

Together, we equal a
cleaner environment,
a stronger economy, a
better future

2011 Annual Report



Energy Trust of Oregon + **Dallas School District**

Christy Perry, superintendent, added energy efficiency as a cost-control strategy for operating district buildings. An energy-efficient boiler, improved lights and other updates reduce maintenance calls and save \$80,000 on annual energy bills.

Energy Trust adds conservation and renewable power to the equation

Working with customers, utilities and local allies to create a better future in Oregon

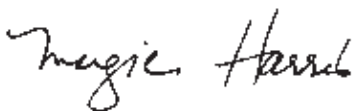
Energy Trust began 2011 with a focus to accelerate energy savings and renewable generation by expanding program choices for participants. Throughout the year, innovative offers continued to attract and engage customers and spur them to take action in their homes and businesses. By year end, we had completed an unprecedented number of projects by diversifying what we offered and delivered.

I'm proud of the tally of tangible results. Since 2002, participants have collectively saved \$1 billion on their utility bills through energy-efficiency and renewable energy projects at 438,000 sites across Oregon and southwest Washington. Side-by-side work with 2,400 trade ally contractors and other allied professionals translated into sustained jobs and improved service for participants.

Residential customers reduced energy consumption, installed 1,200 solar electric systems in 2011, a record-breaking year, and are more comfortable in their homes. Businesses incorporated energy into their culture and strategies, and redirected savings to be more competitive and productive. Our air is cleaner, with seven million fewer tons of carbon in our atmosphere.

In nearly 10 years of working together with utilities, contractors, stakeholders and customers, we've shaped a stronger environment and economy for our state. We've made it easier for every type of customer to learn about their opportunities to use energy differently and collectively experienced the difference that has made. We've created a transformation.

It's often said that the whole is greater than the sum of its parts. This annual report describes those parts and the total picture they make. As you read it, I hope you see the future as it can be, a future that is more sustainable, sound, local, environmentally respectful and brighter. Thank you to all who have taken this vision from possible to real.



Margie Harris
Executive Director



MEDFORD FOOD CO-OP

Before building its 5,500-square-foot store, the co-op contacted Energy Trust for early design assistance and received \$8,930 in cash incentives. High-performance lighting, efficient refrigeration systems and night curtains for open display coolers helped the store gain round-the-clock energy savings.

Energy savings and benefits

60,845 estimated annual kWh savings
\$4,400 estimated annual bill savings
Balanced operating costs



2011 ANNUAL HIGHLIGHTS

- Saved energy at a far lower cost than providing the same amount of energy from traditional fossil fuels
- Exceeded the electric efficiency stretch goal by 6 percent
- Exceeded the natural gas efficiency stretch goal by 4 percent
- Built a thriving pipeline for renewable energy projects and responded to growing customer demand for solar
- Developed new ways to serve customers using leading-edge strategies and pilot programs to test financing
- Designed successful bonuses to stimulate an uncertain market resulting from changes in Oregon energy tax credits
- Strengthened businesses by supporting 2,400 contractors, manufacturers, retailers, architects, engineers and others



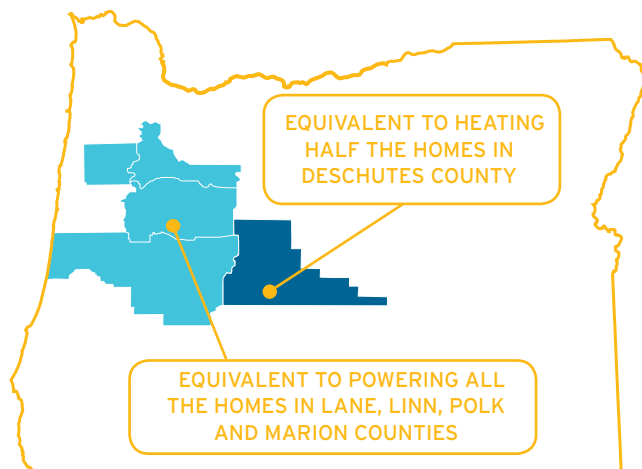
The Energy Trust incentives were just the start. The monthly savings on energy bills help keep our overhead costs down so we can spend that money in other ways important to the co-op.

