

2007-2008 Action Plan, approved

December 13, 2006

I. INTRODUCTION

One can hardly pick up a newspaper or magazine or turn on a news program today without seeing a lead story about energy. Concern about climate change has catapulted energy issues into the forefront of international attention and debate. The mission of the Energy Trust – to change how Oregonians produce and use energy – has emerged in the mainstream media as an essential way to successfully manage energy costs, improve reliability, diversify supply and minimize environmental impacts.

In the last year, as attention to energy matters has grown, Energy Trust also has expanded. Cascade and Avista added over 150,000 gas consumers to the approximately 550,000 customers we already serve through NW Natural. When combined with the 1.3 million electricity customers of PGE and Pacific Power, Energy Trust now serves 70% of Oregon's electricity consumers and all of its gas customers. This expansion also further diversifies our geographic range, with more services slated for people in smaller communities and rural areas. Providing comprehensive gas, electric and renewable energy services in more of the state's outlying areas requires new outreach efforts, trade ally connections, distribution and service delivery networks and even stronger utility partnerships.

The need to motivate people to take action through efficiency and renewable energy investments remains critical, even as more consumers hear the call. Energy Trust has shifted its focus from program design and introduction to managing high program demand that exceeds both available electric efficiency and renewable energy dollars. Electric savings acquisition for 2006 remains on target, with nearly 26 aMW anticipated, meeting if not exceeding our "best case" annual target. With current year electric efficiency revenues expected to closely match expenditures for completed and identified projects, few carryover electric funds are expected at year end for the first time in our history.

This same tale can be told for 2006 renewable energy investments, where dollars are especially limited in Pacific Power service territory as compared to the identified opportunities. When committed funds are included for projects approved and being completed, annual 2007 and 2008 renewable energy generation targets will be met or exceeded.

Natural gas 2006 efficiency results are expected to approximate our "conservative case" target, with savings of 2.4 million annual therms anticipated. Energy Trust receipt of gas revenues began after electric funding, with gas programs still scaling up, diversifying and being promoted jointly with gas utilities.

The 2007-2008 action plan and 2007 budget are expected to acquire between 22 and 29 aMW and between 2.0 and 2.6 million annual therms, representing conservative to best case scenarios for both electricity and gas savings. In compliance with Oregon Public Utility Commission performance measures, electric levelized costs are expected to range from 2.0 cents/kWh (conservative case) to 1.5 cents/kWh (best case). Anticipated levelized costs per

annual therm are projected at .29 cents in the best case scenario, within the Public Utility Commission minimum performance measure. In the interest of acquiring additional gas savings, this measure will be analyzed during the coming year in concert with the OPUC to determine if it should change or remain. For renewable energy, a range of 115 aMW (conservative case) to 191 aMW (best case) is projected, reflecting a continued utility scale project emphasis in both electric service territories.

For 2007 and into 2008, strength and flexibility are derived from a balanced investment strategy across each efficiency customer class and from the promotion of a diverse mix of renewable resources. This assures that all who contribute to the public purpose charge have the opportunity to draw from it and receive its benefits. With high demand for electric efficiency services across different residential, commercial and industrial markets, the 2007-2008 action plan seeks to balance the acquisition of persistent long-lasting savings that cost slightly more with high volume shorter-lived savings that cost less. The aggressive strategic goal of saving 300 aMW by 2012 is retained. This further challenges the organization to maintain its diverse program offerings, including for those whose opportunities historically have been limited.

Planned gas efficiency strategies will see increased emphasis in the next two years, with new target markets identified for both commercial and residential customers and new cost-effective measures and new incentives added. To better strengthen customer service, efficiency programs are combined within each sector, promoting residential, commercial and industrial energy solutions and further integrating opportunities across programs.

The principle of a diverse approach across markets also extends to the broad range of renewable energy program opportunities included in the 2007-2008 action plan. The portfolio of offerings in the next two years spans technologies and fosters projects differing both in scale and geography. Large utility-scale investments remain the single biggest area of investment in renewable generation, with biopower, community wind, residential and commercial solar electric and open solicitation program opportunities rounding out our offerings. Small hydro will also receive renewed exploration.

To meet expectations and serve our expanding customer base well, Energy Trust will continue its emphasis on operational improvements. Across the board, program management and data collection will be streamlined, forms simplified and on-line incentive applications developed. Such efforts will be expanded beyond the immediate focus on information technology and financial systems improvements to encompass a review of program management and delivery models. As competition for limited resources continues, it is essential to make investments in operational excellence, ensuring that our business is conducted efficiently and that administrative costs remain low.

The 2007-2008 action plan begins with highlights for the coming year (section II), followed by detailed program/department descriptions and corresponding budgets (section III). The 2007 budget captures these themes and allocates resources consistent with them. A summary of actions anticipated in 2008 is included at the end (section IV).

II. 2007-2008 ACTION PLAN HIGHLIGHTS

The two-year action plan and annual budget are intended to comply with the minimum performance measures set for the Energy Trust by the Oregon Public Utility Commission. They also represent activities to meet the ten-year strategic goals set for the Energy Trust by our board of directors. Full achievement of the action plan depends upon

continuing collaboration and partnership with PGE, Pacific Power, NW Natural, Cascade, Avista, the NW Energy Efficiency Alliance, the Oregon Department of Energy and numerous stakeholder, trade ally and other organizations with whom we jointly pursue shared activities to best serve customers.

The following specific themes are developed and emphasized in the 2007-2008 action plan and corresponding 2007 budget:

1. Balance electric efficiency savings and equity goals across sectors – The 2007-2008 action plan and 2007 budget are designed to fulfill commitments to previously identified projects and dedicate sufficient funds to complete them. Planned electric efficiency expenditures are distributed nearly equally across all 3 sectors: 34% residential, 35% industrial and 31% commercial. This reflects a balanced investment across diverse markets to maintain programs for all public purpose fund contributors. The strategy acquires slightly more expensive, longer-lived persistent savings matched with high volume, lower cost savings that are shorter-lived. The approach also addresses a host of regional market transformation activities to capture lost opportunities complemented by shorter-term savings acquisition activities.
2. Serve the commercial sector – Over the next two years of action plan implementation, Energy Trust will expand services to small and medium commercial customers. Our approach includes pilot initiatives for the hospitality industry, focused on opportunities for hotels and motels; foodservice incentives for restaurants, building upon the strong market response to pre-wash rinse sprayers in 2006; the inclusion of commercial laundries and dishwashers in large facilities such as hospitals and college campuses; and targeted services for grocery stores. By integrating the Building Tune-up and Operations program into Business Energy Solutions, an emphasis on operations and maintenance is retained while administrative and oversight costs are reduced. The success of the commercial lighting program will be expanded to include multifamily indoor and outdoor common areas. These commercial-scale applications are budgeted for delivery through the multifamily initiative of Home Energy Solutions. Lighting program promotion will be expanded in underserved markets on the coast and in central and southern Oregon, laying the groundwork for 2008 projects and savings. Where applicable, BPA and retail utility commercial customer incentives will be coordinated with Energy Trust to achieve consistency throughout the region.
3. Stimulate more gas savings – Energy Trust service to all gas utility customers in the state provides new opportunities for synergy in program delivery. At the same time, this opportunity challenges us to deliver such services to more diverse and rural geographic areas. Working with the three gas utilities, new strategies to better serve gas markets will be defined and put in place. Gas efficiency marketing will be enhanced by identifying the best opportunities for statewide cooperative promotion with the gas utilities and by conducting market research to understand investment decision drivers and demographics. New residential and commercial gas measures will be added and incentives increased or established for such measures as tankless water heaters, gas fireplaces, direct digital controls, combo space and water heaters for smaller spaces and commercial cooking appliances. Projects for gas-only or predominantly gas-driven measures will be identified, thereby maximizing investment of available gas dollars while minimizing dependency on limited electric funds. Anticipating these new activities, Energy Trust will work with the Commission to revisit and potentially revise the current minimum levelized cost performance measure of .30 cents per annual therm,

- incorporating actual gas program implementation experience, addressing program evaluation results and accommodating new opportunities resulting from serving gas customers statewide.
4. Evaluate Program Management Contractor delivery model - In the interest of providing quality customer service and effectively investing resources, Energy Trust will evaluate the Program Management Contractor (PMC) delivery model currently in place for energy efficiency services. Since inception, this model has enabled the organization to quickly bring large programs to full maturity by retaining contractors with specific expertise and experience. PMCs provide services to customers throughout a large and diverse geographic area. As we look forward, it is appropriate to ask whether the program management contractor model remains an effective way to manage and deliver energy efficiency programs. The analysis will encompass many aspects of this service delivery approach, including communications, customer service, savings acquisition and costs. Recommendations will assist Energy Trust in determining if the model remains, for which programs and how it can be strengthened and improved.
 5. Maintain diverse renewable energy investment opportunities – The 2007-2008 action plan retains emphasis on large utility-scale renewable energy projects as part of meeting integrated resource plan commitments. Such activity is balanced with managing demand for projects in emerging sectors, including biopower, community wind and small hydro. Solar electric will continue to be marketed, particularly in PGE service territory, while momentum in Pacific Power territory will be sustained. To gain efficiencies, staff will work to shorten lead times for projects and participate with stakeholders to clarify utility interconnection requirements and processes. A revised green tag policy will be developed, intended to clarify Energy Trust's role in a changing marketplace where the value of renewable energy credits is increasing.
 6. Achieve operational excellence and enhance customer service – A separate operations plan details specific improvements in Energy Trust information and financial management systems. Program managers and contractors who use these systems to serve customers have identified desired improvements, which in turn are expected to result in efficiency gains. Changes that simplify data input, access and reporting are the first to be made and will enable easier tracking of customer projects and computing of incentives, savings and generation. Program forms will be consolidated and simplified, with better tools developed for program forecasting and monitoring project status. In addition, the operations plan allows for adequate software maintenance and programmer support, reflecting the expansion of databases to capture a larger number of energy saving and generation measures and project history.

