

**2013 / 2014 Action Plan
2012 Forecast
2013 Budget
2014 Projections**

Approved Final

**Presented to the Board of Directors
December 14, 2012**

MEMO

Date: December 14, 2012
To: Board of Directors
From: Margie Harris, Executive Director
Subject: Proposed Final 2013-2014 Action Plan and 2013 Budget (Approved 12-14-2012)

Greetings! Enclosed please find our proposed final 2013-2014 action plan and 2013 budget, both of which will be the focus of our December board meeting. The binder material is organized as follows:

- **Staff Presentation:** summarizing the changes between the draft budget and action plan and the proposed final 2013-2014 budget and action plan.
- **2012 Forecast:** information detailing actual results through the third quarter and projecting year-end expenses by program and utility service territory.
- **Public Comment:** summary of the public comments received on the draft budget and action plan, and the corresponding staff responses along with copies of the original comments.
- **2013 Budget:** 2013 summary level information, including the 1-page re-cap, a quick reference look at program budgets, goals, costs, evaluation dates and program management contractor information with additional information on programs by utility service territory.
- **Action Plan and Programs:** the 2013-2014 action plan, including a narrative introduction about our operating environment, highlighted themes and detailed strategies, actions, comparisons, budgets and where applicable, projected savings/generation by program/department, 2013 projects and 2014 planned activities.
- **Staffing, Capital Budget and 2014 Projections** complete the binder.

I look forward to our discussion next week and welcome your comments and questions.
Thank you.



Final 2013-2014 Action Plan and Budget

Board of Directors
December 14, 2012



2012 Forecasted Results



Efficiency Program Savings:

- Still projecting 50.3 aMW at 2.9 cents per kwh
- Oregon still 6.0 million annual therms at 34 cents per annual therm
- Washington still 228K annual therms at 44.6 cents per annual therm

Renewables Generation:

- Still 5.8 aMW of generation anticipated



2012 Carryover Changes



~\$4.3 M

Revenue reductions from September forecast based on actual receipts and corresponding re-forecast:

- PGE efficiency revenue down \$1 million
- Pacific Power efficiency revenue down \$1.6M
- Reflects recent board approved \$700k interest income allocation to Cascade to cover transition
- Renewable revenue down ~ \$300k

Activity based expenses increased to reflect additional commitments in renewables





Many small tweaks = little overall change

- Draft and Proposed Final Budget nearly the same
- Highlighted changes include:
 - Overall carryover from 2012 to 2013 reduced by \$2.7 million
 - PGE elected to front-load revenue in 2013 to eliminate rate increase potential in 2014
 - Pacific Power efficiency budget and savings reduced by \$1.5 and .6 aMW (net) respectively to match IRP target
 - Pacific Power 2013 revenue adjusted downward by \$2.5 million

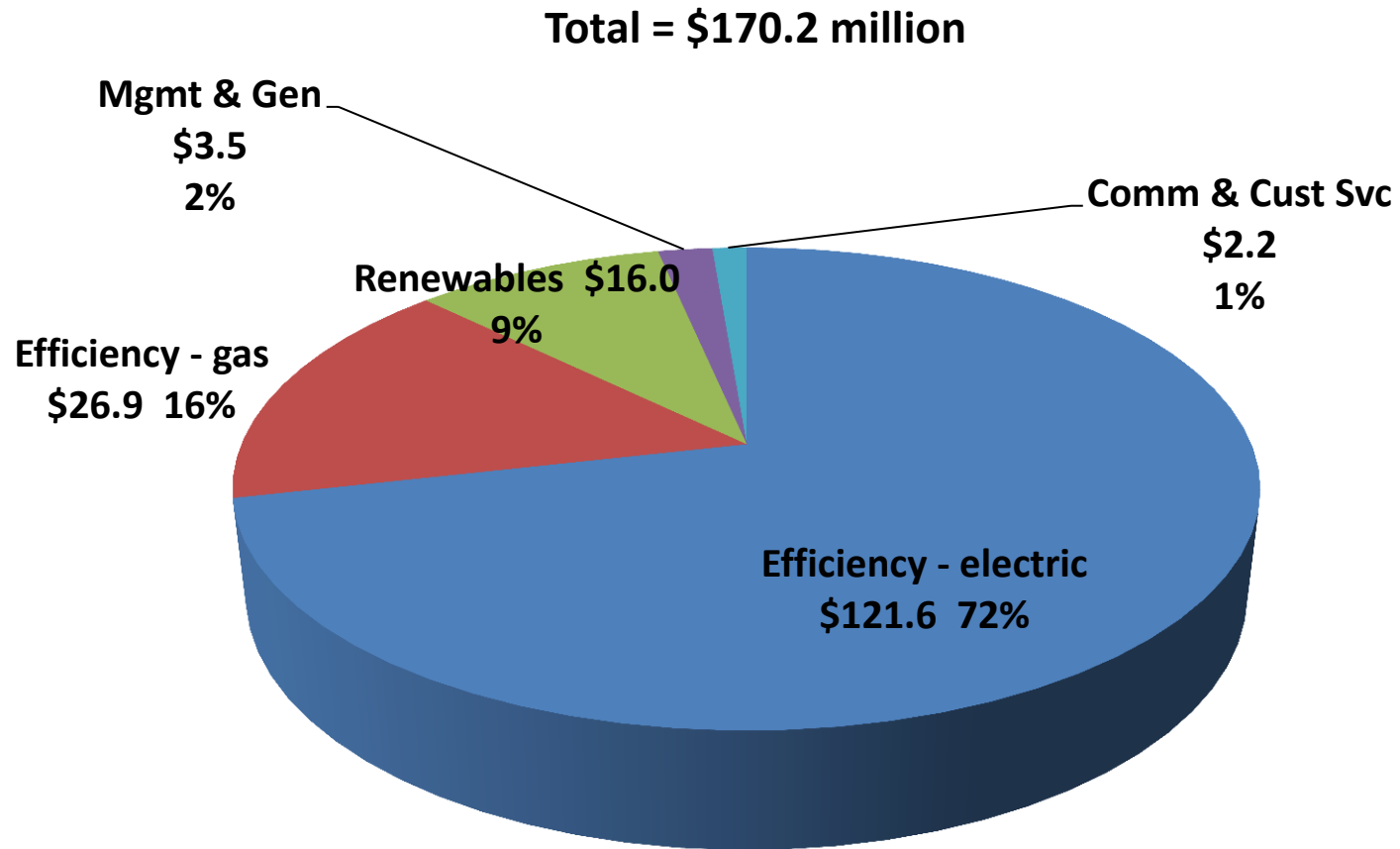


Changes from 2013 Draft Budget

| | Carryover in Millions | Revenue in Millions | Expense | aMW Savings | Annual Therm Savings in Thousands | aMW Generation |
|---------------------------|-----------------------|---------------------|---------------|--------------|-----------------------------------|----------------|
| Efficiency-PGE | \$ (1.0) | \$ 1.9 | \$ 0.4 | 0.2 | | |
| Efficiency-Pacific Power | (1.6) | (2.5) | (1.5) | (0.6) | | |
| Efficiency-NWN | | | 0.5 | | 90.3 | |
| Efficiency-NWN Industrial | | 0.1 | 0.1 | | 44.5 | |
| Efficiency-Cascade | 0.1 | 0.7 | | | 8.3 | |
| Efficiency-NWN Washington | | | | | 3.6 | |
| Renewables-PGE | (0.1) | | | | | 0.03 |
| Renewables-Pacific Power | (0.2) | | 0.4 | | | (0.08) |
| Total Change | \$ (2.7) | \$ 0.2 | \$ 0.1 | (0.4) | 146.8 | (0.05) |

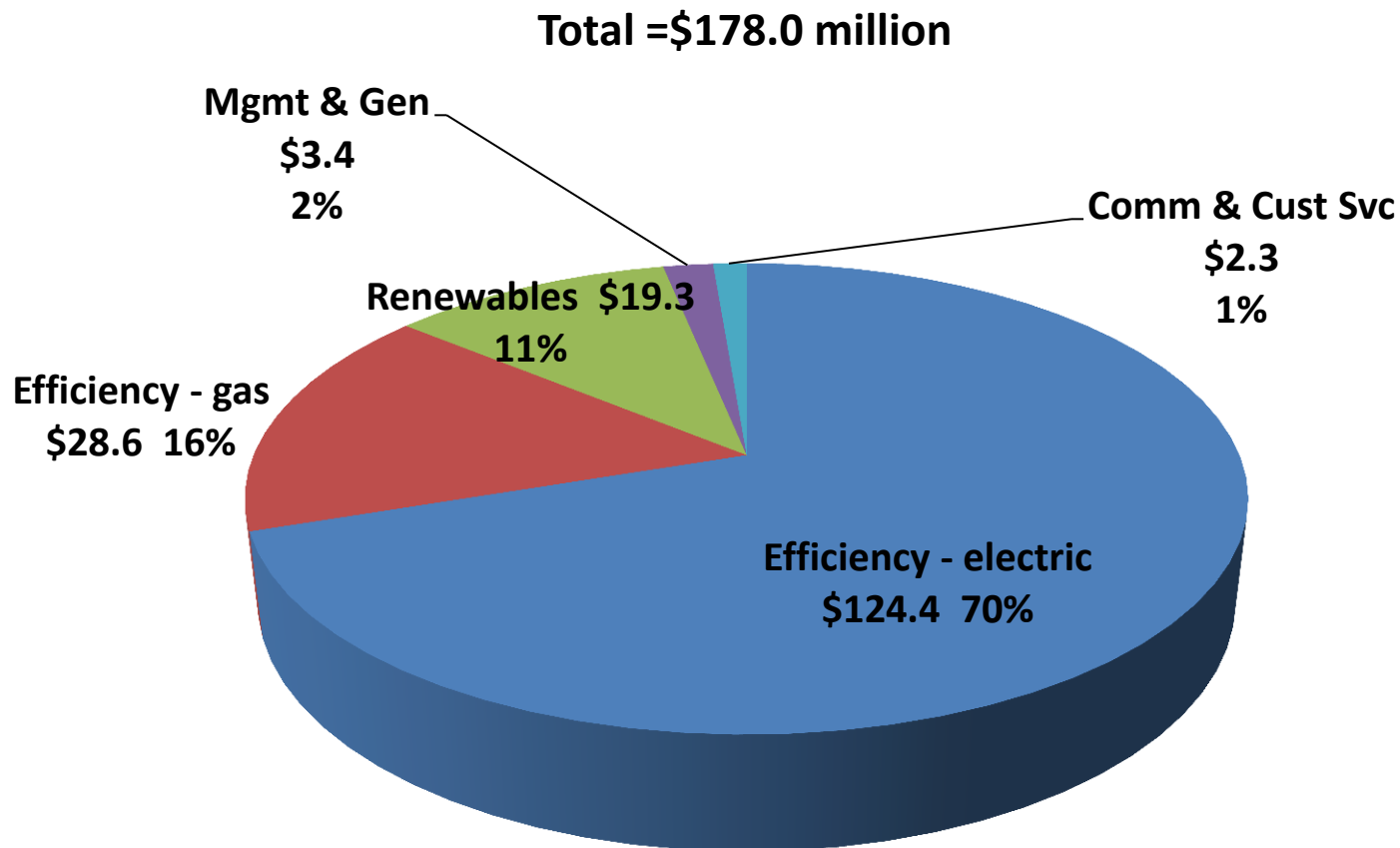


2013 Budget Overall





2014 Projection





Stakeholder Engagement



- Early engagement of utilities, advisory councils, and trade allies in program planning
 - Program concepts presented to individual utilities in July; valuable exchange of comments and iteration
 - Program concepts presented at CAC (July) and RAC (Sept)
 - Engagement of trade ally stakeholder group on incentive changes
- Additional outreach to customer groups
- Public comment invited via web site at:
www.energytrust.org
 - Direct links to all detailed budget and action plan documents



Common Feedback/Themes Heard

- Acknowledgement of strong 2012 forecasted results
- Refinement of goal terminology needed
- Cost management and minimizing rate impact remains a priority
- Collaboration and communication valued; more involvement, additional reporting sought
- Support for pilots and innovative approaches



Discussion and Recommendation

Questions/discussion?