Emile Amarotico, general manager
Medford Food Co-op



SINCE 2002, CUMULATIVELY SAVED AND GENERATED 426 AVERAGE MEGAWATTS AND SAVED 23.2 MILLION ANNUAL THERMS

Equivalent to enough energy to power
320,000 homes and heat another 45,700 with natural gas



Supported commercial business investment in energy solutions that control costs

Renewed certainty in a challenging market

In 2011 commercial businesses created more productive surroundings for employees and customers, while gaining substantial cost-saving benefits. Energy Trust limited-time offers, bonus incentives and other creative customer engagements stimulated energy-efficiency and renewable energy projects in commercial buildings and multifamily properties. A broad selection of technical services and financial incentives helped Oregon's wide range of businesses better manage their energy costs.



TUALATIN INDOOR SOCCER

Energy-efficient fluorescent fixtures

Energy savings and benefits

56,388 estimated annual kWh savings

\$4,100 estimated annual bill savings

Improved experience for soccer players, referees and spectators

Owner Monty Hawkins knew that his eight-year-old soccer facility's lights were inefficient and provided less than ideal illumination for its 2,000 weekly visitors. "With many of the old fixtures burning out," he said, "my choices were to continue replacing them or to invest in a complete lighting retrofit." After Energy Trust trade allies replaced the facility's fixtures with T8 fluorescents, light levels improved dramatically. "Our players comment that they can see a better, clearer playing field," said Monty. Energy Trust supplied \$9,371 in incentives to help the project score.



NATIVE AMERICAN YOUTH AND FAMILY CENTER

High-efficiency boiler

Energy savings and benefits

8,641 estimated annual therm savings

\$8,600 estimated annual bill savings

More environmentally sound operations at its Portland building

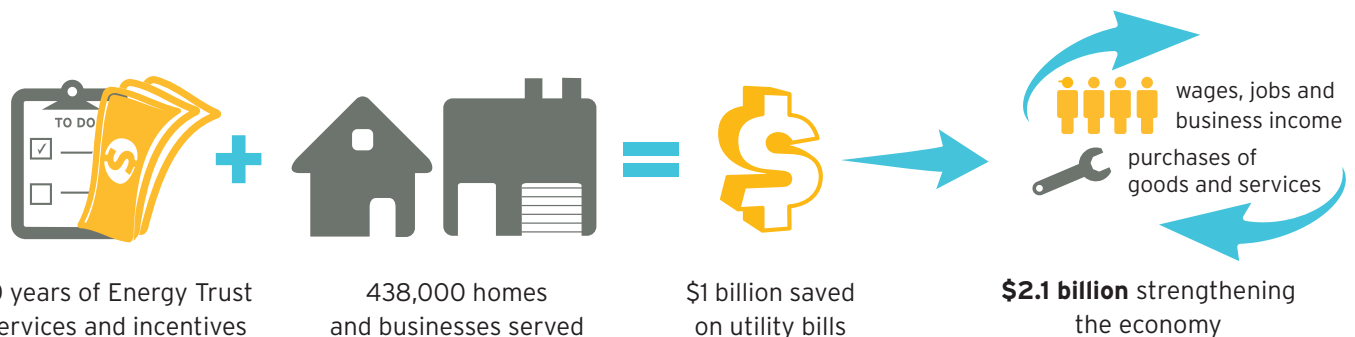
2011 COMMERCIAL HIGHLIGHTS

- Offered a fall bonus incentive to keep commercial and multifamily building owners investing in energy efficiency after changes were made to previously available Oregon energy tax credits
- Engaged 150 K-12 schools in improving the energy efficiency of school buildings, and worked with the Oregon Department of Energy to roll out Governor Kitzhaber’s Cool Schools initiative
- Responded to increased interest in high-performance new construction by enrolling a record 415 projects and helping complete six buildings that will save 60 percent more energy than if built to Oregon code
- Increased incentives to capture savings for businesses upgrading to high-performance lighting before new federal standards take effect
- Improved the performance of heating, ventilation and air conditioning systems with tune-up incentives