Reliability of the information collected and maintained in the IT and financial management systems is essential for quality control and assurance, analysis of program status and accomplishments, evaluation, program revisions, responding to stakeholder information requests and meeting reporting requirements. Also included is a comprehensive review of the architecture and organizational structure for IT to guide operations and address long-term requirements.

To further strengthen customer service in 2007, staff has consolidated efficiency service and program delivery by using a market sector-based approach. The public will see new names for efficiency programs intended to clarify services available and simplify how customers and other market actors engage with Energy Trust. Three flagship programs

will serve the residential, commercial and industrial sectors, each with program tracks within them:

- Home Energy Solutions, including:
 - Existing Homes (Home Energy Savings residential retrofit program)
 - New Homes and Products (Efficient New Homes and Efficient Home Products)
 - Business Energy Solutions, including:
 - Existing Buildings (Building Efficiency and Building Tune-up and Operations for commercial retrofits/replacement and building operations)
 - New Buildings (New Building Efficiency for commercial new construction)
 - Industrial Energy Solutions, including:
 - Production Efficiency (for industrial processes and manufacturing)
7. Advance transmission and distribution (T&D) deferral opportunities – In cooperation with the utilities, Energy Trust intends to analyze at least one location where current transmission and/or distribution conditions are constrained. This effort is dependent upon utility system information that identifies where a concentration of energy efficiency and/or renewable energy could defer an expensive investment in T&D. Energy Trust retains an open interest in pursuing such opportunities, which may also allow the testing of community-based investment strategies.
8. Apply cash reserves guidelines for investing interest earnings - Energy Trust earns interest based upon individual investments made and on committed or escrowed funds awaiting payment once projects are completed. A portion of the earnings is necessary to provide a cash reserve and address potential revenue shortfalls. The balance can be invested to benefit customers and help achieve Energy Trust goals. The guidelines state that investment of earned income should:
- a. Respond to opportunities that further achieve Energy Trust strategic goals
 - b. Enable Energy Trust to meet customer expectations and fulfill project commitments
 - c. Maintain market momentum and opportunities to acquire savings/generation
 - d. Provide stability for program budgets that would otherwise be reduced or eliminated
 - e. Consider a balanced investment between both renewable and efficiency program opportunities over time
 - f. Enable the organization to explore new directions and enterprise opportunities

The 2007 budget assumes investment of a portion of earned revenues consistent with these guidelines.

9. Pursue Bonneville Power Administration conservation rate credit funds - In cooperation with PGE, Pacific Power and the Bonneville Power Administration, Energy Trust has the opportunity to receive approximately \$2M in conservation rate credit (CRC) funds. This additional revenue would be available for electric energy efficiency programs. Funds must be invested in a manner consistent with federal guidelines. Energy Trust is collaborating with the utilities to prioritize where CRC dollars could be leveraged to provide the greatest benefit to customers and achieve additional savings. Assuming such

funds are accepted, the budget would be amended early in 2007.

III. 2007-2008 PROGRAM/DEPARTMENT SUMMARIES AND CORRESPONDING BUDGET DETAIL

The following section contains 1-page, 2-sided descriptions for each program and major department plus corresponding proposed 2007 budget details. Each description contains a short statement of purpose, a list of top strategies and actions anticipated and the proposed budget, savings or generation targets, where applicable. Activities anticipated for 2008 are identified as well, along with projected budget. This information allows a comparison between current and future resources.

IV. 2008 PROJECTED HIGHLIGHTS

Energy Efficiency

- Maintain steady state for all energy efficiency programs, with activity levels corresponding to available revenues
- Refine and continue to rely upon the program reservation and forecasting system to closely manage available resources with demand
- Continue to balance program expenditures commensurate with funding from PGE and Pacific Power
- Increase gas marketing, investments and savings acquisition
- Test community energy strategy and activities
- Refine program integration and consolidation to optimize customer service delivery across sectors
- Consider implementing other program delivery models

Renewable Energy

- Continue efforts in the utility-scale program to implement the utility master agreements and begin to define a strategy to support other utility-scale generation
- Mature the biopower program based on the experience over the first two years and where possible, expand services and standardize offerings
- Continue to ramp the solar program to a long-term, stable budget, adjusting marketing, incentives and program services to respond to changing consumer needs
- Complete community wind projects funded in 2007, transition to more standardized offerings and development paths and define an incentive for small wind based 2007 market tests
- Target PGE service territory for open solicitation program and support, while also focusing on irrigation hydro-power for Pacific Power territory

Other

- Plan for increased management and general costs stemming from health care and potential operations plan improvements

Appendix I
Energy Trust of Oregon
Mission Statement and Strategic Plan Goals

Mission statement:

To change how Oregonians produce and use energy by investing in efficient technologies and renewable resources that save dollars and protect the environment.

Strategic Plan Goals:

- Goal 1:** By 2012, deliver programs to help consumers save 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 if Energy Trust programs are complemented by state, federal and other policies and programs, or 150 average megawatts by Energy Trust effort alone).
- 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.

*Subject to change based on further analysis of program implementation experience, expanded gas utility participation and other factors.

Appendix 2

2007 Anticipated OPUC Energy Trust of Oregon Performance Measures

<u>Category</u>	<u>Measures</u>	<u>2007 Draft Budget</u>
Energy Efficiency	Obtain at least 20 aMW computed on three year rolling average Levelized cost not to exceed \$0.02/KWh	22-29 aMW \$0.015 - \$.02/kwh
Natural Gas	Obtain at least 700,000 annual therms Levelized cost not to exceed \$0.30/therm *	2.0-2.6 million annual therms \$0.29 - \$0.38/therm
Renewable Resources Energy	Secure at least 9 aMW computed on a three year rolling average from utility scale projects Secure at least 3 aMW computed on a three year rolling average from small scale projects	103 - 153 aMW 12 - 38 aMW
Financial Integrity	Receive an Unqualified financial opinion from independent auditor on annual financial statements	Accounting conforms with Generally Accepted Accounting Principles (GAAP)
Administrative and Program Support Costs	Keep below 11% of annual revenue	7.8%
Customer Satisfaction	Achieve reasonable rates	Includes customer satisfaction research
Benefit/Cost Ratios	Report both utility system and societal perspective on an annual basis and report significant changes, if any, on quarterly statements	

* The OPUC and Energy Trust are exploring whether the \$.30/annual therm saved should remain or change in order to capture additional gas savings.

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



PROGRAM: HOME ENERGY SOLUTIONS- EXISTING HOMES **SECTOR: RESIDENTIAL**

PURPOSE: Acquire cost-effective electric and gas savings by providing energy efficiency services and incentives for existing single-family, multifamily and manufactured homes. Contributes to Strategic Plan goals 1, 3, 4, 5.

PROGRAM STRATEGY:

1. Offer incentives for a wide variety of efficiency measures for single-family, multifamily, and manufactured homes.
2. Offer Nexus online home energy analyzer to Energy Trust public purpose funding contributors.
3. Work with each participating utility to create promotions targeted to their customers.
4. Promote Solar Water Heating measures to existing residential homes.
5. Coordinate with ODOE to reward participants in the State Home Weatherization Program (SHOW) from Energy Trust service territories with compact fluorescent light bulbs.
6. Continue expansion of Home Performance with ENERGY STAR[®], a comprehensive, whole-house approach to single family residential energy efficiency that utilizes diagnostic equipment and generates a home analysis assessment.
7. Offer low-interest financing as an option for program customers.

2007 ACTIONS:

1. Add a new incentive to ensure quality heat pump installations by participating HVAC contractors.
2. Expand training of trade allies to become certified Home Performance contractors in southern and eastern Oregon.
3. Effectively leverage utility promotional activities.
4. Engage in promotional activities with gas utilities to promote efficient gas furnaces and other efficient gas applications.
5. Accept trade ally-initiated residential solar water heating projects that conform to Energy Trust standards.
6. Sponsor events with Oregon Remodeling Association, the Remodelers Council and other organizations that support activities of trade allies.
7. Provide full program services to Cascade service territory including Home Performance with ENERGY STAR.
8. Enhance the existing cooperative marketing program with a production and performance-based program that provides cooperative advertising opportunities to contractors that submit a minimum number of jobs.
9. Provide 6000 CFLs to State Home Oil Weatherization (SHOW) customers.
10. Pursue more opportunities for gas efficiency measures.
11. Evolve multifamily program services to focus on high value measures such as lighting, appliances and HVAC.

TARGETS:

2007 Budget

Energy Savings Range 1.5 – 2.0 aMW (12,907 – 17,209 MWh);
 \$5.0 - 3.7 mil/aMW; \$0.028 - 0.021/kWh, levelized

571,448 – 761,930 therms; \$8.25-6.19/therm; \$0.44 - 0.33/therm, levelized

Benefit/Cost (utility) Electric: 2.1 – 1.6
 Gas: 5.7 – 1.7

Budget \$12.1 million

2006 Updated Forecast

Energy Savings 1.5 aMW (13,311 MWh); \$3.2 mil/aMW;
 \$0.018/kWh, levelized

640,369 therms; \$7.13/therm;
 \$0.37/therm, levelized

Forecast \$9.8 million

2008 PLANNED ACTIVITIES:

1. In 2008 a larger portion of the program savings will be coming from Home Performance with ENERGY STAR.
2. In 2008 the program funding level and commensurate activities are expected to remain similar to 2007.