Staff recommends Board approval of the 2013 Proposed Final Budget and 2013-2014 Action Plan





Thank you!



1-866-368-7878
www.energytrust.org



Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory - joint costs allocated at program level
For the Twelve Months Ending December 31, 2012
2012 Forecast - Approved Final

| | ENERGY EFFICIENCY | | | | | | | RENEWABLE ENERGY | | | | Other | TOTAL All Programs | | | |
|---|--------------------|-------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|---------------------|------------------|---------------------|
| | PGE | PacifiCorp | Total | NWN Ind | NW Natural | Cascade | Oregon Total | Clark PUD WA | NWN WA | Total WA | ETO Total | | | PGE | PacifiCorp | Total |
| REVENUES | | | | | | | | | | | | | | | | |
| Public Purpose Funding | \$28,238,402 | \$19,642,604 | \$47,881,006 | | \$17,099,731 | \$1,429,723 | \$66,385,002 | | | | \$66,385,002 | \$8,064,629 | \$5,535,354 | \$13,599,983 | \$79,984,985 | |
| Incremental Funding | 39,655,205 | 23,546,515 | 63,201,720 | 1,614,516 | | | 64,816,236 | | 1,261,914 | 1,261,914 | 66,078,150 | | | | 66,078,150 | |
| Consumer Owned Electric Funding Contributions | | | | | | | | 59,690 | | 59,690 | 59,690 | | | | 59,690 | |
| Special Projects | | | | | 200 | | 200 | | | | 200 | | | | 200 | |
| Revenue from Investments | | | | | | | | | | | | | | 140,914 | 140,914 | |
| TOTAL PROGRAM REVENUE | 67,893,607 | 43,189,119 | 111,082,726 | 1,614,516 | 17,099,931 | 1,429,723 | 131,201,438 | 59,690 | 1,261,914 | 1,321,604 | 132,523,042 | 8,064,629 | 5,535,354 | 13,599,983 | 171,404 | 146,294,429 |
| EXPENSES | | | | | | | | | | | | | | | | |
| Program Management (Note 3) | 2,389,247 | 1,357,257 | 3,746,504 | 77,349 | 812,778 | 94,020 | 4,730,651 | 3,519 | 132,659 | 136,178 | 4,866,829 | 334,186 | 466,936 | 801,122 | 1,544 | 5,669,495 |
| Program Delivery | 20,973,317 | 12,495,523 | 33,468,840 | 549,292 | 4,711,216 | 680,543 | 39,409,891 | 10,000 | 302,428 | 312,428 | 39,722,319 | 197,498 | 71,911 | 269,409 | | 39,991,728 |
| Incentives | 39,066,619 | 22,692,246 | 61,758,865 | 1,863,073 | 10,915,863 | 1,097,108 | 75,634,909 | 37,000 | 559,374 | 596,374 | 76,231,283 | 15,273,143 | 5,394,562 | 20,667,705 | | 96,898,988 |
| Program Eval & Planning Svcs. | 2,176,667 | 1,285,560 | 3,462,227 | 71,377 | 662,724 | 65,258 | 4,261,586 | 1,794 | 68,120 | 69,914 | 4,331,500 | 42,515 | 54,955 | 97,470 | | 4,428,970 |
| Program Marketing/Outreach | 2,515,333 | 1,598,833 | 4,114,166 | 12,977 | 1,282,664 | 124,651 | 5,534,457 | 514 | 104,836 | 105,350 | 5,639,807 | 200,964 | 57,618 | 258,582 | | 5,898,389 |
| Program Legal Services | | | | | | | | | | | | | | | | |
| Program Quality Assurance | 99,593 | 64,267 | 163,860 | 617 | 58,494 | 4,687 | 227,657 | | | | 227,657 | 1,079 | | 1,079 | | 228,736 |
| Outsourced Services | 571,449 | 326,151 | 897,600 | 11,264 | 249,898 | 20,088 | 1,178,850 | | | | 1,178,850 | 271,495 | 139,841 | 411,336 | | 1,590,186 |
| Trade Allies & Cust. Svc. Mgmt. | 432,642 | 286,263 | 718,905 | 3,848 | 270,772 | 20,842 | 1,014,367 | 1,115 | 24,706 | 25,821 | 1,040,188 | 35,105 | 9,265 | 44,370 | | 1,084,558 |
| IT Services | 783,813 | 472,540 | 1,256,354 | 17,592 | 335,651 | 29,917 | 1,639,514 | 1,852 | 44,197 | 46,049 | 1,685,563 | 93,608 | 105,001 | 198,609 | | 1,884,172 |
| Other Program Expenses | 298,250 | 175,270 | 473,520 | 14,224 | 90,648 | 10,142 | 588,534 | 1,647 | 37,981 | 39,628 | 628,162 | 104,764 | 93,219 | 197,983 | | 826,145 |
| TOTAL PROGRAM EXPENSES | 69,306,930 | 40,753,909 | 110,060,840 | 2,621,613 | 19,390,707 | 2,147,257 | 134,220,416 | 57,441 | 1,274,301 | 1,331,742 | 135,552,158 | 16,554,357 | 6,393,308 | 22,947,665 | 1,544 | 158,501,367 |
| ADMINISTRATIVE COSTS | | | | | | | | | | | | | | | | |
| Management & General (Notes 1 & 2) | 1,518,548 | 894,329 | 2,412,877 | 53,644 | 435,063 | 47,647 | 2,949,230 | 1,222 | 29,368 | 30,590 | 2,979,820 | 418,991 | 144,225 | 563,216 | | 3,543,036 |
| Communications & Cust Svc (Notes 1&2) | 797,976 | 470,025 | 1,268,001 | 27,180 | 231,268 | 25,146 | 1,551,596 | 663 | 15,300 | 15,963 | 1,567,559 | 168,400 | 67,098 | 235,498 | | 1,803,057 |
| Total Administrative Costs | 2,316,524 | 1,364,354 | 3,680,878 | 80,824 | 666,331 | 72,793 | 4,500,826 | 1,885 | 44,668 | 46,553 | 4,547,379 | 587,391 | 211,323 | 798,714 | | 5,346,093 |
| TOTAL PROG & ADMIN EXPENSES | 71,623,454 | 42,118,262 | 113,741,716 | 2,702,435 | 20,057,035 | 2,220,049 | 138,721,235 | 59,326 | 1,318,969 | 1,378,295 | 140,099,530 | 17,141,747 | 6,604,632 | 23,746,379 | 1,544 | 163,847,450 |
| TOTAL REVENUE LESS EXPENSES | (3,729,847) | 1,070,857 | (2,658,990) | (1,087,919) | (2,957,104) | (790,326) | (7,519,797) | 364 | (57,055) | (56,691) | (7,576,488) | (9,077,118) | (1,069,278) | (10,146,396) | 169,860 | (17,553,024) |
| Cumulative Carryover at 12/31/11 (Note 4) | 10,744,010 | 18,682 | 10,762,692 | 1,389,821 | 6,895,922 | 150,877 | 19,224,770 | | 247,772 | 247,772 | 19,472,542 | 16,410,883 | 8,267,775 | 24,678,658 | 10,514,019 | 54,665,219 |
| Interest attributed | 1,740,000 | 1,160,000 | 2,900,000 | | 5,000,000 | 700,000 | 8,600,000 | | | | 8,600,000 | 585,000 | 2,235,000 | 2,820,000 | (3,520,000) | 7,900,000 |
| Interest re-attributed | (1,740,000) | (1,160,000) | (2,900,000) | | (5,000,000) | | (7,900,000) | | | | (7,900,000) | | | | | (7,900,000) |
| TOTAL NET ASSETS CUMULATIVE | 7,014,163 | 1,089,539 | 8,103,702 | 301,902 | 3,938,818 | 60,551 | 12,404,973 | 364 | 190,717 | 191,081 | 12,596,054 | 7,918,765 | 9,433,497 | 17,352,262 | 7,163,879 | 37,112,195 |

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.

Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.

Note 3) Program Management costs include both outsourced and internal staff.

Note 4) Cumulative carryover at 12/31/2011 reflects audited results.

