



Getting More from Our Energy

2010 ANNUAL REPORT

From the Executive Director

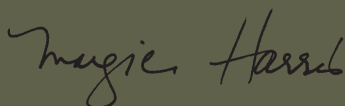
Oregonians are creative, resilient people. When we encounter obstacles, we blaze new trails to reach our destination. In 2010, the economy posed formidable challenges for our region. At Energy Trust of Oregon, those challenges spurred more innovative and affordable strategies for consumers and businesses to reduce energy costs and invest in renewable energy. The response was tremendous.

Last year, Energy Trust services and financial help gave utility customers the support they needed to save \$177 million on annual energy bills, propelling us beyond our aggressive annual goals. The resulting benefits will continue for years to come, delivering ongoing savings to families and businesses.

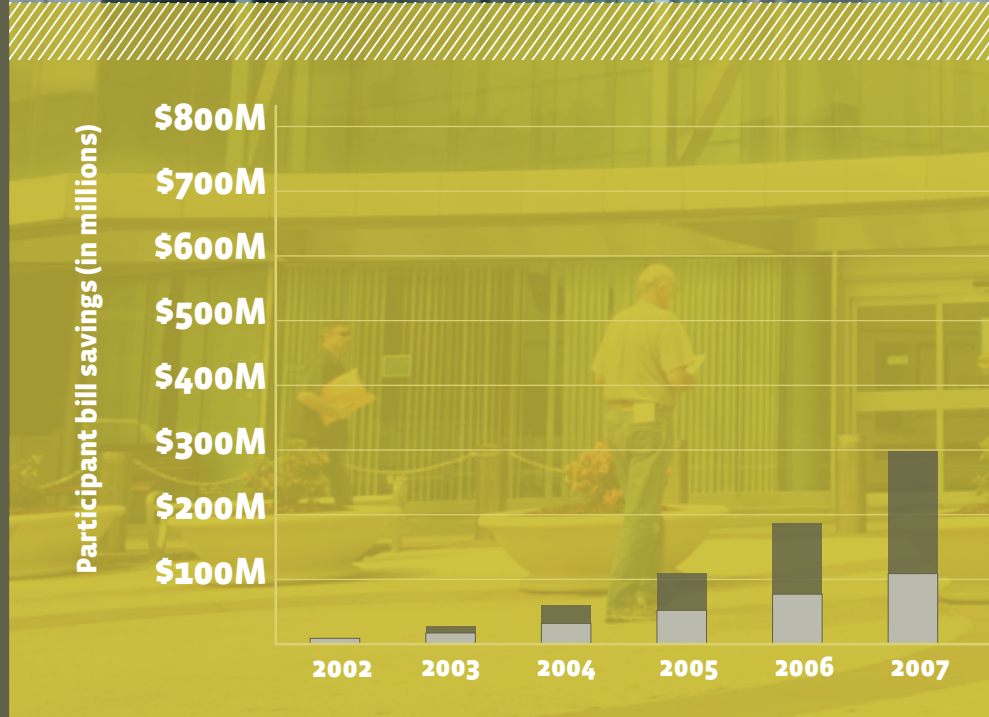
The single largest dividend of our work continues to be the cost savings associated with buying the least expensive energy available. For every \$1 we invest in energy efficiency, we will save ratepayers \$4 in costs required to provide the same amount of energy from other more costly sources.

Energy-efficiency investments made between 2002 and 2010 will save ratepayers approximately \$1.8 billion over time. That's a great return on investment.

Thank you to Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and their customers for taking the bold steps needed to make our homes, businesses and industry more sustainable.



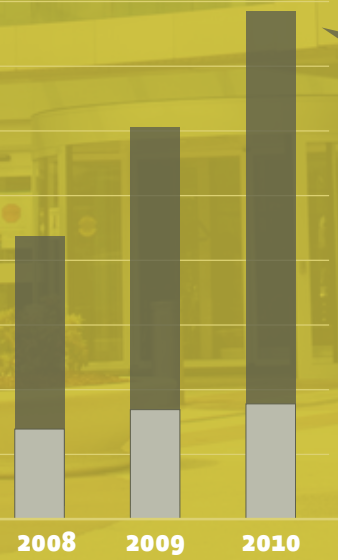
Margie Harris
Energy Trust of Oregon



2010 RESULTS

Energy Trust delivered programs across the state, providing a record amount of incentives and giving Oregonians new ways to reduce energy costs.