2008 PROJECTION:

\$ M	aMW	Therms
\$11.8	1.4 – 1.9	582,590 – 776,786

(see budget details on reverse)

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Home Energy Solutions - Existing Homes**

	2006 Forecast	2007 Budget	2008 Projection
PMC			
Program Management	\$245,426	\$302,340	\$311,410
Delivery	1,620,899	2,204,794	2,270,367
Marketing-PMC	326,264	381,843	393,298
Performance Comp	58,227	218,496	225,051
Incentives	5,500,143	6,182,240	5,852,407
Program Management	7,750,959	9,289,714	9,052,533
Staffing	283,708	280,575	295,167
Marketing	135,432	375,850	387,126
Services			
Evaluation and Planning Services	352,949	634,166	588,034
QA-Subcontracted	48,001	75,000	77,250
Customer Service & Trade Ally Support	288,640	325,477	335,948
Legal Services	6,097	5,120	5,274
Other Professional Services	13,107	45,400	46,762
Total Other Services	708,794	1,085,163	1,053,268
General			
General Program Support Costs	79,029	98,670	101,576
Shared	47,185	42,488	44,378
IT Services	350,072	353,855	369,911
Total General	476,286	495,013	515,865
Program Direct Costs	9,355,179	11,526,315	11,303,959
Allocated mgmt. & general and marketing	423,935	555,675	472,834
TOTAL EXPENSE, FULLY ALLOCATED	9,779,114	12,081,990	11,776,793

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



HOME ENERGY SOLUTIONS- NEW HOMES AND PRODUCTS **SECTOR: RESIDENTIAL**

PURPOSE: New combined program targeting lost energy efficiency opportunities in the residential sector. Provide the residential new home market with services and incentives with focus on EPA ENERGY STAR® regional specifications, reaching home buyers, builders, multifamily developers, and manufactured home retailers. Overcome market barriers to the purchase of energy efficient products through product incentives, consumer awareness and education, focusing on ENERGY STAR label and corresponding benefits of products and services that display it. Contributes to Strategic Plan goals 1, 3, 4, 5.

PROGRAM STRATEGY:

1. Provide market support (e.g., building diagnostics and equipment installation support, market-based verifier oversight, training, co-op marketing funds, retailer training, lighting support, realtor training, outreach to industry organizations)
2. Develop and implement elements to overcome barriers (e.g., education, lighting, HVAC, solar, employee turnover).
3. Provide incentives (e.g., homes, stand-alone measures, clothes washers, light bulbs, duct sealing, commissioning (Cx)).
4. Conduct marketing to create consumer demand (e.g., ads, website, education, school outreach).
5. Simplify program administration (e.g., streamlined forms, online incentive applications, cross cutting PMC delivery).
6. Leverage other related programs and organizations (e.g., NEEA, Earth Advantage, NEEM).

2007 ACTIONS:

1. Increase market share and long-term viability of ENERGY STAR homes in the new construction market place, 2.0 MEF clothes washers in the appliance marketplace, and CFLs in the home lighting market.
2. Provide incentives for:
 - a) 2,000 gas heated ENERGY STAR single and multi-family homes, 700 high efficiency gas furnaces, and 75 hearths.
 - b) 400 heat pump ENERGY STAR single and multi-family homes, 300 zonal electric homes, 130 high efficiency heat pumps, Commissioning and/or duct sealing for 60 heat pumps, 400 electrically-heated manufactured homes and 130 heat pump upgrades in manufactured homes.
 - c) 1,500 tankless hot water heaters.
 - d) 14,000 \$75 clothes washer incentives on ultra-high efficiency models (2.0+ MEF).
3. Provide performance testing and duct sealing training to 36 HVAC installers.
4. Offer technical training to builders and incentives for 48 solar water heating systems to ENERGY STAR homes.
5. Provide free boxes of four CFLs to 5,000 consumers who complete the on-line home energy analyzer.
6. Buy-down the cost of 200,000 CFLs in conjunction with the Northwest regional Savings with A Twist campaign.

TARGETS:

2007 Budget

Energy Savings Range	1.4 – 1.9 aMW (12,488 – 16,651 MWh); \$3.6 - 2.7 mil/aMW; \$0.032 - 0.024/kWh, levelized; 526,816 – 702,421 therms; \$8.00-6.00/therm; \$0.47 - 0.35/therm, levelized
Benefit/Cost (utility)	Electric: 4.2 – 1.6 Gas: 2.9 – 1.2
Budget	\$9.4 million

2006 Updated Forecast

Energy Savings	3.2 aMW (27,845 MWh); \$1.7 mil/aMW; \$0.018/ kWh, levelized;
	402,945 therms; \$5.95/therm; \$0.36/therm, levelized
Forecast	\$8.2 million

2008 PLANNED ACTIVITIES:

1. Maintain new home market transformation efforts while increasing focus on alternative strategies toward achieving low-energy homes and green communities.
2. Increase installations of solar thermal systems and provide support for direct application renewable strategies.
3. Begin promoting LED lighting options and next generation CFL technologies.
4. Promote new viable technologies (e.g., heat pump water heaters, non-condensing gas water heaters).

2008 PROJECTION:

\$ M	aMW	Therms
\$9.4	1.4 – 1.9	520,019- 693,359

(see budget details on reverse.)

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED

**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Home Energy Solutions - New Homes & Products**

	2006 Forecast	2007 Budget	2008 Projection
PMC			
Program Management	\$592,729	\$364,356	\$375,287
Delivery	2,229,906	2,539,326	2,612,398
Marketing-PMC	432,625	579,058	592,074
Performance Comp	5,000	248,087	245,809
Incentives	3,413,628	3,992,186	3,833,851
Program Management	6,673,888	7,723,013	7,659,420
Staffing	224,079	189,299	199,045
Marketing	166,153	103,500	106,605
Services			
Evaluation and Planning Services	338,877	399,278	466,347
QA-Subcontracted	26,999	30,000	30,000
Customer Service & Trade Ally Support	86,022	78,533	81,060
Legal Services	10,741	5,120	5,274
Other Professional Services	3,624	2,000	2,060
Total Other Services	466,263	514,931	584,741
General			
General Program Support Costs	45,266	33,500	34,505
Shared	37,641	27,409	28,752
IT Services	235,494	357,701	373,928
Total General	318,401	418,610	437,185
Program Direct Costs	7,848,784	8,949,354	8,986,997
Allocated mgmt. & general and marketing	356,559	436,500	381,300
TOTAL EXPENSE, FULLY ALLOCATED	8,205,343	9,385,854	9,368,297

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



MARKET TRANSFORMATION NORTHWEST ENERGY
PROGRAM: EFFICIENCY ALLIANCE (NEEA) **SECTOR: RESIDENTIAL**

PURPOSE: NEEA funds regional market transformation initiatives in the Northwest region across commercial, industrial and residential sectors working in coordination with Energy Trust programs. This budget contemplates leveraging NEEA regional market transformation initiatives in the residential market sector to acquire cost-effective savings while creating sustainable and efficient purchasing patterns among consumers. Contribute to Strategic Plan goals 1, 4, 5.

PROGRAM STRATEGY:

- 1. Leverage Energy Trust and NEEA programs to increase delivery support and program incentive offerings.
- 2. Coordinate marketing efforts in areas where there are complimentary NEEA and Energy Trust initiatives, in particular, ENERGY STAR New Homes and compact fluorescent lighting.
- 3. Continue the expansion of the market share of ENERGY STAR Northwest Homes, while exploring possibilities for more advanced efficient homes.

2007 ACTIONS:

- 1. Run regional promotions of ENERGY STAR New Homes and ENERGY STAR Lighting, in coordination with utility and public purpose provider (including Energy Trust) rebates.
- 2. Complete demonstrations for advanced technologies in new homes.
- 3. Initiate an impact evaluation that will provide an analysis of actual realized savings per ENERGY STAR new home, based on homes constructed in 2006-2007. It is assumed that residential new construction building characteristics study will serve as a baseline for this impact evaluation. (Energy Trust will leverage their evaluation on this effort.)
- 4. Coordinate Energy Trust program operations with NEEA regional initiatives to maximize overall program effectiveness.

TARGETS:

2007 Budget		2006 Full-Year Forecast	
Energy Savings Range	4.4 – 5.9 aMW (38,763 – 51,684 MWh); \$0.23 – 0.17 mil/aMW; \$0.004 – 0.003/kWh, levelized	Energy Savings	5.8 aMW (50,808 MWh); \$0.2mil/aMW; \$0.004/kWh, levelized
Benefit/Cost (Utility)	22.6 – 7.8		
Budget	\$1.0 million	Forecast	\$1.3 million

2008 PLANNED ACTIVITIES:

- NEEA's efforts to drive regional progress toward adoption of homes certified to the Northwest ENERGY STAR and promoting CFLs in non-traditional distribution channels are planned to continue through 2008.

2008 PROJECTION:	\$ M	aMW
	\$1.0	5.2 – 6.9

(see budget details on reverse)

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Market Transformation (NEEA) - Residential**

	2006 Forecast	2007 Budget	2008 Projection
PMC			
Delivery	\$1,194,799	\$939,338	\$950,401
Program Management	1,194,799	939,338	950,401
Staffing	16,611	17,547	18,437
Services			
Evaluation and Planning Services		15,347	15,768
Total Other Services		15,347	15,768
General			
General Program Support Costs	498	933	961
Shared	1,966	2,364	2,484
Total General	2,464	3,297	3,446
Program Direct Costs	1,213,874	975,529	988,052
Allocated mgmt. & general and marketing	55,013	47,425	42,046
TOTAL EXPENSE, FULLY ALLOCATED	1,268,887	1,022,954	1,030,098

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



PROGRAM: BUSINESS ENERGY SOLUTIONS- EXISTING BUILDINGS SECTOR: COMMERCIAL

PURPOSE: Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency equipment and energy efficient operating practices existing commercial facilities. Contributes to Strategic Plan goals 1, 3, 4, 5.

PROGRAM STRATEGY:

1. Target decision makers of existing commercial renovation projects including owners and installation contractors.
2. Deliver program directly to owners and developers by utilizing Program Management Contractor (PMC) and a statewide comprehensive network of trade allies, leveraging existing market relationships and professional service channels.
3. Maintain and expand successful state-wide Trade Ally Network of installation and technical assistance contractors to further deliver program services to the public.
4. Create outreach program utilizing direct calls and emails, referrals, mass emails, cold calls, news releases, direct mailings, case studies, advertisements in trade publications, program seminars, sponsorships of events and organizations, web site, articles, bill inserts and partnerships with related organizations.
5. Incorporate operation and maintenance, boiler tune-ups and recommissioning services and incentives formerly offered by Building Tune-Up and Operations pilot program.
6. Incorporate Solar Water Heating (SWH) measures to leverage existing outreach and management resources.
7. Coordinate with ODOE to package program offerings.