The Energy Trust of Oregon, Inc
Program Expense by Service Territory
For the Twelve Months Ending December 31, 2012
2012 Forecast Approved Final

| | PGE | Pacific Power | Elec. Utilities | NWN Ind | NW Natural | Cascade | Gas Providers | Oregon Total | Clark PUD WA | NWN WA | Total WA | Consulting | ETO Total |
|---|-------------------|-------------------|--------------------|------------------|-------------------|------------------|-------------------|--------------------|---------------|------------------|------------------|--------------|--------------------|
| Energy Efficiency | | | | | | | | | | | | | |
| Commercial | | | | | | | | | | | | | |
| Business Energy Solutions - Existing Buildings | 21,451,011 | 11,412,816 | 32,863,827 | 446,048 | 5,792,687 | 548,373 | 6,787,108 | 39,650,935 | 59,326 | 518,080 | 577,406 | | 40,228,341 |
| Business Energy Solutions - New Buildings | 8,464,989 | 4,211,069 | 12,676,058 | 167,844 | 1,284,298 | 227,135 | 1,679,277 | 14,355,335 | | | | | 14,355,335 |
| Market Transformation (NEEA) | 1,593,988 | 1,202,483 | 2,796,471 | | | | | 2,796,471 | | | | | 2,796,471 |
| Total Commercial | 31,509,988 | 16,826,368 | 48,336,356 | 613,892 | 7,076,985 | 775,508 | 8,466,385 | 56,802,741 | 59,326 | 518,080 | 577,406 | | 57,380,147 |
| Industrial | | | | | | | | | | | | | |
| Business Energy Solutions - Production Efficiency | 18,043,347 | 10,172,536 | 28,215,883 | 2,088,543 | 727,198 | 370,527 | 3,186,268 | 31,402,151 | | | | | 31,402,151 |
| Market Transformation (NEEA) | 816,572 | 616,009 | 1,432,581 | | | | | 1,432,581 | | | | | 1,432,581 |
| Total Industrial | 18,859,919 | 10,788,545 | 29,648,464 | 2,088,543 | 727,198 | 370,527 | 3,186,268 | 32,834,732 | | | | | 32,834,732 |
| Residential | | | | | | | | | | | | | |
| Home Energy Solutions - Existing Homes | 9,231,967 | 7,031,635 | 16,263,602 | | 8,637,908 | 496,470 | 9,134,378 | 25,397,980 | | 487,898 | 487,898 | | 25,885,878 |
| Home Energy Solutions - New Homes/Products | 9,444,594 | 5,527,672 | 14,972,266 | | 3,614,944 | 577,544 | 4,192,488 | 19,164,754 | | 312,991 | 312,991 | | 19,477,745 |
| Market Transformation (NEEA) | 2,576,986 | 1,944,042 | 4,521,028 | | | | | 4,521,028 | | | | | 4,521,028 |
| Total Residential | 21,253,547 | 14,503,349 | 35,756,896 | | 12,252,852 | 1,074,014 | 13,326,866 | 49,083,762 | | 800,889 | 800,889 | | 49,884,651 |
| Energy Efficiency Program Costs | 71,623,454 | 42,118,262 | 113,741,716 | 2,702,435 | 20,057,035 | 2,220,049 | 24,979,519 | 138,721,235 | 59,326 | 1,318,969 | 1,378,295 | | 140,099,530 |
| Renewables | | | | | | | | | | | | | |
| Biopower | 288,668 | 1,424,502 | 1,713,170 | | | | | 1,713,170 | | | | | 1,713,170 |
| Solar Electric (Photovoltaic) | 16,554,620 | 3,800,331 | 20,354,951 | | | | | 20,354,951 | | | | | 20,354,951 |
| Other Renewable | 298,457 | 1,379,798 | 1,678,255 | | | | | 1,678,255 | | | | | 1,678,255 |
| Renewables Program Costs | 17,141,745 | 6,604,631 | 23,746,376 | | | | | 23,746,376 | | | | | 23,746,376 |
| Consulting | | | | | | | | | | | | 1,544 | 1,544 |
| Cost Grand Total | 88,765,199 | 48,722,893 | 137,488,092 | 2,702,435 | 20,057,035 | 2,220,049 | 24,979,519 | 162,467,611 | 59,326 | 1,318,969 | 1,378,295 | 1,544 | 163,847,450 |

Energy Trust of Oregon, Inc
Statement of Functional Expenses
2012 Forecast Approved Final

| | Energy Efficiency | Renewable Energy | Total Program Expenses | Management & General | Communications & Customer Service | Total Admin Expenses | Total | Budget | Variance |
|--|----------------------|---------------------|---------------------------|-------------------------|--------------------------------------|-------------------------|--------------------|--------------------|------------------|
| Program Expenses | | | | | | | | | |
| Incentives/ Program Management & Deliv | 122,912,801 | 20,937,113 | 143,849,914 | | | | 143,849,914 | 149,175,438 | 5,325,524 |
| Payroll and Related Expenses | 2,394,432 | 801,122 | 3,195,554 | 1,861,028 | 807,871 | 2,668,899 | 5,864,453 | 6,536,781 | 672,328 |
| Outsourced Services | 4,733,585 | 670,996 | 5,404,581 | 263,042 | 693,000 | 956,042 | 6,360,623 | 9,248,763 | 2,888,140 |
| Planning and Evaluation | 2,157,424 | 97,470 | 2,254,894 | | | | 2,254,894 | 2,554,743 | 299,849 |
| Customer Service Management | 676,931 | 27,945 | 704,876 | | | | 704,876 | 682,898 | (21,978) |
| Trade Allies Network | 363,257 | 16,426 | 379,683 | | | | 379,683 | 503,284 | 123,601 |
| Total Program Expenses | 133,238,429 | 22,551,071 | 155,789,500 | 2,124,070 | 1,500,871 | 3,624,941 | 159,414,441 | 168,701,907 | 9,287,466 |
| Program Support Costs | | | | | | | | | |
| Supplies | 17,324 | 5,303 | 22,627 | 14,943 | 6,769 | 21,712 | 44,339 | 53,956 | 9,617 |
| Postage and Shipping Expenses | 1,830 | 665 | 2,495 | 1,125 | 3,055 | 4,180 | 6,675 | 24,455 | 17,780 |
| Telephone | 13,426 | 1,404 | 14,830 | 2,723 | 475 | 3,198 | 18,028 | 6,929 | (11,099) |
| Printing and Publications | 93,900 | 24,445 | 118,345 | 1,468 | 25,576 | 27,044 | 145,389 | 185,252 | 39,863 |
| Occupancy Expenses | 193,584 | 70,357 | 263,941 | 119,032 | 58,723 | 177,755 | 441,696 | 437,069 | (4,627) |
| Insurance | 30,963 | 11,253 | 42,216 | 19,038 | 9,392 | 28,430 | 70,646 | 72,544 | 1,898 |
| Equipment | 10,873 | 3,952 | 14,825 | 738,189 | 3,298 | 741,487 | 756,312 | 26,486 | (729,826) |
| Travel | 66,750 | 24,919 | 91,669 | 35,504 | 4,000 | 39,504 | 131,173 | 179,106 | 47,933 |
| Meetings, Trainings & Conferences | 52,542 | 3,880 | 56,422 | 116,688 | 8,500 | 125,188 | 181,610 | 270,240 | 88,630 |
| Interest Expense and Bank Fees | | | 0 | | | 0 | 0 | 7,500 | 7,500 |
| Depreciation & Amortization | 45,284 | 16,458 | 61,742 | 27,844 | 13,737 | 41,581 | 103,323 | 157,576 | 54,253 |
| Dues, Licenses and Fees | 100,983 | 35,091 | 136,074 | 7,502 | 2,671 | 10,173 | 146,247 | 97,494 | (48,753) |
| Miscellaneous Expenses | 704 | 256 | 960 | 533 | 213 | 746 | 1,706 | 1,748 | 42 |
| IT Services | 1,685,562 | 198,609 | 1,884,171 | 335,922 | 165,777 | 501,699 | 2,385,870 | 3,522,226 | 1,136,356 |
| Total Program Support Costs | 2,313,724 | 396,592 | 2,710,316 | 1,420,511 | 302,187 | 1,722,698 | 4,433,014 | 5,042,581 | 609,567 |
| TOTAL EXPENSES | 135,552,153 | 22,947,663 | 158,499,816 | 3,544,580 | 1,803,058 | 5,347,638 | 163,847,450 | 173,744,483 | 9,897,033 |
| OPUC Performance Measure | 5.51% | | | | | | | | |

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory
2012 Forecast Approved Final

PGE

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Existing Homes | New Homes & Products | NEEA Residential | ETO Total |
|---|--------------------|------------------|------------------|-----------------------|-----------------|------------------|----------------------|------------------|-------------------|
| Program Management | 837,722 | 416,876 | 1,748 | 401,354 | 817 | 394,761 | 335,086 | 883 | 2,389,247 |
| Program Delivery: | 5,678,962 | 2,591,490 | 1,503,456 | 3,937,684 | 756,959 | 2,263,465 | 1,778,177 | 2,463,124 | 20,973,317 |
| Incentives: | 12,519,084 | 4,440,448 | | 12,355,602 | | 4,294,997 | 5,456,488 | | 39,066,619 |
| Program Eval & Planning Svcs.: | 677,119 | 329,143 | 28,193 | 466,354 | 29,023 | 408,177 | 209,635 | 29,023 | 2,176,667 |
| Program Marketing/Outreach: | 436,264 | 155,662 | | 66,068 | | 835,551 | 1,021,789 | | 2,515,333 |
| Program Legal Services: | | | | | | | | | - |
| Program Quality Assurance: | 1,437 | 29,468 | | | | 48,992 | 19,696 | | 99,593 |
| Outsourced Services: | 246,041 | 7,662 | | 84,452 | | 181,654 | 51,640 | | 571,449 |
| Trade Allies & Cust. Svc. Mgmt.: | 66,843 | 29,366 | | 16,160 | | 224,125 | 96,148 | | 432,642 |
| IT Services: | 239,606 | 122,479 | 1,110 | 87,726 | 555 | 218,985 | 111,685 | 1,666 | 783,813 |
| Other Program Expenses | 56,950 | 38,068 | 613 | 105,951 | 306 | 51,320 | 44,124 | 918 | 298,250 |
| TOTAL PROGRAM EXPENSES | 20,760,028 | 8,160,662 | 1,535,121 | 17,521,352 | 787,660 | 8,922,027 | 9,124,467 | 2,495,613 | 69,306,930 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 447,427 | 200,492 | 38,857 | 348,718 | 18,984 | 203,026 | 208,500 | 52,543 | 1,518,548 |
| Communications & Customer Svc | 243,557 | 103,835 | 20,011 | 173,275 | 9,927 | 106,915 | 111,627 | 28,831 | 797,976 |
| Total Administrative Costs | 690,984 | 304,327 | 58,868 | 521,993 | 28,912 | 309,940 | 320,127 | 81,373 | 2,316,524 |
| Total Program & Admin Expenses | 21,451,012 | 8,464,989 | 1,593,989 | 18,043,346 | 816,571 | 9,231,967 | 9,444,594 | 2,576,987 | 71,623,454 |

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory
2012 Forecast Approved Final