Fueled energy-efficiency and renewable energy opportunities

Greater economic benefits for Oregon

Dollars saved on energy bills deliver far-reaching benefits to the economy through new purchases of goods and services, job creation, increased wages and new business income. Since 2002, Energy Trust has cumulatively added \$2.1 billion to the local economy, including \$630 million in wages, \$120 million in small business income and 18,000 jobs.*



*Equates to employing 18,000 people full time over one year. Source: ECONorthwest.

Worked with industrial and agricultural businesses to reduce energy waste

Efficient operation and available cash to reinvest

Energy Trust's diverse energy-saving strategies kept Oregon industrial and agricultural companies engaged in new and continued energy improvement throughout the year. Industrial and agricultural businesses tackled energy projects at 860 sites to save energy, manage costs and strengthen their bottom lines. Many saw a return through operations and maintenance improvements and energy-efficient equipment upgrades.

2011 INDUSTRIAL HIGHLIGHTS

- Grew the number of completed projects for the third straight year, made possible by trade ally-driven small industrial and lighting initiatives and a fall bonus incentive for custom capital projects
- Helped 22 manufacturers adopt Strategic Energy Management to set goals, track energy use and achieve average energy savings of 5 to 10 percent
- Mentored technicians from five food processing and cold storage facilities in a six-month refrigeration operator training
- Prompted customers to take swift action and make low-cost, high-return investments in operations and maintenance improvements



CONTACT INDUSTRIES

New sawdust collection system

High-efficiency motors with variable frequency drives

Energy-efficient lighting

Energy savings and benefits

1,742,731/154,799 estimated annual kWh and therm savings

\$221,000 estimated annual bill savings

Continuous energy savings the manufacturer can rely on

Contact Industries countered the hard-hit construction market with a successful energy-savings plan that leveraged Energy Trust incentives and services to reduce energy consumption at its Prineville plant. The engineered wood products manufacturer focused on equipment improvements, Strategic Energy Management and operations and maintenance. A new sawdust collection system with high-efficiency motors reduced the company's energy needs by 57 percent. With coaching from Energy Trust, employees are keeping the savings constant. "Turning off lights and not letting machinery idle are all no- and low-cost behavioral changes that lead to savings over time," said Don Siemsen, continuous improvement manager.

Helped homeowners and renters create more comfortable spaces and manage utility bills

➦ Increased savings and improved home value

From small changes to comprehensive improvements, residential customers made their homes more comfortable and energy efficient in 2011. Individuals took advantage of energy-saving recommendations, referrals to trade allies and cash incentives to install ENERGY STAR® appliances, weatherize homes and purchase energy-efficient newly built homes.

2011 RESIDENTIAL HIGHLIGHTS

- Reached lower-income customers by distributing energy-saving products at food pantries and tailoring financial incentives to meet their needs
- Completed weatherization retrofits in 11,000 homes, and supported customers interested in deep retrofits through Home Performance with ENERGY STAR trade allies and Clean Energy Works Oregon
- Issued more than 800 EPS™ ratings, or energy performance scores, and builder incentives to advance energy-efficient new home purchases—driving 25 percent of homes built in Energy Trust territory beyond code
- Recycled nearly 24,000 refrigerators and freezers, including the winning “Oldest Fridge” found in Coquille
- Motivated customers to change behavior by sending customized energy reports



PATRICK AND RACHEL LAPÉ

Home Energy Review
ENERGY STAR clothes washer
Whole-home insulation
Energy-efficient gas hearth and furnace
Solar electric system

Energy savings and benefits

272/355 estimated annual kWh and therm savings
3,397 kWh estimated annual generation
\$760 estimated annual bill savings
Energy bills in tune with their home

Since 2007 Patrick and Rachel Lapé have used energy efficiency as a tool to continuously improve their 100-year-old Portland home, starting with free compact fluorescent light bulbs and a Home Energy Review from Energy Trust. Helped by a trade ally, they also installed a gas hearth to work with their furnace.

