

Attachment A
Proposed 2008 - 2009 Performance Measures for the
Energy Trust of Oregon
October 21, 2008

The following performance measures and targets are intended to clearly define the Commission's minimum expectation of the Energy Trust of Oregon (Energy Trust or the Trust) performance. Should the Trust fail to meet these performance targets, the Commission will consider issuing a Notice of Concern pursuant to the Grant Agreement between the Commission and the Trust.

Savings targets for energy efficiency programs and development targets for renewable resource programs are set at an aggregated level rather than at a sector level to allow the Energy Trust flexibility to pursue programs in different sectors as market forces and technological advances would dictate. Implicit in these target levels is the assumption that Energy Trust will provide programs for all customer sectors, including those that have historically been underserved.

As part of our ongoing oversight of the Energy Trust, the Commission will evaluate past utility performance and program performance by conservation and renewable resource programs across the country for use as a rough yardstick for Energy Trust activities.

Electric Efficiency Performance Targets:

The Commission expects the Trust to obtain electricity efficiency savings of at least 31 MWh, computed on a three-year rolling average.

The Commission expects the Trust to obtain electricity efficiency savings at an average levelized life-cycle Trust cost of not more than 3.5 cents per kWh.

Natural Gas Efficiency Performance Targets:

The Commission expects the Trust to obtain natural gas efficiency savings of at least 1,800,000 therms, computed on a three-year rolling average.

The Commission expects the Trust to obtain natural gas efficiency savings at an average levelized life-cycle Trust cost of not more than 60 cents per therm.

Renewable Resource Development Targets:

The Commission expects the Trust's Utility-Scale Program to achieve 9 MWh of new renewable resource development annually, computed on a three-year rolling

average, by funding projects consistent with each utility's acknowledged Integrated Resource Plan. (This target will be eliminated in 2009)¹

The Commission expects the Trust to secure at least 3 MWa of new renewable resources per year, computed on a three-year rolling average, from a variety of small-scale projects.

Financial Integrity:

The Commission expects the Trust to demonstrate its financial integrity by obtaining an unqualified financial audit opinion annually.

Program Delivery Efficiency:

The Commission expects the Trust to demonstrate program delivery efficiency by keeping its administrative and program support costs² below 11 percent of annual revenues.

Customer Satisfaction:

The Commission expects the Trust to demonstrate reasonable customer satisfaction rates by surveying its customers as part of its program evaluations. Preferably, the surveys will provide a scale showing the degree of satisfaction with Trust services and allow for open-ended responses. In addition, the Trust will report salient statistics regarding complaints it receives directly, or from utility customer services. Findings are to be reported to the Commission.

Benefit/Cost Ratios:

The Commission expects the Trust to report the benefit/cost ratio for its conservation acquisition programs in its annual report based on the utility system perspective and societal perspective. The Commission expects the Trust to report significant mid-year changes in benefit/cost performance as necessary in its quarterly reports.

¹ Senate Bill 838 (2007 Session) prohibits the Energy Trust from providing funding to projects greater than 20 megawatts.

² For the purpose of these performance measures, program support costs are defined as all program costs except the following accounts: program management, program incentive, program payroll and related expenses, call center, and program outsource services.

Incremental Funding:

The Commission expects the Trust to report annually on the incremental funding and energy savings achieved as a result of Senate Bill 838 (2007 Session).

Other Considerations:

In addition to considering the results of the above-mentioned performance measures, the Commission will also consider the performance of other conservation and renewable resource programs and public comments when making its annual decision to renew its Grant Agreement with the Energy Trust. The Commission will seek comment from the public on such issues as the following:

- Is the Trust achieving good results in its conservation and renewable resource programs?
- Does the Trust conduct its business in an open and transparent way?
- Is the Trust receptive to public input?
- Does the Trust monitor program performance and make program adjustments effectively?
- Are the benefits of the Trust's programs reasonably spread among customer classes and geographic areas?
- Are the Trust's programs appropriately coordinated with related local, state, and regional programs?
- Is the Trust complying with the guidelines set forth in the Grant Agreement?
- Are there any significant issues that warrant the issuance of a Notice of Concern?
- Should the Grant Agreement be renewed for another year?