

2005 First Quarter Report to the Oregon Public Utility Commission

May 12, 2005

This Energy Trust quarterly report is for the period January through March 2005 (Q1). It tracks progress toward 2005 and 2012 energy saving goals, with associated costs. It reports numbers of completed projects, incentives paid and highlights of Energy Trust activities during the quarter. Q1 financial reports are attached.

I. QUARTERLY HIGHLIGHTS

I. General

- Electricity-saving projects completed during the quarter will save 4.94 average megawatts at a cost of about \$1.9 million per average megawatt. This savings is about 15.5 percent of the target for 2005.
- Gas-saving projects completed during the quarter will save 450,533 therms at a cost of \$3.58 per therm. This savings is about 34 percent of the target for 2005.
- Renewable energy projects completed and committed during the quarter generate 0.074 average megawatts at a cost of \$8.9 million per average megawatt. Renewable energy generation for the first quarter of 2005 totals 0.3% of the annual target. Progress has been slow due to the expiration of the federal production tax credit at the end of 2005 and the ongoing delay in the OPUC UMI 129 docket.

2. Residential programs

- Conducted 728 energy reviews and installed 6,573 compact fluorescent light bulbs in 219 electrically heated homes, 494 homes with NW Natural heat and electric power from PGE or Pacific Power, 24 oil-heated homes, and 24 gas-heated homes with another source of electricity.
- Helped fund the purchase of 970 energy-efficient clothes washers and 1 energy-efficient dishwasher. These were installed in 414 homes with electric hot water and 557 homes with gas hot water.
- Installed energy-efficient measures such as sealed ducts, insulation, high efficiency space heating equipment and energy-efficient windows in 7,640 single-family, multifamily and manufactured homes. Of these, 4,470 homes received electric efficiency measures, 1,784 received gas efficiency measures, and 1,385 received measures that saved both gas and electricity.

- Installed solar water heating systems in 10 homes with electric hot water and 3 homes with gas hot water.

3. Commercial programs

- Installed high efficiency measures such as energy-efficient lights and HVAC equipment in 216 commercial buildings, with an average incentive payment of \$3,421. Of this total, 211 buildings received electric efficiency measures and 60 buildings received gas efficiency measures.
- Completed 35 highly efficient new commercial buildings, with an average incentive payment of \$10,316.

4. Industrial programs

- Completed electric energy-saving projects at 75 manufacturing firms, with an average incentive payment of \$29,047.

5. Renewable energy programs

- Completed installation of solar electric systems in 20 homes and 6 commercial buildings.
- Made little progress on major wind projects with PGE and Pacific Power, pending reauthorization of the production tax credit.
- Completed a comparative analysis of biomass and biopower development options in Oregon. This study provides the basis for design of a targeted program for biopower.

6. Revenues and Expenditures

- Received \$16.1 million during the quarter.
- Spent \$11.6 million.
- Provided \$6.3 million in incentives to end users.

7. OPUC Performance Measures

- Performance against the following 2005 Performance Measures agreed upon in September 2004 will be reported in the 2005 annual report.

| Category | Measures |
|--|---|
| Energy Efficiency | At least 20aMW computed on 3-year rolling avg. Levelized savings at \$0.02/kWh |
| Natural Gas | 700,000 therms computed on 3-year rolling avg. Levelized cost not to exceed \$0.30/therm |
| Renewable Resources | At least 15aMW |
| Financial Integrity | Unqualified financial audit |
| Administrative and Program Support Costs | Keep below 11% of revenues |
| Customer Satisfaction | Achieve reasonable rates |
| Benefit/Cost Ratios | Report these for larger conservation programs starting Q2 2005 report |

II. TABLES

I. Revenues

| Source | Actual revenues received QI | Budgeted revenues QI |
|---------------------------|-----------------------------|-----------------------|
| Portland General Electric | \$ 7.7 million | \$ 7.8 million |
| PacifiCorp | 5.1 million | 5.1 million |
| NW Natural | 3.3 million | 3.3 million |
| Total | \$16.1 million | \$16.2 million |

2. Expenditures

| Type | Actual Expenditures QI | Budgeted Expenditures QI |
|------------------------------|------------------------|--------------------------|
| Energy Efficiency programs | \$ 10.4 million | \$12.4 million |
| Renewable Resources programs | .6 million | 1.2 million |
| Administration | .6 million | .8 million |
| Total | \$ 11.6 million | \$14.4 million |

3. Incentives Paid

| | Energy Efficiency | | | Renewable Energy | | Total |
|-------|-------------------|---------------|------------|------------------|---------------|-------------|
| | PGE | Pacific Power | NW Natural | PGE | Pacific Power | |
| Q1 | \$3,053,615 | \$2,051,347 | \$926,979 | \$73,510 | \$157,058 | \$6,262,509 |
| Q2 | | | | | | |
| Q3 | | | | | | |
| Q4 | | | | | | |
| Total | \$3,053,615 | \$2,051,347 | \$926,979 | \$73,510 | \$157,058 | \$6,262,509 |