The Lapés accessed additional Energy Trust incentives through Clean Energy Works Portland to insulate their home. In 2011, they began generating their own clean power with a 3.7-kilowatt solar electric system. “A home is an investment,” said Patrick. “Our job is to make it work the best that it can.”

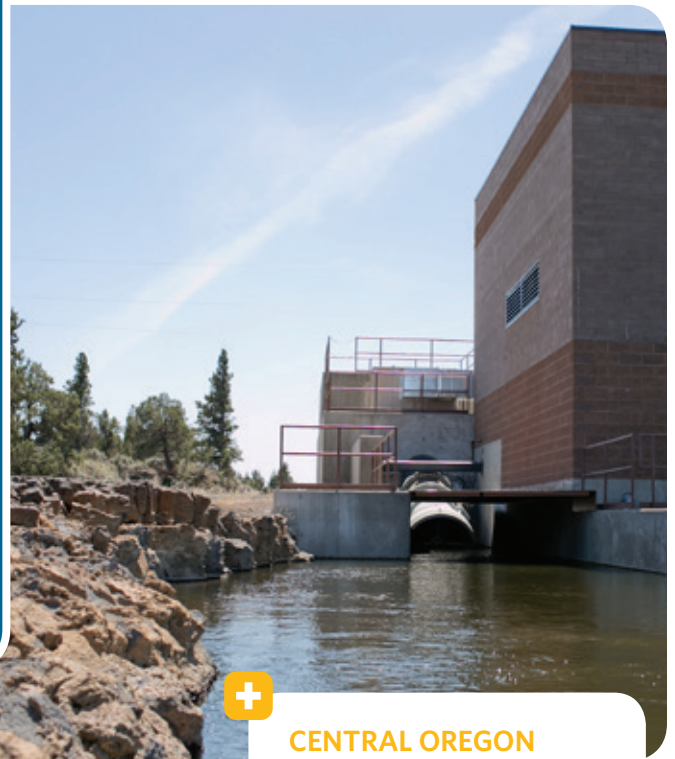
Invested in renewable energy resources to supply clean energy for the future

☰ Dollars recirculating in Oregon communities today

Energy Trust supported a range of renewable energy technologies over the past 10 years, investing dollars and providing assistance to help install 3,800 systems and keep 346,000 tons of carbon dioxide out of the atmosphere. In 2011, Oregonians installed a record number of solar systems and committed to develop a robust pipeline of biopower, geothermal, hydropower, wind and solar projects in 2012 and beyond.

2011 RENEWABLE ENERGY HIGHLIGHTS

- Met unprecedented demand for solar, helping drive down the cost of systems, employing new community initiatives to “solarize” whole neighborhoods and supporting new ownership and leasing options
- Supported renewable energy and energy-efficiency training for wastewater treatment plant operators
- Provided development assistance for eight small hydropower projects and three geothermal projects
- Completed 12 small wind projects and committed funds to six biopower projects
- Worked with the Oregon Department of Energy and Portland General Electric to break ground on a 1.75 megawatt “Solar Highway” installation



CENTRAL OREGON IRRIGATION DISTRICT

5 MW hydropower project

Energy savings and benefits

13,435 megawatt hours

estimated annual generation

Enough energy to power all the homes in Sisters

Water flow increases that benefit farmers and ranchers

In its first full year of operation in 2011, the Central Oregon Irrigation District's Juniper Ridge hydropower project near Bend generated more renewable energy than expected. As part of building the system, the district replaced more than two miles of canal with high-pressure pipe, eliminating water losses, benefiting fish and restoring enough water to the Deschutes River to fill 19 Olympic-sized swimming pools every day. The community-supported project secured an Energy Trust incentive and government grants.

“Today there’s a big difference in the river’s quality, the environment and the impact on the local economy,” said Steve Johnson, district manager. “These carbon-free benefits will last 50-plus years while providing returns to the community.” Through power sales to Pacific Power, the system is expected to add \$300,000 in annual local revenue.

