

Final Draft 2004-2005 Two-Year Action Plan December 17, 2003

Picture this: an Oregon with more jobs, stronger businesses, lower energy costs, productive work environments, comfortable homes, a cleaner environment and a way to meet our energy needs that preserves these benefits for future generations. These images come into focus when we choose to recover energy now wasted and replace it with efficient usage and add renewable energy resources to the mix. The people at the Energy Trust of Oregon, Inc. (Energy Trust) are committed to this future.

The Energy Trust is an independent nonprofit organization dedicated to providing energy efficiency services and renewable energy benefits to the utility customers of Portland General Electric, PacifiCorp and NW Natural gas. Our mission is to "*change how Oregonians produce and use energy by investing in efficient technologies and renewable resources that save dollars and protect the environment.*"

In 2002, our first ten months operating, energy efficiency services were continued to residents and businesses through transition programs operated by PGE and PacifiCorp. Over 12,500 residents and over 1,500 businesses participated in our electric energy efficiency programs, nearly 1,000 manufactured homeowners and residents in 23 communities had their heating ducts sealed, and 13 Oregon communities received energy-saving green light-emitting-diode traffic lights. Eight Habitat for Humanity-built homes in Bend had solar hot water systems installed, an affordable housing project in Sutherlin had a solar powered laundry system added and solar electric was put on the roof of one of Portland's newest office buildings. Results of these early investments generated \$7.8 million in wages, \$1.5 million in new business income and created over 200 new jobs.

In 2003, the first long-term Energy Trust programs were offered. Savings of over 180,000 annual megawatt hours (20 aMW) are projected by the end of 2003, with over 11,000 efficiency projects installed or underway statewide. Over 250 trade allies have helped deliver cash incentives to over 4,700 homes and 200 businesses. The popular solar electric program has attracted over 100 projects, including the single largest photovoltaic commercial installation in the Northwest. As of year-end, 41 new wind turbines have begun to generate power near Milton-Freewater, serving over 12,000 local consumers, creating local jobs and feeding into the PacifiCorp system.

2004 programs and projects will build upon these early accomplishments and further our efforts to achieve our long-term strategic goals:

Goal 1: By 2012, deliver programs to save consumers 300 Average Megawatts (2.6 million annual megawatt hours) of electricity and 19 million annual therms of natural gas from long-lasting energy efficiency measures.*

* Targets are for a weighted average measure life of 14 years for electric savings and 20 years for gas savings.

Goal 2: Provide 10% of Oregon's electric energy from renewable resources by 2012, (approximately 450 average megawatts for PacifiCorp and PGE).

Goal 3: Extend energy efficiency and on-site renewable energy programs and benefits to underserved consumers.

Goal 4: Contribute to the creation of a stable environment in which businesses that promote energy efficiency and renewable energy have the opportunity to succeed and thrive.

Goal 5: Encourage and support Oregonians to integrate energy efficiency and renewable resources into their daily lives.

It is the intent of 2004 action plan to achieve overall electricity and natural gas savings through energy efficiency programs by major sector, as follows:

	Annual MWh	Average Mw	Annual Therms
Residential	32,000	4	850,000
Commercial and Industrial Facilities	51,000	6	510,000
Industrial Process	150,000	17	
Total	240,000	27	1,400,000
Total with line loss savings Includes self direction	260,000	30	

The above-listed totals are slightly lower than those included in the 2004-2005 draft action plan. The reduction corresponds to hiring one FTE and not two in energy efficiency to assist with program implementation and management and to slowing the pace of program delivery in 2004. During 2004, the Energy Trust will seek commitments for at least 190,000 megawatt hours (22 aMW) of renewable energy capacity. By the end of 2004, over 320,000 megawatt hours (36 aMW) cumulative will be generated from renewable energy projects supported by the Energy Trust. This represents a total of eight percent of the overall 2012 goal of acquiring 3.9 million megawatt hours (450 aMW) in new renewable energy production. The strategy reflects a balanced approach of large-scale utility projects with small-scale distributed generation and diversified resource applications.

This 2004-2005 action plan emphasizes details of 2004 planned activities and corresponds to the 2004 annual budget. The action plan is organized into 4 major parts:

- I. A description of key **themes** to be emphasized in 2004-2005
- II. Specific **benchmarks** to measure overall results
- III. Specific **activities** to be undertaken to achieve goals and,
- IV. A **preview** for 2005.

