial Customers of Northwest Utilities (ICNU), Oregon Remodelers Association, Oregon Restaurant Association, Portland Building Owners and Managers Association, and the Renewable Northwest Project, among others.

We welcome businesses providing energy-related products and services to join the hundreds of business trade allies who deliver Energy Trust services to our participants. At year's end the number of trade allies had reached 257 and was growing steadily.

IV Planning and Evaluation

The Energy Trust is dedicated to delivering cost-effective energy efficiency programs and affordable access to renewable energy for a broad range of Oregonians. We operate under a cycle of continuous improvement, fine tuning programs based on frequent feedback and evaluation to ensure we're reaching goals and providing consumer benefits.

In 2003, the Energy Trust completed the following studies to guide program design and improvements:

Energy Efficiency and Conservation Measure Resource Assessment for the Residential, Commercial, Industrial and Agricultural Sectors
Jan. 2003. Provided direction for strategic planning.

Market Assessment of Green Light-Emitting Diode (LED) Traffic Lights
Jan. 2003. Guided decision to continue green LED program.

Existing Residential Single Family Window Retrofit Free Ridership - Final Report
Mar. 2003. Helped establish window incentive levels.

Economic Impact Analysis of Energy Trust of Oregon Program Activities
April 2003. Included baseline data for economic impact tracking.

Natural Gas Efficiency and Conservation Measure Resource Assessment
Aug. 2003. Shaped development of gas incentives.

Oregon Photovoltaic Market Characterization - Final Report
Sept. 2003. Guided solar electric program design.

Restaurant Energy Efficiency Pilot Program Process Evaluation - Final Report
Sept. 2003. Spurred continuation of restaurant incentives and integration into the Building Efficiency program.

Process Evaluation of the Building Efficiency Program
Sept. 2003. Supported modification of this program to include more outreach to prospective participants.

Process Evaluation of the Open Solicitation Program
Oct. 2003. Recommended modification of this renewable energy program to include more support for proposers.

V Our Vision: 2004 and Beyond

An Oregon with…
More jobs
Stronger businesses
Lower energy costs
Productive work environments
Comfortable homes
A cleaner environment
Energy sources that allow us to preserve Oregon's resources and natural beauty for future generations

This is the vision that will guide the Energy Trust in the year ahead. We've built a solid foundation that will grow stronger as we improve and sustain existing programs and introduce new programs to serve more people.

New initiatives will provide energy efficiency services and incentives for homebuilders, commercial builders and developers and consumers who purchase efficient home appliances. Renewable resource programs will increase the amount of utility-scale wind development, double the number of solar electric installations, continue to support innovative projects, stimulate small-scale wind and biomass resource acquisition, and develop plans for other renewable energy initiatives.

We've only begun to meet the demand for energy savings and renewable power generation. As program visibility and accessibility builds, our challenge will be not how to generate consumer interest, but how to meet demand with responsive, cost-effective services. We welcome that challenge.

Energy Trust Programs[4]

Energy Efficiency Programs

Home Energy Savings Program
Residential utility customers can take advantage of energy-saving recommendations, referrals to qualified contractors and cash incentives for qualified improvements from insulation to duct sealing to energy-efficient electric water heaters. The program started in March 2003 and is managed by Ecos Consulting, Inc. Completed 2003 projects = 10,723.

Double Your Savings Washer Promotion
This three-month promotion in spring 2003 offered a $100 discount on the purchase of a new qualified ENERGY STAR® clothes washer. The discount included both manufacturer and Energy Trust rebates. Partners in the promotion included the Energy Trust, appliance manufacturers and the Northwest Energy Efficiency Alliance. The promotion was managed by Portland Energy Conservation, Inc., as a precursor to the Efficient Home Products program approved at year's end. Completed 2003 projects = 2,610.

Building Efficiency Program
This program provides a range of energy-saving services and incentives for Oregon businesses. Incentives are offered for qualified improvements such as lighting, HVAC, motors, controls and natural gas space and water heaters. Services include energy surveys and technical analysis, contractor referrals, project management and post-installation assistance. The program began in February 2003 and is managed by Aspen Systems, Inc. Completed 2003 projects = 258 (additional 80 committed projects).