Leveraged contractors to motivate customers from project planning to completion

More qualified local services and opportunities for business success

Energy Trust trade allies are part of an on-the-ground network that connects customers to programs and services. Outreach, education, development funds and training from Energy Trust support these independent companies—sustaining jobs and putting dollars to work in Oregon. More than 1,500 trade allies installed insulation, heating equipment, lighting and other improvements to help utility customers save \$233 million on their energy bills in 2011.



Klamath Falls irrigation dealer and Energy Trust trade ally J.W. Kerns has been assisting Southern Oregon farmers and irrigators for more than 90 years. With a staff of 25, J.W. Kerns encourages customers to choose energy-efficient sprinklers and flood irrigation equipment that save water and lower energy costs.

President Dan Nygren uses Energy Trust as a positive factor to attract prospective customers. “When customers come in looking for a program they can work with, we refer them to available Energy Trust incentives to help their return on investment,” he said. For local farmers, investments in energy efficiency mean business. For Dan, those investments help J.W. Kerns look forward to another 90 years of success.



J.W. KERNS

Irrigation equipment design and installation

Averages 10-15 Energy Trust projects per year

Business stability with a focus on customer service

TRADE ALLY NETWORK

2,400

Businesses range in size from one to 200 employees or more; 75 percent of trade allies and other allied professionals employ 10 workers or less.

Public purpose, public results

These financial highlights are excerpts from independently audited financial statements prepared by Perkins & Co. The complete financial statements are available to the public online.

Energy Trust met or exceeded contractual goals for natural gas and electric utility savings, and delivered low-cost energy efficiency included in the long-term energy resource plans for PGE, Pacific Power, NW Natural and Cascade Natural Gas.

BALANCE SHEET DECEMBER 31, 2011

Assets	\$78,996,105
Liabilities	24,330,889
Net Assets	\$54,665,216

NET ASSETS

Unrestricted	\$53,726,461
Board Designated	938,755

EXPENSES BY UTILITY SERVICE TERRITORY

PGE	\$73,809,028
Pacific Power	43,423,185
NW Natural	20,191,336
Cascade Natural Gas	2,222,960
Total Expenses	\$139,646,509

EXPENSES BY TYPE

Energy Efficiency	\$117,611,077
Renewable Energy	18,027,843
Administration	4,007,589
Total Expenses	\$139,646,509

REVENUES

PGE	\$64,399,867
Pacific Power	45,467,451
NW Natural	21,360,320
Cascade Natural Gas	1,847,669
Other Sources	203,885
Total Revenues	\$133,279,192

Wise use of ratepayer dollars



2002-2011 CUMULATIVE PERFORMANCE

For every dollar Energy Trust invested in energy-efficiency programs from 2002-2011, utility customers will save four dollars in costs to generate, store, deliver and purchase an equivalent amount of energy. This adds up to \$1.57 billion in savings.

Energy Trust Investment (\$) Utility Customer Savings (\$)



2011 ELECTRICITY SAVINGS AND COSTS

Sector	Savings (aMW*)	Levelized Cost**/kWh
Commercial	16.2	2.9 cents
Industrial	13.8	2.5 cents
Residential	16.9	3.2 cents
Total	46.9	2.9 cents

2011 savings are 6% above the year's stretch goal of 44 aMW.

2011 NATURAL GAS SAVINGS AND COSTS

Sector	Savings (Therms)	Levelized Cost**/Therm
Commercial	2,075,734	32 cents
Industrial	1,032,517	19 cents
Residential	2,298,994	44 cents
Total	5,407,244	35 cents

2011 savings are 4% above the year's stretch goal of 5.2 million annual therms.

Saving energy at a fraction of the cost of fossil fuels

2011 RENEWABLE ENERGY GENERATION AND COSTS

Program	aMW Generated	Levelized Cost**/kWh
Biopower	0.00	NA
Solar Electric	1.05	11.2 cents
Other Renewables	0.43	11.2 cents
Total	1.48	11.7 cents

2011 generation fell short of the 3.7 aMW conservative goal due to project delays and significant impacts stemming from changes in available state tax credits.