I. 2004 ACTION PLAN THEMES

- I. *An Expanded Slate of Program Offerings* - The ultimate test of Energy Trust effectiveness is whether ratepayers receive benefits commensurate to their public purpose investment. In 2004, the Energy Trust will expand program offerings to reach every type of consumer with services offered statewide throughout PGE, PacifiCorp and NW Natural service areas. Adding to an existing base, new initiatives will provide energy efficiency services and incentives to builders of new homes and new commercial buildings, to building owners and operators, and to consumers purchasing efficient home products. The one exception is that the program for

Operation & Recommissioning of commercial and industrial facilities will be gradually phased in during the course of 2004, starting with a demonstration programs to address the needs of the most motivated consumers.

Renewable resources programs will increase the amount of utility-scale wind development, double the number of solar electric installations, continue innovative projects through an open solicitation program and move toward separate programs for small-scale wind and biomass resource acquisition. A stronger presence in the marketplace will alert consumers to the full range of opportunities available, helping the Energy Trust to build greater capacity, momentum and volume to better serve a full range of participants.

2. *Community Outreach* - The Energy Trust decentralized program delivery model largely relies upon local businesses providing their services to local consumers and promoting related Energy Trust incentives. Actions in 2004 will expand this already strong network of trade allies by supporting their efforts and further leveraging their capabilities and results. The strategy includes utilizing local markets and communication networks to build greater awareness of program opportunities and benefits, community by community. Local community contacts and representatives, business and trade group members and the media will be tapped to strengthen awareness of program opportunities and specifically increase the number of program participants.
3. *Strategic Alliances* - The Energy Trust is one of many important players in the energy arena. It is imperative that our efforts be well coordinated with others endeavoring to reach the same audiences. In 2004-2005, we will expand upon successful partnerships, placing even more emphasis on joint planning and collaboration with other entities, tapping the existing expertise and established networks of a wide variety of statewide, regional and local groups. To best serve consumers and deliver clear and consistent information to them about their opportunities, joint development, information sharing and co-promotion of programs and services will be perpetuated in conjunction with other organizations.
4. *Operational Effectiveness and Service* - The experience developing and initiating first year programs identified specific opportunities to improve internal operational effectiveness and strengthen both internal and external customer service. In 2004, more emphasis will be placed on quality customer care, streamlining legal and contract systems, and integrating information technology capabilities to track projects and measure results. These and other operational enhancements correspond to the maturation of the organization and the volume of activity.
5. *Benefit to Oregonians* - In concert with the Oregon Department of Energy, the Energy Trust will identify opportunities for the two organizations to unite on matters of state energy policy and programs. Through a memorandum of understanding, the two organizations will identify how their respective missions and activities intentionally complement one another to best achieve coordinated service for Oregonians and create a sound energy future for the state.

II. BENCHMARKS

The Energy Trust is in the process of launching and perfecting a series of programs for diverse energy users with different needs -- large and small, commercial, residential, industrial, and agricultural, new construction and existing structures, for gas and electric efficiency.

Renewable energy programs target several different resources, including wind and solar, also for a variety of energy users. The most meaningful measure of success is whether the Energy Trust has fielded programs for all major markets, whether those programs are delivering the results expected at a competitive cost and whether participants are satisfied with the benefits received.

The following benchmarks will be used by staff, the board of directors, the Oregon Public Utility Commission and others to monitor Energy Trust progress toward goals in the next two years. The benchmarks help all those interested in Energy Trust activities to measure both quarterly and annual results. The measures are consistent with the state legislation leading to the creation of the Energy Trust and are also drawn from the corresponding grant agreement between the Energy Trust and the Oregon Public Utility Commission.

In 2004:

1. Acquire 30 average megawatts (260,000 annual MWh)* of savings through efficiency programs in all sectors, achieving a cumulative total of 66 average megawatts (580,000 annual MWh), equal to 22 percent of the 2012 goal. (*Includes self direction and line losses.)
2. Acquire 1.4 million annual therms through efficiency programs in the residential and commercial sectors, achieving a cumulative total of 1.7 million annual therms, equal to 9 percent of the 2012 goal.
3. Secure commitments for a minimum 193,000 megawatt hours (22 aMW) of renewable energy capacity, achieving a cumulative total of more than 320,000 megawatt hours (36 aMW), equal to 8 per cent of the 450 aMW 2012 goal.
4. In accordance with Oregon law, invest a minimum of 80% of electric public purpose funds collected for the direct benefit of PGE and PacifiCorp, with the balance of such funds invested in market transformation activities.
5. Utilize surveys to solicit direct feedback from participating and non-participating contractors, installers and other trade allies for four energy efficiency and one renewable Energy Trust program and from both participating and non-participating end users (consumers) for two efficiency and one renewable Energy Trust programs.
6. Operate efficiently and effectively by maintaining a total general and administration and general marketing and communications budget of no more than 6% of total revenues.