New Building Efficiency
Financial incentives for high efficiency equipment, energy modeling, design assistance and building commissioning oversight help customers maximize efficiency of commercial and industrial new construction projects, major renovations and additions to existing buildings. This program was launched in October 2003 and is managed by Science Applications International Corporation (SAIC). One project was committed in 2003.

LED Traffic Signal Program
In 2003 over 32 Oregon communities invested in long-term savings with incentives for replacing green incandescent traffic signals with LED bulbs. These bulbs use 90.6% less electricity and last 3.5 times longer than conventional incandescent green traffic lights. The program is managed by the City of Portland Office of Sustainable Development. 2003 installations: 2,386 lamps.

Production Efficiency
This program provides technical assistance and incentives to improve the efficiency of manufacturing processes, water and wastewater treatment and agriculture. Measures include energy-efficient pumps, fans, refrigeration, controls and material transport. Industrial markets have been

[4] "Program" is a set of services and incentives for a particular group of utility customers. "Project" entails installing one or more measures at one site in a limited time period. Exception: for the LED Traffic Signal Program, "project" is a participating community or agency and not each individual green traffic lamp installed. This list of Energy Trust programs includes only those designed by the Energy Trust and does not include utility transition programs or the Northwest Energy Efficiency Alliance, both of which were supported by and produced savings for the Energy Trust in 2003.

underserved in the past, so demand for this program is vigorous. The program launched in May 2003 and is managed by Aspen Systems, Inc. Completed 2003 projects = 4 (additional 126 committed projects).

Programs for NW Natural customers

In 2003 NW Natural, the gas utility, sought and received approval from the Oregon Public Utility Commission to transition its energy conservation program to the Energy Trust. The Energy Trust included customers of NW Natural in the Home Energy Savings, Building Efficiency and New Building Efficiency programs.

Solar Water Heating program

The solar thermal program began in November 2003, and its first project, Stewart Aquatic Center in Eugene, was approved for an incentive. The program serves residential and commercial customers. It is managed by Energy Trust staff.

Northwest Energy Efficiency Alliance

The Energy Trust supports the market transformation work of the Northwest Energy Efficiency Alliance, and an Energy Trust representative serves on the Alliance board of directors. The Alliance influences energy-efficient design and purchasing practices and is funded by BPA, Energy Trust and regional utilities. Energy Trust funding support is second only to BPA.

Renewable Resource Programs

Utility-Scale Renewables program

The Utility-Scale Renewables program facilitates partnerships between utilities and wind developers and provides incentives to cover the above-market costs for wind generation. Projects are acquired through a competitive solicitation process in partnership with PacifiCorp and Portland General Electric. The first project, the Combine Hills Wind Farm, came online in late 2003.

Solar Electric program

The Energy Trust is helping homeowners and businesses tap into the pollution-free power of the sun with cash incentives and referrals to qualified solar contractors. Completed 2003 projects = 74 (additional 30 committed).

Open Solicitation program

The Energy Trust's Open Solicitation program provides incentives for innovative applications of renewable technology. It was designed to support renewable energy projects that are not eligible for incentives through other established incentive programs. Three projects were approved through this program in 2003.

Anemometer Loan program

The wind anemometer loan program helps farmers and other landowners determine whether specific sites have potential for wind generation. It is a first step in identifying and evaluating locations for small-scale wind power installations. The program is managed by Oregon State University's Energy Resource Research Laboratory. In 2003, five anemometers were loaned for installation around the state and a sixth loan was pending.

