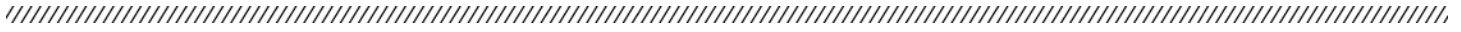
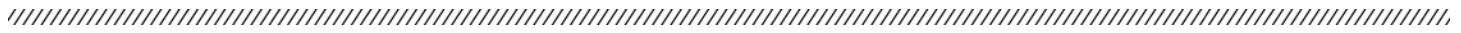


# Quarter Four 2011 Report to the Oregon Public Utility Commission



**ENERGY TRUST OF OREGON**  
**FEBRUARY 29, 2012**

This report covers activity between October 1 and December 31, 2011

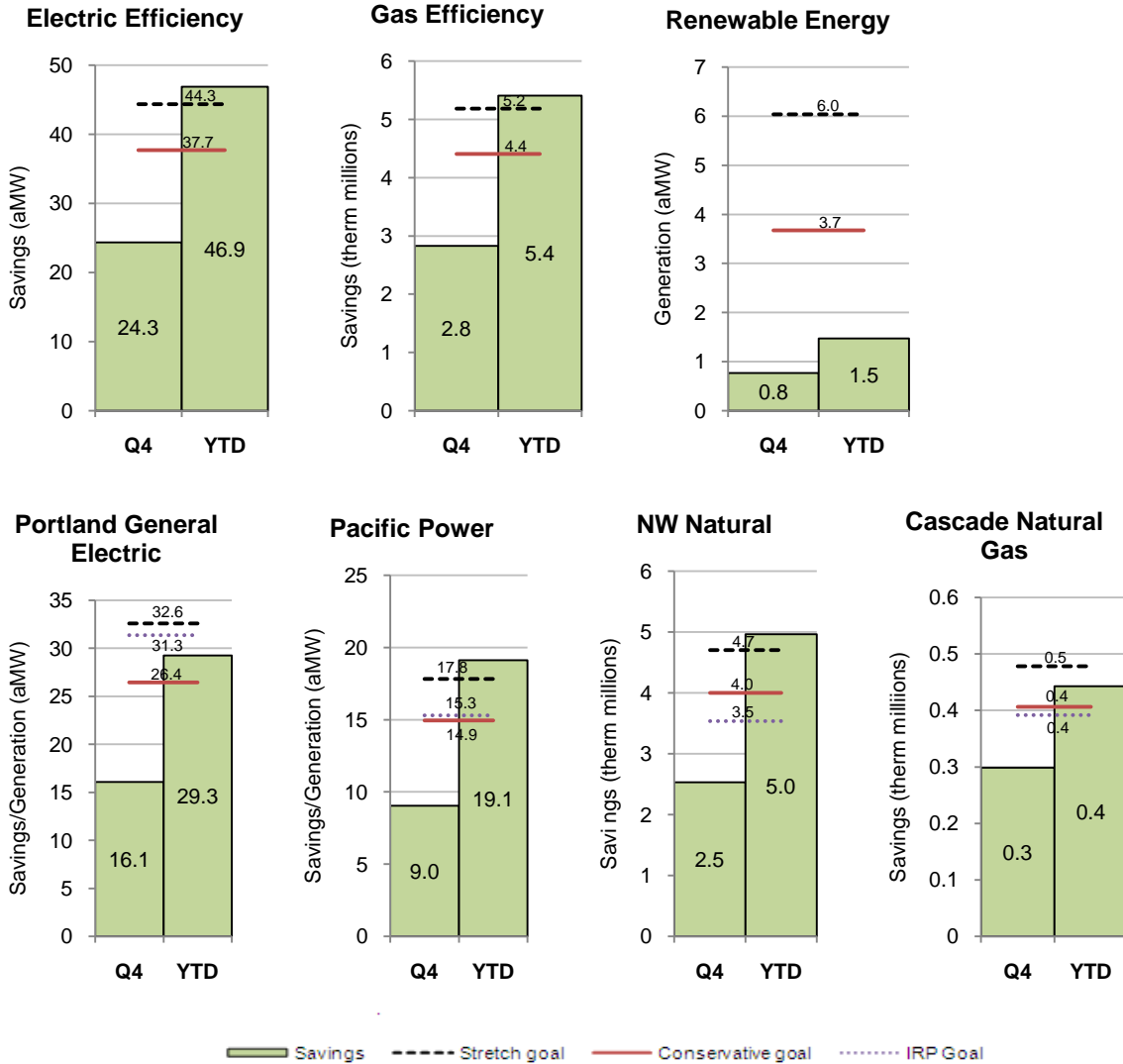


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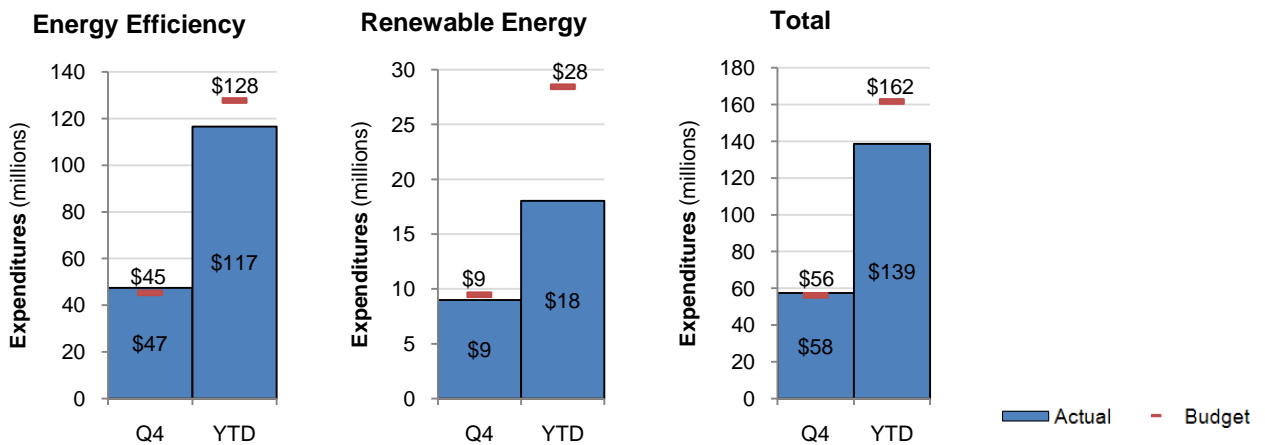


# I. Q 4 2011 ACTIVITY AT A GLANCE

## Savings and Generation



## Expenditures



## Residential activity in Q4 2011

<b>New homes</b>	<b>528</b>
New manufactured homes	55
<b>Weatherization retrofits</b>	<b>4,036</b>
Single-family site-built	2,825
Manufactured or mobile	1,211
<b>Solar electric installations</b>	<b>547</b>
<b>Home Energy Reviews</b>	<b>1,764</b>
<b>Total Sites</b>	<b>6,328</b>
<b>Heating systems</b>	<b>1,686</b>
<b>Water heaters</b>	<b>671</b>
Solar	37
<b>High efficiency products</b>	<b>10,545</b>
Washing machines	5,059
Dishwashers	332
Refrigerators	5,154
<b>High efficiency lighting*</b>	<b>460,864</b>
<b>Refrigerators, freezers recycled</b>	<b>7,651</b>
<b>Energy Saver Kits sent</b>	<b>34,060</b>
<b>Total Other Activity</b>	<b>54,613</b>

\* Lighting excluded from totals

## Commercial activity in Q4 2011

<b>High-efficiency new buildings</b>	<b>116</b>
<b>Solar</b>	<b>76</b>
Solar water heating installations	8
Solar electric installations	68
<b>Retrofits</b>	<b>1,568</b>
Institution/government	3
Lodging	67
Multifamily buildings	234
Offices	269
Restaurants	82
Retail	252
School/college	79
Other commercial	790
<b>Studies</b>	<b>22</b>
<b>Total</b>	<b>1,782</b>