PAC

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Existing Homes | New Homes & Products | NEEA Residential | ETO Total |
|---|--------------------|------------------|------------------|-----------------------|-----------------|------------------|----------------------|------------------|-------------------|
| Program Management | 384,175 | 205,940 | 1,319 | 248,178 | 616 | 314,749 | 201,614 | 666 | 1,357,257 |
| Program Delivery: | 2,390,297 | 1,272,935 | 1,134,186 | 2,772,185 | 571,039 | 1,404,423 | 1,092,312 | 1,858,146 | 12,495,523 |
| Incentives: | 7,424,590 | 2,227,266 | | 6,391,795 | | 3,547,864 | 3,100,731 | | 22,692,246 |
| Program Eval & Planning Svcs.: | 360,255 | 163,739 | 21,269 | 262,923 | 21,894 | 310,893 | 122,694 | 21,894 | 1,285,560 |
| Program Marketing/Outreach: | 175,161 | 76,849 | | 37,248 | | 680,310 | 629,265 | | 1,598,833 |
| Program Legal Services: | | | | | | | | | - |
| Program Quality Assurance: | 765 | 14,659 | | | | 37,315 | 11,527 | | 64,267 |
| Outsourced Services: | 116,600 | 3,811 | | 47,613 | | 123,424 | 34,703 | | 326,151 |
| Trade Allies & Cust. Svc. Mgmt.: | 35,563 | 14,609 | | 9,111 | | 170,707 | 56,273 | | 286,263 |
| IT Services: | 127,480 | 60,930 | 838 | 49,459 | 419 | 166,793 | 65,366 | 1,256 | 472,540 |
| Other Program Expenses | 30,300 | 18,937 | 462 | 59,734 | 231 | 39,089 | 25,825 | 693 | 175,270 |
| TOTAL PROGRAM EXPENSES | 11,045,185 | 4,059,675 | 1,158,073 | 9,878,245 | 594,199 | 6,795,565 | 5,340,311 | 1,882,656 | 40,753,909 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 238,050 | 99,739 | 29,314 | 196,602 | 14,322 | 154,637 | 122,030 | 39,637 | 894,329 |
| Communications & Customer Svc | 129,582 | 51,655 | 15,096 | 97,690 | 7,489 | 81,433 | 65,332 | 21,749 | 470,025 |
| Total Administrative Costs | 367,632 | 151,393 | 44,410 | 294,291 | 21,810 | 236,070 | 187,362 | 61,387 | 1,364,354 |
| Total Program & Admin Expenses | 11,412,817 | 4,211,069 | 1,202,483 | 10,172,536 | 616,010 | 7,031,635 | 5,527,673 | 1,944,042 | 42,118,263 |

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NWN

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | Production Efficiency | Existing Homes | New Homes & Products | ETO Total |
|---|---------------------------|----------------------|------------------------------|-----------------------|---------------------------------|-------------------|
| Program Management | 177,258 | 58,106 | 25,061 | 381,959 | 170,395 | 812,778 |
| Program Delivery: | 1,150,936 | 333,874 | 148,144 | 1,867,282 | 1,210,980 | 4,711,216 |
| Incentives: | 3,858,022 | 745,601 | 497,608 | 4,251,676 | 1,562,956 | 10,915,863 |
| Program Eval & Planning Svcs.: | 187,533 | 44,429 | 17,803 | 346,076 | 66,884 | 662,724 |
| Program Marketing/Outreach: | 84,079 | 21,510 | 2,667 | 819,421 | 354,987 | 1,282,664 |
| Program Legal Services: | | | | | | - |
| Program Quality Assurance: | 388 | 4,492 | | 46,046 | 7,568 | 58,494 |
| Outsourced Services: | 49,733 | 1,168 | 6,409 | 170,757 | 21,831 | 249,898 |
| Trade Allies & Cust. Svc. Mgmt.: | 18,052 | 4,476 | 652 | 210,646 | 36,945 | 270,772 |
| IT Services: | 64,711 | 18,669 | 3,541 | 205,816 | 42,915 | 335,651 |
| Other Program Expenses | 15,381 | 5,802 | 4,276 | 48,234 | 16,955 | 90,648 |
| TOTAL PROGRAM EXPENSES | 5,606,093 | 1,238,126 | 706,160 | 8,347,913 | 3,492,415 | 19,390,707 |
| ADMINISTRATIVE COSTS | | | | | | |
| Management & General | 120,824 | 30,418 | 14,054 | 189,961 | 79,804 | 435,063 |
| Communications & Customer Svc | 65,771 | 15,754 | 6,983 | 100,035 | 42,725 | 231,268 |
| Total Administrative Costs | 186,595 | 46,172 | 21,038 | 289,996 | 122,529 | 666,331 |
| Total Program & Admin Expenses | 5,792,688 | 1,284,298 | 727,198 | 8,637,909 | 3,614,945 | 20,057,038 |

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NWN Industrial

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | Production Efficiency | ETO Total |
|---|-------------------------------|----------------------|----------------------------------|------------------|
| Program Management | 5,786 | 8,307 | 63,255 | 77,349 |
| Program Delivery: | | 51,647 | 497,645 | 549,292 |
| Incentives: | 400,328 | 88,426 | 1,374,319 | 1,863,073 |
| Program Eval & Planning Svcs.: | 14,440 | 5,806 | 51,130 | 71,377 |
| Program Marketing/Outreach: | 2,216 | 3,102 | 7,659 | 12,977 |
| Program Legal Services: | | | - | - |
| Program Quality Assurance: | 30 | 587 | | 617 |
| Outsourced Services: | 1,322 | 153 | 9,790 | 11,264 |
| Trade Allies & Cust. Svc. Mgmt.: | 1,390 | 585 | 1,873 | 3,848 |
| IT Services: | 4,983 | 2,440 | 10,169 | 17,592 |
| Other Program Expenses | 1,184 | 758 | 12,282 | 14,224 |
| TOTAL PROGRAM EXPENSES | 431,680 | 161,811 | 2,028,122 | 2,621,613 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General | 9,304 | 3,975 | 40,365 | 53,644 |
| Communications & Customer Svc | 5,064 | 2,059 | 20,057 | 27,180 |
| Total Administrative Costs | 14,368 | 6,034 | 60,421 | 80,824 |
| Total Program & Admin Expenses | 446,048 | 167,846 | 2,088,543 | 2,702,436 |

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NWN WA

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | Existing Homes | New Homes and Products | ETO Total |
|---|---------------------------|-----------------------|-------------------------------|------------------|
| Program Management | 43,732 | 56,266 | 32,661 | 132,659 |
| Program Delivery: | 146,359 | 115,158 | 40,911 | 302,428 |
| Incentives: | 207,958 | 176,870 | 174,546 | 559,374 |
| Program Eval & Planning Svcs.: | 28,788 | 24,763 | 14,569 | 68,120 |
| Program Marketing/Outreach: | 34,486 | 54,557 | 15,793 | 104,836 |
| Program Legal Services: | | | | - |
| Program Quality Assurance: | | | | - |
| Outsourced Services: | | | | - |
| Trade Allies & Cust. Svc. Mgmt.: | 9,735 | 11,954 | 3,017 | 24,706 |
| IT Services: | 16,178 | 17,251 | 10,768 | 44,197 |
| Other Program Expenses | 14,384 | 14,029 | 9,568 | 37,981 |
| TOTAL PROGRAM EXPENSES | 501,620 | 470,848 | 301,833 | 1,274,301 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General | 10,670 | 11,347 | 7,351 | 29,368 |
| Communications & Customer Svc | 5,789 | 5,703 | 3,808 | 15,300 |
| Total Administrative Costs | 16,459 | 17,050 | 11,159 | 44,668 |
| Total Program & Admin Expenses | 518,079 | 487,898 | 312,992 | 1,318,969 |

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Cascade

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | Production Efficiency | Existing Homes | New Homes & Products | ETO Total |
|---|---------------------------|----------------------|------------------------------|-----------------------|---------------------------------|------------------|
| Program Management | 20,561 | 10,879 | 7,674 | 22,333 | 32,573 | 94,020 |
| Program Delivery: | 137,407 | 66,114 | 121,194 | 99,688 | 256,140 | 680,543 |
| Incentives: | 331,813 | 123,949 | 214,458 | 251,588 | 175,300 | 1,097,108 |
| Program Eval & Planning Svcs.: | 17,753 | 7,858 | 9,071 | 19,891 | 10,686 | 65,258 |
| Program Marketing/Outreach: | 8,793 | 4,049 | 1,359 | 48,283 | 62,167 | 124,651 |
| Program Legal Services: | | | | | | - |
| Program Quality Assurance: | 37 | 794 | | 2,647 | 1,209 | 4,687 |
| Outsourced Services: | 5,054 | 207 | 1,737 | 8,665 | 4,426 | 20,088 |
| Trade Allies & Cust. Svc. Mgmt.: | 1,709 | 792 | 332 | 12,107 | 5,903 | 20,842 |
| IT Services: | 6,126 | 3,302 | 1,804 | 11,829 | 6,856 | 29,917 |
| Other Program Expenses | 1,456 | 1,026 | 2,179 | 2,772 | 2,709 | 10,142 |
| TOTAL PROGRAM EXPENSES | 530,709 | 218,969 | 359,808 | 479,803 | 557,969 | 2,147,257 |
| ADMINISTRATIVE COSTS | | | | | | |
| Management & General | 11,438 | 5,380 | 7,161 | 10,918 | 12,750 | 47,647 |
| Communications & Customer Svc | 6,226 | 2,786 | 3,558 | 5,750 | 6,826 | 25,146 |
| Total Administrative Costs | 17,664 | 8,166 | 10,719 | 16,668 | 19,576 | 72,793 |
| Total Program & Admin Expenses | 548,373 | 227,135 | 370,527 | 496,471 | 577,545 | 2,220,050 |

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PGE Renewables

RENEWABLE EFFICIENCY

| EXPENSES | BioPower | Solar Electric | Open Solicitation | ETO Total |
|---|-----------------|-----------------------|--------------------------|-------------------|
| Program Management | 24,313 | 275,801 | 34,072 | 334,186 |
| Program Delivery: | | 191,625 | 5,873 | 197,498 |
| Incentives: | 190,415 | 14,911,026 | 171,702 | 15,273,143 |
| Program Eval & Planning Svcs.: | 3,432 | 35,495 | 3,588 | 42,515 |
| Program Marketing/Outreach: | 6,825 | 183,805 | 10,334 | 200,964 |
| Program Legal Services: | | | | - |
| Program Quality Assurance: | | | 1,079 | 1,079 |
| Outsourced Services: | 27,389 | 206,333 | 37,773 | 271,495 |
| Trade Allies & Cust. Svc. Mgmt.: | | 34,956 | 149 | 35,105 |
| IT Services: | 4,791 | 81,285 | 7,531 | 93,608 |
| Other Program Expenses | 25,046 | 59,055 | 20,662 | 104,764 |
| TOTAL PROGRAM EXPENSES | 282,212 | 15,979,381 | 292,764 | 16,554,357 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General | 4,058 | 411,357 | 3,576 | 418,991 |
| Communications & Customer Svc | 2,398 | 163,883 | 2,119 | 168,400 |
| Total Administrative Costs | 6,456 | 575,239 | 5,695 | 587,391 |
| Total Program & Admin Expenses | 288,668 | 16,554,620 | 298,458 | 17,141,747 |

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PAC Renewables

RENEWABLE EFFICIENCY

| EXPENSES | BioPower | Solar Electric | Open Solicitation | ETO Total |
|---|------------------|-----------------------|--------------------------|------------------|
| Program Management | 119,980 | 63,314 | 283,642 | 466,936 |
| Program Delivery: | | 70,875 | 1,036 | 71,911 |
| Incentives: | 1,173,771 | 3,396,137 | 824,654 | 5,394,562 |
| Program Eval & Planning Svcs.: | 16,935 | 8,148 | 29,872 | 54,955 |
| Program Marketing/Outreach: | 4,100 | 42,195 | 11,323 | 57,618 |
| Program Legal Services: | | | | - |
| Program Quality Assurance: | | | | - |
| Outsourced Services: | 28,434 | 47,367 | 64,040 | 139,841 |
| Trade Allies & Cust. Svc. Mgmt.: | | 8,024 | 1,241 | 9,265 |
| IT Services: | 23,645 | 18,660 | 62,697 | 105,001 |
| Other Program Expenses | 25,777 | 13,557 | 53,886 | 93,219 |
| TOTAL PROGRAM EXPENSES | 1,392,641 | 3,668,277 | 1,332,390 | 6,393,308 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General | 20,028 | 94,432 | 29,765 | 144,225 |
| Communications & Customer Svc | 11,833 | 37,621 | 17,644 | 67,098 |
| Total Administrative Costs | 31,861 | 132,054 | 47,409 | 211,323 |
| Total Program & Admin Expenses | 1,424,502 | 3,800,331 | 1,379,800 | 6,604,632 |

Summary of Outreach Activities and Comments Received on the Energy Trust of Oregon 2013-14 Draft Action Plan and 2013 Draft Budget

December 14, 2012

Outreach Activities: Every year, Energy Trust initiates its annual budget process and development of the two-year action plan in the summer. In addition to early presentations at advisory council meetings, a number of additional meetings were conducted this year. The first included July meetings with utilities. The second included expanded outreach to diverse trade organizations. Both of these and other outreach activities are summarized below. Written comments were invited from all parties engaged in outreach meetings, as well as the general public.