2003 Savings and Generation by Program, Sector and Utility

			PGE		Pacific Power		NWN	Combined- All Territories			Committed		Total kWh Installed + Committed	
			kWh	aMW	kWh	aMW	Therms	kWh	aMW	Therms	aMW	Therms	aMW	Therms
Energy Efficiency Savings	Residential	Home Energy Savings	6,133,869	0.7	2,839,285	0.3	189,346	8,973,154	1.0	189,346	0.2	0	1.2	189,346
		Efficient Home Products	600,059	0.1	614,411	0.1	13,593	1,214,471	0.1	13,593	0.0	0	0.1	13,593
		PGE Utility Transition (Residential)	1,599,397	0.2	0	0.0	0	1,599,397	0.2	0	0.0	0	0.2	0
		Pacific Power Utility Transition (Residential)	0	0.0	775,549	0.1	0	775,549	0.1	0	0.0	0	0.1	0
		NEEA (Residential)	28,015,196	3.2	13,488,798	1.5	N/A	41,503,995	4.7	N/A	0.0	0	4.7	N/A
	Commercial & Industrial	LED Traffic Signal	939,957	0.1	75,644	0.0	0	1,015,601	0.1	0	0.0	0	0.1	0
		Building Efficiency	10,042,219	1.1	7,104,192	0.8	5,284	17,146,411	2.0	5,284	10.6	40,550	12.5	45,834
		New Building Efficiency	0	0.0	0	0.0	0.0	0	0.0	0	0.5	75,000	0.5	75,000
		Production Efficiency	463,121	0.1	1,068,567	0.1	0	1,531,688	0.2	0	11.9	0	12.1	0
		PGE Utility Transition (Commercial & Industrial)	35,161,539	4.0	0	0.0	0.0	35,161,539	4.0	0	0.0	0	4.0	0
		Pacific Power Utility Transition (Commercial & Industrial)	0	0.0	35,183,518	4.0	0.0	35,183,518	4.0	0	0.0	0	4.0	0
		NEEA (Commercial & Industrial)	6,431,129	0.7	3,096,469	0.4	0.0	9,527,598	1.1	0	0.0	0	1.1	0
		Solar Thermal	0	0.0	0	0.0	0.0	0	0.0	0	0.0	5,777	0.0	5,777
		Total Energy Efficiency Programs	**89,386,487**	**10.2**	**64,246,434**	**7.3**	**208,223**	**153,632,922**	**17.5**	**208,223**	**23.3**	**121,327**	**40.8**	**329,550**
Renewables Generation		Kettle Foods (Open Solicitation)	122,240	0.014	0	0.000	0	122,240	0.0	0	0.000	0	0.014	0
		Calapooia (Open Solicitation)	0	0.000	4,777	0.001	0	4,777	0.0	0	0.000	0	0.001	0
		Brewery Blocks (Open Solicitation)	26,280	0.003	0	0.000	0	26,280	0.0	0	0.000	0	0.003	0
		Combine Hills (Large Wind)	0	0.000	124,830,000	14.250	0	124,830,000	14.3	0	0.000	0	14.250	0
		Solar PV	44,730	0.005	205,758	0.023	0	250,488	0.0	0	0.011	0	0.040	0
		Total Renewable Programs	**193,250**	**0.022**	**125,040,535**	**14.274**	**0**	**125,233,785**	**14.3**	**0**	**0.011**	**0**	**14.308**	**0**

Notes:
Green LED Traffic Light pilot program combined with LED Traffic Signal program.
Restaurant Energy Efficiency pilot program and SSELP buy down program combined with Building Efficiency program.
Manufactured Homes Duct Sealing pilot program combined with Home Energy Savings program.

2003 Projects by Sector, Program and Utility

			PGE	Pacific Power	NWN	Combined- All Territories
Energy Efficiency Savings	Residential	Home Energy Savings	5,979	2,241	2,503	10,723
		Efficient Home Products	983	1,036	591	2,610
		PGE Utility Transition (Residential)	1,724	0	0	1,724
		Pacific Power Utility Transition (Residential)	0	427	0	427
		NEEA (Residential)	N/A	N/A	N/A	N/A
	Commercial & Industrial	LED Traffic Signal	8	1	0	9
		Building Efficiency	139	114	5	258
		New Building Efficiency	0	0	0	0
		PGE Utility Transition (Commercial)	310	0	0	310
		Pacific Power Utility Transition (Commercial)	0	23	0	23
		NEEA (Commercial)	N/A	N/A	N/A	0
		Production Efficiency	2	2	0	4
		PGE Utility Transition (Industrial)	13	0	0	13
		Pacific Power Utility Transition (Industrial)	0	27	0	27
		NEEA (Industrial)	N/A	N/A	N/A	0
		Solar Thermal	0	0	0.0	0
		Total Energy Efficiency Programs	**9,158**	**3,871**	**3,099**	**16,128**
Renewables Generation		Kettle Foods (Open Solicitation)	1	0	N/A	1
		Calapooia (Open Solicitation)	0	1	N/A	1
		Brewery Blocks (Open Solicitation)	1	0	N/A	1
		Combine Hills (Large Wind)	0	1	N/A	1
		Solar PV	14	60	N/A	74
		Total Renewable Programs	**16**	**62**	**N/A**	**78**

Notes:

Green LED Traffic Light pilot program combined with LED Traffic Signal program. LED Traffic Signal projects represent individual communities or agencies served. Total 2,386 LED lamps were replaced in 2003.