## Industrial/Agricultural activity in Q4 2011

<b>Projects with savings</b>	<b>461</b>
Custom capital <sup>1</sup>	87
Custom O+M <sup>2</sup>	35
Strategic Energy Management (SEM) <sup>3</sup>	18
Industrial lighting	168
Small industrial <sup>4</sup>	79
Prescriptive <sup>5</sup>	74
<b>Number of SEM participating companies</b>	<b>25</b>
<b>Studies</b>	<b>38</b>

<sup>1</sup> Top improvements are compressed air system improvements, process upgrades

<sup>2</sup> Equipment modifications to improve efficiency

<sup>3</sup> Savings from no-cost or low-cost operational steps (i.e., turning off equipment when not in use) identified through trainings in Strategic Energy Management approaches/disciplines

<sup>4</sup> Targets users with gas or electric costs under \$25,000/year; top improvements are irrigation system improvements, compressed air system improvements, HVAC

<sup>5</sup> Top improvements are sprinklers, replacement gaskets, nozzles

## Renewable energy activity in Q4 2011

<b>Biopower projects</b>	<b>--</b>
<b>Solar electric installations</b>	<b>616</b>
Residential	547
Commercial	69
<b>Other renewable projects</b>	<b>2</b>
Wind projects	2
Hydro projects	--
Geothermal projects	--
<b>Total</b>	<b>618</b>

## Other activity in Q4 2011

<b>Calls</b>	<b>12,784</b>
<b>Website visits</b>	<b>175,751</b>
<b>info@energytrust.org inquiries</b>	<b>379</b>
<b>Customer complaints</b>	<b>5</b>
<b>Trade ally roundtable meetings</b>	<b>3</b>
Attendance	190
<b>News stories in print, broadcast</b>	<b>195</b>

## II. HIGHLIGHTS OF Q4 ACTIVITIES

### A. Savings<sup>1</sup> and generation

#### *Quarter 4*

- **Electric efficiency projects completed during Q4** are expected to save 24.3 average megawatts (aMW).
- **Gas efficiency projects completed during Q4** are expected to save 2.8 million annual therms.<sup>2</sup>
- **Renewable energy projects completed during Q4** are expected to generate 0.8 aMW.

#### *Preliminary annual results*

- **Energy Trust preliminary results for 2011 surpassed expectations** during a year marked by a stalled economy and reductions in Oregon Business Energy Tax Credits (BETC).
- **Energy efficiency acquired exceeded annual stretch goals**, resulting in savings of 46.9 aMW of electricity and 5.4 million annual therms of natural gas. Annual electric savings are about 3 percent higher than 2010 results, while gas savings are 17 percent higher.
- **Renewable energy programs installed a record-breaking number** of solar electric systems while also building a robust pipeline of solar, biopower and hydropower projects for installation in 2012 and beyond.
- **These results are preliminary.** Accurate and comprehensive data will be included in the Energy Trust 2011 Annual Report to the Oregon Public Utility Commission available April 16, 2012.
- **See appendix 5 for a report on** Energy Trust progress meeting “themes” for the 2011 budget. These themes were presented as part of the proposed 2011 budget in December 2010.

#### *Preliminary cumulative results*

- **Including Q4 2011 results, electric efficiency programs have saved 301 aMW** since March 1, 2002. When savings from self-directed industrial projects are added, the total represents 67 percent of Energy Trust's 2014 goal of 479 aMW. This is equivalent to the annual electric consumption of approximately 233,522 average Oregon homes.
- **Including Q4 2011 results, cumulative savings of 23.2 million annual therms** have been realized since gas programs began in 2003, accounting for 67 percent of the 2014 goal of 34.7 million annual therms. This is equivalent to providing gas heat to approximately 45,738 homes.
- **Including Q4 2011 results, 104 aMW of renewable energy generation** has been installed since March 1, 2002, accounting for 84 percent of the 2014 goal of 124 aMW of installed generation. This is equivalent to powering approximately 80,992 average Oregon homes.
- **These results are preliminary.** Accurate and comprehensive data will be included in the Energy Trust 2011 Annual Report to the Oregon Public Utility Commission available April 16, 2012.

### B. Revenues and expenditures

- **Overall public purpose revenue plus incremental electric revenue** from SB 838 totaled \$30.1 million for Q4 2011, approximately 11 percent less than budgeted revenues. The difference is due principally to timing of when revenues were received, as annual revenues are only 2 percent under budget.

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<sup>1</sup> This document reports net savings, which are adjusted gross savings based upon results of current and past evaluations.

<sup>2</sup> The gas savings do not include NW Natural results in Washington. These results are reported in Appendix 6.

- **Q4 expenditures** totaled \$57.5 million, of which \$41.4 million or 72 percent was for incentives.
- **Q4 electric efficiency expenditures** were 6 percent over budget for the quarter. The modest overspending is a result of intense activity during the quarter to close projects and reach savings goals.
- **Q4 gas efficiency expenditures** for the quarter were 6 percent under budget. Four efficiency programs exceeded stretch gas goals while the fifth program came in just 3 percent below stretch, suggesting that per-unit cost of acquiring therm savings was lower than budgeted.

### C. Appendices

- **Appendix 1** shows a geographic distribution of Home Energy Reviews conducted in Q4 2011, and the most recent customer satisfaction results (see page 12).
- **Appendix 2** presents Oregon Public Utility Commission performance measures for Energy Trust and benefit/cost ratios from Energy Trust's 2010 annual report (see page 13).
- **Appendix 3** includes reports from Pacific Power and PGE on Q4 2011 utility activities supported by their shares of SB 838 funding, providing additional support for electric efficiency acquisition above funds collected through the public purpose charge (see page 14).
- **Appendix 4** summarizes Northwest Energy Efficiency Alliance Q4 2011 market transformation activities in PGE and Pacific Power Oregon service territories, funded by Energy Trust (see page 19).
- **Appendix 5** reports Energy Trust progress in 2011 in meeting "themes" for the 2011 budget presented as part of the proposed 2011 budget in December 2010 (see page 22).
- **Appendix 6** provides the Q4 2011 report on Energy Trust activities serving NW Natural customers in Washington (see page 24).

### D. Commercial sector highlights

- **According to preliminary annual results**, the sector exceeded stretch goals for both electric and gas savings.
- **Designed to offset BETC reductions in a stalled economy, the fall bonus** had the desired result of driving savings in Existing Buildings, including in multifamily properties. The programs achieved stretch goals for Pacific Power, NW Natural and Cascade Natural Gas, and exceeded conservative goal for PGE. The relative lag in PGE results from a decrease in the number of large custom projects closing in 2011, a consequence of the stagnant economy.
- **All programs have strong pipelines of projects** for 2012.

#### *Existing Buildings*

- **According to preliminary annual results**, the program closed the year at 97 percent of the stretch electric savings goal and 123 percent of the stretch gas savings goal.
- **Although the program began the year with few large custom projects in the pipeline**, staff identified and closed stalled custom projects and helped customers implement new operations and maintenance services.
- **The fall bonus was associated with 16 and 12 percent of electric and gas savings**, respectively, in this program. Improvements receiving the bonus included custom controls, lighting, custom HVAC, chillers and—for multifamily properties—weatherization upgrades.
- **Rooftop unitary HVAC tune-ups** accounted for much of the gas savings.

- **In multifamily properties, direct-install measures** (showerheads, compact fluorescent light bulbs, faucet aerators) along with prescriptive weatherization and common-area lighting contributed a large share of savings.
- **A City of Salem Energy Efficiency and Sustainability Technology (EEAST) commercial project completed.** Salem applied federal American Recovery and Reinvestment Act funds to offer low-interest loans for commercial lighting efficiency upgrades serviced by West Coast Bank. Only one project participated, receiving \$5,000 in Energy Trust incentives to reduce the amount of the loan.

#### *New Buildings*

- **According to preliminary annual results,** the program closed the year at 130 percent of the stretch electric savings goal and 93 percent of the stretch gas savings goal.
- **New Buildings closed 110 projects** in Q4 2011, 10 more than in Q4 2010, for an estimated 296 projects closed by year end. New Buildings did not offer a bonus incentive to help offset the loss of BETC funds.
- **A relatively few significant projects accounted for the bulk of savings**—five projects brought 60 percent of the electric savings, while eight projects brought the majority of gas savings.
- **Two projects in the Small Commercial Pilot completed**—Central Oregon Community College Culinary School in Bend, OR, and the Camelot Theater in Talent, OR.
- **The program added 60 new program allies,** broadening the program reach to serve new customers with a wider array of expertise. The allies include architects, engineers, green building consultants, developers and others. Six trainings were delivered to this new group of allies to help them make the financial case for building green or net zero.
- **During Q4, 5 education projects received more than \$139,453** in incentives, totaling \$949,442 for the year. The Q4 total includes two public K-12 schools and three college and university projects.