- **Savings to power more than 35,000 homes.** Energy-efficiency programs saved 45.7 average megawatts (aMW) of electricity, a 63 percent increase compared to 2009.
- **Record-setting gas savings.** At 4.6 million annual therms, gas savings grew by 61 percent over 2009, enough to heat more than 9,000 homes.
- **Growth in renewable generation.** A mix of renewable energy projects generated 3.3 aMW, a 25 percent increase compared to 2009 and enough to power 2,500 homes.
- **Incentives exceeded \$71 million.** The amount of incentives provided to customers grew by 34 percent over 2009, funding nearly 79,000 energy-efficiency and renewable energy projects.
- **Exceptional performance.** Most energy-efficiency programs exceeded aggressive savings goals, and all Oregon Public Utility Commission performance targets were met despite a sluggish economy. We've maximized value to ratepayers by keeping our administrative and program support costs at just 5 percent.



UTILITY BILL SAVINGS OF NEARLY

\$800 million

Participating customers save money on their energy bills by completing energy-efficiency and renewable power improvements with help from Energy Trust. Projects completed in 2010 saved participants an estimated \$177 million. Once an energy improvement is made, the savings continue year after year. By the end of 2010, participant bill savings added up to nearly \$800 million for projects installed since 2002.



ANNUAL PARTICIPANT SAVINGS



CUMULATIVE PARTICIPANT SAVINGS

2002-2010 CUMULATIVE RESULTS

Our impacts multiply year after year, delivering powerful, local benefits for Oregon ratepayers, our economy and the environment.

- **\$1.8 billion return on investment.** Energy-efficiency investments made between 2002 and 2010 will deliver dramatic ratepayer benefits over time as utilities avoid the need to generate, store, deliver and purchase more expensive energy.
- **More than 420,000 sites served.** Consumers and businesses throughout Oregon have new ways to save energy and generate clean, renewable power.
- **Saved and generated 377 aMW and saved 17.8 million annual therms.** This is enough energy to power all the homes in Portland for one year and heat all the homes in Pendleton for five years.
- **Helping local businesses thrive.** Nearly 2,100 trade ally contractors and other allied professionals have joined with us to help reach customers.
- **More than 2,500 new jobs.** Our investments helped create full- and part-time jobs in Oregon and generated \$81 million in wages and \$12 million in small business income.
- **Environmental benefits.** Because of our work, six million tons of carbon dioxide are kept out of the atmosphere, equivalent to removing one million cars from Oregon roads for one year.

The Portland VA Medical Center (photo above) targeted energy waste through operational changes and equipment upgrades. Energy Trust incentives helped the hospital invest in air handler and chiller upgrades that improved indoor air quality, reduced maintenance time and are expected to deliver annual energy savings of \$145,000.

Smart Strategies Beat the Odds

Energy Trust consistently met or exceeded performance goals, even in the face of consumer caution and constrained capital. Creative thinking, new offers and effective collaboration enabled us to provide energy-efficiency and renewable energy resources for a growing number of consumers, businesses, communities and schools.

2010 RESIDENTIAL HIGHLIGHTS

Free energy-saving resources for families. Oregon and southwest Washington households embraced affordable, new ways to save. About 6,400 families benefited from free energy-saving products from Energy Trust. In addition, we helped customers recycle 18,700 refrigerators and freezers and provided 53,000 Energy Saver Kits to renters and homeowners.

Connecting homeowners with trained contractors. Customers engaged with our trade ally contractors to install energy-saving improvements in nearly 15,000 homes. Clean Energy Works Portland offered 379 homeowners a comprehensive approach to home efficiency, providing financing on utility bills and access to our certified professionals, trade allies and cash incentives.

New technologies and new home scores. New incentives tripled ductless heat pump installations to 510 and boosted high-efficiency gas hearth installations from 19 in 2009 to 542 in 2010. Homebuilders earned Energy Performance Scores for more than 600 energy-efficient new homes.

2010 COMMERCIAL HIGHLIGHTS

Surge of smaller projects with fast paybacks. A weak economy magnified the business value of energy cost savings. Commercial customers in Oregon and southwest Washington embraced smaller projects with shorter paybacks, including low-cost operations improvements.

New construction and lighting retrofits lead savings. More than 200 new energy-efficient commercial, industrial and multifamily buildings, constructed more efficient than code with help from Energy Trust incentives, saved enough energy to power 3,500 homes and heat another 1,000 homes. Lighting improvements delivered almost half the energy savings achieved in existing commercial buildings.