Restaurant Energy Efficiency pilot program and Small-Scale Energy Loan buydown program combined with Building Efficiency.

Home Energy Savings projects represent home energy reviews performed, efficient gas furnaces installed, multi-family units treated, and manufactured home duct sealings performed.

Efficient Home Products projects represent the number of rebates given.

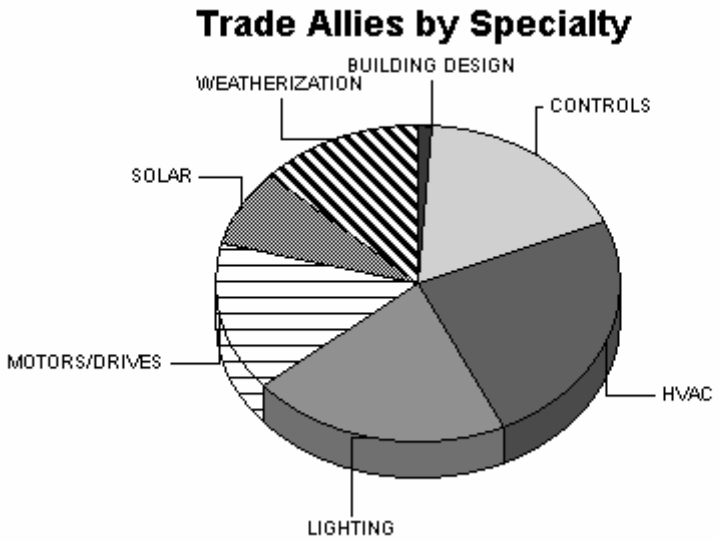
All other projects represent distinct retrofit or new construction projects performed at individual sites.

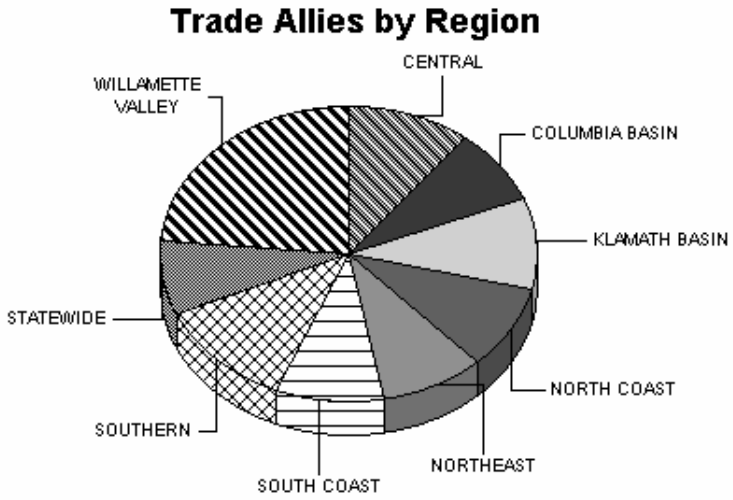
2003 Pollution Offsets

		Combined- All Territories		
		lbs CO2	lbs SO2	lbs NOx
Energy Efficiency Programs	Residential	56,012,962	703	36,765
	Commercial & Industrial	103,150,745	1,321	60,691
	Solar Thermal	0	0	0
	Total Energy Efficiency	**159,163,707**	**2,024**	**97,457**
Renewable Programs	Open Solicitation	158,816	2	104
	Large Wind	129,323,880	1,623	84,884
	Solar Renewable	259,506	3	170
	Total Renewables	**129,742,201**	**1,628**	**85,159**