## **E. Industry and Agriculture sector highlights**

#### *Production Efficiency*

- **According to preliminary annual results,** the program closed the year at 99 percent of the stretch electric savings goal and 119 percent of the stretch gas savings goal.
- **The volume of projects closed in the last two weeks of the year far exceeded** previous years, reflecting the impact of the fall bonus offer, which required completion by December 15. The bonus successfully overcame the market effects of the retroactive BETC sunset.
- **The annual number of projects increased for the third straight year, increasing 23 percent over 2010.** The growth was influenced by the high volume of trade ally-driven small industrial and lighting initiatives, in addition to the fall bonus. Custom track studies decreased by 25 percent, as program staff promoted more direct-to-offer projects with streamlined savings analysis for simpler custom improvements.
- **Strategic energy management efforts continued to book savings**—including Kaizen Blitz, Industrial Energy Improvement and Refrigeration Operator Coaching.
- **Preliminary results by utility show the program met** 88 percent of the PGE stretch goal and exceeded the Pacific Power and NW Natural stretch goals by 19 percent and 25 percent,

respectively. Preliminary annual results for Cascade Natural Gas were 79 percent of stretch goal, due to the delay of one project into 2012.

- **The high savings for NW Natural required only 72 percent of the annual budget**, reflecting a near doubling in volume of projects at small industrial sites.

## F. Residential sector highlights

- **According to preliminary annual results**, the sector met or exceeded stretch goal for three of the four utilities and came within a few percentage points of stretch for the fourth utility.
- **In 2011, Energy Trust, PGE and NW Natural sent six Personal Energy Reports to 60,000** residential customers of both utilities as part of a behavior change pilot. Deemed savings of 9.7 million kWh and 420,000 annual therms were claimed for the pilot. Preliminary indicators suggest gas and electric savings are on track to meet or exceed these projections; a billing history analysis will provide greater confidence in the results. Opt-out rates are low at 0.7 percent.

### *Existing Homes*

- **According to preliminary annual results**, the program closed the year at 112 percent of the stretch electric savings goal and 97 percent of the stretch gas savings goal.
- **Savings within Reach, the program's moderate-income offering, grew significantly** as a percentage compared to 2010 across all utilities.
- **Three hundred seventy-four projects** leveraged Energize Clackamas incentives—funded through a Clackamas county grant from the American Recovery and Reinvestment Act—in addition to incentives from Energy Trust.
- **The program supported Clean Energy Works Oregon**, with 190 pilot homes and 488 Clean Energy Works Oregon home upgrades completed in 2011. Energy Trust totals vary from Clean Energy Works Oregon's due to data entry timing.

### *New Homes and Products*

- **According to preliminary annual results**, the program closed the year at 106 percent of the stretch electric savings goal and 112 percent of the stretch gas savings goal.
- **The program issued an Energy Performance Score for 235** new homes in Q4.
- **Lighting giveaways and a showerhead promotion** through retail outlets and water districts leveraged savings.
- **"Smart Homebuyer" advertising** raised awareness of energy-efficient new homes through regional advertisements and an online "Smart Homebuyer" checklist.
- **CFLs delivered through specialty lighting promotions increased** more than 50 percent over 2010, with 460,000 CFLs delivered. Collaborators included the Rebuilding Center in Portland, Goodwill, Habitat for Humanity and Parr Lumber locations throughout the state.

## Renewable energy highlights

- **Renewable energy programs installed 0.77 aMW** of generation in Q4.
- **The preliminary annual total of 1.48 aMW is less than half** the annual conservative goal. The shortfall resulted in part from the shift of a biopower project into 2012 due to the delayed completion deadline to obtain a state tax credit. Another factor was cancellation of an incentive for a landfill gas project that no longer had above-market costs.

- **Pipeline for 2012 is robust.** Anticipating high demand for biopower, geothermal, hydro and custom wind incentives in Pacific Power territory, staff developed a competitive process for allocating 2012 funds from Pacific Power.

#### *Solar Electric*

- **More than 1,300 solar projects were installed in 2011**, a new annual record.
- **The program expects continued growth** in the residential sector in 2012.
- **The largest ground-mounted solar project in the Pacific Northwest**, the 2.85 megawatt enXco project, came on line in October. Located on two Willamette Valley sites near Salem, the project is expected to generate more than 0.3 aMW annually.

#### *Biopower*

- **Energy Trust's board approved three biopower projects:**
  - A \$2 million incentive for Green Lane Energy, a 1.6 MW installation using methane from agriculture and food processing waste.
  - Two, \$1 million incentives for 500 kW dairy digesters being developed by Revolution Energy Solutions, one in PGE territory and the other in Pacific Power territory.
- **The program collaborated with the Association of Clean Water Agencies** to develop the second annual energy management training program, providing management tools to help wastewater treatment plants implement clean energy strategies.

#### *Other*

- **The Hydro initiative provided development assistance for eight proposed small hydro** projects, including feasibility studies, permitting assistance and resource assessments. Seven projects are in Pacific Power territory and one is in PGE territory.



### III. TABLES<sup>3</sup>

#### A. Revenues

Source	Q4 Actual Revenues Received	Q4 Budgeted Revenues
Portland General Electric	\$ 8,749,785	\$ 9,053,763
PGE Incremental	\$ 6,443,970	\$ 8,534,694
Pacific Power	\$ 5,725,602	\$ 6,460,733
Pacific Power Incremental	\$ 4,909,106	\$ 5,430,215
Cascade Natural Gas	\$ 855,547	\$ 914,905
NW Natural	\$ 2,791,572	\$ 2,897,551
NW Natural Industrial DSM	\$ 633,333	\$ 518,198
<b>Total</b>	<b>\$ 30,108,914</b>	<b>\$ 33,810,059</b>

#### B. Expenditures

	Q4 Actual Expenditures	Q4 Budgeted Expenditures
Energy Efficiency Programs	\$ 47,459,811	\$ 45,326,631
Renewable Energy Programs	\$ 8,997,180	\$ 9,452,519
Administration	\$ 1,079,110	\$ 1,370,917
<b>Total</b>	<b>\$ 57,536,100</b>	<b>\$ 56,150,067</b>

Source	Q4 Actual Expenditures	Q4 Budgeted Expenditures
Portland General Electric	\$ 33,841,894	\$ 32,103,939
Pacific Power	\$ 15,466,374	\$ 15,276,822
Cascade Natural Gas	\$ 1,043,874	\$ 859,352
NW Natural	\$ 6,231,040	\$ 6,992,499
NW Natural Industrial DSM	\$ 952,919	\$ 917,455
<b>Total</b>	<b>\$ 57,536,100</b>	<b>\$ 56,150,067</b>

#### C. Incentives paid

Quarter	Energy Efficiency				Renewable Energy		Total
	PGE	Pacific Power	NW Natural	Cascade Natural Gas	PGE	Pacific Power	
Q1	\$ 3,073,777	\$ 2,737,905	\$ 1,540,658	\$ 140,451	\$ 1,991,309	\$ 479,574	\$ 9,963,675
Q2	\$ 6,001,036	\$ 3,870,352	\$ 1,793,034	\$ 253,414	\$ 703,602	\$ 782,310	\$13,403,748
Q3	\$ 6,177,683	\$ 4,466,323	\$ 2,329,187	\$ 155,960	\$ 2,432,533	\$ 948,714	\$16,510,400
Q4	\$ 18,217,595	\$ 8,998,790	\$ 5,119,348	\$ 710,016	\$ 6,293,027	\$ 2,067,006	\$41,405,782
<b>Total</b>	<b>\$ 33,470,092</b>	<b>\$ 20,073,371</b>	<b>\$ 10,782,227</b>	<b>\$ 1,259,841</b>	<b>\$ 11,420,470</b>	<b>\$ 4,277,604</b>	<b>\$81,283,604</b>

<sup>3</sup> Columns may not total due to rounding.