III. ACTIVITIES

Goal 1: By 2012, deliver programs to save consumers 300 Average Megawatts (2.6 million annual megawatt hours) of electricity and 19 million annual therms of natural gas from long-lasting energy efficiency measures.*

*** Targets are for a weighted average measure life of 14 years for electric savings and 20 years for gas savings.**

The Energy Trust has undertaken the challenge of acquiring 300 average megawatts (2.6 million annual megawatt hours) and 19 million annual therms through energy conservation and energy efficiency improvements for homes and businesses. This significant amount of energy is about one-third of the growth in the demand for electricity over the next ten years, and the equivalent of building a new power plant fueled by fossil fuels. It is enough energy to power two cities the size of Bend, Oregon. The goal is aggressive, assumes participation in all

sectors and can be achieved at an average projected cost of \$1.3-\$1.4 million per average megawatt. It is the intention of the Energy Trust to lower the cost per megawatt acquired over time.

2004 marks the first full year of comprehensive energy efficiency program offerings. A total of 9 programs will be available to serve all sectors in both new and existing markets. For the first time, initiatives for new construction, including New Home Energy Savings for new residences and New Building Efficiency for commercial and industrial new construction, will be offered. In addition, a program will be designed and offered for efficient home products. These new program opportunities will be initiated by late winter 2004 and achieve a balanced portfolio of services of integrated gas* and electric efficiency programs.

Understanding the necessity for responsible growth, the Energy Trust will delay full roll-out of the Building Operations and Recommissioning Program until the last quarter of 2004. Additionally, program savings targets and associated incentive budgets have been matched with corresponding program support staff resources.

Market transformation initiatives will be addressed through the continued funding of the Northwest Energy Efficiency Alliance. The Energy Trust has assumed the historical funding contribution percentage previously made by PacifiCorp and Portland General Electric.

A total of 30 average megawatts (260,000 annual megawatt hours) and 1.4 million annual therms are targeted for acquisition in 2004. The total anticipated 2004 energy efficiency program expenses are approximately \$41.5 million.

2004 emphasis will be on creating program momentum and volume to achieve cost effective results. Additional emphasis will be placed on quality control, quality assurance and impact and process evaluations. Process evaluations and market assessments will be used to improve program process, identify problems, share success stories, provide "real time" feedback to program managers and staff, and lastly, to assess markets reached and not reached. Impact evaluation will be used to estimate total program results such as savings for individual measures and end uses, to assess the value of new technologies, to assess savings within specific markets, test approaches, and project long term savings.

It is important to mention the Conservation Advisory Council (CAC), a group of regional energy experts and public stakeholders that meet monthly to provide input and feedback to the Energy Trust on a wide range of energy efficiency issues. Their input has been invaluable in framing issues and providing constructive comments strengthening the Energy Trust core programs. CAC meetings are listed in advance on the Energy Trust website and interested individuals in the general public are encouraged to attend. Typically, staff members present issues for discussion such as self-direction policy, program design outlines, program delivery models, annual budgets and savings targets, and review of monthly program status reports. In the majority of cases, these issues and other topics are to be acted upon by the Board of Directors and are first previewed at CAC meetings for feedback before board presentation.

The following is a description of 2004 energy efficiency program offerings:

1. The *Home Energy Savings* program serves the residents and owners of both single and multifamily homes, providing free home energy reviews, 10 free compact florescent bulbs and cash incentives for cost-effective energy efficiency measures. In addition, services include duct sealing for manufactured housing.

* Gas programs are for residential and commercial consumers of NW Natural. No public purpose funds are presently collected from NW Natural industrial customers.

Savings accumulated through the Home Energy Savings program overlap with Goal 3, serving hard-to-reach and underserved markets. The Home Energy Savings program is delivered through Ecos Consulting. The following outcomes and approaches are planned in 2004:

- Fully integrate electric and gas programs, gain administrative and cost efficiencies
 - Provide combined incentives for both gas and electric homes
 - Rely upon market-based relationships with trade allies to provide excellent customer service
 - In cooperation with the Oregon Department of Energy, expand trade ally skills and tools by identifying contractors interested in becoming CheckMe!® certified
 - Build and leverage the Energy Trust and Energy Star brand awareness
 - Effectively communicate with all market actors and adapt the program as necessary
 - Coordinate with and complement forthcoming residential new construction programs
2. The *New Home Energy Savings* program will address residential new construction of site-built, multifamily and manufactured housing. The emphasis of this program for single family site-built and manufactured homes is Energy Star labeled homes. This program will start contract negotiation early in 2004, with a full program effort to launch in time for the spring building season. Other results planned include:
- Work closely with the Northwest Energy Efficiency Alliance on their Energy Star Homes Northwest market transformation program
 - Focus on quality heating, ventilating and air conditioning installation
 - Contractor recruitment and training
 - Build infrastructure of Performance Tested Comfort System (PTCS) installation practitioners
 - Encourage a dual labeled home in concert with PGE's Earth Advantage program
 - Promote North American Technical Excellence (NATE) certification
 - Implement new manufactured home efforts in close coordination with the Oregon Department of Energy, increasing the penetration of Energy Star labeled manufactured homes in Oregon
3. The *Efficient Home Products* program will be implemented by the same program management contractor selected as the *New Home Energy Savings* program. This program is expected to launch in early 2004, with a heavy emphasis on Energy Star's appliance and lighting campaigns.
- The primary focus of the appliance program is on washing machines
 - Target new construction appliance promotion through appliance distributors and manufacturers
 - Promote Energy Star labeled lighting and ceiling fan products for the home
 - Work with manufacturers on co-promotions specific to product lines that feature energy efficient models
4. The *Building Efficiency* program serves existing commercial buildings and institutions by providing incentives for energy efficiency measures and solar thermal. Incentives