2007 ACTIONS:

1. Add more equipment to the Standard Track incentive list (e.g. reach-in coolers and refrigerators, appliances, commercial food service equipment, ice-makers, natural gas equipment).
2. Add operation and maintenance, boiler tune-ups and recommissioning services and incentives.
3. Provide targeted incentives for direct-digital control systems, variable air volume conversions, boilers and chillers.
4. Provide targeted outreach and marketing for the foodservice, hospitality, direct-digital controls and lighting markets with additional staff.
5. Support inclusion of SWH measure in energy studies, and accept trade-ally initiated commercial SWH projects.
6. Continue to align with ODOE programs to minimize differences in program requirements (e.g. BETC, SEED, High-Performance Schools).
7. Continue to improve and streamline program rules, forms and participation steps for Trade Allies and participants.

TARGETS:

2007 Budget

Energy Savings Range	2.1 – 2.8 aMW (18,300 – 24,400 MWh); \$2.2 – 1.7 mil/aMW; \$0.026 – 0.019/kWh, levelized;
	546,669 – 728,892 therms; \$3.61 – 3.00/therm; \$0.38 – 0.29/therm, levelized
Benefit/Cost (utility)	Electric: 2.9 – 1.7 Gas: 2.1 – 1.9
Budget	\$6.6 million

2006 Full-Year Forecast

Energy Savings	3.7 aMW (32,024 MWh); \$1.8mil/aMW; \$0.017/kWh, levelized;
	742,952 therms; \$2.29/therm; \$0.24/therm, levelized
Forecast	\$8.1 million

2008 PLANNED ACTIVITIES:

1. Explore having online forms and tablet computer audit tools for field audits and installation verification.
2. Lower acquisition cost of energy savings by streamlining program operations.

2008 PROJECTION:	\$ M	aMW	Therms
	\$6.2	1.9 - 2.5	562,199 – 749,599

(see budget details on reverse)

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Existing Buildings**

	2006 Forecast	2007 Budget	2008 Projection
PMC			
Program Management	\$218,616	\$164,978	\$169,927
Delivery	896,547	972,107	1,001,213
Marketing-PMC	263,000	283,650	292,159
Performance Comp	181,289	142,996	147,285
Incentives	5,078,585	3,691,373	3,140,154
Program Management	6,638,037	5,255,103	4,750,739
Staffing	291,971	161,660	169,652
Marketing	56,758	99,500	102,485
Services			
Evaluation and Planning Services	528,598	439,774	491,047
QA-Subcontracted	18,981	30,000	30,900
Customer Service & Trade Ally Support	53,816	37,521	39,255
Legal Services	7,046	5,120	5,120
Other Professional Services	1,710	82,000	103,000
Total Other Services	610,151	594,416	669,322
General			
General Program Support Costs	29,981	65,500	67,465
Shared	45,860	19,231	19,974
IT Services	102,022	132,055	140,078
Total General	177,863	216,786	227,517
Program Direct Costs	7,774,780	6,327,466	5,919,714
Allocated mgmt. & general and marketing	353,928	306,030	248,572
TOTAL EXPENSE, FULLY ALLOCATED	8,128,708	6,633,496	6,168,286

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



PROGRAM: BUSINESS ENERGY SOLUTIONS- NEW BUILDINGS SECTOR: COMMERCIAL

PURPOSE: Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency design and equipment in commercial and industrial new construction and major renovation projects. Contributes to Strategic Plan Goals 1, 3, 4, 5

PROGRAM STRATEGY:

1. Target decision makers in commercial and industrial new construction projects and major renovations of existing buildings.
2. Target architects and engineers by providing tools and resources to assist them in selling their clients on high efficiency design and equipment.
3. Deliver program directly to owners and developers by utilizing Program Management Contractors (PMCs) and a statewide comprehensive network of trade allies, leveraging existing market relationships and professional service channels.
4. Create outreach program utilizing direct calls and emails, referrals, mass emails, cold calls, news releases, direct mailings, case studies, advertisements in trade publications, program seminars, sponsorships of events and organizations, web site, articles, bill inserts and partnerships with related organizations.
5. Incorporate solar water heating and photovoltaic measures to leverage outreach and management resources, relying on delivery support from Energy Trust solar program staff.
6. Coordinate with ODOE to package program offerings.

2007 ACTIONS:

1. Expand ENERGY STAR® program track.
2. Work with design community to showcase/incorporate better analytical tools for building design (e.g. continue to host energy modeling meetings, update energy modeling tools with Oregon energy code data, develop and incorporate analytical lighting tools for new building design).
3. Continue to develop materials for architects and engineers to promote the program to their clients.
4. Coordinate with ODOE as they update the Oregon Non-Residential Energy Codes. Plan statewide outreach campaign to explain impacts of the code change on the program.
5. Continue to align with ODOE programs to minimize differences in program requirements (e.g. BETC, SEED, High-Performance Schools).
6. Continue to integrate Green Investment Fund projects with program activities.
7. Add more equipment to the Standard Track incentive list as opportunities arise.

TARGETS:

2007 Budget

Energy Savings Range 2.3 – 3.0 aMW (19,885 – 26,513 MWh);
 \$2.7 – 2.0 mil/aMW; \$0.021 – 0.016/kWh, levelized;
 327,534 – 436,713 therms; \$2.42 – 1.81/therm; \$0.16 – 0.12/therm, levelized
 Benefit/Cost (utility) Electric: 4.1 – 2.0
 Gas: 4.2 – 3.8
 Budget \$6.9 million

2006 Full-Year Forecast

Energy Savings 2.2 aMW (19,248 MWh);
 \$1.8mil/aMW; \$0.014/kWh, levelized;
 614,978 therms; \$1.34 /therm;
 \$0.09/therm, levelized
 Forecast \$4.8 million

2008 PLANNED ACTIVITIES:

1. Explore having online forms and tablet computer audit tools for field audits and installation verification.
2. Identify and implement strategies to reduce program management and delivery costs.

2008 PROJECTION:	\$ M	aMW	Therms
	\$7.1	2.3 – 3.1	337,929 – 450,572

(see budget details on reverse)

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED

**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
NBE**

	2006 Forecast	2007 Budget	2008 Projection
PMC			
Program Management	\$44,956	\$22,830	\$23,515
Delivery	824,418	1,008,187	1,041,264
Marketing-PMC	61,749	25,000	25,750
Performance Comp		127,558	131,385
Incentives	2,885,692	4,251,000	4,378,530
Program Management	3,816,815	5,434,575	5,600,443
Staffing	161,037	113,728	119,549
Marketing	52,373	83,430	85,933
Services			
Evaluation and Planning Services	241,869	430,774	465,747
QA-Subcontracted		15,000	15,450
Customer Service & Trade Ally Support	9,550	6,981	7,205
Legal Services	996	5,120	5,274
Other Professional Services	161,208	325,000	334,750
Total Other Services	413,623	782,875	828,425
General			
General Program Support Costs	27,397	23,500	24,205
Shared	26,832	16,037	16,822
IT Services	102,584	146,157	152,786
Total General	156,813	185,694	193,813
Program Direct Costs	4,600,661	6,600,302	6,828,164
Allocated mgmt. & general and marketing	209,797	320,358	289,338
TOTAL EXPENSE, FULLY ALLOCATED	4,810,458	6,920,660	7,117,502

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



MARKET TRANSFORMATION NORTHWEST ENERGY
PROGRAM: EFFICIENCY ALLIANCE (NEEA) **SECTOR: COMMERCIAL**

PURPOSE: NEEA funds regional market transformation initiatives in the Northwest region across commercial, industrial and residential sectors working in coordination with Energy Trust programs. This budget contemplates leveraging NEEA regional market transformation initiatives in the commercial market sector to acquire cost-effective savings while creating sustainable and efficient purchasing patterns among commercial consumers. Contributes to Strategic Plan goals 1, 4, 5.

PROGRAM STRATEGY:

1. Create and refine business cases for investment in energy efficiency as a profit center for vertically integrated real estate firms, hospitals, and grocery chains. Market to executive management through peer consultants.
2. Support with technical initiatives to enhance new building construction and operations and maintenance services.
3. Train vendors to provide efficient services and equipment, focusing on the targeted markets described above.
4. Support code enhancements based on these successes.
5. Coordinate marketing efforts with NEEA for energy efficiency opportunities that are currently a focus of Energy Trust programs (e.g. high efficiency computer power supplies).
6. Establish the viability of high efficiency building design, operations and maintenance services, and sales of efficient equipment as profitable businesses for vendors through intensive “firm focused” technical support.

2007 ACTIONS:

1. Continue progress in changing energy related business practices in large hospitals systems and community based hospitals by assisting with strategic energy management planning, providing education and training and technical assistance.
2. Follow through with regional grocery store chains on energy management action plans, expand to other regional grocers and initiate activities with national grocers when productive.
3. Initiate energy related business practice change within office real estate by building a strong relationship with the Building Owners and Managers Association (BOMA), providing education and training, and assisting select firms with energy management planning activities.
4. Advance integrated energy design practices with architects and design engineering firms through two or more firm focus relationships, technical assistance on 10 or more projects, and broad based education and training.
5. Promote better building operating performance with building operators and building service providers through two or more firm focus relationships, technical assistance on 10 or more projects, and education and training activities.
6. Continue to promote high efficiency computer power supplies through the 80 Plus program, consider other opportunities to improve plug load efficiencies.

TARGETS:

2007 Budget

Energy Savings Range 0.2 – 0.3 aMW (1,971 – 2,628 MWh); \$7.7 – 5.8 mil/aMW; \$0.074 – 0.055/kWh, leveled

Benefit/Cost (Utility) 1.2 - 0.5

Budget \$1.7 million

2006 Updated Forecast

Energy Savings 0.2 aMW (1,752 MWh); \$8.0 mil/aMW; \$0.077/kWh, leveled

Forecast \$1.6 million

2008 PLANNED ACTIVITIES:

- The NEEA commercial initiative is a multiyear venture. Over time we can expect more firms to participate and the participants to evolve from study, to test cases, to incorporating new practices and actions into their organizational structure and directives.