## D. Savings and generation

Q4 Electric Efficiency Savings	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses
Commercial	5.0	1.9	6.9	\$ 16,185,865
Industrial	5.8	3.8	9.6	\$ 11,334,044
Residential	4.7	3.1	7.8	\$ 12,593,412
<b>Total Electric Efficiency Programs</b>	15.5	8.9	24.3	\$ 40,113,322

Q4 Gas Efficiency Savings	NW Natural Therms	Cascade Natural Gas Therms	Total Savings Therms	Expenses
Commercial	1,035,294	172,919	1,208,214	\$ 2,897,272
Industrial	662,950	68,396	731,346	\$ 1,043,222
Residential	833,833	57,394	891,227	\$ 4,287,338
<b>Total Gas Efficiency Programs</b>	2,532,078	298,709	2,830,787	\$ 8,227,832

Q4 Renewable Energy Generation	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses
Biopower	0.0	0.0	0.0	\$ 290,207
Other Renewable Programs	0.4	0.0	0.4	\$ 3,938,561
Solar Electric Program	0.2	0.2	0.4	\$ 4,966,178
<b>Total Renewable Programs</b>	0.6	0.2	0.8	\$ 9,194,946

## E. Progress toward efficiency goals by fuel type and utility

	YTD Expenditures	YTD Savings	YTD levelized cost	Energy Trust Annual Goal		
					Goal	Achieved YTD
Electric	\$98,671,715	46.89 aMW	2.9 ¢	Conservative	37.69 aMW	124%
				Stretch	44.35 aMW	106%
Natural Gas	\$21,344,921	5,407,244 therms	35.0 ¢	Conservative	4,403,118 therms	123%
				Stretch	5,180,139 therms	104%

	YTD Expenditures	YTD Savings	YTD levelized cost	Energy Trust Annual Goal			Annual IRP Goal	
					Goal	% Achieved YTD	Goal	% Achieved
Portland General Electric	\$60,511,544	28.18 aMW	3.0 ¢	Conservative	24.8 aMW	114%	31.34 aMW	90%
				Stretch	29.18 aMW	97%		
Pacific Power	\$38,160,171	18.71 aMW	2.7 ¢	Conservative	12.89 aMW	145%	15.29 aMW	122%
				Stretch	15.17 aMW	123%		
NW Natural	\$19,121,964	4,964,136 therms	34.1 ¢	Conservative	3,996,996 therms	124%	3,537,114 therms	140%
				Stretch	4,702,348 therms	106%		
Cascade Natural Gas	\$2,222,957	443,108 therms	43.9 ¢	Conservative	406,122 therms	109%	391,753 therms	113%
				Stretch	477,791 therms	93%		

#### F. Incremental utility SB 838 expenditures\*

Utility	Q4 2011 SB 838 Expenditures	YTD SB 838 Expenditures
Portland General Electric	\$ 115,813	\$ 499,169
Pacific Power	\$ 404,384	\$ 948,555
<b>Total</b>	\$ 520,197	\$ 1,447,724

\* Reflects incremental increase in expenditures due to spending by Pacific Power and PGE under terms of the agreement described in SB 838. See Appendix 3 for reports from these utilities on their SB 838 activities during the quarter.

## Appendix 1

### GEOGRAPHIC DISTRIBUTION OF HOME ENERGY REVIEWS; CUSTOMER SATISFACTION

#### 1. Home Energy Reviews in Q4 2011

Service Region	Q4 2011	Q4 2010
1 - North Coast (Astoria)	29	35
2 - South Coast (Coos Bay, North Bend)	17	18
3 - Portland Metro	996	1,371
4 - Mid-Willamette (Salem, Dallas)	253	216
5 - Southern Willamette (Eugene, Corvallis, Albany)	106	156
6 - Southern (Medford, Roseburg, Grants Pass)	105	147
7 - Columbia Basin (Hood River, The Dalles)	4	7
8 - Central (Bend, Redmond, Prineville)	108	153
9 - Klamath Basin (Klamath Falls, Lakeview)	5	26
10 - Northeast (Pendleton, Enterprise)	53	59
11 - Eastern (Baker City, Ontario, Vale)	23	3
Total	1,699	2,191

Q4 2011 total includes 19 Home Energy Reviews coupled with solar energy reviews and 101 snapshot audits for homes served by Energy Trust gas utilities and publically owned electric utilities. An additional 241 Home Energy Reviews were conducted by phone and are not reflected in this table.

#### 2. Customer satisfaction fall 2011

From mid August through November 2011, Energy Trust delivered a short phone survey to 866 participants in six programs to whom incentive checks had been sent July through September 2011. Below are results from this most recent quarterly survey. Satisfaction rates this quarter are slightly higher for most programs than those from the previous quarter. The decrease in satisfaction for Production Efficiency program participants—from 93 percent to 88 percent—may be related to changes in the Business Energy Tax Credit, since many of the survey respondents mentioned problems with the tax credit, but not with Energy Trust.

Program	Respondent count	Percent satisfied
Existing Buildings and Multifamily	68	96%
New Buildings	14	100%
Production Efficiency	57	88%
New Homes	211	94%
Existing Homes	470	92%
Solar	46	96%

## Appendix 2

### OPUC PERFORMANCE MEASURES AND 2010 BENEFIT/COST RATIOS

#### OPUC performance measures

Following are the most recent performance measures established by the OPUC for Energy Trust. Comparison of 2011 performance against these measures, or revised measures developed by the OPUC, will be reported in the 2011 annual report.

Category	Measures
Energy Efficiency	<ul style="list-style-type: none"> <li>Obtain at least 31 aMW computed on a three-year rolling average</li> <li>Levelized cost not to exceed 3.5 cents/kWh</li> </ul>
Natural Gas	<ul style="list-style-type: none"> <li>Obtain at least 1.8 million annual therms computed on a three-year rolling average</li> <li>Levelized cost not to exceed 60 cents/therm</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>Achieve at least 3 aMW from small-scale projects, computed on a three-year rolling average</li> </ul>
Financial Integrity	<ul style="list-style-type: none"> <li>Receive an unqualified financial opinion from an independent auditor on annual financial statements</li> </ul>
Administrative/Program Support Costs	<ul style="list-style-type: none"> <li>Keep below 11 percent of annual revenue</li> </ul>
Customer Satisfaction	<ul style="list-style-type: none"> <li>Demonstrate reasonable rates</li> </ul>
Benefit/Cost Ratios	<ul style="list-style-type: none"> <li>Report both utility system and societal perspective on an annual basis</li> </ul>
Incremental Electric Efficiency Funding	<ul style="list-style-type: none"> <li>Report annually energy savings achieved as a result of SB 838</li> </ul>

#### Benefit/cost ratios for 2010 (will be updated for 2011 in the 2011 annual report)<sup>4</sup>

Program	Combined Utility System Benefit/Cost Ratio	Combined Societal Benefit/Cost Ratio
New Homes and Products	2.1	2.1
Existing Homes	2.6	2.8
Existing Buildings	3.8	2.1
New Buildings	3.8	2.8
Production Efficiency	4.1	2.8
NW Energy Efficiency Alliance	4.7	1.6

<sup>4</sup> By law, Oregon public purpose funds may be invested only in cost-effective energy-efficiency measures—that is, efficiency measures must cost less than acquiring the energy from conventional sources.