include both prescriptive approaches for lighting, air conditioning, and motors and a custom track for all other energy efficiency projects. The program is delivered primarily through a trade ally network of lighting and HVAC contractors.

- Increase active HVAC trade allies by factor of 10, through integrated gas and electric marketing, relationship building, training, and point-of-purchase friendly forms
 - Increase penetration of Premium T8 and T5 lighting through coordinated initiatives with Bonneville Power Administration (BPA), Eugene Water and Electric Board (EWEB), and adjacent utilities
 - Develop and promote grocery store measure package
5. The *Production Efficiency* program serves large-scale industrial and manufacturing consumers. Services are contracted by Aspen Systems and delivered through four industrial marketing contractors with expertise in specific processes. Measurable outcomes for 2004 include:
- Develop improved incentive budget forecast
 - Broaden market focus to address a range of company sizes
 - Develop and deploy irrigation offering
6. The *Building Operations & Recommissioning* program will serve existing commercial customers with complex operational and maintenance issues. Offerings will include best practices recommissioning services. The program will begin late winter 2004 as a pilot of the Building Performance Services initiative from the Northwest Energy Efficiency Alliance and subsequently be developed into a full scale program in the fourth quarter of 2004. Upcoming activities include:
- Program design
 - Issue Request-for-Proposal, select finalist and negotiate hiring of program management contractor
 - Establish program goals and begin program implementation
 - Recruit recommissioning contractors and trade allies
7. The *New Building Efficiency* program serves developers, architects and engineers of new commercial buildings, providing technical assistance and incentives. 2004 targets include:
- Complete or have committed 340 projects
 - Establish a network of at least 5 Energy Design Advisory Contractors to provide technical architectural and engineering design assistance and energy analysis and modeling services
 - Establish a network of at least 5 Commissioning Oversight Contractors to provide commissioning assistance
 - Establish a network of trade allies to promote the program and have it generate at least 20% of the projects served by the standard track of the program
8. The *LED Traffic Signal* program serves public agencies by providing incentives to install high efficiency LED green traffic signals. Initially a short-term "quick-savings" effort, the program has been expanded into a long-term energy efficiency

opportunity for municipalities. The program is administered by the City of Portland Office of Sustainable Development that leverages its relationship with other municipalities and state transportation agencies to implement the program. In 2004, program targets include:

- Installing 3,000 green LED traffic signals
9. The *Northwest Energy Efficiency Alliance* is the primary market transformation organization working throughout the Pacific Northwest. The Energy Trust has assumed the funding contribution percentage of PacifiCorp and Portland General Electric and relies on the Northwest Energy Efficiency Alliance to field market transformation initiatives in Oregon as part of their broader regional mission. Energy Trust staff collaborate with the Alliance to deliver consistent program offerings in Oregon that translate throughout the region.
- Collaborate on residential new construction and appliances programs
 - Collaborate on fielding a commercial building operations pilot
 - Leverage Alliance resources pertaining to EPA Energy Star initiatives in residential and commercial sectors
10. In response to receiving voluntary public purpose funds from *NW Natural*, the Energy Trust integrated natural gas efficiency measures into its residential and commercial existing buildings and new construction programs commencing in July 2003. Incentive offerings are designed to complement standard electric measures to mitigate confusion in the public and in the trade ally installation community. The Energy Trust is collaboratively implementing a furnace replacement program that leverages the proven *NW Natural* marketing infrastructure. Incentives through the Solar Thermal program may be actively marketed to natural gas customers in the future after cost-benefit analyses are performed and presented to the Energy Trust board for endorsement.
11. The *Oregon Department of Energy (ODOE)* is a longstanding source of policy and planning, expertise and program delivery for in both energy efficiency and renewable energy resources. Energy Trust and ODOE staff coordinate efforts on a number of initiatives. All Energy Trust commercial programs leverage the state's Business Energy Tax Credit (BETC) when developing efficiency projects. Program Management Contractors are well-versed and have worked with the Department to streamline the application process. The Energy Trust residential Program Management Contractor, *Ecos*, is recognized as a Residential Energy Tax Credit "hub", facilitating the processing of tax credits. For the upcoming year, further collaborations include:
- In cooperation with the Oregon Public Utility Commission, develop a memorandum of understanding to effectively coordinate joint activities between the ODOE and the Energy Trust
 - Department of Energy staff will work with the residential new construction PMC to deliver the Energy Star new manufacture homes program
 - Coordinate self-director project activities