Help for Oregon schools. Projects at 105 K-12 school buildings helped districts reduce energy costs. Nearly \$770,000 in incentives enabled school districts, colleges and universities to complete 34 energy-efficient projects in new and renovated buildings.



DALLAS SCHOOL DISTRICT

ESTIMATED ANNUAL SAVINGS: \$69,000

Improving energy efficiency has been a critical cost-control strategy in the Dallas School District. Energy Trust helped the district develop a plan to maximize energy savings and access dedicated energy-efficiency funds for schools administered by the Oregon Department of Energy. Projects included installing roof insulation, high-efficiency gas boilers, lighting and automated controls. Energy Trust incentives allowed the district to implement additional energy-saving improvements. "We've been able to reduce our natural gas costs district-wide," said Christy Perry, district superintendent. "In the midst of bad budget news, those savings have been a bright spot." Beyond savings, Perry added that the new boilers also improve comfort and indoor air quality and reduce maintenance costs.



JACOBS HEATING & AIR CONDITIONING, INC.

Customers who call Jacobs Heating in Portland are looking for energy-efficient equipment choices and knowledgeable advice. Mick Desserault, Jacobs Heating CFO, credits much of the increase in consumer awareness to Energy Trust's services and education. "When we go into a home now, we have an educated discussion about efficiency, and people ask about Energy Trust incentives," said Desserault. "To be a credible player, we need to be affiliated with Energy Trust."

Energy Trust's outreach and incentives have been an important factor in driving sales of energy-efficient equipment and helping business remain stable for the trade ally contractor. "Our connection to Energy Trust has helped keep our people in the field doing good work and weather the storm of this challenging economy," said Desserault.

2,100

**TRADE ALLIES
AND ALLIED
PROFESSIONALS**

Investments Deliver Now and into the Future

With help from Energy Trust, industrial and agricultural businesses discovered that strategic improvements can deliver dramatic energy and dollar savings. Oregonians also tapped into our programs to install 1,240 renewable energy systems—generating power from urban rooftops to high desert irrigation districts.

HAMPTON LUMBER MILLS

ESTIMATED ANNUAL SAVINGS: \$104,000

With strong corporate support and a newly formed green team, Hampton Lumber Mills' Willamina plant joined Energy Trust's Industrial Energy Improvement initiative. Through its participation in the year-long initiative, the Hampton team developed a strategic approach to energy management that leveraged low- and no-cost changes. Broad-based employee engagement was at the core of the effort, which resulted in energy savings of more than two million kilowatt hours, 11.5 percent of the mill's usage. "The project made us aware of a waste stream we didn't know we had. It's made us a lot more efficient, and no one has missed the energy we're not using anymore," said Bret Griffin, Willamina plant manager.

FOOD FOR LANE COUNTY

ESTIMATED ANNUAL SAVINGS: \$1,400

FOOD for Lane County relies on hot water to process more than one million pounds of donated food products each year. Thanks to a solar water heating system from local supporter Tom Bowerman (pictured), the Eugene-based nonprofit has dramatically reduced water heating costs. "Every dollar we save on operating costs can be used to reach more people and alleviate hunger in Lane County," said Ron Detwiler, FOOD for Lane County operations manager. An Energy Trust incentive and tax credits helped make the project pencil out for Bowerman, who will eventually donate the system to the food bank.





2010 INDUSTRIAL AND AGRICULTURAL HIGHLIGHTS

Record-breaking electric and gas savings. Nearly 900 industrial and agricultural projects were completed in 2010, driving enough electric savings to exceed our goal by 30 percent and saving 2.5 times more natural gas than in 2009.

Low-cost changes yield big results. Two innovative new initiatives empowered industrial customers with strategies that produced some of our most cost-effective savings.

- The 90 by 90 promotion offered incentives that covered 90 percent of operations and maintenance upgrades made within 90 days of an Energy Trust recommendation—helping 59 plants save 20 million kWh.
- The Industrial Energy Improvement initiative trained energy managers at 17 plants to look deeply at how their facilities use energy, engage employees and management and implement high-impact, low-cost improvements.

2010 RENEWABLE ENERGY HIGHLIGHTS

Energy flows with hydropower. In central Oregon and Hood River, three hydropower systems help rural irrigation districts conserve water and generate renewable energy.

Solar systems hit the roof. Homeowners invested in more than 1,000 solar electric systems in 2010, nearly three times the number in 2009. Commercial solar system installations increased by 17 percent over 2009. Since 2002, 22 megawatts of solar electric capacity have been installed in Oregon with Energy Trust support, helping maintain Oregon's leadership as one of the nation's top 10 states for solar electric systems installed on homes and businesses.