## Appendix 3

### Q4 2011 UTILITY ACTIVITIES SUPPORTED BY SB 838— AUTHORIZED FUNDING

*Per agreement with the OPUC, Pacific Power and Portland General Electric report their SB 838 program support activities in Energy Trust's quarterly and annual reports. Content and format were developed by the utilities, following a sector outline suggested by Energy Trust, and appear here as received.*

#### 1. Pacific Power SB 838 Energy Efficiency Activities and Results Q4 2011

(for submission with Energy Trust Quarterly Report)

#### **SB 838 General**

- Pacific Power's continued to coordinate efforts regarding Governor Kitzhaber's "Cool Schools" legislation and the impacts of redistributing the monthly allocations of Public Purpose Charge. Pacific Power moved from distributing monthly funds from six Education Service Districts (ESDs) to 75 school districts. The first "Cool Schools" distribution was successfully delivered on November 18, 2012. "Cool Schools" funds will continue to be delivered to school districts on or around the 18<sup>th</sup> of the month will all other regular Public Purpose Charge distributions.
- Pacific Power staff spent a significant amount of time in Q4 preparing for and filing an increase to Schedule 297 – Energy Conservation Charge. Preparations included reviewing Energy Trust's budgets and high level program plans, reviewing Pacific Power's plan for retained funds to support customer participation in Energy Trust programs, and tuning the funding request to support achievement of Pacific Power's Integrated Resource Plan.

#### **SB838 Commercial efficiency programs**

- Pacific Power wrapped up its "Cool Schools" and Public Buildings workshops held late September/early October in Albany, Bend, Pendleton, Portland, Medford and Roseburg, Oregon. 193 representatives from K12 schools and public buildings register to attend. Representatives from Pacific Power, Oregon Department of Energy, Energy Trust of Oregon and local speakers provided information on funding options for energy efficiency in schools and public buildings, no cost and low cost measures that can be implemented quickly and easily, and the value of benchmarking with ENERGY STAR's portfolio manager. Feedback from attendees was very positive, including three follow up emails from attendees thanking Pacific Power for hosting the events.
- Pacific Power's contracted Field Energy Consultant provided 103 "warm leads" to Energy Trust of Oregon through late Q3 and early Q4. The "warm leads" were the result of commercial customers attending Power of Main Street and "Cool Schools" and Public Buildings hosted in earlier in the year.

#### **SB 838 Industrial efficiency programs**

#### **SB 838 Residential efficiency programs**

During October, 12 *Watt*smart residential energy efficiency workshops were successfully delivered throughout Pacific Power's Oregon service territory. Pacific Power worked with Clean

Energy Works Oregon (CEWO) representatives to provide energy efficiency financing information at workshops where the CEWO program is currently active. Pacific Power was pleased with the approximately 89% show up rate of 1,102 registered participants! 428 customers requested an email link to receive Energy Trust's free Energy Saver Kit. Workshop registrations received:

- Albany = 120\*
  - Astoria = 51
  - Bend = 116
  - Coos Bay = 118\*
  - Cottage Grove = 27
  - Grants Pass = 178\* (CEWO)
  - Hood River = 25
  - Klamath Falls = 100\* (CEWO)
  - Medford = 152\* (CEWO)
  - Pendleton = 37
  - Portland = 112\* (CEWO)
  - Roseburg = 66\*
- \* sold out venues

Be **Watt**smart workshop survey results indicate:

- Most customers (61.8%) heard about the event through a bill insert or mailed invitation. Other recognized outreach included email from Pacific Power (26.3%) and email from a friend/coworker/association (10.6%).
- Most customers attended the events to learn how to reduce their energy bill (65.3%). Other popular answers were to save money (45.9%) and conserve energy (41.2%).
- Nearly all customers (97.4%) indicated that improving energy efficiency at their home was a medium to high priority.
- Most customers (58.8%) indicated they had done a quite a bit improve energy efficiency at their home, but could do a lot more. 41.3% of customers indicated they had done a few things to very little or nothing.
- When it comes to barriers to making energy efficiency improvements at their homes, most (42.6%) indicated they could not afford it, 35.7% said they were planning on making improvements in the future, and 28.5% were unsure of what improvements to make.
- Most customers (99.1%) were satisfied or very satisfied with the speakers at the events.
- Most customers (99.6%) agreed or strongly agreed the workshop content was appropriate and informative.
- 95.7% of customers said they would recommend the conference to others.

Throughout Q4, Pacific Power ran TV and radio spots, print ads and outdoor ads promoting being **watt**smart by adding insulation, upgrading lighting, caulking, purchasing ENERGY STAR appliances, refrigerator recycling, scheduling a Home Energy Review, getting Energy Trust advice and incentives and finding Energy Trust qualified contractors.

In October, residential customers received bill inserts promoting Be **Watt**smart energy efficiency workshops, Energy Trust heat pump incentives, the annual Energy Trust "opt out" insert, and a

Voices newsletter article focusing on reducing air leaks and insulating/sealing ductwork with support from Energy Trust and their free Energy Saver Kit offer.

November/December's Voices newsletter contained an article focusing on reduced prices for specialty CFLs supported by Energy Trust.

## **2. Portland General Electric SB 838 Energy Efficiency Activities and Results Q4 2011**

(for submission with Energy Trust Quarterly Report)

### **Residential**

PGE's residential customer newsletter, Update, is sent monthly to 625,000 customers in their PGE bills. October's edition featured Energy Trust heat pump incentives.

PGE's residential e-newsletter, Home Connection, is sent monthly to about 350,000 customers. In November, Home Connection featured the Home Performance with ENERGY STAR program; 71 customers clicked through for more information.

In October, PGE sent an email to 24,000 moderate-income, single-family homeowners with electric heat featuring Energy Trust's "Savings within Reach" program, achieving a 21% open rate.

During November, PGE supported the Energy Trust's Energy Saver Kit program with an email to 135,000 residential customers. 74,422 PGE customers opened the email, achieving a 29% open rate. In the hours after the email went out on 11/28, Energy Trust's website received 13,700 visits - a new record for energytrust.org. The previous one-day high, generated by a PGE email, was 5,700 visits. 8,000 kits were ordered on 11/28.

In December, PGE supported the Energy Trust's Refrigerator Recycling program with an email to 132,647 single-family homeowners. 28,980 PGE customers opened the email, achieving a 21% open rate.

From October to December, PGE Community Offices gave away free 14 watt compact florescent bulbs (CFLs) to PGE customers. PGE Community Offices distributed 72,000 bulbs during this period of time- resulting in 2 MW in energy savings.

### **2011 Measurable Results**

- 22,973 Energy Saver Kits to PGE customers in 2011
- 5,465 PGE customers participated in the Energy Trust's Refrigerator Recycling program
- 149 PGE customers participated in the Marathon water heater promotion; 77 customers received the Energy Trust \$75 water heater incentive
- 1,336 free showerheads have been installed by PGE's plumber network when on residential jobs in PGE's service territory. 14,102 showerheads have been distributed to PGE customers in 2011 through plumber network and kits.
- 46 Energy Trust Home Comfort bonus incentives
- 57 Energy Trust window bonus incentives
- 104 Savings within Reach participants
- ETO Transfers 2011: Appliance Program (PECI): 239, Warm Program (CSG): 513, OPower: 467

### **Commercial**

PGE's business newsletter Energize is sent quarterly to 76,000 customers in their bills. The fall edition of Energize featured the limited-time bonus incentives from Energy Trust of Oregon on lighting upgrades and custom capital energy-efficiency improvements such as heating, ventilation and air-conditioning upgrades and a case study on HOTLIPS Pizza.

PGE's business e-newsletter, Business Connection, is sent bi-monthly to 15,000 business customers. October Business Connection featured the case study on HOTLIPS Pizza. December Business Connection featured a real life savings story about Topanien Global Gifts.



PGE launched the second Direct Mail for the Fall EE Campaign in November in an effort to feed the project pipeline for the end of the year. To better meet the expectations of the general business customer segment, PGE's direct mail focused on the offer of onsite consultations. A very targeted direct mail letter was sent to previously untapped geographic areas within PGE's service territory encouraging customers to request onsite consultations. The campaign was extended through November, 2011. PGE continues to utilize the support of our contact center and outreach through Green Mountain Energy business reps.

The major channels for the Fall Campaign were: direct mail, bangtails, email blast, contact center, and Green Mountain Energy business reps.