- Complement ODOE delivery of services through State Home Oil Weatherization Program (SHOW) by providing compact fluorescent lamps for SHOW auditors to install
 - Hold quarterly meetings to seek input, ensure awareness, communication and coordination of related activities
12. PGE and PacifiCorp *transition program* offerings will conclude by the end of 2003, having provided continual services to utility customers during the Energy Trust start-up period. Transition contract terms call for project commitments made in 2002 and 2003 to be completed by December 31, 2004.
13. Energy Trust staff leverage and coordinate efforts with PGE, PacifiCorp and NW Natural for customer information and referrals and to otherwise help facilitate program participation. Meetings with utility customer service account management staff have provided substantial program leads and good customer service. Working with trade associations such as the Industrial Customers of Northwest Utilities and the Oregon Restaurant Association strengthens the foundation for developing a robust trade ally network and provides important insights into how best to serve commercial and industrial markets. Discussion with Bonneville Power Authority (BPA) has led to developing region wide incentive offerings and the possibility of piggy-backing Energy Trust industrial services for BPA customers. These collaborative initiatives will continue next year through:
- Quarterly meetings with BPA staff
 - Quarterly meetings with stakeholder trade organizations
 - Quarterly program update meetings with utility customer service staff
14. *Quality Control and Quality Assurance* are processes to ensure programs are being implemented per design and that savings will be realized through measure verification. Quality control addresses measures being properly installed and appropriate documentation to authorize incentive payments. Commissioning is an aspect of quality control that ensures complex measures are installed properly and operate as designed. This function is built into all major programs providing incentives for complex measures. Quality control functions are performed by program implementers and program management contractors.

Quality assurance is an oversight function performed by the Energy Trust to ensure that program policies and procedures are being followed by program management contractors. Third party consultants or Energy Trust staff review project files verifying that required documentation is present and accurately completed. Field surveys using random sampling are conducted to verify that the project installation quality control process is being followed. Program implementation invoices are reviewed and analyzed by third party consultants as a backup check to Energy Trust program managers' payment authorization. In 2004, and continuing in 2005, activities include:

- Implementation of quality assurance function for all out-sourced energy efficiency programs
- Quarterly updates provided to the energy efficiency director

- Quality assurance section will be incorporated into the Energy Trust annual report

15. In 2004, each major Energy Trust-designed program will receive at least one implementation *evaluation* report. These reports will incorporate feedback from participants, trade allies, and other involved parties to assess their experience and provide suggestions to improve program administration, organization, and marketing. Additionally, impact evaluation for utility transition programs will provide enhanced estimates of energy savings. Impact evaluation complements the Energy Trust's quality control and quality assurance processes by using measurements of energy use and other pertinent factors to verify and adjust estimates of savings. Impact evaluations of the Energy Trust-designed programs will commence in 2004, with sufficient post-installation energy use history to produce results in 2005.

Goal 2: Provide 10% of Oregon's electric energy from renewable resources by 2012.

The Energy Trust remains committed to a highly aggressive goal to move from an estimated existing state level of 1% electrical energy currently being supplied by renewable energy to 10% by 2012. Based on growth in demand for electricity, this goal represents about 5.3 million megawatt hours (610 aMW) statewide, with roughly 3.9 million megawatt hours (450 aMW) for PacifiCorp and PGE. The 3.9 million megawatt hours represents nearly half of the growth in electricity demand for those two utilities.

The Energy Trust estimates that 150 – 200 aMW can be achieved through our direct efforts alone. The remaining amount depends upon actions by consumer-owned utilities, favorable interconnection and contracting requirements, supporting changes in state and federal policies and the extent the Energy Trust can successfully leverage a collective effort to increase the amount of renewable energy to be made available for the future of all Oregonians.

In 2004, the Energy Trust will build upon a strong foundation of successful renewable energy programs by expanding existing efforts and adding new resources to the portfolio. First year successes for the open solicitation program, utility-scale (likely to be large-scale wind) energy development and solar electric will be expanded.