July 7/25: Presented 2013 efficiency program concepts in individual meetings with PGE, Pacific Power, NW Natural, and Cascade Natural Gas, and at Energy Trust's Conservation Advisory Council.

August/Sept. 9/12: Presented 2013 renewable energy program concepts at Renewable Advisory Council.

Received written detailed comments, suggestions and requests from utilities on 2013 energy efficiency and renewable energy program concepts. Program staff applied this feedback to adjust program plans and provided written responses with supporting data and clarification. Informal discussion continued throughout preparation of the draft budget and action plan. Concurrently, program staff sought input on potential 2013 incentive changes from a trade ally stakeholder group including representatives from Clean Energy Works Oregon, Home Performance Guild, Oregon Home Builders Association, Weatherization Industries Save Energy, Earth Advantage, Oregon Remodelers Association, Oregon Air Conditioning Contractors of America, and Bonneville Power Administration. Together these inputs shaped the materials included in our proposed final budget and action plan.

October 10/24: Presented draft budget and action plan materials to the Conservation Advisory Council (CAC) and Renewable Advisory Council (RAC).

November 11/6: Presented draft budget and action plan to the Oregon Public Utility Commission and staff at an informal public work session.

11/7: Presented draft budget and action plan to the Energy Trust Board.

11/8-14: Presented draft budget and action plan during individual meetings with PGE, Pacific Power, NW Natural and Cascade Natural Gas.

11/20: Presented draft budget and action plan during the OPUC public meeting.

Conducted two targeted outreach meetings for representative trade organizations, presenting Energy Trust results and a 2013-14 budget and action plan overview, specifically to engage customers and customer groups:

- 11/26: Included representatives from Oregon Home Builders Association, Marnella Homes, Associated General Contractors, Oregon Association of Hospitals and Health Systems, Portland General Electric, and Citizens' Utility Board.
- 11/27: Included representatives from Associated Oregon Industries, Industrial Customers of Northwest Utilities, Building Operations and Managers Association, Portland Business Alliance, Citizens' Utility Board, Northwest Energy Efficiency Alliance, Portland General Electric, Unico Properties, Gundersen, and Siltronic AG.

11/28: Presented the proposed final budget and action plan materials to the CAC and RAC.

Energy Trust posts its draft budget and action plan on the web site and invites public comment at www.energytrust.org/about/budget. Budget presentations and action plan documents are also included in the public meeting packets posted online for the October and November CAC and RAC meetings, and for the November and December Board of Directors meetings at: www.energytrust.org/About/public-meetings/

Respondent: Oregon Public Utility Commission (OPUC)**Comment topics****Energy Trust staff responses**

| | |
|---|--|
| Commission adopted OPUC staff comments on Energy Trust's proposed budget and action plans, with comments and recommendations as summarized below. | Energy Trust appreciates the time and effort of OPUC staff and Commissioners review of our draft budget and action plan. |
| Continue streamlining processes to keep administrative costs low. | We recognize the importance of maintaining efficiencies and will continue streamlining efforts, even as we establish new processes to support data exchange and increased reporting and collaboration with utilities. Our objective remains to support an appropriate level of communication and information exchange to effectively collaborate with utilities and engage customers with minimal administrative cost. |
| Work to limit carryover to less than 10% for all utilities. | We plan to initiate discussion with our board and utilities regarding funding levels, use of carryover and reserves with the goal of determining if adjustments are warranted. |
| Supported five staff positions included in budget; work of three remaining temporary agency positions should be carefully evaluated and preferably covered without adding regular staff. | We acknowledge the OPUC's concern around staffing levels and will continue to carefully evaluate staffing needs and openly communicate about staffing levels. |
| Suggested additional discussion with utilities and OPUC about how to more clearly describe conservative and stretch goals. | We understand the need for more clarity around our goal descriptions and will work with interested parties, including the OPUC and utilities, to propose new terminology and parameters early in 2013. |
| Requested continued updates on the status and budget for computer system upgrades, noting cost reductions, increased savings and ratepayer benefits. | Agreed. |
| Requested coordination with the OPUC before evaluating grant opportunities and considering any business model changes. | To clarify, we note that planned exploration of grant opportunities is not tied to the consideration of business model changes. Rather, we seek to potentially fund activities that would augment our ability to capture savings or generation, and which also fall outside of our investment requirements. This may include funds for contractor training beyond what we would support with program funds that would also support longer-term program goals. Energy Trust will definitely coordinate with the OPUC before completing the scope of work for an assessment of our business model. |
| Would expect to work closely with the OPUC staff to expand deep retrofit pilot projects and report quarterly on these initiatives. | Agreed. |
| Suggested making concerted effort to promote the lender ally program aggressively, and provide quarterly updates to OPUC. | Agreed that lender ally development will continue and we will keep the OPUC updated on progress. |
| Supported Energy Trust's increased focus on early stage renewable project development and in continuing to support solar and other technologies. Staff is working with Energy Trust to identify 2013 performance measures for renewable energy. | We look forward to finalizing 2013 minimum performance measures for renewable energy investments made by Energy Trust. |

Respondent: Pacific Power**Comment topics****Energy Trust staff responses**

| | |
|--|---|
| Supported action plan and budget, noting agreement with 2013 funding levels. Noted stretch goal and funding level is 115% of Pacific Power's IRP goal. | Energy Trust appreciates the time and effort of Pacific Power staff review and discussion of our draft budget and action plan throughout the late summer and fall, and in our November 13 presentation. |
| Noted success with cost management in 2012 with forecasted results coming in under budget. | Pacific Power provided specific written comments early in the budget development process, and Energy Trust responded, inviting further conversation on proposed concepts and topics. The result of this exchange was refinement of program plans early in our budget and action plan process. |
| Noted confusion surrounding stretch and conservative goals. Strongly advocated that the IRP form the basis for goal calculations and that the stretch goal be established at 115% of the IRP goal. | Agreed. We understand the need for more clarity around our goal descriptions and will work with interested parties, including the OPUC and utilities, to propose new terminology and parameters early in 2013. |
| Seeks to work with Energy Trust to determine what future optimal funding levels should be; noted current practice is stretch plus a five percent reserve. | We agree to explore different strategies and approaches to get us all closer to budgeting what is needed to reach IRP goals and provide for appropriate reserve levels. |
| Supported pilots identified for 2013 and will review pilot evaluation and decision-making approach. | We appreciate Pacific Power support for 2013 pilots and will address Pacific Power's questions in further conversations. |
| Requested proactive collaboration and communication between Energy Trust staff, contractors and Pacific Power staff, especially when serving "managed" customer accounts. | We agree that collaboration and communication allow for high quality customer services. We are developing a document proposing communication practices for Pacific Power's managed customer accounts and will share that soon. |
| Appreciated opportunities for direct collaboration with staff and board members. | We appreciate Pacific Power's perspective and involvement in discussions with staff and board. |
| Noted commitment to continuous improvement in joint planning and program outreach collaboration to build upon successes to date. | We will continue work with Pacific Power to build upon and strengthen existing collaboration activities. |

| Respondent: NW Natural | |
|---|---|
| Comment topics | Energy Trust staff responses |
| <p>Noted Energy Trust’s forecasted results for 2012 are expected to equal 106% of NWN’s stretch goal for savings at 39 cents per therm levelized.</p> <p>Acknowledged Energy Trust effort to keep gas programs on track despite new challenges related to the cost-effectiveness of certain gas measures.</p> | <p>Energy Trust appreciates the time and effort of NW Natural staff review and discussion of our draft budget and action plan throughout the late summer and fall, and in our November 14 presentation.</p> <p>NW Natural provided written comments early in the budget development process, and Energy Trust responded, inviting further conversation on many topics. The result of this exchange was refinement of program plans early in our budget and action plan process.</p> |
| <p>Referenced two-year hiatus granted by OPUC on cost-effectiveness test for gas measures. Noted company's current view is that gas prices will remain relatively low for years. Expects additional engagement with Energy Trust and OPUC for energy efficiency given low cost of gas.</p> | <p>We anticipate working very closely with both gas utilities, the OPUC and contractors to pursue strategies to lower management, delivery and other costs associated with certain gas measures. We will also coordinate options for examining the societal cost-effectiveness test. Natural gas avoided costs will be monitored during this two-year exception period granted by the OPUC for these purposes.</p> |
| <p>Observed low cost gas is driving new commercial and industrial customers to NW Natural. Supported use of Energy Trust incentives to help commercial and industrial customers overcome the larger front end costs of high efficiency equipment.</p> | <p>We look forward to increased collaboration with NW Natural and to serving new commercial and industrial gas customers.</p> |
| <p>Supported Energy Trust exploration of behavioral efforts through pilots. Observed potential for Energy Trust and NW Natural to partner on use of the online Aclara program to reach customers with incentive information; supported this and other communication partnerships. Noted NW Natural does not have access to supplemental funds to support utility outreach efforts as the electric utilities do.</p> | <p>We appreciate NW Natural’s support for behavioral pilots that we believe will yield cost-effective gas savings. We are pleased to explore opportunity to engage customers via the incentive module addition to NW Natural’s Aclara system. Our financial support for this project would be for the incentive module, in alignment with our support for the use of electric utility-retained supplemental funds to support the incentive module in PGE’s Aclara system.</p> |
| <p>Observed lack of innovation driving new efficient gas equipment and that NEEA may be able to play a role in driving innovation in the gas marketplace. Suggested further conversation in 2013 with Energy Trust, NW Natural and NEEA around a vision and potential next steps.</p> | <p>We will continue to participate in conversations with NW Natural and NEEA regarding potential investment in gas market transformation opportunities, including technology development and potential pilots if the parties agree this is an appropriate next step.</p> |
| <p>Stated low-income weatherization and efficiency programs are a priority for NW Natural and will be hit hard by federal cuts in low-income funding. Supported ongoing discussions on concepts to collaborate and serve low-income homes and multi-family buildings.</p> | <p>Energy Trust also supports ongoing discussions on concepts to collaborate and serve more multi-family residents. We would also like to explore ways to support programs for low income customers, recognizing there are dedicated current programs, delivery infrastructure and funding sources serving qualifying low-income customers. We welcome collaboration with all parties regarding how Energy Trust might supplement and extend services within our framework of cost-effective investment requirements.</p> |
| <p>Referenced Energy Trust exploration into new program areas and new gas savings strategies. Expects low costs of gas will require NW Natural and Energy Trust to expand efforts to acquire gas savings in new ways.</p> | <p>We agree on the importance of jointly developing new strategies and approaches to acquire gas savings in an environment of low gas prices. We value NW Natural’s engagement in these efforts.</p> |