<b>Fall Campaign Activities</b>	<b>Fall Campaign Results</b>
<b>From October 1 to December 31, 2011</b>	
Request for free energy efficiency consultation for Oct, Nov, Dec	92
Fall Campaign qualified leads delivered to Energy Trust for Oct, Nov, Dec	39
<b>Total for Campaign</b>	
Total Fall Campaign requests for free energy efficiency consultation	110
Total Fall Campaign qualified leads delivered to Energy Trust	51

#### **SB838 Commercial Energy Efficiency Outreach**

<b>Key Objectives</b>	<b>Results 10/01/2011 to 12/31/2011</b>
Increased Awareness of Energy Trust Programs - Outreach Presentations and Networking	19
Increased Participation-Qualified Leads delivered to Energy Trust	127
Increased Awareness of Energy Trust Programs-Number of Customers Contacted by <ul style="list-style-type: none"> <li>• Phone</li> <li>• Email</li> <li>• On-site Consultations</li> <li>• Outreach Presentations</li> <li>• Summer Hire Canvassers</li> </ul>	771

#### **Outreach Presentations, Networking, Trade Associations and Events**

These activities elevate Energy Trust program awareness and engage customers in identifying potential energy saving opportunities.

Keizer Chamber  
Wilsonville Chamber Lunch  
Silverton Kiwanis  
Silverton Chamber – Solar  
Oregon City Chamber  
Keizer Men At Noon Networking Luncheon  
Tigard Chamber of Commerce  
Mt Hood Area Chamber  
Lake Oswego Chamber  
Newberg City Club  
Tigard Tualatin Chamber Business Showcase  
Chamber Lunch - Wilsonville  
Tualatin Chamber Lunch  
Beaverton Chamber

North Plains Chamber  
West Columbia Gorge Chamber of Commerce  
Estacada Chamber  
Job Growers / SustainNW -- Essentials of Energy Efficiency  
Good Morning Oregon City

### OVERVIEW

The Northwest Energy Efficiency Alliance (NEEA) is a non-profit organization working to maximize energy efficiency to meet the future energy needs of the Northwest. Among the more than 100 Northwest utilities investing in NEEA, Energy Trust of Oregon is one of NEEA's top funders. Energy Trust expects to invest close to \$40 million to support NEEA from 2010-2014, more than 20 percent of NEEA's budget for the period.

This report provides a summary of NEEA activities that delivered value to Energy Trust and its utility partners during the fourth quarter of 2011 (September - December).

### FILLING THE ENERGY EFFICIENCY 'PIPELINE' FOR ENERGY TRUST

NEEA's top focus, as prioritized by stakeholders, is to bring new energy-efficient technologies and practices to the market in order to increase the long-term potential of energy efficiency. NEEA is now actively engaged in more than 40 projects investigating technologies that will have broad benefits for Energy Trust and its utility partners.

#### *Q4 Emerging Technologies and Practices Highlights:*

- Released a revised Northern Climate Specification for heat pump water heaters and a qualified products list. Qualified products deliver both energy savings and comfort in cooler Northwest climates and across Energy Trust territory.
- Collaborated with Energy Trust to field-test real-world applications of heat pump water heaters, and develop a best-practices guide (15 of 30 test sites will be in Energy Trust territory). Energy Trust provided funds for enhanced photography in the guide and 15 of the 30 sites chosen are in Energy Trust territory.
- Completed metering of 101 homes (21 in Energy Trust territory) as part of the Residential Building Stock Assessment. Meters will provide detailed information about how and where electricity is used within the home. Results from this study will support conservation planning by Energy Trust and many other Northwest utilities.
- Engaged Energy Trust and other Northwest utilities to launch proof-of-concept study of luminaire-level lighting controls. Lighting controls have the potential to deliver large energy savings to Oregon energy consumers. However, there are significant barriers to adoption and proper implementation that the proof-of-concept test will study. Energy Trust is sponsoring one test site by providing compensation to the participant for equipment costs and some other expenses.
- In collaboration with Energy Trust identified two promising deep energy efficiency retrofit pilot projects in Energy Trust territory and began discussions with building owners. Pilot projects will demonstrate best practices, clarify business cases, and document case studies thereby accelerating market adoption of deep retrofits and increasing energy performance of the region's commercial real estate.
- Partnered with Energy Trust to present training options for industrial refrigerator operators to the Portland chapter of the National Refrigeration Engineers and Technicians Association (RETA). Attendees heard about both NEEA's new Impact-Centered Learning Program and Energy Trust's Refrigerator Operator Coaching (ROC) program.
- Targeting potential energy savings from the advanced integration of irrigation strategies within the agriculture sector. Energy Trust staff participated in a visioning and planning workshop in Walla Walla, Washington and is supporting NEEA in identifying demonstration project participants in eastern Oregon.
- Completed three comprehensive commercial lighting projects in partnership with Energy Trust. Pilots explored combination of training, incentives, and utility program requirements that can be used to drive lighting trade allies to deliver re-design projects. As a result of these efforts, Energy

Trust will embed the approach in its commercial lighting portfolio in 2012 incorporating lessons from the pilot.

## ACCELERATING MARKET ADOPTION FOR ENERGY TRUST

NEEA leverages the power of millions of energy consumers in the Northwest to influence key market actors, remove barriers, and build market capacity for energy efficiency. With support from funders like Energy Trust, NEEA designs and executes strategic market interventions to create lasting change and deliver *long-term* savings to the region.

### *Residential Sector Highlights:*

- Visited 613 (YTD) participating retail locations in Energy Trust territory, distributing over 4783 pieces of point-of-purchase material, and delivering 890 training sessions with sales associates to encourage major retailers to recognize energy efficiency as an important product attribute in televisions. In 2011, 30% of TVs on display at participating retailers in Oregon qualified as 'Most Efficient' (ENERGY STAR version 5.3).
- Worked in collaboration with Energy Trust to provide training and other resources to builders and appraisers to increase market share of energy-efficient homes. In 2011, NEEA trained 87 builders and 23 appraisers in Energy Trust territory. As a result of NEEA and Energy Trust efforts, in 2011 state providers certified 727 homes in Energy Trust territory as Northwest ENERGY STAR Homes. Market share of energy-efficient homes in the region is 15.1% (Oregon is 17.1%) exceeding NEEA's 2011 goal of 11%.
- Launched the *Welcome Home* campaign to drive homebuyers to builders' model homes, leveraging market platforms and partnerships to increase consumer awareness for energy-efficient homes. In Oregon, the campaign included 82 participating homes from 40 separate builders, and received approximately 549 entries. In Energy Trust territory, NEEA sponsored the Street of Affordable Homes, the Central Oregon Builders Association Tour of Homes, and the Lane County Tour of Homes to support Energy Trust in raising consumer awareness of energy-efficient homes.
- Supported the acceleration of DHP installations in Energy Trust territory by building infrastructure to support product delivery through NEEA's Master Installer Program, providing cooperative marketing support, and engaging upstream retailers and manufactured home builders. In 2011, utility-incented DHP installations numbered 440 in Energy Trust territory.
- Promoted DHP retail sales by facilitating the placement of ductless technology in 11 The Home Depot locations in Energy Trust territory, and recruiting one manufactured homes retailer to promote DHPs in new manufactured home sales.

### *Commercial Sector Highlights:*

- Completed second year of American Society for Healthcare Engineers Region 10 [Energy Efficient Commitment Challenge \(E2C\)](#). E2C challenged participating facilities to benchmark energy use and work toward a 10% reduction in 2011. Thirteen healthcare facilities in Energy Trust territory are participating in the challenge with results expected in Q2 20102.
- To advance adoption of commercial sector Strategic Energy Management in Energy Trust territory:
  3. Engaged property management firm KG Investment Management, and provided energy-savings recommendations for four buildings totaling 366,680 square feet. The firm implemented 50% of NEEA's recommendations to increase building efficiency.
  4. Collaborated with Energy Trust and Building Owners and Managers Association Portland to create the "Carbon4Square" energy benchmarking competition. In 2011, the competition engaged 85 major Portland commercial office properties in energy benchmarking and implementation of efficient practices to drive adoption of Strategic Energy Management in the commercial office market.
- NEEA-supported Energy Studies in Buildings Lab continued to provide technical assistance on the Portland Community College Southeast Center. The goal is a design that achieves aggressive energy efficiency goals and can be modeled for future buildings throughout Portland Community College.