2008 PROJECTION: \$ M aMW
\$1.8 0.5 - 0.6

(see budget details on reverse)

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Market Transformation (NEEA) - Commercial**

	2006 Forecast	2007 Budget	2008 Projection
PMC			
Delivery	\$1,521,881	\$1,624,817	\$1,701,983
Program Management	1,521,881	1,624,817	1,701,983
Staffing	15,676	12,123	12,724
Services			
Evaluation and Planning Services		10,962	22,414
Total Other Services		10,962	22,414
General			
General Program Support Costs	586	933	961
Shared	2,010	1,469	1,545
Total General	2,596	2,403	2,506
Program Direct Costs	1,540,153	1,650,304	1,739,627
Allocated mgmt. & general and marketing	69,799	80,228	74,028
TOTAL EXPENSE, FULLY ALLOCATED	1,609,952	1,730,532	1,813,655

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



PROGRAM: PRODUCTION EFFICIENCY

SECTOR: INDUSTRIAL

PURPOSE: Acquire cost-effective electric savings through technical assistance and financial incentives for high-efficiency design and equipment in existing and new industrial processes and facilities.
(Industrial gas rate customers are ineligible for program services and incentives). Contributes to Strategic Plan goals 1, 3, 4, 5.

PROGRAM STRATEGY:

1. Continue to target key decision makers of existing industrial process projects, including owners and Chief Financial Officers.
2. Deliver program to owners, plant engineers and design process engineers through the Program Delivery Contractors (PDCs) assigned to key sectors and geographic territories.
3. Promote program participation through developing a broad offering of services that include premium lighting and high efficiency motor incentives with a focus toward smaller industrial customers.
4. Consider approval of large-scale projects (either a mega-project or CHP) to achieve program value through large-scale savings.

2007 ACTIONS:

1. Promote service delivery and market penetration for small to medium sized industrial customers.
2. Explore new strategies targeting the underserved smaller industrial market.
3. Develop additional potential prescriptive measures for compressed air, refrigeration, and hydraulic systems.
4. Continue cooperative marketing by both the Energy Trust and the Program Management Contractor (PMC).
5. Monitor project commitment level expenditures relative to utility funding territory and adjust PDC marketing to balance revenue project funding.
6. Continue to offer Irrigation Initiative Pump Repair/Replacement track and Nozzle Exchange through December 2007..
7. Develop strategies to reduce program management and delivery costs.

TARGETS:

2007 Budget

Energy Savings Range	8.7 – 11.6 aMW (76,257 – 101,677 MWh); \$1.5 – 1.1 mil/aMW; \$0.019 – 0.014/kWh, levelized
Benefit/Cost (utility)	4.4 – 4.1
Budget	\$13.0 million

2006 Full-Year Forecast

Energy Savings	8.9 aMW (77,599 MWh); \$1.7 mil/aMW; \$0.022/kWh, levelized
Forecast	\$15.5 million

2008 PLANNED ACTIVITIES:

1. Expand services that will be coordinating efforts with the potential Community Energy and T&D deferral projects.
2. Focus on delivering lower cost savings opportunities to achieve program delivery goals.
3. Implement strategies to reduce program management and delivery costs.

2008 PROJECTION:

\$ M	aMW
\$12.1	8.1 – 10.8

(see budget details on reverse)

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Production Efficiency**

	2006 Forecast	2007 Budget	2008 Projection
PMC			
Program Management	\$277,268	\$103,290	\$106,317
Delivery	1,807,849	1,980,020	1,807,508
Marketing-PMC	33,363	5,434	5,434
Performance Comp	125,502	121,586	125,234
Incentives	11,873,024	9,279,400	8,588,700
Program Management	14,117,006	11,489,730	10,633,193
Staffing	239,927	185,794	195,005
Marketing	21,731	35,000	36,050
Services			
Evaluation and Planning Services	297,624	443,468	456,383
QA-Subcontracted	12,900	50,000	51,500
Customer Service & Trade Ally Support	1,824	873	905
Legal Services	2,500	5,120	5,274
Other Professional Services	7,073	7,500	7,560
Total Other Services	321,921	506,961	521,622
General			
General Program Support Costs	10,401	26,200	40,080
Shared	35,707	22,426	23,496
IT Services	136,047	167,952	173,934
Total General	182,155	216,578	237,510
Program Direct Costs	14,882,740	12,434,063	11,623,380
Allocated mgmt. & general and marketing	664,787	604,457	494,612
TOTAL EXPENSE, FULLY ALLOCATED	15,547,527	13,038,520	12,117,992

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



MARKET TRANSFORMATION NORTHWEST ENERGY

PROGRAM: EFFICIENCY ALLIANCE (NEEA)

SECTOR: INDUSTRIAL

PURPOSE: NEEA funds regional market transformation initiatives in the Northwest region across commercial, industrial and residential sectors working in coordination with Energy Trust programs. This budget contemplates leveraging the NEEA regional market transformation initiatives in the industrial market sector to acquire cost-effective savings while creating sustainable and efficient purchasing patterns among industrial consumers. Contribute to Strategic Plan goals 1, 4, 5

PROGRAM STRATEGY:

1. Refine the business case for managing energy use as a profit center for food processing and pulp and paper firms. Market this case to executive management thru peer organizations, trade allies and industry respected consultants.
2. Support companies engaged in the program with technical initiatives to train plant personnel on improved energy management and operations as well as energy efficient system design and capital investment.
3. Train vendors to provide efficient services and equipment, focusing on the targeted markets described above.
4. Leverage Energy Trust and NEEA programs to increase delivery outreach, support and program incentive offerings.
5. Demonstrate savings from voltage regulation on utility systems.
6. Demonstrate the process capability and energy savings from on-line paper stiffness sensor.

2007 ACTIONS:

1. Capitalize on NEEA’s partnership with the Northwest Food Processing association to gain access to targeted food processing firms and to provide executive and technical training to the association’s members.
2. Capitalize on NEEA’s partnership with the northwest chapter of the Technical Association of Pulp and Paper Industries to gain access to targeted pulp and paper firms and to provide technical training to the association’s members.
3. Develop an active partnership to establish efficiency as a business profit center with multi-site regional pulp and paper firms.
4. Train targeted equipment suppliers and process designers to provide efficient services and equipment to the targeted markets and profit from doing so.
5. Coordinate NEEA’s offerings and staff with Energy Trust outreach, technical studies and incentives, to help tie sound energy management to resource acquisition.

TARGETS:

2007 Budget

Energy Savings Range	0.9 –1.2 aMW (7,884 – 10,512 MWh); \$1.1 – 0.8 mil/aMW; \$0.015 – 0.011/kWh, levelized
Benefit/Cost (utility)	5.2 – 2.0
Budget	\$1.0 million

2006 Full-Year Forecast

Energy Savings	0.9 aMW (7,884 MWh); \$1.0 mil/aMW; \$0.014/kWh, levelized
Forecast	\$0.9 million

2008 PLANNED ACTIVITIES:

- The NEEA industrial initiative is a multiyear venture. Over time we can expect more firms to participate and the participants to evolve from study, to test cases, to incorporating new practices and actions into their organizational structure and directives.

2008 PROJECTION:

\$ M	aMW
\$1.0	1.0 – 1.3

(see budget details on reverse)

ENERGY EFFICIENCY 2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Market Transformation (NEEA) - Industrial**

	2006 Forecast	2007 Budget	2008 Projection
PMC			
Delivery	\$873,285	\$928,923	\$939,017
Program Management	873,285	928,923	939,017
Staffing	12,694	9,634	10,105
Services			
Evaluation and Planning Services		15,347	15,768
Total Other Services		15,347	15,768
General			
General Program Support Costs	498	933	961
Shared	1,714	1,086	1,143
Total General	2,212	2,019	2,105
Program Direct Costs	888,191	955,923	966,994
Allocated mgmt. & general and marketing	40,251	46,472	41,149
TOTAL EXPENSE, FULLY ALLOCATED	928,442	1,002,395	1,008,143

RENEWABLE ENERGY 2007 ACTION PLAN/BUDGET, APPROVED



PROGRAM: UTILITY-SCALE PROGRAMS

PURPOSE: Low-cost, resource acquisition program designed to move the market for large-scale renewable resources to parity using alternative generation sources. Contributes to Energy Trust Strategic goal #2.

PROGRAM STRATEGY:

1. Support utility Integrated Resource Plan (IRP) acquisition goals.
2. Partner with Portland General Electric and PacifiCorp on request for proposals (RFP) processes, relying on direct competition.
3. Foster utility experience by helping position Portland General Electric and PacifiCorp to acquire increasing amounts of renewable resources.
4. Support Oregon's large-scale renewables industry.

2007 ACTIONS:

1. Complete project commitments in 2006 for Pacific Power for GoodNoe Hills East and West wind projects (112 MW).
2. Complete commitments from 2006 for PGE for the proposed 126 MW Biglow Canyon wind project or develop alternatives for that portion of the funding and the remaining amount in the Master Agreement.
3. Develop and complete commitments for a new, follow-on project for Pacific Power.
4. Revise the expiring master agreement with PGE to support new projects in 2008.
5. Establish green tag reporting in coordination with the western regional generation information systems (WREGIS).
6. Work with utilities on any updates to their IRP action plans.
7. Initiate a market assessment for geothermal in Oregon.
8. Define a market strategy for supporting the next generation of possible projects for utility systems.
9. Participate in the regional efforts to define and address transmission issues for renewable resources.
10. Reserve funds in 2007 for new projects, in expectation that the federal production tax credits are renewed and extended.

TARGETS:

2007 Activity Budget

Energy	103-153 aMW (902,280-1,340,280 MWh);
Generation	\$0.180– 0.121 mil/aMW; \$0.002 – 0.001/kWh, levelized
 Budget	 \$18.53 million

2006 Full-Year Activity Forecast

Energy	38 aMW (332,800 MWh); \$0.125
Generation	mil/aMW; \$0.001/kWh, levelized
 Forecast	 \$4.74 million

2008 PLANNED ACTIVITIES:

1. Complete project commitments from 2007.
2. Address results of geothermal study.
3. As appropriate, implement new market strategies.