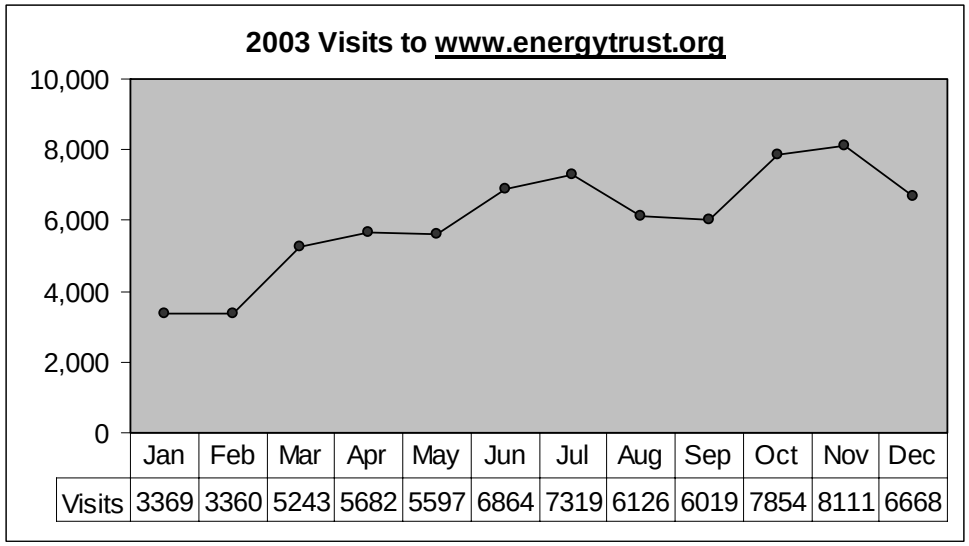
Notes:
Utility Transition Program savings factored into Residential, Commercial, and Industrial sectors.
Emission factors: 1.036 lbs CO2/kWh, 0.013 lbs SO2/kWh, 0.68 lbs NOx/kWh. Source: Phil Carver, Oregon Department of Energy.
CO2 = carbon dioxide SO2 = sulphur dioxide NOx = nitrogen oxide

2003 Trade Ally Data

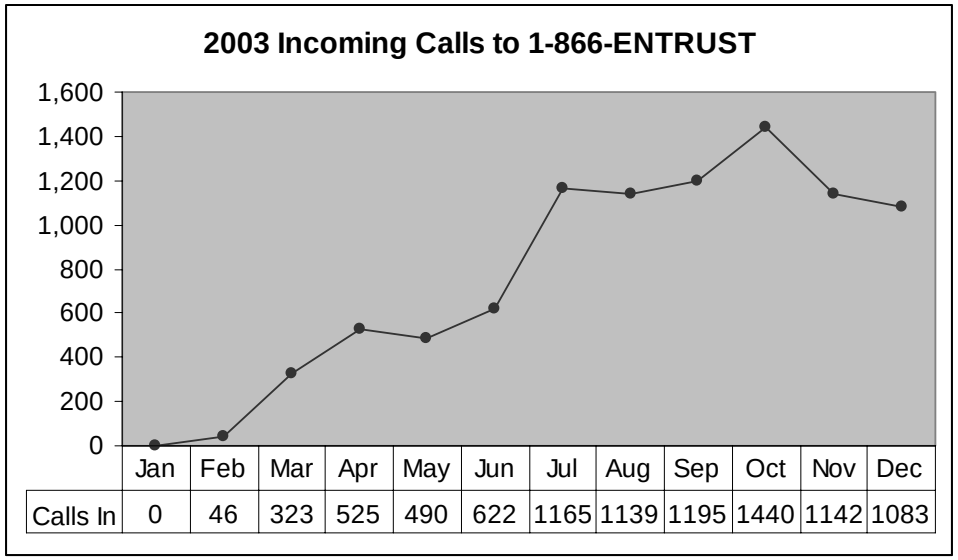




2003 Participant Data



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Visits	3369	3360	5243	5682	5597	6864	7319	6126	6019	7854	8111	6668



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Calls In	0	46	323	525	490	622	1165	1139	1195	1440	1142	1083

Board of Directors

Current December 31, 2003

PRESIDENT - Steven Schell is an attorney at Black Helterline who handles environmental, land use, real estate and construction issues. He served on the Land Conservation & Development Commission from 1973-1976 and on the Energy Facility Siting Council from 1990-1998.