### Industrial Sector Highlights:

- Through Q4, four food processing facilities in Energy Trust territory are implementing self-sustaining energy management systems, thereby increasing adoption of energy efficiency and persistence of savings in Energy Trust territory. NEEA promotes and encourages the adoption of Strategic Energy Management by providing tools and education to the industrial sector.
- Trained 16 Energy Trust customers from 11 industrial facilities. Trainings included: 1) Adjustable Speed Drive Applications and Energy Efficiency, 2) Compressed Air Challenge - Level 1, 3) Energy Management: Introduction to Best Practices, and 4) Energy Data Analysis.

### Codes and Standards Highlights:

- Developed curriculum and trained 289 building officials and design and construction professionals in Energy Trust territory on the non-residential Oregon energy code. As a result of these efforts code compliance should increase leading directly to increased savings in new construction.
- Convened the Oregon Energy Codes Collaborative for planning and information sharing. As a result of feedback from Energy Trust, NEEA will be revising its methodology to better reflect when savings begin to accrue after a new code is adopted.
- NEEA's more formalized standards initiative is paying off. In Q4, US Department of Energy published its final rule on florescent lamp ballast standards. NEEA's technical comments and data analyses heavily informed the outcome. The new standard, which will be implemented in 2014, will save the region an estimated 26 aMW annually.
- Contributed key technical comments to US Environmental Protection Agency on the proposed ENERGY STAR water heater specification and encouraged the integration of the revised northern specification for Heat Pump Water Heaters into federal test procedures and standards.
- Launched a 50-household study to explore typical household dryer use in a real-world setting. NEEA will provide this data to DOE to design a "realistic" test procedure to evaluate clothes dryers. Similarly, NEEA also launched a household-study of refrigerator/ freezers ice-makers to characterize typical energy-use, and develop a realistic test procedure.

## DELIVERING ON REGIONAL ADVANTAGE

NEEA is the only alliance of public and private electric utilities with national and global upstream market partners that represents the entire four-state region in the Northwest. NEEA aggregates resources to develop economies of scale and mitigate risk to individual utilities.

*Published three independent Market Progress Evaluation reports:*

5. [Market Progress Evaluation Report #1 for the Northwest Ductless Heat Pump Initiative](#)
  6. [Market Progress Evaluation Report #1 of the Consumer Electronics Initiative](#)
  7. [Analysis of 2010 energy savings from CEI](#)
- Continued to promote Conduit (<http://conduitsnw.org>) as a tool for information-sharing, coordination and collaboration among energy efficiency stakeholders in the Northwest. Conduit currently has over 1,200 registered users, including 36 Energy Trust staff. Engagement with Conduit among Energy Trust staff is high, with staff posting 37 pieces of content in Q4.
  - Facilitated and organized **EFFICIENCY CONNECTIONS NORTHWEST** in collaboration with Northwest utilities, November 2-3, 2011 in Tacoma, WA, to facilitate regional collaboration on energy efficiency opportunities and share best practices.
  - Reestablished the Northwest Research Group to conduct and coordinate regional market research, foster peer review and facilitate knowledge sharing. Key personnel from Energy Trust participate in this group.
  - Initiated the Regional Energy Efficiency Messaging and Toolkit Project in partnership with the Regional Marketing Coordinating Council, which includes Energy Trust staff. The deliverables from this project, including energy efficiency messaging and a marketing tool-kit, will be available to Energy Trust and its utility partners to support their outreach and marketing efforts.

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## Appendix 5

### 2011 Results Addressing Budget/Workplan Themes

*In fall 2010 presentations describing its proposed 2011 budget and workplan, Energy Trust outlined several guiding “themes.” In comments on the proposed budget, the Oregon Public Utility Commission asked Energy Trust to include results addressing these themes in its Q4 2011 report. This appendix provides those results.*

#### **Theme 1. Overarching strategies to meet customer needs and achieve accelerating goals.**

Energy Trust preliminary 2011 results surpassed expectations during a year marked by a stalled economy and unexpected reductions in available Business Energy Tax Credits through the State of Oregon. Energy efficiency acquired exceeded Energy Trust’s annual stretch goals established in the 2011 budget and workplan, resulting in savings of 46.9 average megawatts of electricity and 5.4 million annual therms of natural gas. Renewable energy programs, while facing the same challenges, installed a record-breaking number of solar electric systems while also building a robust pipeline of solar, biopower and hydropower projects for installation in 2012 and beyond.

**Theme 2. Customer service and focus.** Our best measure of success providing good customer service comes from Fast Feedback phone surveys of participants receiving incentive checks. We fielded these surveys roughly each quarter during 2011 to a total of 3,397 participants in six programs—Existing Buildings, New Buildings, Production Efficiency, New Homes and Products, Existing Homes and Solar Electric. Participants were deemed “satisfied” if they rated their overall satisfaction as “4” or “5” on a point scale where “1” means “not at all satisfied” and “5” means “very satisfied.” For the year across these programs, the percentage of “satisfied” participants ranged from a low of 88 percent (New Buildings) to a high of 94 percent (Existing Buildings, Soar Electric), with the three remaining programs landing at 91 percent (Existing Homes), 92 percent (Production Efficiency) and 93 percent (New Homes and Products). Another measure of customer satisfaction is the number of escalated complaints. Of the many tens of thousands of customers served in 2011, 22 lodged complaints that escalated to the attention of top staff or the OPUC, compared to 31 in 2010; all were resolved or closed.

**Theme 3. Higher demand for and greater diversity of program offerings.** In 2011, Energy Trust engaged in an expanding number of pilots and small projects exploring new ways to engage customers and testing whether efforts to change occupant behavior are effective. Activities in these areas included:

- A group of 60,000 PGE and NW Natural customers in the OPOWER behavior change pilot received six Personal Energy Reports during 2011, year one of the pilot. The pilot has been extended to send an additional six reports to the same 60,000 customers in 2012. Preliminary indicators suggest gas and electric savings are on track to meet or exceed goals. The cumulative opt-out rate is a low 0.7 percent.
- In its first full year of operation, Clean Energy Works Oregon expanded from the Portland area into the Rogue Valley, Klamath and Lake counties, and Bend. By the end of 2011, nearly 500 CEWO projects had been completed and logged into Energy Trust systems, along with 190 projects begun during the Clean Energy Works Portland pilot. (Energy Trust totals vary from Clean Energy Works Oregon’s due to data entry timing.) In addition to financial incentives, Energy Trust provides ongoing strategic and tactical collaboration with Clean Energy Works Oregon and contributes in-kind program delivery and quality control support.

- The Existing Buildings program began offering Strategic Energy Management-focused opportunities to customers in 2011. One approach, Commercial Energy Improvement, engages a cohort of building operators; the other approach, Integrated Energy Management, is offered to individual companies.
- The New Buildings program continued to offer its Small Commercial Efficiency pilot, designed to help builders of projects under 70,000 square feet streamline the process of efficient design eligible for green building certification such as LEED®. Eleven buildings enrolled in the pilot since it began in late 2009, and two projects completed construction in 2011. Based on experience with the pilot, program staff are developing a new offer for small commercial buildings.
- New Buildings also continued supporting the Path To Net Zero pilot; in 2011, five projects were completed.
- Another New Buildings initiative assisted projects in meeting the more stringent energy-efficiency requirements of the 2010 updated Oregon building code.
- The Production Efficiency program expanded its Strategic Energy Management offerings in 2011, with good results. Among these efforts were new cohorts in Kaizen Blitz and the Industrial Energy Improvement initiative, and a new Strategic Energy Management initiative, Refrigeration Operator Coaching.
- Several factors stimulated participation in the Solar program in 2011—including arrival of the third-party ownership model in Oregon and the ongoing success of bulk-buy Solarize efforts, which got a boost from Umpqua Bank's GreenStreet Lending program.

**Theme 4. Technical and policy input in anticipation of state changes.** At the request of Rep. Gilliam, Rep. Cannon and Sen. Dingfelder, in March 2011 Energy Trust hosted a meeting to discuss state Residential Energy Tax Credits. Energy Trust presented an analysis of opportunities to reduce or eliminate specific RETC offerings, as well as areas where RETC might be strengthened, in light of synergies between the tax credits and Energy Trust financial incentives. Energy Trust staff also provided information upon request related to proposed legislation to modify the Business Energy Tax Credit and to support "Cool Schools" energy retrofits.