4. Savings and Generation

Electric efficiency savings. In the first quarter of 2005, Energy Efficiency programs achieved 15.5% of the 2005 projection of 31.86 aMW. Since March 1, 2002, these programs have cumulatively saved 63.58 aMW, or 21.2% of the Energy Trust's 2012 goal.

| | PGE aMW | Pacific Power aMW | Total Savings* aMW | Expenses | mil \$ / aMW | Levelized Cost/kWh |
|---|-------------|-------------------------|--------------------------|--------------------|-----------------|-----------------------|
| Residential | 1.20 | 0.67 | 1.87 | \$2,540,592 | \$1.36 | \$0.01 |
| Commercial | 0.76 | 0.46 | 1.21 | 2,337,926 | 1.93 | 0.03 |
| Industrial | 0.83 | 1.03 | 1.86 | 4,421,450 | 2.38 | 0.02 |
| Total Energy Efficiency Programs | 2.81 | 2.13 | 4.94 | \$9,299,968 | \$1.88 | \$0.02 |

* Includes transmission & distribution savings

Gas efficiency savings. In the first quarter of 2005, efficiency programs saved 450,533 annual therms of natural gas, representing 34% of the 2005 projection of 1.316 million annual therms. Since gas programs began in 2003, cumulative savings of 1,913,141 annual therms have been realized, accounting for 10.1% of the 2012 goal.

| Gas Efficiency Savings Q1 2005 | NWN Therms | Expenses | \$ / Therm | Levelized Cost/Therm |
|---|-------------------|--------------------|-------------------|-----------------------------|
| Residential | 334,815 | \$1,302,725 | \$3.89 | \$0.21 |
| Commercial | 115,718 | 308,392 | 2.67 | 0.20 |
| Industrial | 0 | 0 | 0 | 0 |
| Total Energy Efficiency Programs | 450,533 | \$1,611,117 | \$3.58 | \$0.20 |

Renewable energy generation. In the first quarter of 2005, renewable energy generation projects completed and committed account for 0.3% of the annual goal of 26.6 aMW.

| Actual | PGE aMW | Pacific Power aMW | Total Generation aMW | 2005 Expenses | mil \$ / aMW | Levellized Cost/kWh |
|---------------------------------|----------------|--------------------------|-----------------------------|----------------------|---------------------|----------------------------|
| Utility Scale | 0 | 0 | 0 | \$26,522 | n/a | n/a |
| Solar Photovoltaic | 0.015 | 0.059 | 0.074 | 382,406 | \$5.17 | \$0.04 |
| Wind | 0 | 0 | 0 | 54,415 | n/a | n/a |
| Open Solicitation | 0 | 0.000 | 0 | 85,713 | n/a | n/a |
| Biopower | 0 | 0 | 0 | 107,059 | n/a | n/a |
| Total Renewable Programs | 0.015 | 0.059 | 0.074 | \$656,116 | \$8.87 | \$0.07 |

5. Projects Completed

| Energy Efficiency Installed Projects | Total | Electric | Gas | Both |
|---|--------------|-----------------|--------------|--------------|
| Residential | | | | |
| Single family homes retrofitted | 3,831 | 816 | 1,631 | 1,384 |
| Multifamily units retrofitted | 3,589 | 3,477 | 112 | 0 |
| Efficient Home Products rebates | 972 | 488 | 54 | 430 |
| Home Energy Reviews conducted | 747 | 217 | 530 | 0 |
| Efficient New Homes constructed | 213 | 5 | 171 | 37 |
| Manufactured homes retrofitted | 178 | 172 | 5 | 1 |
| SHOW CFL packages mailed | 24 | 24 | 0 | 0 |
| Residential Solar Hot Water installations | 13 | 10 | 3 | 0 |
| Commercial sites treated | | | | |
| Building Efficiency sites treated | 215 | 155 | 5 | 55 |
| New Building Efficiency sites treated | 41 | 30 | 11 | 0 |
| Solar Hot Water Commercial installations | 1 | 1 | 0 | 0 |
| Industrial sites treated | 75 | 75 | 0 | 0 |
| TOTAL EFFICIENCY | 9,899 | 5,470 | 2,522 | 1,907 |

| Renewable Energy Installed Projects | Total | Electric | Gas | Both |
|--|--------------|-----------|----------|----------|
| Utility-scale projects installed | 0 | 0 | 0 | 0 |
| Solar Electric residential installations | 20 | 20 | 0 | 0 |
| Solar Electric commercial installations | 6 | 6 | 0 | 0 |
| Community wind projects installed | 0 | 0 | 0 | 0 |
| Open Solicitation projects installed | 0 | 0 | 0 | 0 |
| TOTAL RENEWABLES | 26 | 26 | 0 | 0 |

Table 5 and corresponding information in the narrative refer to numbers of efficiency and renewable energy projects. We define "projects" to be completed installations or services at one location ("site"), with certain exceptions:

- A Home Energy Review, with CFL installation, counts as one project. If that home subsequently installs one or more measures, this installation counts as a separate project.
- Each apartment unit treated counts as one project.
- Each manufactured home is counts as one project.
- An industrial process study counts as one project. Subsequent measure installation counts as a separate project.
- Measures installed in separate facilities within a large industrial complex count as separate projects.