Respondent: Cascade Natural Gas

Comment topics

Energy Trust staff responses

These comments were received prior to Energy Trust's budget presentation to Cascade Natural Gas on 11/8. No additional budget comments were received thereafter.

| | |
|---|---|
| <p>Noted comments are based on early discussions and draft budget numbers.</p> | <p>Energy Trust appreciates the time and effort of Cascade Natural Gas staff review and discussion of our draft budget and action plan throughout the late summer and fall, and in our November 8 presentation. Cascade provided specific written comments early in the budget development process, and Energy Trust responded, inviting further conversation on many topics. The result of this exchange was better refinement of program plans earlier in our budget and action plan process.</p> |
| <p>Stated the draft 2013 budget figure is relatively stable and consistent with the energy efficiency budgets of the past couple years. It reflects a combination of factors including the relatively slow economic recovery in Cascade's service area.</p> | <p>Energy Trust acknowledges the challenges associated with the economic impacts experienced in Cascade service territory. Our strategies to reach diverse Cascade customers and deliver benefits to them are proving to be more successful over time.</p> |
| <p>Referenced Energy Trust involvement in the development of Cascade Natural Gas IRP targets, with an independent resource assessment conducted by Stellar. Stated expectation that Energy Trust is building 2013 savings and program budgets on the foundation provided by specific measures identified and quantified in the Stellar Processes analysis and listed in Cascade's approved 2011 Integrated Resource Plan.</p> | <p>To clarify, the resource assessment provides a guide to "what's possible" at an estimated cost. Energy Trust program and planning staff and our program management contractors then work through the details of specific measure creation based on much more refined data than is possible to assess in the resource assessment study. In the first few years, current program and market data play a more significant role in determining our savings targets than the resource assessment can.</p> |
| <p>Acknowledged exceptional results of Energy Trust programs in Cascade's service area as reported at the October CAC, estimated at 101 percent of the stretch goal.</p> | <p>We are also pleased with these forecasted results!</p> |
| <p>Observed that in 2012 the projected quarter four activity ("hockey stick") is significantly steeper than in years past, and asked if this steepening expense pattern is unique to 2012, why it occurred to such a degree and if there are any ramifications for 2013 that could be expected.</p> | <p>The hockey stick effect stems from a multitude of factors including: typical construction schedules, impacts of the tax code for businesses, and customer response to the first, large bills of the heating season. It is something that happens most years in the marketplace. Energy Trust could potentially influence a smaller portion of the seasonal demand by paying more for actions to occur earlier in the year. This approach would not result in extra annual savings though it could distribute those savings to different periods during the year at a higher price. This pattern is consistent across all four utilities and consistent with our history.</p> |
| <p>Acknowledged efforts to identify and report on program data of interest to Cascade. Noted Cascade's intent to track savings achievements for each measure identified in the resource assessment and to mark overall savings progress.</p> | <p>Our objective remains to support an appropriate level of communication and information exchange needed to work effectively with Cascade staff and engage customers with minimal administrative cost. We will continue to deliver quarterly activity summaries for Cascade Natural Gas and will expand data in those reports as our reporting resources and systems evolve and allow.</p> |

| Respondent: Portland General Electric (PGE) | |
|---|---|
| Comment topics | Energy Trust staff responses |
| Noted informal discussions were extensive, and referenced Energy Trust’s willingness to incorporate those discussions into its proposed final budget and action plan. Conveyed that as a result of these earlier conversations, PGE offered no additional comments. | Energy Trust appreciates the time and effort of PGE staff to review and discuss our draft budget and action plan throughout the late summer and fall, and into our November 8 presentation to PGE Officers. At PGE’s request, Energy Trust conducted two budget outreach sessions targeting commercial and industrial customers. Our presentation provided an overview of the 2013-14 budget and action plan, specifically highlighting the funding sources and rates supporting Energy Trust programs and services. PGE provided specific written comments early in the budget development process, and Energy Trust responded, inviting further conversation on many topics and concepts. The result of this exchange was better refinement of program plans early in our budget and action plan process. |
| Noted PGE submitted a tariff to increase its Schedule 110 (SB838) tariff by \$8 million to meet Energy Trust budget, IRP targets and goals for 2013 and 2014. If approved by the OPUC December 18, the tariff will go into effect January 1, 2013. | Noted and appreciated. |

| Respondent: Theo Anderson, Alliant Systems, Energy Trust Trade Ally | |
|---|---|
| Comment topics | Energy Trust staff response |
| Appreciated the Kick Start bonus incentive provided by Energy Trust in early 2012; helped customers move forward with projects. Noted the added incentive to begin and order parts in a 90-day period increased project closing percentage. | Comments appreciated. We will continue to design cost-effective incentives and services to encourage customer investment in energy efficiency projects, while managing demand to ensure funds are available. We especially welcome specific trade ally feedback like this on what helps motivate customers. |

| Respondent: Ty Barker, Unico Properties | |
|---|--|
| Comment topics | Energy Trust staff responses |
| Observed the challenges of communicating the complexity of the organization’s goals and structure, and noted the presentation was well done. | We appreciate Unico attending our overview, budget and action plan presentation, and value your feedback regarding Energy Trust’s role encouraging capital investment in commercial building energy efficiency upgrades. (P.S. You are a great property manager and congratulations on receiving LEED Gold CI for improvements made to Energy Trust office space!) |
| Observed Energy Trust helps make capital projects in commercial buildings affordable. “The built environment would not be as efficient as it is without ETO and we look forward to the continued efficiency gains.” | Comments appreciated. |

Respondent: Jessica Hull, Hull Home Efficiency

| Comment topics | Energy Trust staff responses |
|--|---|
| <p>Commented on Energy Trust’s elimination of duct sealing incentives and reduction of air sealing incentives, with limited eligibility, for 2013. Noted that elimination of the incentives will have an impact on the viability of her business, which focuses on air and duct sealing. Observed homeowners choose to seal ducts because of the incentives.</p> | <p>Energy Trust regrets that when incentive changes need to occur, trade allies can sometimes be negatively impacted. We understand that availability of incentives are important to both contractors and customers. Energy Trust plans to discontinue duct sealing incentives on January 1, 2013 and to continue reduced air sealing incentives only in very limited applications. This has been in discussion at CAC for over a year. The decision is based on the fact that average costs have risen for these measures while savings have on average declined, resulting in failure to pass cost-effectiveness requirements. Low avoided costs of natural gas have exacerbated this situation.</p> |
| <p>Suggested Energy Trust maintain reduced incentives for duct sealing to maintain customer awareness. Noted that her costs for providing duct sealing have not risen over the past two years.</p> | <p>In 2013, Energy Trust will conduct a pilot program to determine if duct sealing delivery and costs can be reduced using different installation methods. We will also look at ways to pre-screen and target those customers with high savings potential. These techniques may result in higher savings at a lower cost. In turn, this may lead to an opportunity to reintroduce duct sealing into the market on a limited basis in the future. To be successful, a combination of savings increases and cost decreases of 23% for electric homes and 63% for gas homes would need to occur over the life of the measure.</p> <p>Duct sealing measures still qualify for Oregon state tax credits to offset the cost to the customer. Energy Trust has agreed to work with the Oregon Department of Energy to assist them in qualifying eligible projects.</p> |

Respondent: Steven Campbell, Home Comfort I&S

| Comment topics | Energy Trust staff responses |
|---|--|
| <p>Commented on Energy Trust’s elimination of duct sealing incentives and reduction of air sealing incentives, with limited eligibility, for 2013. Conveyed that he believes it is a customer disservice to step back from duct and air sealing. Noted that customers may be sold HVAC systems when much of the problem can be solved by duct sealing. Noted California building code requires all ductwork be tested and sealed prior to any HVAC upgrade.</p> | <p>See above comments.</p> |
| <p>Suggested Oregon match or partly match California building code and that Energy Trust consider a two-tier HVAC incentive—one for HVAC only and a higher incentive for duct sealing combined. Suggested Energy Trust maintain reduced incentives for existing homes to create customer awareness of duct sealing.</p> | <p>These suggestions may prove worth considering as progress is made on the above-mentioned pilot.</p> |

| | | |
|-----------------|--|---|
| Acronyms | <p>aMW Average megawatt CAC..... Conservation Advisory Committee HVAC ... Heating, Ventilation, and Air Conditioning</p> | <p>IRP Integrated Resource Plan OPUC ... Oregon Public Utility Commission RAC..... Renewable Advisory Committee</p> |
|-----------------|--|---|



Oregon

John A. Kitzhaber, MD, Governor

Public Utility Commission

550 Capitol St NE, Suite 215
Mailing Address: PO Box 2148
Salem, OR 97308-2148
Consumer Services
1-800-522-2404
Local: 503-378-6600
Administrative Services
503-373-7394

November 27, 2012

Margie Harris, Director
Energy Trust of Oregon
421 SW Oak, Suite 300
Portland, Oregon 97204

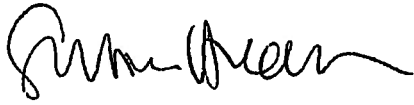
Dear Margie,

We appreciate the opportunity to work through your 2013 Budget and 2013-2014 Action Plan with you. We adopt the recommendations of the OPUC Staff, summarized below and described in more detail in the attached memo.