New efforts will be undertaken in smaller scale wind, solar thermal (managed for Energy Efficiency in consolidation with the Solar Electric program) and preparation for a 2005 biomass program. Opportunities to further integrate renewable resource and energy efficiency programs will be pursued, particularly for interdependent technologies that combine renewable energy applications with energy efficiency equipment and for zero net energy homes. We will continue to be open to geothermal energy through our efforts to support utility-scale projects and to hydro generation through the Open Solicitation Program.

Commitments for at least 193,000 megawatt hours (22 aMW) of renewable energy capacity will be sought in 2004, for a cumulative total over 315,000 megawatt hours (36 aMW), equal to eight percent of the 450 aMW goal for PacifiCorp and PGE. The approach balances large utility-scale wind projects as the most competitive renewable energy resource available with smaller scale and diversified resource applications. The total anticipated 2004 renewable energy program expenses are approximately \$13.8 million.

Renewable energy 2004 efforts are designed to enhance awareness of program opportunities and stimulate participation, adding the necessary dimensions of momentum, volume and maturity to program offerings. Market transformation strategies will target "early-adopters"

further fostering the transition from a demonstration mindset to commonplace knowledge, acceptance and usage of renewable energy in an ever-wider spectrum of applications.

The Renewable Advisory Council (RAC) meets regularly to help evaluate projects in the Open Solicitation Program and provide feedback and information on Energy Trust policies and priorities including proposed program, budget and action plans. Membership on the RAC is diverse, offering broad perspectives and feedback during their public meetings. Staff will continue to employ the RAC as a valuable sounding board and critical audience for public participation and oversight.

1. The *Open Solicitation* program will continue to attract innovative ideas and projects throughout the state, promoting a valuable and flexible approach to advance different technologies. The program approach will be revised based upon the 2003 evaluation findings, resulting in a new application and an improved evaluation process. The program will continue to provide an incubator for distributed generation efforts. Specific annual targets include:
 - Finalizing existing project commitments
 - Supporting development of 4-6 new projects
 - Achieving up to 1 MW of new capacity (2,600 – 4,400 megawatt hours)
2. *Utility-scale Projects* will continue in 2004, furthering mutual investment strategies and power purchase agreements with both PGE and PacifiCorp as part of their respective integrated resource plans and related acquisitions. The Energy Trust will continue its role of dedicating funds to complement utility investments in renewable energy projects. Specific activities include:
 - Monitoring and tracking of the completed 41 MW (125,000 megawatt hours) Combine Hills wind project, including data handling, legal transactions and green tag sales
 - Project selection and development of 50-75 MW (> 145,000 megawatt hours) from renewable sources through PGE's competitive request-for-proposal
 - Participation, selection and development of 15 - 25 MW (44,000 – 70,000 megawatt hours) from renewable resources through PacifiCorp's competitive request-for-proposal
3. Using a market analysis approach, the *Small-Wind* program will be developed with target markets identified by summer 2004. The program will also address integration costs and issues and seek sources of additional funding. Other specifics of the small wind program include:
 - Acquiring up to 1.5 MW (1,800 – 3,500 megawatt hours) in small-wind energy capacity
 - Installing 5 additional wind anemometers, doubling the total locations to 10
4. A new *Biomass* program will be developed in 2004, for launch in 2005. The first step will be a market analysis and outline of program scope, with sources of additional funding identified for purposes of leverage. Target markets will be defined and integration issues addressed.

5. The 2004, *Solar Thermal* and the *Solar Electric* programs will be integrated, with program management handled internally by Energy Trust staff who leverage a well-developed network of trade allies and field inspectors. Funding for the solar thermal activities will come from the Energy Efficiency budget. Solar trade allies often install both systems and a one-stop shop is a key efficiency for these small businesses. Available incentives will be monitored based upon market response rates and the necessity to balance investment by service territory over time. Specific activities aim to achieve:
 - Installation of 475,000 watts, expanding the current program by 60% and completing 175 new electric systems
 - Expansion of solar thermal installations up to 105 electric systems saving 764,000 kWh per year for 20 years. If approved, this will be further expanded to include gas customers up to another 130 solar-thermal systems
6. Staff will continue to work collaboratively with *NW Natural*, ODOE and OSEIA to define an add-on to the solar program, allowing gas customers to take advantage of solar resources for energy efficiency and synchronizing Energy Trust goals with the overall efforts of *NW Natural*.
7. Critical to expanding the market for renewable resources is *leveraging* the assistance of BPA and the important integration and transmission services they provide. While great progress has been made with power-related services, large strides are necessary for the transmission-related services. Working toward a more supportive position will be an ongoing effort by staff. Continued openness to joint efforts with consumer-owned utilities will be a part of staff efforts to expand the reach of renewables in Oregon.
8. All projects funded by the Energy Trust have *quality control and quality assurance* aspects to them. Projects are fully inspected and reviewed to ensure the highest probability of continued, long-term use. Staff have developed and funded minimum equipment and installation standards for solar systems. A statewide network of inspectors is retained to provide an added layer of consumer inspection for solar and small wind systems. Staff intends to continue these efforts and expand them to solar thermal installations.
9. *Market transformation* is a major focus of the solar program, with significant efforts designed to create product standardization, customer awareness, independent marketing, increased quality assurance and consumer protection, better training and an expanding industry. We measure these efforts, in part, through expanded customer acceptance, lower prices, improving quality and the number of new businesses entering the market. The new program for smaller-scale wind will address the barriers to market participation and propose efforts to hurdle these and transform the market, with measures similar to those for solar.