Emerging geothermal, biopower and small wind.

At Oregon Institute of Technology in Klamath Falls, Energy Trust's first geothermal project provides heat for the campus and generates 850 megawatt hours of electricity annually, about 10 percent of the campus electrical load. Energy Trust is also supporting dairy digesters using a third-party ownership model—a national trend in financing biopower projects—by helping fund four projects planned for 2011. Small wind installations dramatically increased, with 14 systems installed in 2010 compared to four installations in 2009.



Fold out for financial highlights, energy savings, renewable energy generation and performance results.

FINANCIAL HIGHLIGHTS

The following highlights from independently audited financial statements provide information on Energy Trust revenue sources, expenses and assets. All financial reports, quarterly and annual reports showing revenue and expenditure details and annual audited financial statements are reviewed by the board of directors and available to the public online at www.energytrust.org/annualreport.

BALANCE SHEET - DECEMBER 31, 2010

Assets	\$80,148,972
Liabilities	19,116,438
Net Assets	\$61,032,534

NET ASSETS

Unrestricted	\$59,595,989
Board Designated	1,436,545

EXPENSES BY UTILITY SERVICE TERRITORY

Portland General Electric	\$61,623,171
Pacific Power	41,763,601
NW Natural	18,205,204
Cascade Natural Gas	1,351,199
Other Services	1,795
Total Expenses by Utility Service Territory	\$122,944,970

EXPENSES BY TYPE

Energy Efficiency	\$99,656,643
Renewable Energy	19,145,851
Administration	4,142,476
Total Expenses by Type	\$122,944,970

REVENUES

Portland General Electric	\$56,797,580
Pacific Power	39,741,099
NW Natural	26,947,856
Cascade Natural Gas	1,442,280
Other Sources	419,929
Total Revenues	\$125,348,744

SAVINGS AND GENERATION

Energy Trust met most of its stretch goals for gas and electric savings, and new renewable energy generation reached the highest level since transitioning from supporting larger utility-scale systems to funding smaller systems. Energy Trust delivers energy efficiency included in the long-term energy resource plans of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas.

ELECTRICITY SAVINGS & COSTS

Sector	Savings (aMW)	Levelized Cost/kWh*
Commercial	17.63	2.2 cents
Industrial	15.86	2.2 cents
Residential	12.16	3.5 cents
Total	45.65	2.5 cents

2010 savings are 101% of the 2010 stretch goal of 45 aMW.

NATURAL GAS SAVINGS & COSTS

Sector	Savings (Therms)	Levelized Cost/Therm*
Commercial	2,160,013	27 cents
Industrial	606,116	22 cents
Residential	1,856,649	40 cents
Total	4,622,778	32 cents

2010 savings are 96% of the 2010 stretch goal of 4.8 million annual therms.

RENEWABLE ENERGY GENERATION & COSTS

Program	aMW Generated	Levelized Cost/kWh*
Biopower	0.00	NA
Solar Electric	0.95	12.0 cents
Other Renewables	2.34	2.6 cents
Total	3.29	5.6 cents

2010 generation fell short of the 4.1 aMW conservative goal due to project delays and uncertainty around tax credits.

RESULTS BY UTILITY - SAVINGS | GENERATION

Portland General Electric	25.6 aMW 0.94 aMW
Pacific Power	20.1 aMW 2.35 aMW
NW Natural	4,254,906 THM NA
Cascade Natural Gas	367,875 THM NA

OREGON PUBLIC UTILITY COMMISSION PERFORMANCE MEASURES

In 2010, Energy Trust met or exceeded the nine annual Oregon Public Utility Commission performance measures, including cost-effective services and low administrative and program support costs.

Energy Trust is accountable to the Oregon Public Utility Commission and our volunteer board of directors. We provide the commission with quarterly and annual reports measuring actual performance against target metrics set by the commission. A third party completes independent reports on Energy Trust and all public purpose spending, which the commission submits to the Oregon Legislature every other year.