VICE-PRESIDENT - John Klosterman is vice-president of manufacturing at Rejuvenation Inc., and has been with the company for eight years. As part of a state pilot project, he led his company's implementation of an ISO 14001-based energy management system following the sustainability principles of The Natural Step. He serves on the board of Business for Social Responsibility and is responsible for implementing socially responsible policies and programs at Rejuvenation.

SECRETARY – Christine Ervin is President and CEO of the US Green Building Council, a national coalition of 600 leaders from across the building industry to advance buildings that are environmentally responsible, profitable, and healthy places to live and work. She served as assistant secretary for the Clinton Administration's $1 billion portfolio of energy efficiency and renewable energy programs for buildings, vehicles, major industries and utilities. Christine directed the Oregon Department of Energy from 1991-93 and chaired Barbara Roberts' Livable Communities Task Force. ***Christine resigned in 2004.***[5]

TREASURER - Tom Foley has over 26 years of experience in the field of energy analysis and management, including 10 years as manager of conservation and generating resources analyses for the Northwest Power Planning Council and 10 years at Battelle Northwest. He presently runs Tom Foley Consultants, which provides resource planning and consultation with utilities throughout the country.

Rick Applegate is the superfund coordinator at the City of Portland Bureau of Environmental Services. He has worked for more than 18 years on energy and environmental issues as an advocate for salmon and their watersheds. Rick was the fish and wildlife director for the Northwest Power Planning Council from 1987 to 1995. Before that, he was the chair of the US Southern Stakeholders Pacific Salmon Treaty Negotiations, a member of the Pacific Northwest Comprehensive Energy Review, on the executive committee of For the Sake of Salmon, and on the board of directors for the Sustainable Fisheries Foundation. Currently Rick serves on the board of the Pacific Salmon Watershed Fund. ***Rick was appointed to a three-year term in 2003.***

Jason Eisdorfer is legal counsel and energy program director for the Citizen's Utility Board. He served as the public interest representative in worksessions of the Oregon Legislature's House Committee on Power Deregulation in 1997, and in 1999 helped author Oregon's electricity industry restructuring legislation, which passed into law in July 1999. He is on the executive boards of the Fair and Clean Energy Coalition, the Northwest Energy Coalition and the Renewable Northwest Project.

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[5] **Debbie Kitchin** was appointed to a three-year term in 2004. She fills Christine Ervin's board position. Rick Applegate succeeded Christine as secretary in 2004. Other new officers in 2004 are: Cheryl Perrin, vice-president; John Klosterman, treasurer.

Julie Hammond is the vice president of operations at Sage Insurance Center in Bend. She has over 15 years experience in the insurance industry. Julie currently serves on the Safeco Advisory Council and Deschutes United Way. She brings a customer service orientation, small business perspective and regional representation to Energy Trust program delivery. ***Julie was appointed to a three-year term in 2003.***

Rick Kroon is the Oregon site corporate services manager for Intel Corporation. His broad responsibilities include utility management and energy conservation. Prior to moving to Oregon in 1992, Rick worked in California and New Mexico. Rick has an MBA in addition to an engineering degree from the University of Wisconsin. He also represents Intel on the International SEMATECH facilities council, whose members represent global semiconductor manufacturers and scope includes worldwide utility/energy management.

Cheryl Perrin is the executive director of Campaign for America, a nonprofit organization focused on campaign finance reform. She served as a senior executive officer with Fred Meyer, Inc., for 22 years, where she was responsible for the company's government and political activities, news media relations, community and civic activities and environmental programs. She was a commissioner and vice-president of the Port of Portland, and serves on the board of STARS, the Willamette River Initiative, the Lewis & Clark 2005 Committee, Portland Public Schools Foundation and the Lewis & Clark College Board of Trustees.