Homegrown energy and a positive outlook for 2012

2011 RESULTS BY UTILITY—SAVINGS/GENERATION

PGE	28.2 aMW/1.07 aMW
Pacific Power	18.7 aMW/0.40 aMW
NW Natural	4,964,136 THM/NA
Cascade Natural Gas	443,108 THM/NA

A reliable energy resource for utilities

*One average megawatt, aMW, of electricity is the generation of one megawatt every hour for one year.

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

Note: Energy Trust reported savings undergo an annual "true up" when new evaluation results are incorporated to refine reported savings. The true up process enables the best reporting of energy savings for Energy Trust funded programs and delivers a validated resource. The True Up 2012 Report will be available to the public online when completed in fall 2012, and 2011 and prior annual savings will be adjusted at that time.

Energy Trust reports its activities, costs and results on a quarterly and annual basis to the Oregon Public Utility Commission—measuring actual performance against annual targets set by the OPUC. A third party completes independent reports on all public purpose spending, including Energy Trust spending, which the OPUC submits to the Oregon Legislature every other year.

OPUC 2011 PERFORMANCE MEASURES

ENERGY TRUST 2011 PERFORMANCE RESULTS

ELECTRIC EFFICIENCY

At least 31 aMW electricity saved (3-year avg.)
Average levelized life-cycle cost not exceeding 3.5 cents/kWh

40 aMW electricity saved ('09-'11 avg.)
2.9 cents/kWh average levelized life-cycle cost ('11)

NATURAL GAS EFFICIENCY

At least 1.8 million annual therms saved (3-year avg.)
Average levelized life-cycle cost not exceeding 60 cents/annual therm

4.3 million annual therms saved ('09-'11 avg.)
35 cents/annual therm average levelized life-cycle cost ('11)

RENEWABLE RESOURCE DEVELOPMENT

3 aMW new renewable resources (3-year avg.)

2.47 aMW new renewable resources ('09-'11 avg.)

Ratepayers pay significantly less for energy

FINANCIAL INTEGRITY

Unqualified financial audit opinion

Unqualified financial audit opinion

PROGRAM DELIVERY EFFICIENCY

Administrative and program support costs below 11% of annual revenues

Administrative and program support costs were 5% 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

***Phone surveys of a sample of participants shortly after they completed projects indicated high customer satisfaction levels ranging from 83% to 95% for all major programs.

More resources go directly to homeowners, businesses and communities



Energy Trust operates with tremendous oversight, transparency and accountability. Ratepayers get great bang for their buck with an entity that is mission-driven and consumer-focused.



Bob Jenks, executive director
Citizens' Utility Board of Oregon

LEARN MORE

Find additional customer stories, successful energy-saving program strategies and the complete 2011 Annual Report to the Oregon Public Utility Commission online at www.energytrust.org/annualreport.

Energy Trust of Oregon is an independent nonprofit organization providing energy efficiency and renewable energy solutions that help keep energy costs as low as possible, strengthen the economy and build a sustainable energy future.

Energy Trust works with four affiliated utilities—**Portland General Electric, Pacific Power, NW Natural** and **Cascade Natural Gas**—to reach and serve customers.

An independent board of directors oversees Energy Trust management, provides strategic direction and approves annual budgets and major expenditures. Board members volunteer their time and guide the organization with input from two advisory councils.

2011 Board of Directors

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John Reynolds, FAIA, *Department of Architecture, University of Oregon, Eugene*

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Caddy McKeown, *ASPIRE, Coos Bay, through 10/11*

Rick Applegate, *Applegate Consulting, Portland*

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Dan Davis, *Rogue Valley Habitat for Humanity, Central Point*

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Special advisor Bob Repine, *Oregon Department of Energy, Salem*

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2011 Renewable Energy Advisory Council

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View the current list of board and advisory council members online.



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