Goal 3: Extend energy efficiency and on-site renewable energy programs and benefits to underserved consumers.

As part of its ongoing programs, Energy Trust is focusing efforts toward several underserved markets. In addition, we coordinate with Oregon Housing and Community Services and the Fair and Clean Energy Coalition to identify ways for our program to dovetail with and augment theirs. Specific Energy Trust plans for 2004, in this area include:

1. The Home Energy Savings *multifamily housing* initiative will be continue to be funded in 2004, with an estimated 5,200 units to be treated. Renters constitute an underserved market that is addressed through this initiative. As of mid-November, 2,700 units had been served.
2. The success of the *manufactured home* duct-sealing effort within Home Energy Savings is reflected in the plan to increase funding in 2004. Manufactured homes house low- to mid-income residents, often in rural areas and people living on fixed incomes, including elders. As of mid-November 2003, 2,350 manufactured homes had been treated.
3. Recently the Energy Trust provided the first service to improve the electric efficiency of *oil-heated homes*. Energy Trust funds are expected to provide up to 10 compact fluorescent bulbs in 900 homes reviewed through the Oregon Department of Energy's State Home Oil Weatherization (SHOW) program.
4. Special *outreach to non-English-speaking communities* is planned in 2004. In 2003 we created a brochure describing Energy Trust programs in Spanish. Its availability was publicized using colorful Spanish language posters and a radio advertising campaign. Ecos' call center provides a Spanish-speaking call-taker. The first Spanish-language Home Energy Review was conducted in November 2003. Funds are reserved for 2004 to either expand the Spanish-language outreach or provide materials in a second non-English language.
5. The Building Efficiency program will create *small business targets* for 2004, by integrating heating ventilation and air conditioning (HVAC) for restaurants and other measures for gas customers. Our working relationship with the Oregon Restaurant Association will assist in outreach and marketing of these new program offerings.
6. Recently Oregon Housing and Community Services made organizational changes that may offer new opportunities for collaboration with *low-income energy services*. We will continue work to coordinate with their programs, support cross-referrals, identify markets that are served by neither organization and investigate ways to address this gap in services.
7. Renewable energy programs have their own *underserved small-scale markets*. To date, small-scale renewable resources have had limited market penetration in Oregon. The solar electric program is on a path to changing this for solar. The new program for smaller-scale wind will be designed to do the same in wind.
8. The *open solicitation program* will continue to target the next, new good ideas for developing renewable energy. It is already serving to attract a significant diversity of applications, resources, locations and customer types. It will continue to be the lynch pin to securing renewables into new markets and reach areas previously untouched by existing programs.
9. *Evaluation* of our success reaching underserved markets will be provided in the context of other program evaluations. A cross-program evaluation will be considered for 2005.

Goal 4: Contribute to the creation of a stable environment in which businesses that promote energy efficiency and renewable energy have the opportunity to succeed and thrive.

This goal will be addressed through a concerted effort to work more closely with and provide better information and services to the approximately 250 businesses that are linked to Energy Trust programs through our trade ally network, and to attract at least 100 additional businesses to join this trade ally network. In accordance with Oregon Public Utility Commission guidelines, this goal is designed to enhance competitive markets. Specifically, the guidelines states that: "The parties will seek to encourage development of competitive markets for energy efficiency services and renewable resources as long-term outcomes."