John Reynolds is professor of architecture emeritus at the University of Oregon and has been involved in energy issues in Oregon since 1972, when he was elected to the Eugene Water and Electric Board. Since then he has served as the president of the Pacific Northwest Solar Energy Association and of the subsequent Solar Energy Association of Oregon. He also serves on the Energy Committee of the Building Codes Structures Board.

ex-officio

John Savage represents the Oregon Public Utility Commission. Now one of three OPUC commissioners, he joined the OPUC staff in 2003 as director of its utility program, after having served as director of the Oregon Department of Energy for the previous decade. He was administrator of the ODOE's policy and planning division from 1987-1993. John received a masters degree in natural resource economics from Oregon State University in 1979 and a bachelor of science degree from OSU in 1975. ***John assumed his ex-officio position in 2003, replacing Lynn Kittilson, who served from 2001-2003.***

Oregon Department of Energy Special Advisor

William Nesmith is the assistant director for conservation at the Oregon Department of Energy. Bill has a master of science degree and over 20 years experience in the field of energy efficiency. He has worked as a land use planner for local government, been a program manager with state government, and served as a public utilities specialist with the Bonneville Power Administration. In his current position he directs energy efficiency and renewable resource programs for Oregon homeowners, businesses, and public institutions that have a combined budget of over $10 million. ***Bill was appointed in 2003.***

Board Development Guidelines

December 31, 2003

This appendix refers to board development guidelines as specified in the Oregon Public Utility Commission grant agreement with the Energy Trust, section 5, guideline 'k', referring to the Energy Trust retaining the skills, broad representation, and diversity necessary to achieve its mission. Background of board development is provided.

The initial board of directors included nine members and one non-voting ex-officio member from the OPUC. The nine diverse members represented a variety of perspectives on energy matters combined with business acumen. Of the nine voting members and one ex-officio member, six provided collective strength, insights and experience relevant to energy policy and planning, program implementation and evaluation, facility siting, consumer advocacy, renewable energy development and sustainable practices. The remaining four members were all business community representatives, reflecting a subset of future commercial and industrial program participants. This latter group provided complementary skills and financial perspectives as marketers, energy consumers and users of anticipated Energy Trust goods and services.

During the first year, the board evolved from a start-up organization to one focused on program delivery. Two of the four initial business representatives resigned for personal reasons. A board subcommittee initiated a broad recruitment effort to attract new members and fulfill board development guidelines. In addition to soliciting input through advisory councils and at public board meetings, over a dozen individuals and partner organizations were specifically asked to identify candidates with the following expertise: business experience and "bottom line" financial orientation, industrial/manufacturing expertise, marketing awareness and skills, familiarity with renewable energy and demographic and geographic representation.

At this same time, the board expanded its size to 11 voting members to allow further diversity and representation. Targeted recruitment efforts resulted in the selection of two new board members to fill vacancies, one of whom is employed by an international high tech manufacturing firm and brings a user/beneficiary industry perspective. The second member adds analytical skills appropriate to energy efficiency and renewable energy as well as relevant energy policy and program implementation experience.

Additional candidates were identified and are being pursued from outlying, smaller communities in eastern, central and southern parts of Energy Trust service territories. In 2003, Julie Hammond was appointed as a board member, bringing a customer service orientation, small business perspective, and regional representation. Additionally, OPUC Commissioner John Savage replaced Lynn Kittilson as the ex-officio board member from the OPUC.

The board created an additional non-voting position for an appointee of the Oregon Department of Energy. Bill Nesmith, ODOE Assistant Director for Conservation Programs, was appointed to fill this “special advisor” position. The board is currently recruiting to fill remaining vacancies. Anticipated membership will provide further geographic and demographic complements to existing members and further expand and reflect the true diversity of customers throughout the service areas.

All new board members and ex-officio members participate in an orientation session and are provided board handbooks containing historical information, policies, plans, budgets and program descriptions. The majority of board members also participate on the advisory councils and board

finance and policy committees. All regular board and advisory council meetings are public, with relevant information accessible in advance on the Energy Trust website. Advisory council and board meetings are well attended, with public comment a standard part of all meetings.

In addition, all regular board members complete and sign conflict of interest forms, retained on file and updated annually. Ex officio board members from the Oregon Public Utility Commission and the ODOE do not receive confidential information. Once a year, board and staff members jointly participate in a planning session to review and update the strategic direction of the organization and to compare program accomplishments and goals to results. Board development is a part of this planning session, as needed.