PERFORMANCE MEASURES – OREGON PUBLIC UTILITY COMMISSION

OPUC Performance Measures	Energy Trust Performance Results
Electric Efficiency	
At least 31 aMW electricity saved (3-year average)	35 aMW electricity saved ('08-'10 average)
Average levelized life-cycle cost not exceeding 3.5 cents/kWh	2.5 cents/kWh average levelized life-cycle cost ('10)
Natural Gas Efficiency	
At least 1.8 million annual therms saved (3-year average)	3.3 million annual therms saved ('08-'10 average)
Average levelized life-cycle cost not exceeding 60 cents/annual therm	32 cents/annual therm average levelized life-cycle cost ('10)
Renewable Resource Development	
3 aMW new renewable resources (3-year average)	3 aMW new renewable resources ('08-'10)
Financial Integrity	
Unqualified financial audit opinion	Unqualified financial audit opinion
Program Delivery Efficiency	
Administrative and program support costs below 11 percent of annual revenues	Administrative and program support costs were 5 percent of annual revenues
Customer Satisfaction	
Reasonable customer satisfaction rates	Documented high levels of customer satisfaction**
Benefit/Cost Ratios	
Value of energy saved must exceed cost	Value of energy saved exceeded cost

* Energy Trust's costs for each unit of energy saved, adjusted for when savings and costs occurred.

**Phone surveys of a sample of participants shortly after they completed projects indicated high customer satisfaction levels ranging from 87 percent to 95 percent for the six programs surveyed.

Note: Financial highlights include revenues and expenditures for services to Oregon customers of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas, and Washington customers of NW Natural. In most cases, energy-efficiency and renewable energy results are for Oregon programs and services, unless otherwise stated. For more on Energy Trust services to NW Natural customers in Washington, visit www.energytrust.org.

ABOUT ENERGY TRUST

Energy Trust is an independent nonprofit organization dedicated to helping utility customers benefit from saving energy and generating renewable energy. Our services, cash incentives and energy solutions have helped participating customers of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas save nearly \$800 million on energy bills.

Energy Trust is delivering on the Oregon Legislature's original intent to help utilities meet Oregon's energy needs with lower-cost efficiency and clean, renewable energy. Our work, funded by ratepayers of four utilities, helps keep energy costs as low as possible, creates jobs and builds a sustainable energy future.

Since 2002, Energy Trust has served more than 380,000 households, 47,000 commercial sites and 1,500 industrial and agricultural sites. In addition, we now serve NW Natural customers in Washington where, in 2010, we delivered services to more than 1,600 sites.

2010 BOARD OF DIRECTORS

A volunteer, non-stakeholder board oversees Energy Trust management, provides strategic and policy direction and approves the organization's budget and major expenditures. The board carries out its oversight with input from two advisory councils.

President – John Reynolds, *FAIA, Department of Architecture, University of Oregon*

Vice President – Rick Applegate, *City of Portland Bureau of Environmental Services*

Secretary – Debbie Kitchin, *InterWorks, LLC*

Treasurer – John Klosterman, *Oregon Food Bank*
Julie Brandis, *Oregon State University Foundation*

Dan Davis, *Rogue Valley Habitat for Humanity*

Jason Eisdorfer, *Bonneville Power Administration*

Dan Enloe, *Intel*

Roger Hamilton, *University of Oregon*

Julie Hammond, *Beecher Carlson*

Al Jubitz, *Jubitz Family Foundation*

Caddy McKeown, *ASPIRE*

Alan Meyer, *Weyerhaeuser Company*

Preston Michie, *Bonneville Power Administration consultant*

Bob Repine, *Oregon Department of Energy, special advisor*

John Savage, *Oregon Public Utility Commission, ex-officio*

2010 Conservation Advisory Council

Jim Abrahamson, Brent Barclay,
Jeff Bissonnette, Paul Case, Bruce Dobbs,
Michael Early, Joe Esmonde, Theresa Gibney,
Charlie Grist, Andria Jacob, Don Jones,
Holly Meyer, Stan Price, Lauren Shapton,
Robin Straughan, Steve Weiss and Bill Welch

2010 Renewable Energy Advisory Council

BJ Moghadam, Margie Gardner, Troy Gagliano,
Theresa Gibney, Robert Grott, Thor Hinckley,
Ed Kennell, Jeff King, Suzanne Leta Liou,
Debra Malin, Robin Straughan, Frank Vignola
and Sandra Walden



Find more customer stories, successful energy-saving program strategies and the complete 2010 Annual Report to the Oregon Public Utility Commission online at www.energytrust.org/annualreport.

Energy Trust of Oregon 1.866.368.7878 energytrust.org

Printed with vegetable-based inks on paper that contains 100% post-consumer waste.
Cover photo: Energy Trust trade ally contractor, Jacobs Heating & Air Conditioning, Inc.