2008 PROJECTION:

	\$ M	aMW
	2.91	16-24

(see budget details on reverse)

Note: Budget figures include dedicated funds

RENEWABLE ENERGY 2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Utility Scale**

	2006 Forecast	2007 Budget	2008 Projection
Incentives		\$4,700,000	\$16,300,000
Program Management		4,700,000	16,300,000
Staffing	79,263	87,166	91,504
Marketing	7,841	10,700	8,200
Services			
Evaluation and Planning Services	20,532	24,116	24,780
QA-Subcontracted	3,600		
Legal Services	18,720	35,000	36,050
Other Professional Services	62,939	174,100	136,100
Total Other Services	105,791	233,216	196,930
General			
General Program Support Costs	6,156	20,360	22,450
Shared	9,778	10,734	11,254
IT Services	15,937	23,077	24,125
Total General	31,871	54,171	57,829
Program Direct Costs	224,766	5,085,253	16,654,463
Allocated mgmt. & general and marketing	18,080	243,856	558,076
TOTAL EXPENSE, Accounting Perspective	242,846	5,329,109	17,212,539
Plus/minus dedicated funds committed for future yrs	4,500,000	13,200,000	(14,300,000)
TOTAL EXPENSE, Action Plan Perspective	4,742,846	18,529,109	2,912,539

RENEWABLE ENERGY 2007 ACTION PLAN/BUDGET, APPROVED



PROGRAM: SOLAR ELECTRIC PROGRAM

PURPOSE: Transform the solar electric market for all sectors in Oregon by expanding participation, providing quality standards and ensuring there is a strong qualified installer base for consumers. Contributes to Energy Trust goals 2, 3 and 5.

PROGRAM STRATEGY:

1. Build upon recent heightened interest among consumers, and move past the early adopters in the market transformation.
2. Provide quality standards for consumers to rely on.
3. Foster growth in the installer base.
4. Concentrate outreach efforts to increase participation among PGE customers.
5. Expand market opportunities to include homebuilders and commercial architects/engineers.

2007 ACTIONS:

1. Adjust incentives to respond to possible market factors:
 - a) Elevated equipment costs
 - b) Increase in net metering size limit
 - c) Proposed changes to BETC
2. Expand market opportunities:
 - a) Consider higher incentive for government/nonprofit, and raise incentive cap for net metered commercial systems.
 - b) Move large solar projects from OSP into PV program, with budget set aside.
 - c) Offer intensive support for selected home builders. Promote successful solar home developments.
 - d) Streamline application process for solar on new commercial buildings. Conduct participant focus group.
 - e) Respond to impact evaluation, conduct follow up on process evaluation.
3. Maintain high level of publicity for solar. Continue targeted outreach to PGE customers:
 - a) Continue coop ad incentives and marketing training for trade allies.
 - b) Continue effective solar seminars and support for solar home tours.
 - c) Develop new messages to differentiate and reach PGE customers.
4. Expand the installer base:
 - a) Sponsor efforts to expand LRT apprenticeship program and recruitment.
 - b) Continue to train new entrants in best installation practices.
 - c) Foster relationship with solar equipment suppliers to make product available to mainstream electrical/plumbing contractors.

TARGETS:

2007 Activity Budget

Energy	0.139 – 0.186 aMW (1,219 – 1,626 MWh);
Generation Range	\$21.4 – 16.0 mil/aMW; \$0.164 – 0.123/kWh, levelized
Budget	\$2.98 million

2006 Full-Year Activity Forecast

Energy Savings	0.066 aMW (575 MWh); \$25.7 mil/aMW; \$0.197/kWh, levelized
Forecast	\$1.68 million

2008 PLANNED ACTIVITIES:

1. Continue to ramp to long-term, stable program budgets.
2. Adjust marketing to respond to changing supply and consumer needs.
3. Incorporate results from program and system evaluations.

2008 PROJECTION:

\$ M	aMW
\$3.03	0.1-0.2

(see budget details on reverse)

RENEWABLE ENERGY 2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Solar Electric**

	2006 Forecast	2007 Budget	2008 Projection
Delivery	\$72,477	\$70,565	\$72,682
Incentives	1,020,186	2,168,185	2,232,898
Program Management	1,092,663	2,238,750	2,305,580
Staffing	139,837	185,294	194,935
Marketing	82,333	111,250	114,588
Services			
Evaluation and Planning Services	65,251	57,241	58,899
Customer Service & Trade Ally Support	38,334	56,719	58,537
Legal Services	2,496		
Other Professional Services	60,935	74,800	77,044
Total Other Services	167,016	188,760	194,480
General			
General Program Support Costs	24,215	29,200	30,076
Shared	26,869	28,112	29,488
IT Services	31,362	58,976	61,651
Total General	82,446	116,288	121,215
Program Direct Costs	1,564,295	2,840,342	2,930,798
Allocated mgmt. & general and marketing	120,189	137,049	98,245
TOTAL EXPENSE, FULLY ALLOCATED	1,684,484	2,977,391	3,029,043

RENEWABLE ENERGY 2007 ACTION PLAN/BUDGET, APPROVED



PROGRAM: COMMUNITY WIND

PURPOSE: Expansion of the opportunities for wind from the current market models, transforming markets to bring development of distributed generation and projects of varying, smaller sizes and alternative ownership models. Contributes to Strategic Plan goals 2, 3, 5.

PROGRAM STRATEGY:

1. Confirm sufficient wind resources through anemometer loans and support for Oregon State University's wind monitoring lab.
2. Develop simplified wind resource tool for small wind.
3. Develop financial and business models to help rural Oregon communities and landowners become project sponsors.
4. Define a standard incentive offer or use successive RFPs to seed market development.
5. Build the pipeline of future projects, partnering with USDA on feasibility grants and analyses.
6. Break down knowledge barriers by providing consolidated, Oregon-specific information for project sponsors.

2007 ACTIONS:

1. Bring to fruition 2-3 projects from the 2006 Community Wind RFP.
2. Identify 2-3 PGE 10 MW projects for 2008.
3. Continue the expanded anemometer loan program to support community wind with data analysis and taller anemometers for the tier-two projects from the 2006 RFP.
4. Provide support for additional feasibility studies to continue building the pipeline of potential Community Wind projects.
5. Republish the Community Wind Guidebook.
6. Continue to partner with ODOE to gain federal co-funding of projects and studies.
7. Partner with Oregon farm groups and state agencies to co-promote the program.
8. Conduct one in-depth case study with financial fact sheet.
9. Address transmission and distribution barriers to bring BPA and Co-op wind resources to PGE.
10. Continue providing the industry with support to address interconnection issues.
11. Expand program to include small-scale, on-site generation.
12. Evaluate the use of alternative tools for evaluating wind resources for small wind.
13. Identify five small wind projects and provide support to obtain USDA 9006 grants.

TARGETS:

2007 Activity Budget

Energy	8.1-17.6 aMW (71,241–154,653 MWh);
Generation Range	\$0.98 – 0.45 mil/aMW; \$0.008 – 0.004/kWh, levelized
Budget	\$7.94 million

2006 Full-Year Activity Forecast

Energy	0 aMW
Generation	
Forecast	\$0.40 million

2008 PLANNED ACTIVITIES:

1. Have a fully operational program for community wind development with standard incentive or succession of RFP's.
2. Implement program revisions based on 2006/2007 experience.
3. Bring projects to fruition that were proposals in 2005 and 2006.
4. Continue expanding the program to include small-scale on-site generation.

2008 PROJECTION:

	\$ M	aMW
	\$3.23	6-8

(see budget details on reverse)

Note: Budget figures include dedicated funds

RENEWABLE ENERGY 2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Community Wind**

	2006 Forecast	2007 Budget	2008 Projection
Delivery	\$30,623	\$173,600	\$148,600
Incentives	35,900	700,800	4,240,800
Program Management	66,523	874,400	4,389,400
Staffing	124,926	149,009	156,480
Marketing	15,020	10,425	10,425
Services			
Evaluation and Planning Services	18,750	51,011	51,914
Legal Services	9,000	30,560	31,477
Other Professional Services	90,630	105,600	68,200
Total Other Services	118,380	187,171	151,591
General			
General Program Support Costs	15,842	16,325	16,325
Shared	19,941	19,040	19,971
IT Services	7,969	41,027	42,888
Total General	43,752	76,392	79,184
Program Direct Costs	368,601	1,297,397	4,787,079
Allocated mgmt. & general and marketing	28,749	62,558	160,378
TOTAL EXPENSE, Accounting Perspective	397,350	1,359,955	4,947,457
Plus/minus dedicated funds committed for future yrs	-	6,580,000	(1,720,000)
TOTAL EXPENSE, Action Plan Perspective	397,350	7,939,955	3,227,457

RENEWABLE ENERGY 2007 ACTION PLAN/BUDGET, APPROVED



PROGRAM: OPEN SOLICITATION PROGRAM

PURPOSE: Develop a portfolio of market-defining installations, each element of which demonstrates a new application, technology or business model not otherwise covered by Energy Trust programs, provides insight on whether and how to launch new, technology-specific Energy Trust programs, and/or secures a low-cost renewable energy resource. Contributes to Energy Trust strategic goals 2,3 and 5.

PROGRAM STRATEGY:

1. Offer a program to ensure that eligible good ideas do not “fall through the cracks.”
2. Make funds available for renewable energy projects with economic development characteristics.
3. Focus on outreach and lead generation.
4. Make funds available for feasibility studies.
5. Assist selected applicants in further developing proposals.