The Energy Trust relies upon an expanding network of trade allies and others to provide information, deliver direct services and promote incentives to program participants. The model externally drives benefits to and leverages private businesses while minimizing Energy Trust costs. We have the opportunity to make the trade ally network more effective by providing updated, understandable and accurate information about Energy Trust programs and incentives. With better information, trade allies will more readily be able to represent Energy Trust opportunities within their respective local communities. The trade ally initiative recognizes the importance of cultivating the capacity of this important network and is designed to:

- Develop and maintain a robust internal communication network for program management contractors, the call center, trade allies, utilities, the Oregon Department of Energy, the Northwest Energy Efficiency Alliance, Energy Trust staff and others to utilize as a primary source of up-to-date information about program opportunities
- Conduct local outreach, community coordination meetings and trainings for trade allies and other community contacts to acknowledge their role, invest in their capabilities, maintain two-way communication and recognize results
- Foster trade ally business referrals and involvement across Energy Trust and other programs
- Pursue co-branded advertising and promotional opportunities, where appropriate
- Tap the trade ally network to enhance and improve information flow and to strengthen program design and delivery based on actual participant experiences
- Link trade allies with local organizations and contacts familiar with or helpful to Energy Trust program delivery

Planning and development of trade ally materials and systems will continue in 2004. New trade allies will be brought on board throughout the year as new programs reach new businesses and as stories about Energy Trust successes receive attention in communities through mass media and business networking.

Goal 5: Encourage and support Oregonians to integrate energy efficiency and renewable resources into their daily lives.

The Energy Trust is committed to increasing the levels of awareness and actions taken by Oregonians in response to opportunities to save energy and use renewable energy. Like recycling, we want such opportunities to be readily available, simple, easy, affordable and commonplace. The success of every Energy Trust program depends upon people knowing

about and being motivated to take full advantage of the services and options available to them. We also want the experience of every participant to be positive, resulting in high levels of satisfaction.

In addition to direct outreach to program participants, the Energy Trust works through its programs and the Northwest Energy Efficiency Alliance to “transform the market” by bringing energy efficient products, services and practices closer to the mainstream of our economy. With increased demand, prices fall and eventually an efficient product can compete without incentives or promotions from the Energy Trust, the Alliance or others.

The Energy Trust’s marketing and communications group develops general information, promotes awareness and conducts outreach activities designed to communicate the overall purpose and benefits of Energy Trust opportunities. At a program-specific level, staff coordinates efforts with program management contractors, utilities, the Oregon Department of Energy, the Northwest Energy Efficiency Alliance and others to deliver consistent messages and marketing strategies for both energy efficiency and renewable energy programs. Prime communication mechanisms include a toll-free telephone call center, a comprehensive web site, radio and targeted print advertising, public relations, event co-sponsorships and displays, and community outreach. These and other priorities are embedded in 2004 initiatives, as follows:

1. *Customer Service.* The Energy Trust recognizes the need to deliver consistent, accurate information about its program opportunities and to coordinate and reinforce such messages with utilities, the Oregon Department of Energy and others with established communication networks and access to consumers. Several elements key to serving customers well are planned, including:
 - Competitively re-bidding the call center contract to assure quality service levels
 - Establishment of standards to address and resolve customer concerns in a timely manner.
2. *Community outreach.* The three utility service territories directly served by Energy Trust programs span nearly every part of the state of Oregon and serve upwards of 1.3 million people. Increasingly, Energy Trust programs are touching a given community in multiple ways. We are taking steps to tie together elements of our presence in a community and build broader community awareness of the benefits Energy Trust programs. Added visibility is designed to attract more program participants. Elements of our efforts include:
 - Press releases and story placement
 - Media events and promotions
 - Co-sponsorship of meetings and conferences
3. The Energy Trust will track *public awareness* of the Energy Trust and its programs through baseline attitude and awareness questions tagged onto surveys other organizations conduct. A variety of techniques will be employed to identify how people learn about and participated in Energy Trust programs, including principally a source detail tracking feature at the call center.

4. *Marketing and communications* activities will be primarily focused on increasing consumer awareness of opportunities to participate in and benefit from Energy Trust program offerings, , including:
- Enhance coordination and consistent delivery of messages
 - Coordinate program specific marketing, including preparation of marketing plans prepared jointly with program management contractors and staff for every new program and corresponding production of program collateral, promotional materials, web site additions, displays and case studies
 - Expand web site content, upgrading consumer pages with easy-to-use functionality, images and improved graphics and add new links to related sites, resources and equipment vendors
 - Perpetuate extensive leverage and communications through statewide news media
 - Document compelling case studies of program participants, averaging 3 per month to share with prospective participants, stakeholders and the media
 - Conduct program evaluations to measure customer satisfaction

IV. 2005 PREVIEW

The action plan for 2005 will continue the full range of 2004 energy efficiency and renewable energy programs across all sectors and geographic areas. New initiatives and areas of emphasis are likely to include the following:

- Evaluation and refinement of energy efficiency and renewable programs
- Evaluation of the program management contractor model, with results used to guide whether/how to modify, re-bid, and/or extend related contracts
- Quantifying the economical and environmental benefits of our activities
- Launching a renewable resources biomass program
- Conducting a customer satisfaction survey and subsequent actions to address findings
- Expanding community and trade ally initiatives
- Other items to be determined