2003 Advisory Council Members and Meetings

Conservation Advisory Council

Susan Anderson, Director Energy Office, City of Portland
Steve Bicker, NW Natural
Jeff Bissonnette, Fair and Clean Energy Coalition
Julie Brandis, Associated Oregon Industries
Carol Brown, Portland General Electric
Gary Curtis, D&R International
Thomas Eckhart, UCONS LLC
Tom Eckman, Northwest Power Planning Council
Terry Egner, Micro Grid
Jason Eisdorfer, Energy Trust Board of Directors
Joe Esmonde, International Brotherhood of Electrical Workers
Janet Fairchild, Oregon Public Utility Commission (replaced Lynn Kittlilson)
Margie Gardner, Northwest Energy Efficiency Alliance
Don Jones, PacifiCorp
Ken Keating, Bonneville Power Association
Rick Kroon, Energy Trust Board of Directors
Dean Lemman, North Coast Electric Company
Steve McCoid, Oregon Restaurant Association
Bill Nesmith, Oregon Department of Energy
Mat Northway, Eugene Water & Electric Board
Sara Patton, Northwest Energy Coalition
Stan Price, Northwest Energy Efficiency Council
John Reynolds, Energy Trust Board of Directors

2003 Meeting Dates	CAC Major Discussion Topics
January 15	NW Natural gas program; industrial process design program
February 19	Industrial process design; commercial/industrial new construction initial design
March 19	New building efficiency program design
April 16	Residential new construction program design
May 14	Residential new construction program design; home energy savings supplemental multi-family funding
June 19	Nexus home analyzer, trade ally insurance requirements, residential natural gas weatherization program design
August 13	Gas programs, gas strategic goals, new residential construction program design, appliances design
September 17	Oregon contractor preference, building operations and recommissioning program; efficient home products program design update; new home energy savings program design update
October 15	Building operations & recommissioning program; solar program consolidation; eligibility of self-generating users for ET programs
November 12	Building ops & recommissioning prgrm; pilot/demo project policy; eligibility of self-generators; strategic plan, 2004 action plan/budget
December 8	Building operations & recommissioning program; eligibility of self-generating users; strategic plan and 2004 action plan and budget

Renewable Resources Advisory Council

Rick Applegate, Energy Trust Board of Directors
Doug Boleyn, Consultant
George Darr, Bonneville Power Association
Angus Duncan, Bonneville Environmental Foundation
Janet Fairchild, Oregon Public Utility Commission
Katherine Hardy, Oregon Department of Energy
Thor Hinkley, Portland General Electric
Jeff King, Northwest Power Planning Council
Janet Fairchild, Oregon Public Utility Commission (replaced Lynn Kittilson)
Justin Klure, Oregon Department of Energy
Sonja Ling, Renewable Northwest Project
Jim Maloney, Eugene Water & Electric Board
David McClain, Geothermal Consultant
John Reynolds, Energy Trust Board of Directors
Virinder Singh, Pacific Power
Lisa Schwartz, Oregon Department of Energy
Frank Vignola, Solar Monitoring, University of Oregon
Alan Zelenka, Emerald People's Utility District

2003 Meeting Dates	RAC Major Discussion Topics
February 19	Solar program outline, solar monitoring project proposal
March 19	Baseline Oregon Solar Market Assessment, Solar PV program final review
April 16	Recruitment of new RAC members, status of PV program training, community initiatives for PV, value of green tags, and updates on large wind contract, Calapooia Crossing, Brewery Blocks kiosk, BPA Brightway and PV
May 14	Community initiatives for PV, PGE RFP participation, solar electric program launch, green tags, updates on open solicitation proposal process, large wind contract, Calapooia Crossing, Brewery Blocks kiosk, Albany hydro, Appeasay Orchard
June 18	PV program website and information, open solicitation PV proposal, PV demonstration RFP, and updates on large wind contract, PGE RFP board action, BPA Brightway discussions and RAC membership criteria
August 20	Strategic plan review, City of Portland open solicitation for small wind, City of Hillsboro open solicitation for micro hydro, new RAC member nomination, updates on PV incentives increase, BPA Brightway and Oregon preference for projects/companies
September 17	Solar program marketing plan review, Oregon preference, green tag policy
October 15	Board action to increase solar budget, market analysis of solar market motivators, green tag policy discussion
November 12	2004 renewable budget and strategic/action plan, green tag policy discussion, open solicitation evaluation, solar program update

Energy Trust Service Territory Map

WILL BE INCLUDED IN FINAL REPORT

Audited Financials

WILL BE INCLUDED IN FINAL REPORT