2007 ACTIONS:

1. Complete the approved projects (Albany Hydro).
2. Market to defined, specific audiences in the PGE service territory, including selected on-site applications and municipalities.
3. Update Open Solicitation website with new project summaries.
4. Develop and disseminate case studies with two detailed project case studies targeted to engineering and municipal decision makers.
5. Develop hydropower projects – As applications for solar, biomass, and wind projects are moved into the respective programs, OSP will focus on hydro and other technologies while still promoting new ideas.
 - a) Conclude evaluation of the applications from Swalley Irrigation District, Central Oregon Irrigation District, and St. Laurent Ranch.
 - b) Build relationships and conduct outreach through hydro and irrigation district associations.
 - c) Fund 3-4 feasibility studies.
 - d) Work with planning and evaluation staff on an assessment of the hydropower potential in Oregon.
6. Monitor technologies that are emerging in Oregon (e.g. wave power).

TARGETS:

2007 Activity Budget

Energy 0.65 - 1.05 aMW (5,694 – 9,198 MWh); \$4.6
 Generation Range – 2.8 mil/aMW; \$0.035 – 0.022/kWh,
 levelized
 Budget \$2.50 million

2006 Full-Year Activity Forecast

Energy 0.267 aMW (2,339 MWh); \$3.82
 Generation mil/aMW; \$0.029/kWh, levelized
 Forecast \$1.02 million

2008 PLANNED ACTIVITIES:

1. Complete projects approved in 2007.
2. Continue the targeted marketing rolled out in 2006.

2008 PROJECTION:

\$ M aMW
 \$2.08 0.4 - 0.7

(see budget details on reverse)

Note: Budget figures include dedicated funds

RENEWABLE ENERGY 2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Open Solicitation**

	2006 Forecast	2007 Budget	2008 Projection
Delivery		\$24,000	\$24,720
Incentives	266,451	799,603	2,461,793
Program Management	266,451	823,603	2,486,513
Staffing	49,471	121,025	127,143
Marketing	23,635	15,320	15,320
Services			
Evaluation and Planning Services		48,472	48,893
QA-Subcontracted	12,504	12,600	12,600
Legal Services	3,110	16,400	16,892
Other Professional Services	50,027	90,000	114,000
Total Other Services	65,641	167,472	192,385
General			
General Program Support Costs	3,468	15,000	15,000
Shared	7,649	16,101	16,887
IT Services	15,037	35,898	37,526
Total General	26,154	66,999	69,413
Program Direct Costs	431,352	1,194,418	2,890,774
Allocated mgmt. & general and marketing	34,702	57,934	97,034
TOTAL EXPENSE, Accounting Perspective	466,054	1,252,352	2,987,808
Plus/minus dedicated funds committed for future yrs	550,110	1,249,407	(911,593)
TOTAL EXPENSE, Action Plan Perspective	1,016,164	2,501,759	2,076,215

RENEWABLE ENERGY 2007 ACTION PLAN/BUDGET, APPROVED



PROGRAM: BIOPOWER

PURPOSE: Acquisition of significant amounts of renewable energy from wood-fired and other biomass generation; and development of markets for less mature energy resources such as dairy manure and forest biomass.

PROGRAM STRATEGY:

1. Perform targeted market analyses where necessary to fill in knowledge gaps.
2. Focus on sawmills and facilities using other sources of wood waste to acquire significant quantities of renewable energy.
3. Target upgrades at existing wastewater treatment plants to build capacity in PGE territory, and explore opportunities at such facilities in Pacific Power territory.
4. Work with dairy community to define a strategy to generate interest among Oregon dairymen in digester projects
5. Offer cost-shared support for feasibility analyses to help potential applicants identify opportunities, where possible by leveraging other sources of funding (e.g., U.S. Department of Agriculture, Western Governors' Association and the Oregon Economic and Community Development Corporation).
6. Where appropriate, provide facilities that lack technical resources with assistance in applying for Energy Trust or other funding.
7. Remain engaged in forest biomass, participating in state initiatives while continuing to engage the Lake County Initiative and Warm Springs Forest Products efforts.
8. Address Goal #2 in the existing Strategic Plan, to position Oregon to achieve 10% of its electricity supply from new renewables by 2012.

2007 ACTIONS:

1. Begin commercial operation at Rough & Ready and Columbia Blvd. Projects.
2. Complete policy on eligible renewable waste, and identify initial opportunities.
3. Explore potential for standard financial incentive offer, based, if appropriate, on revised green tag policy.
4. Commit funding for 5 projects, totaling 3 – 19 aMW, and 15 feasibility studies, including:
 - a) In partnership with state agricultural interests launch a Dairy Power initiative, resulting in 3 feasibility studies and 2 complete applications in 2007.
 - b) Identify strategies for upgrades at 4 wastewater treatment plants, resulting in incremental generation of 1.5 aMW.

TARGETS:

2007 Activity Budget

Energy	2.98 – 19.46 aMW (26,105 – 170,470 MWh)
Generation Range	\$1.70 million – \$0.26 mil/aMW \$0.013 – 0.002/kWh, levelized
Budget	\$5.06 million

2006 Full-Year Activity Forecast

Energy	4.43 aMW (38,806 MWh)
Generation	\$0.567 mil/aMW \$0.004/kWh, levelized
Forecast	\$ 2.51 million

2008 PLANNED ACTIVITIES:

- Continue program direction established in 2006 and complete 2007 activities.

2008 PROJECTION:

\$ M	aMW
\$4.49	3 – 17

(see budget details on reverse)

Note: Budget figures include dedicated funds

RENEWABLE ENERGY 2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Biopower**

	2006 Forecast	2007 Budget	2008 Projection
Incentives	\$17,185	\$879,453	\$2,948,016
Program Management	17,185	879,453	2,948,016
Staffing	151,892	173,721	182,282
Marketing	11,649	43,935	43,935
Services			
Evaluation and Planning Services	48,501	33,819	34,661
QA-Subcontracted	6,000	6,000	6,000
Legal Services	16,205	27,760	27,760
Other Professional Services	118,224	216,920	211,920
Total Other Services	188,930	284,499	280,341
General			
General Program Support Costs	11,415	22,700	22,700
Shared	21,885	20,317	21,312
IT Services	15,937	43,591	45,569
Total General	49,237	86,608	89,581
Program Direct Costs	418,893	1,468,216	3,544,155
Allocated mgmt. & general and marketing	32,657	71,533	118,773
TOTAL EXPENSE, Accounting Perspective	451,550	1,539,749	3,662,928
Plus/minus dedicated funds committed for future yrs	2,062,000	3,525,000	825,250
TOTAL EXPENSE, Action Plan Perspective	2,513,550	5,064,749	4,488,178

2007 ACTION PLAN/BUDGET, APPROVED



DEPARTMENT: **PLANNING AND EVALUATION** **ALL PROGRAMS**

PURPOSE: To provide strategic and quantitative planning, reporting, and evaluation for Energy Efficiency and Renewable Resources. Contributes to all Energy Trust Strategy Goals.

STRATEGY:

1. Provide program design staff with expert feedback to enhance programs from evaluations and market studies.
2. Expand the list of qualifying prescriptive measures, with a particular focus on gas measures.
3. Work with utilities to integrate efficiency and renewable energy as options considered through the integrated resource planning process, as a means of possibly determining future Energy Trust funding levels.
4. Explore, with utilities, demand-side options to defer transmission and distribution investments and the value of efficiency and renewables as a hedge against fuel prices.
5. Develop the capability to respond quickly to changes in the scope of Energy Trust mission and funding levels should they occur.
6. Streamline cost-effectiveness and above-market cost procedures to improve consistency, simplify documentation, and improve record-keeping.

2007 ACTIONS:

1. Help utilities served by Energy Trust integrate efficiency and (for the electric companies) renewable energy into their current resource planning processes. This will include dealing with the inconsistencies in avoided cost and discount rate between the utilities and each other and the Energy Trust.
2. Work locally, regionally, and nationally to bring promising new technologies to market and into widespread use over the next several years. These include efficient gas water heaters, fireplaces, and commercial heating, as well as promising electric efficiency measures such as rooftop cooling tune-ups for commercial buildings.
3. Provide process evaluations for programs that are beginning, rapidly changing, or have undergone management changes, to provide quick independent feedback regarding progress and of opportunities to improve program management and marketing.
4. Work with PacifiCorp to develop and consider demand-side options and proceed toward program activity as appropriate. Respond if similar opportunities occur with PGE.
5. Publish a set of final impact evaluations for all major programs and complete the second and third-year impact evaluations where possible. Summarize actual program savings for 2006 in the Annual Report and for prior years through the accompanying true-up report.
6. Work with PUC for approval of the use of the Energy Trust analysis of the value of energy efficiency as a fuel price hedge in cost/benefit modeling and valuation of renewable resources. Explore how a similar analysis might be done for gas.
7. Complete market transformation analyses for additional markets to assess the relationship between Energy Trust goals and market transformation.
8. Finalize estimates of savings overlap between Energy Trust and Oregon Department of Energy programs, for use in reporting combined emission reductions.
9. Develop, for selected programs, a second estimate of savings that is comparable to the 2005 power plan (frozen efficiency baseline).

TARGETS:

2007 Budget		2006 Full-Year Forecast	
Budget	\$2.6 million	Forecast	\$2.3 million

2008 PLANNED ACTIVITIES:

- Several impact and process evaluations
- Market studies and market transformation forecasts.
- Support to utility integrated resource planning and utility transmission and distribution planning.
- Updated tools for cost-effectiveness and above-market cost analysis

2008 PROJECTION:

\$ M
\$2.8

2007 ACTION PLAN / BUDGET, APPROVED



**Energy Trust of Oregon
Statement of Functional Expense
Approved Budget
Planning & Evaluation**

	2006 Forecast	2007 Budget	2008 Projection
Pooled planning and evaluation costs ¹			
Staffing	\$ 418,301	\$ 548,210	\$ 575,713
General Evaluation and Planning Services		329,500	339,385
General			
General Program Support Costs		20,000	20,600
Shared		70,280	71,601
IT Services		128,208	130,155
Total General		218,488	222,357
Program specific planning and evaluation services	1,921,846	1,469,500	1,625,728
TOTAL EXPENSE ²	\$ 2,340,147	\$ 2,565,698	\$ 2,763,183

¹ Prior to 2007, all Evaluation and Planning expenses were charged directly to programs on a line-by-line basis. Beginning in 2007, general planning and evaluation costs are pooled, and are charged a proportionate share of general office and IT costs. Costs directly allocable to specific programs continue to be charged to benefitting programs.