- Energy Trust continue to streamline processes to keep administrative costs low.
- Energy Trust work to limit carryover to less than 10% for all utilities for both efficiency and renewable energy programs.
- Energy Trust closely evaluate the three remaining temporary agency positions and propose a way that work can be covered without increasing number of permanent staff.
- Energy Trust initiate a discussion about how to more clearly describe conservative and stretch goals in terms of probability of meeting IRP targets.
- Energy Trust continue to provide updates to the PUC on the status and budget of computer system upgrades, including how the new system will reduce costs, increase savings, and benefit ratepayers.
- Energy Trust coordinate closely with the PUC before moving forward to evaluate grant opportunities. Energy Trust coordinate closely with the PUC on any proposed changes to their business model.
- PUC staff work with Energy Trust staff on expanding deep retrofit pilot projects; Energy Trust report to the PUC quarterly on deep retrofit pilot initiatives.
- Energy Trust make a concerted effort to promote the lender ally program more widely and aggressively; Energy Trust should provide updates on the lender allies at quarterly update meetings to the PUC.



We applaud the Energy Trust for results achieved for customers in 2012 and look forward to working with the Trust and stakeholders to achieve the targets in the budget.

A handwritten signature in black ink, appearing to read "Susan Ackerman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Susan Ackerman
Chair - Oregon Public Utility Commission

ITEM NO. 3

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 20, 2012**

REGULAR X CONSENT _____ EFFECTIVE DATE _____ N/A

DATE: November 13, 2012

TO: Public Utility Commission

FROM: Juliet Johnson

THROUGH: Jason Eisdorfer and Maury Galbraith

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: Requests
Commission approval of comments on the Draft 2013 Budget and Draft
2013-14 Action Plan for the Energy Trust of Oregon.

STAFF RECOMMENDATION:

Staff recommends that the Commission adopt Staff's comments as Commission comments on the Draft 2013 Budget and Draft 2013-2014 Action Plan for the Energy Trust of Oregon.

DISCUSSION:

The Oregon Public Utility Commission (PUC or Commission) oversees the Energy Trust of Oregon (Trust or ETO) to ensure that it achieves high levels of conservation savings and renewable resource generation, keeps its administrative costs down, and provides a high level of customer satisfaction. As part of the oversight, the Commission reviews and provides comments on the Energy Trust's action plan and annual budget.

Energy Trust presented the Draft 2013 Budget and Draft 2013-2014 Action Plan to the Conservation and Renewable Energy Advisory Councils (CAC and RAC) on October 24, 2012, for initial review. These same plans and budgets were presented to the Commission on November 6, 2012, and to the Energy Trust Board on November 7, 2012. The public meeting scheduled for November 20, 2012, is the opportunity for the public and the Commission to consider and comment on Staff's assessment of the budget and action plan. A final review of the plans and budgets will be made by the CAC and RAC on November 28, 2012. The Energy Trust Board will adopt an action plan and budget on December 14, 2012.

Staff solicited comments from the public on this budget and plan on November 9, 2012, and did not receive any comments.

Generally, the budget and action plan for 2013 is similar to 2012. There are no major changes in direction or strategy. Energy Trust is proposing one new position, a Customer Relations Management (CRM) Business Systems Analyst, and four new employees that were previously either temporary staff or contractors to Energy Trust. Additional summary and comments are provided below.

Electric Savings

Energy Trust plans to grow electric savings by approximately 12 percent from 50.3 average megawatts (aMW) in 2012 to 56.1 aMW. The cost of electric savings is projected to be stable at 3 cents/kWh. Electric efficiency revenues are expected to rise by 8.9 percent to \$123.8 million. In 2012, the Trust is on track to surpass their conservative goals for all four utilities: Portland General Electric (PGE), PacifiCorp, Northwest Natural (NW Natural), and Cascade Natural Gas (Cascade). Conservative goals are aligned with utility Integrated Resource Plan (IRP) goals. Based on results to date and projected end of year results, Energy Trust is on track to exceed PUC performance measures for electric savings and levelized cost.

Gas Savings

For 2013, gas savings have been adjusted down by 11 percent from 2012. This downward adjustment is due to three primary factors:

- 1) Evaluations have revealed that gas measures have saved less than expected;
- 2) Evaluations have revealed that gas savings are costing more than expected; and
- 3) Gas avoided costs are going down due to low natural gas prices.

In 2013, the cost of gas savings is projected to increase from 40.6 to 46.3 cents/annual therm levelized, due to low avoided costs and elimination of some low cost measures. Energy Trust is on track to meet conservative/IRP goals for gas savings in 2012 and to exceed PUC minimum performance measures for savings and levelized cost.

In Docket UM 1622, Energy Trust sought Commission approval for a two-year exception to cost effectiveness requirements for a number of gas measures. In 2013 and 2014, Energy Trust will work to reduce measure costs, increase savings, and shift programs toward gas measures that are cost effective.

Carryover

The table below shows the percent of revenues by utility that were carried over from 2011 to 2012 and the projected carry over amounts from 2012 to 2013:

| | Carryover from 2011 to 2012 | Carryover from 2012 to 2013 |
|-----------------------|-----------------------------|-----------------------------|
| PGE | 15% | 11% |
| PacifiCorp | 2% | 6% |
| NW Natural | 21% | 18% |
| NW Natural Industrial | 22% | 13% |
| Cascade | 2% | -28% |

Energy Efficiency carryover has been reduced as a percentage for PGE, NW Natural, NW Natural Industrial and Cascade. PacifiCorp's carryover percentage increased from 2 to 6 percent. Staff commends Energy Trust for reducing carryover for three of four utilities. Staff recommends Energy Trust target a carryover of less than 10 percent for all utilities.

The table below shows percent of renewable energy funds that were carried over from 2011 to 2012 and the percent that are expected to be carried over from 2012 to 2013 on an activity basis:

| | Activity Carryover 2011-12 | Activity Carryover 2012-13 |
|------------|----------------------------|----------------------------|
| PGE | 27% | 11% |
| PacifiCorp | 3% | 16% |

As the above table shows, PGE's renewable carryover percentage was reduced, but PacifiCorp's was increased. Staff recommends Energy Trust be diligent in continuing to reduce carryover for renewable energy programs and target an activity carryover of less than 10 percent for both PGE and PacifiCorp.

Renewable Energy

For 2012 there is no PUC performance measure for renewable energy. PUC staff has been working with Energy Trust staff to develop appropriate performance measures for 2013. The current renewable energy market environment is challenging for developing projects, due to reduced availability of tax credits, and low QF rates among other factors. In 2013, Energy Trust is proposing to increase support for early stage project development across technologies and to issue a solar RFP in PGE service territory. Staff supports Energy Trust's increased focus on early stage development and in continuing to support solar and other technologies.

Staff is working with Energy Trust to develop a prioritization strategy for ratepayer renewable energy dollars paid through the public purpose charge. Stakeholders will be invited to provide input on the prioritization and strategy. Staff appreciates that Energy Trust is trying to reduce carryover and effectively leverage renewable energy dollars.

Administrative Costs

Energy Trust's draft 2013 budget shows a projected administrative and program support cost of 4.6 percent of total costs. The PUC performance measures require that administrative and program support costs be less than 9 percent. Last year's budget showed an estimate of 5 percent of total costs, so the percent of administrative costs is projected to be lower in 2013 than it was projected in 2012. Staff supports Energy Trust's continuing to streamline processes to keep administrative costs low.

Staffing

Energy Trust is proposing one new position and four conversions of temporary staff or contractors to full time staff. The new positions include:

- Customer Relations Management (CRM) Business Systems Analyst (a new position) - this person will lead integration of the new computer system into business functioning;
- Eastern Oregon Outreach Manager (currently a temporary staff) - will provide outreach to Morrow, Umatilla, Wallowa, Union, Malheur, and Baker counties;
- Commercial Program Specialist (currently an agency contractor) - will provide support to the commercial sector related to data quality, project processing, reporting and record keeping, and information analysis;
- Industrial Program Specialist (currently an agency contractor) - will support administration, managing project files, paying incentives, answering inquiries, and supporting project assignments for industrial programs; and
- Residential Program Specialist (currently an agency contractor) - will provide support to residential sector including new programs, the lender ally network, and assistance transitioning to a new computer system.

Of the five positions proposed to be added this year, only one, the Eastern Oregon Outreach manager, was included in the state Employment Department's recent employment audit of the Energy Trust. The other three conversions are employees from temporary agencies that have been working with the Energy Trust for several years. According to Energy Trust management, because the Trust directs the work of these employees and because their work is so closely integrated with the performance

of Energy Trust's work, from a technical perspective, those roles should be employee roles.

In addition to the five positions listed above, Energy Trust has three remaining positions currently filled by people from temporary services agencies. These employees are assisting with sector marketing activities and trade ally activities. Over the next few months, Energy Trust will be evaluating how much of the marketing activities being performed by the remaining three temporary agency employees can be moved out to the new Program Management Contractors (PMC's). In addition, the Trust's new computer system should provide automation for managing trade ally information and activity. That should impact workflow and workload, and may further reduce the need for the remaining three temporary agency employees.

Because the work of the three potential positions may not exist at all or in the same form in a year's time, the Energy Trust chose not to recommend their conversion to employee status at this time.

Staff supports the five new positions in the 2013 budget and action plan, but strongly recommends the three remaining temporary agency positions be evaluated closely and that the Trust propose a way that work can be covered without increasing number of permanent staff.

Stretch versus Conservative Goals

In this budget cycle there was some confusion about nomenclature of stretch versus conservative goals. Conservative goals are designed to correspond to utility IRP goals, while stretch goals are 15 percent above conservative goals. Energy Trust seeks funding to the stretch level so the likelihood of meeting the conservative/IRP goal is maximized. It was suggested that this concept could be more clearly communicated and that the nomenclature around conservative and stretch should be revisited. Energy Trust has indicated they are open to other ways to describe these two goals, yet they feel strongly that they should not be pegged only to a stretch or only to an IRP/conservative goal. Staff recommends Energy Trust initiate a discussion about ways to more clearly describe conservative and stretch goals in terms of probability of meeting IRP targets.

Computer System Upgrades

Energy Trust reports that their computer system upgrades are on time and below budget. They indicate that phase 1 is complete and phase 2 will be completed in 2013. Staff recommends the Energy Trust continue to provide updates to the PUC on the

status and budget of upgrades, including how the new system will reduce costs, increase savings, and benefit ratepayers.

Business Model

In Energy Trust's budget presentation they indicated in 2013 they will "assess current business model with eye toward efficiency and cost-saving gains." Staff understands this to mean they will have an assessment performed of the current competitive RFP process for PMCs to see how much time and money it costs to transition from one PMC to another. They will look for adjustments that could be made to timing or scope that would save money and smooth the transition between contractors.

Staff supports this assessment of current practices. Staff further recommends that previous assessments of the competitive process be reviewed closely and used to the extent possible to minimize duplication of efforts.

Also in the 2013 budget, there is a line item that says: "Evaluate grant opportunities for revenue diversification." It is crucial that if additional sources of funding are secured, new dollars and tasks be clearly delineated from ratepayer dollars and tasks. In addition, Staff does not support using ratepayer dollars to evaluate grant opportunities for functions not currently spelled out as functions of Energy Trust. Therefore, Energy Trust needs to coordinate closely with the PUC before moving forward to evaluate grant opportunities.