**Theme 5. Successful Integrated Solutions Implementation Project.** Over the course of the year, Energy Trust staff accomplished significant foundational work for the Integrated Solutions Implementation Project (ISIP). By the end of 2011, based on a thorough analysis and assessment, staff transitioned the project to a two-phased implementation schedule and refined a comprehensive approach linking business objectives to project success metrics. Phase one of this new framework targets completing top priority business objectives by the end of 2012. Remaining major business objectives will be addressed in phase two and completed in 2013.

## Appendix 6

### Q4 2011 REPORT FOR NW NATURAL WASHINGTON ACTIVITIES

October 1 through December 31, 2011

This Energy Trust of Oregon quarterly report covers the period October 1, 2011, through December 31, 2011. This report addresses progress toward 2011 goals for the NW Natural energy-efficiency program in Washington. It includes information on expenditures, therm savings, projects completed and incentives paid during the quarter and year to date. A more comprehensive annual report will be completed in April 2012.

#### I. PROGRAM SUMMARY

##### A. General

- Q4 completed with 124,757 annual therms saved—including 32,232 annual therms in Existing Homes, 4,753 annual therms in New Homes and 87,772 annual therms in Existing Buildings. The strong quarterly performance enabled the program to exceed its 2011 total savings goals while maintaining program cost-effectiveness. Total program spending, including incentives, delivery and administration, ended the year well within budget.

##### B. Washington Utilities and Transportation Commission Performance Metrics

The table below compares quarterly results to 2011 program goals, as established in NW Natural's Energy Efficiency Plan for Washington (updated December 2010).

Metrics	Goal	2011 Total	Q1 Results	Q2 Results	Q3 Results	Q4 Results
Therms Saved	159,000-187,000	204,372	16,128	36,075	27,412	124,757
Total Program Costs	\$1,212,000 – \$1,380,616	\$1,069,376	\$191,619	\$210,186	\$260,003	\$407,567
Average Levelized Cost Per Measure	Not to Exceed \$0.65	\$0.358	\$0.785	\$0.404	\$0.416	\$0.225
Dollars Spent Per Therm Saved	Less Than \$7	\$5.23	\$11.88	\$5.83	\$6.21	\$3.27
Total Resource Cost and Utility Costs at Portfolio Level	Greater than 1.0	n/a	Reported Annually	Reported Annually	Reported Annually	Reported Annually

Additional information that further explains progress toward the year-end metrics is provided in section III.



## II. QUARTERLY RESULTS

### A. Expenditures

		Actual Expenditures Q4	Budgeted Expenditures Q4	Variance
Commercial Programs	Existing Buildings	\$ 163,130	\$ 199,628	\$ 36,498
	<b>Subtotal</b>	\$ 163,130	\$ 199,628	\$ 36,498
Residential Programs	Existing Homes	\$ 185,879	\$ 151,948	\$ (33,930)
	New Homes	\$ 51,535	\$ 49,609	\$ (1,926)
	<b>Subtotal</b>	\$ 237,413	\$ 201,557	\$ (35,856)
Administration		\$ 7,025	\$ 10,551	\$ 3,527
<b>TOTAL</b>		\$ 407,567	\$ 411,736	\$ 4,169

As anticipated, actual expenditures increased significantly in Q4 compared with other quarters. Existing Homes expenses were high due to the marketing efforts leading into the heating season and resulting increased incentives paid in Q4.

### B. Incentives paid

		Actual Incentives Q4
Commercial Programs	Existing Buildings	\$ 115,191
	<b>Subtotal</b>	\$ 115,191
Residential Programs	Existing Homes	\$ 83,075
	New Homes	\$ 32,640
	<b>Subtotal</b>	\$ 115,715
<b>TOTAL</b>		\$ 230,906

Roughly half of total 2011 incentives was paid during Q4, driven by several large commercial projects that completed before the year closed. Savings booked in Q4 corresponded with expenditures, as shown below.

### C. Savings

		Therms Saved Q4	\$/Therm	Levelized Cost/Therm
Commercial Programs	Existing Buildings	87,772	\$ 1.89	12.5 ¢
	<b>Subtotal</b>	87,772	\$ 1.89	12.5 ¢
Residential Programs	Existing Homes	32,232	\$ 5.88	49.7 ¢
	New Homes	4,753	\$ 10.91	69.4 ¢
	<b>Subtotal</b>	36,985	\$ 6.53	52.2 ¢
<b>TOTAL</b>		124,757	\$ 3.27	22.5 ¢

### III. YEAR-TO-DATE RESULTS

#### A. Activity

	Q1	Q2	Q3	Q4	Total
<b>Existing Commercial</b>					
School/college retrofits	--	3	1	6	<b>10</b>
Other commercial retrofits	1	4	5	9	<b>19</b>
Studies	--	--	--	--	--
<b>Existing Homes</b>					
Weatherization (insulation, air- and duct-sealing)	29	32	17	49	<b>127</b>
Gas hearths	8	3	3	27	<b>41</b>
Gas furnaces	40	36	19	63	<b>158</b>
Water heaters	11	7	5	6	<b>29</b>
Home Energy Reviews	83	53	15	62	<b>213</b>
<b>New Homes</b>					
Builder Option Package (BOP)	40	33	88	49	<b>210</b>
Clothes washers				107	<b>107</b>

#### B. Revenues

Source	Actual Revenue YTD	Budgeted Revenue YTD
NW Natural	\$ 642,144	\$ 755,207

The variance reflects a timing difference within the 2011-2012 Energy Trust board-approved budget. The full revenue amount for 2011 was received from NW Natural, per the current contract.

#### C. Expenditures

		Actual Expenditures YTD	Budgeted Expenditures YTD	Variance
<b>Commercial Programs</b>	Existing Buildings	\$ 402,851	\$ 493,154	\$ 90,304
	<b>Subtotal</b>	\$ 402,851	\$ 493,154	\$ 90,304
<b>Residential Programs</b>	Existing Homes	\$ 423,480	\$ 517,068	\$ 93,588
	New Homes	\$ 212,356	\$ 191,288	\$ (21,068)
	<b>Subtotal</b>	\$ 635,836	\$ 708,356	\$ 72,519
<b>Administration</b>		\$ 30,689	\$ 42,127	\$ 11,438
<b>TOTAL</b>		\$ 1,069,376	\$ 1,243,637	\$ 174,261

The favorable spending variances in Existing Buildings and Existing Homes were driven largely by unneeded incentive budget and a partial-year position vacancy. The New Homes program exceeded its incentive budget because the ENERGY STAR® Builder Option Package, BOP, exceeded goal by 60 homes.

## D. Incentives paid

		Actual Incentives YTD
Commercial Programs	Existing Buildings	\$ 157,772
	<b>Subtotal</b>	\$ 157,772
Residential Programs	Existing Homes	\$ 172,757
	New Homes	\$ 129,240
	<b>Subtotal</b>	\$ 301,997
<b>TOTAL</b>		\$ 459,769

Incentives paid account for 51 percent of total year-to-date program expense. This percentage would have been higher if savings had been acquired at a higher cost per therm. Acquisition of savings was particularly cost effective on the commercial side. Total program expense is adjusted down by 15 percent to account for costs that a utility-delivered program would recover through rates.

## E. Savings

		Therms Saved YTD	Annual Goal (Conservative)	% Achieved YTD	\$/Therm	Levelized Cost/Therm
Commercial Programs	Existing Buildings	121,198	89,250	136%	\$ 3.42	22.5 ¢
	<b>Subtotal</b>	121,198	89,250	136%	\$ 3.42	22.5 ¢
Residential Programs	Existing Homes	63,931	54,106	118%	\$ 6.82	54.1 ¢
	New Homes	19,243	15,895	121%	\$ 11.36	71.4 ¢
	<b>Subtotal</b>	83,174	70,001	119%	\$ 7.87	57.9 ¢
<b>TOTAL</b>		204,372	159,251	128%	\$ 5.23	35.8 ¢

Levelized cost continued to drop in Q4 and is well below the \$0.65 per therm performance metric set by the Washington Utilities and Transportation Commission, WUTC. Dollars per therm dropped significantly in Q4, finishing the year nearly \$2 below the \$7 performance ceiling set by the WUTC.