² 100% of these costs are allocated to programs, either as program-specific costs or pooled costs

2007 ACTION PLAN/BUDGET. APPROVED



DEPARTMENT: COMMUNICATIONS & OUTREACH

PURPOSE: Energy Trust outreach and communications activities in 2007 support coordination across programs and general Energy Trust outreach. The 2007 budget provides for staff, services and materials necessary to achieve this purpose. Contributes to all strategic goals.

STRATEGY:

1. Cooperate with utilities through co-branded activities to reach their customers with Energy Trust program messages.
2. Cooperatively sponsor outreach and recognition events with peer and stakeholder organizations.
3. Position Energy Trust in local energy-themed publications with news releases, story placement and limited advertising.
4. Leverage relationships with associations representing niche market groups to reach those prospective customers.
5. Keep website and publication costs to a minimum by supplementing on-staff resources with free-lance contractors.
6. Reach out to and educate stakeholders, trade allies and participants with e-newsletters.
7. Offer excellent customer service through call centers and email.
8. Coordinate and develop Energy Trust trade ally network.
9. Implement outreach activities in support of community energy project(s) identified through NW Natural or other utilities.
10. Use market research tools to refine strategies for program outreach to prospective participants.

2007 ACTIONS:

1. Design, review, approve and keep track of all Energy Trust events, ads and other materials across all programs.
2. Manage Energy Trust media relations on behalf of all programs; produce or support media events including 5th year anniversary.
3. Develop limited general advertising, general information and educational pieces.
4. Manage content and look, ensure accuracy and improve usability of www.energytrust.org.
5. Build and maintain image library of representative Energy Trust projects.
6. Produce and disseminate public annual report; help prepare quarterly reports and other special reports.
7. Produce participant mailings and acknowledgements.
8. Publish monthly e-newsletter SYNERGY (general audience) and bimonthly INSIDER (trade allies).
9. Support annual publications Green + Solar Building Oregon and Green Living.
10. Develop and maintain cooperative relationships with utilities, Oregon Department of Energy and other stakeholder and peer groups; coordinate development of co-branded materials and joint outreach/communications initiatives.
11. Participate in community activities and organizations.
12. Manage services provided by contracted creative and public relations professionals to programs.
13. Update, disseminate marketing and communications guidelines to assure consistent look and feel in all Energy Trust material.
14. Support trade ally activities through training and coordination with PMC trade ally managers; conduct annual trade ally survey.
15. Provide customer support through oversight of call center operations; work with utilities on service enhancements.
16. Team with evaluation group to conduct market research and focus groups to refine market segmentation and messaging for solar, residential efficiency and commercial efficiency programs.

TARGETS:

2007 Proposed Budget
Budget \$.8 million

2006 Full-Year Forecast
Forecast \$.7 million

2008 PLANNED ACTIVITIES:

- No major changes planned for 2008

2008 PROJECTION:

\$ M
\$.8 million

(see budget on reverse side of page)

2007 ACTION PLAN/BUDGET , APPROVED

**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Communications and Outreach**

	2006 Forecast	2007 Budget	2008 Projection
Staffing	\$298,315	\$347,188	\$364,806
Public Rel/Creative	52,375	22,700	23,381
Creative Services		21,000	21,630
Media Advertising	24,012	43,275	44,573
Events Co-Sponsor	25,440	15,450	15,913
Mktg Dev/Research	1,500		
Marketing	103,327	102,425	105,498
Services			
Legal Services		3,840	3,955
Website Design & Maintenance	98,301	95,500	98,365
Other Professional Services	28,000	35,000	36,050
Total Other Services	126,301	134,340	138,370
General			
General Program Support Costs	56,661	72,865	75,051
Shared	42,515	47,024	47,907
IT Services	61,599	94,874	96,320
Total General	160,775	214,763	219,278
TOTAL EXPENSE	688,718	798,717	827,952

2007 ACTION PLAN/BUDGET, APPROVED



DEPARTMENT: MANAGEMENT AND GENERAL ALL PROGRAMS

PURPOSE: To Provide Overall Management, Direction and Resources to ETO Operations. Contributes to all Strategic Goals.

STRATEGY:

1. Create a highly efficient, cost effective internal organization that provides guidance, resources and operational processes to the board and staff of the Energy Trust and related Program Management Contractors (PMC's).
2. Develop both an internal and external reporting process that provides all stakeholders with timely and transparent information relating to the Energy Trust Activities.
3. Ensure that all financial data and operational systems are operating effectively and securely and producing highly reliable information in a timely manner.
4. Ensure that all contracts, employee relations and general operations are conducted in compliance with all applicable laws and regulations.
5. Ensure Energy staff receive training and resources to foster continued maximum performance.
6. Provide infrastructure to allow for adaptive management in both contracting and reporting.

2007 ACTIONS:

1. Achieve an unqualified audit opinion for 2006 from the independent CPA firm and an evaluation of internal controls.
2. Assess and analyze all the internal control processes of the Energy Trust and its data integration points with contractors.
3. Improve the internal financial systems by investing in software development that will improve reporting and monitoring capabilities, especially external financial reporting and internal contract tracking.
4. Invest in employee leadership and management training to set direction for the organization, define expected behaviors consistent with ETO values, improve management communication, define authority for decision-making, foster employee trust and improve morale.
5. Enhance the performance review and work plan process for 2007 to reward the performance of those individuals and encourage embracing ETO Value Plan Goals.
6. Develop training plan based on needs identified during performance review process.
7. Achieve both PUC and JLAC/PUC performance measures for Administrative plus Program Support Costs.

TARGETS:

2007 Budget		2006 Full-Year Forecast	
Budget	\$ 2.2 million	Forecast	\$1.7 million

2008 PLANNED ACTIVITIES:

- Enhance treasury management as available reserves shrink.

2008 PROJECTION:	\$ M
	\$ 2.2

(see budget on reverse side of page)

2007 ACTION PLAN/BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Management and General**

	2006 Forecast	2007 Budget	2008 Projection
Staffing	\$1,000,383	\$1,005,762	\$1,053,463
Services			
Evaluation and Planning Services		21,924	22,529
Legal Services	92,300	105,840	109,015
Accounting Services	104,513	123,120	126,814
Other Professional Services	77,262	288,015	296,656
Total Other Services	274,075	538,899	555,013
General			
General Program Support Costs	134,009	223,225	229,922
Shared	144,751	116,282	118,474
IT Services	159,365	287,186	291,556
Total General	438,125	626,693	639,951
TOTAL EXPENSE	1,712,583	2,171,354	2,248,427

2007 ACTION PLAN / BUDGET, APPROVED



DEPARTMENT: INFORMATION TECHNOLOGY ALL PROGRAMS

PURPOSE: Contribute to Strategic Goals by Providing Information Technology Support to all Energy Trust Operations.

STRATEGY:

1. Apply Information Technology to enable Energy Trust to achieve its goals.
2. Implement system improvements to improve data quality and streamline program operations and reporting.
3. Enhance secured systems to protect confidential information.
4. Partner with staff and PMCs to facilitate their activities.
5. Champion appropriate and efficient use of technology resources.
6. Promote data quality and consistency.
7. Provide reliable communication systems.
8. Operate systems to enable distributed program delivery.
9. Refresh hardware and software for efficient and reliable operations.
10. Communicate technology issues, challenges, and progress to stakeholders.

2007 ACTIONS:

1. Facilitate regular meetings of the IT Advisory Committee to provide a forum for innovative ideas and strategic direction.
2. Engage consultant for IT Enterprise Architecture (EA) review of existing systems and to provide recommendations for future technology evolution.
3. Develop plan for long-term information systems enhancement incorporating recommendations from EA review.
4. Enhance capabilities and skills of IT staff and contractors to provide efficient maintenance and support to the growing databases.
5. Publish a suite of error and exception reports to facilitate data quality.
6. Evaluate FastTrack and develop an enhancement plan for immediate efficiency improvement, forms data capture automation, and platform evolution.
7. Minimize manual tasks and streamline production of required PUC, utility, and management reports.
8. Write a new integration package between FastTrack and the proposed new project accounting module for contract tracking.
9. Eliminate separate PMC project tracking system for New Building Efficiency by generating all required information directly from FastTrack.
10. Strengthen FastTrack application administration tools to streamline configuration and maintenance tasks.

TARGETS:

2007 Budget		2006 Full-Year Forecast	
Budget	\$ 1.9 million	Forecast	\$1.3 million

2008 PLANNED ACTIVITIES:

1. Deploy enhanced information systems in accordance with Enterprise Architecture plan.
2. Operate and maintain databases with a high level of reliability and data integrity.

2008 PROJECTION:

\$ M
\$ 2.0

(see budget on reverse side of page)

2007 ACTION PLAN / BUDGET, APPROVED



**Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Approved Budget
Information Technology**

	2006 Forecast	2007 Budget	2008 Projection
Staffing	\$402,464	\$648,243	\$682,149
Services			
Other Professional Services	484,444	836,000	861,080
Total Other Services	484,444	836,000	861,080
General			
General Program Support Costs	340,654	313,954	323,373
Shared	80,199	100,565	102,458
Total General	420,853	414,519	425,831
TOTAL EXPENSE	1,307,761	1,898,762	1,969,060

¹ 100% of these costs are allocated to programs and other support functions

The Energy Trust of Oregon
Capital Purchases

	<u>2007 budget</u>
Server upgrade and replacement (four)	40,000
Contract accounting software	30,000
Desktop / laptop replacements	20,000
Software enhancements	60,000
Solar project management software	30,000
Total capital purchases	<u><u>180,000</u></u>
	 <u>2008 Projection</u>
nature of projects to be determined in mid 2007	<u><u>185,000</u></u>

all hardware and software is depreciated over 3 years, straight line