Deep Retrofits

Based on the 2013 budget and action plan, for existing commercial buildings Energy Trust will be modifying their trade ally approach to increase non-lighting project activity. Additionally, for commercial new buildings (and major retrofits) Energy Trust will focus on technical assistance and financial incentives. Staff supports Energy Trust in expanding their initiatives for deep retrofit projects, particularly in large commercial buildings. PUC staff will work with Energy Trust staff on developing deep retrofit pilot projects. Staff asks that Energy Trust report back to the PUC quarterly on progress with their deep retrofit pilot initiatives.

Lender Ally Network

PUC staff strongly supports Energy Trust in developing its lender ally initiative. Staff believes this is a promising new area that would effectively leverage ratepayer dollars and the expertise and experience Energy Trust has developed over the last ten years. In the 2013-2014 Draft Budget and Action Plan, the lender ally network is mentioned as

part of a) the existing homes residential 2013 strategies and activities, b) new buildings commercial, and c) in the NW Natural Washington program. Staff recommends Energy Trust make a concerted effort to promote the lender ally program more widely and aggressively. Lender allies could be particularly important to Energy Trust's commercial deep retrofit pilots. Energy Trust should provide updates on the lender ally initiative at quarterly update meetings to the PUC.

Recommendation

Overall, PUC staff supports Energy Trust's draft 2013 budget and 2013-14 action plan subject to the following conditions:

- Energy Trust continue to streamline processes to keep administrative costs low.
- Energy Trust work to limit carryover to less than 10% for all utilities for both efficiency and renewable energy programs.
- Energy Trust closely evaluate the three remaining temporary agency positions and propose a way that work can be covered without increasing number of permanent staff.
- Energy Trust initiate a discussion about how to more clearly describe conservative and stretch goals in terms of probability of meeting IRP targets.
- Energy Trust continue to provide updates to the PUC on the status and budget of computer system upgrades, including how the new system will reduce costs, increase savings, and benefit ratepayers.
- Energy Trust coordinate closely with the PUC before moving forward to evaluate grant opportunities. Energy Trust coordinate closely with the PUC on any proposed changes to their business model.
- PUC staff work with Energy Trust staff on expanding deep retrofit pilot projects; Energy Trust report to the PUC quarterly on deep retrofit pilot initiatives.
- Energy Trust make a concerted effort to promote the lender ally program more widely and aggressively; Energy Trust should provide updates on the lender allies at quarterly update meetings to the PUC.

PROPOSED COMMISSION MOTION:

Staff's comments be adopted as Commission comments on the Draft 2013 Budget and Draft 2013-14 Action Plan for the Energy Trust of Oregon.



Pat Egan
Vice President, Customer and
Community Affairs
825 NE Multnomah, Suite 2000
Portland, Oregon 97232
phone (503) 813-6165
fax (503) 813-6100

November 28, 2012

Margie Harris
Executive Director
Energy Trust of Oregon
421 SW Oak St., Suite 300
Portland, OR 97204

Dear Margie,

Thank you to you and your staff for presenting Energy Trust's 2013 draft action plan and budget. We also want to recognize the work Energy Trust and Pacific Power recently performed in agreeing to the 2013 funding levels including setting the stretch goal and funding at 115% of the IRP proxy goal. We absolutely support our customers accessing the best possible energy efficiency services through the Energy Trust while also recognizing the need to minimize the financial impacts on customers, particularly in this challenging economy.

We look forward to continuing to work together and believe both Energy Trust and Pacific Power have significant contributions to make in informing customers of the opportunities presented by your services and programs.

I would like to provide a few comments and requests for the coming year:

- We are pleased to see Energy Trust is forecasted to exceed Pacific Power's goal in 2012 for less than the forecasted 2012 budget. This shows how, by our organizations working together, we can continue our track record of success in providing these valuable savings and demonstrating a continued focus on cost management. As we both know, Pacific Power customers are interested and engaged in improving the energy efficiency of their homes and businesses.
- Pacific Power agrees with OPUC staff comments regarding confusion surrounding the stretch and conservative goals and expects to participate in discussions initiated by the Energy Trust. In addition, Pacific Power strongly advocates the IRP selections form the basis for goal calculations and the stretch goal be established at 115% of the IRP goal. The approach of establishing the stretch goal and then setting the IRP target at 85% of the stretch goal reduces the alignment between the goal calculated by the utility IRP model and necessary utility funding to acquire these resources. The latter approach was utilized during the majority of the 2013 Pacific Power funding process. The former approach was utilized during the final funding determination and changing the approach materially reduced the forecasted 2013 rate impact for our customers.

- Pacific Power's rate adjustment for 2013 is based on funding to the stretch goal and maintaining a five percent reserve. As outlined in our November 19, 2012 filing, we look forward to working with Energy Trust to determine if this combined reserve funding level is optimal or if another amount or approach would be more appropriate.
- As outlined in our program concepts comments provided in August, Pacific Power is generally supportive of the use of pilots in 2013 to better understand markets and opportunities. We will be reviewing pilots and results in 2013 to understand if they are date bound with success metrics, an evaluation plan and go forward decisions are based on evaluation results.
- As with Energy Trust, customer service delivery is a key driver of our business. Now that Oregon Administrative Rules have opened the door to a more open flow of information between Pacific Power and Energy Trust, we ask that Energy Trust staff and contractors work proactively with our Energy Trust liaison, corporate account managers and regional community managers, especially for those customer accounts that Pacific Power considers to be "managed". We regularly refer customers to these programs and appreciate our shared interest in making sure our customers, Pacific Power, Energy Trust, and contractors are all communicating, sharing best practices and fully aware of all the information necessary to make sure customers are taking full advantage of these services.
- I appreciate the recent opportunities to work directly with your board and staff on reviewing programs and processes and sharing Pacific Power experience at the Utility Roundtable meetings. We see opportunity to collaborate further on this level.

As noted in our tariff filing, Pacific Power is committed to continuous improvement in our joint outreach and program efforts. I know we both feel strongly about our connection with customers and know that you want to provide the best program services possible. Our direct customer feedback, growing levels of customer engagement and the thousands of customer attendees at hosted events demonstrate that we've done well, but can do even better with the joint planning and execution we have discussed.

Pacific Power values the resource acquisitions and customer benefits delivered by Energy Trust on behalf of Pacific Power customers. Speaking on behalf our team, we're here to help Energy Trust meet and exceed their goals for 2013.

Sincerely,



Pat Egan
Vice President, Customer and Community Affairs
Pacific Power

Amber Cole

From: Edmonds, Bill
Sent: Wednesday, November 28, 2012 5:31 PM
To: Margie Harris; Amber Cole
Cc: Meyer, Holly
Subject: Comments from NWN: ETO 2013-14 Draft Action Plan and Budget

Margie:

On behalf of NW Natural (NWN) I want to thank you and your team for meeting with us to discuss ETO's 2013-14 Draft Action Plan and Budget on November 14th. I'm providing these comments to the plan for your consideration as you finalize your budget.

Overall: The company is pleased with ETO's results for 2012 that are expected to equal 106% of NWN's stretch goal for savings. ETO expects to achieve these impressive results at a levelized cost of 39 cents per therm. We also appreciate the time your team has taken to develop a 2013-14 budget that keeps us on target for the acquisition of cost-effective therms at a time when lower avoided cost has created new challenges related to the cost-effectiveness of certain gas measures.

1. Cost-Effectiveness Issue

NW Natural already provided supportive comments to the OPUC regarding the "cost-effectiveness hiatus" requested by ETO regarding several gas measures. We were pleased to see the OPUC grant the hiatus and we believe it is an appropriate approach to this difficult situation. The hiatus offers an opportunity to review our current methodology for testing gas measures – and to assess if the current system works best to ensure a steady and vibrant efficiency program for gas customers. While it is clear that gas prices have been volatile, it is our best guess that new shale discoveries will mean gas prices remain relatively low for years to come. Despite a low avoided cost for gas, it seems oddly out of synch with the region's priorities to allow energy efficiency measures as basic as home weatherization to come and go. We appreciate the hard work and analysis performed by Fred Gordon and his team in support of this effort and we look forward to engaging with ETO and the Commission on the important task of setting a course for energy efficiency through this environment of low cost gas.

2. New Gas Customers

A benefit of low cost gas is that new customers are joining our system – from asphalt plants that had temporarily moved off shore to schools that are converting from very old oil systems. In many cases, these new customers offer an opportunity for NW Natural and ETO to work together to ensure they join our system by putting in the most efficient systems available. Because low cost-natural gas makes it challenging for some customers to justify the expense of more efficient equipment, it is more important than ever to use ETO incentives to help commercial and industrial customers overcome the larger front end costs of high efficient equipment.

3. Behavioral Pilots

ETO has conducted a fair review of the OPower behavioral program and found, as I understand, that it did not deliver low cost savings for gas customers. We continue to support ETO's work in exploring behavioral efforts – and hope that we can work together to make these pilot efforts positive for our customers and successful in delivering savings. We have begun discussions regarding partnering together to effectively use the on line Aclara program – as another way to directly interact with customers and channel them towards appropriate ETO incentives and high efficiency equipment. Despite the abundance of gas heated homes, gas utilities face a bit of a gap in funding for outreach efforts that tie to ETO programs which is filled for the electric utilities by SB 838 funds. Our work to partner on programs like Aclara and others provides a useful mechanism for utility engagement with our customers on the topic of efficiency. I

know our communications departments are meeting next month to discuss details of this partnership and hope we can move forward with this and other communication partnerships in the coming year.

4. Equipment Innovation and NEEA

Gas efficiency efforts would benefit dramatically from more innovation that results in new efficient gas equipment coming to market. This lack of innovation is a problem that is much bigger than ETO and NWN – of course -- and requires a regional and even national focus. It is particularly hard to drive efficiency innovation when avoided costs are low. Without it though, we face the real danger that the nation will install inefficient equipment that will be in place for a long, long time. While there is no easy path towards groundbreaking innovation, it is possible that having our own regional innovation lab, NEEA, play some role in the gas market may be one useful step. This is an idea that NEEA has studied as part of its strategic plan and that you Margie have strongly promoted. NEEA is currently an organization with only an electric focus, the board is primarily electric and the staff has strong electric expertise. For the organization to take up gas issues, it would need to develop a vision for including gas and then build capabilities to deliver on this vision. It may be that ETO, NWN and other stakeholders in the region should take up in 2013 a conversation with NEEA regarding what it might look like to fold gas into the organization's mission. Like many matters that are both complex and controversial, it may make sense to pilot something small with NEEA in the area of gas equipment to ensure such an effort can be supported by the organization and can be successful. While we have informally approached NEEA on this subject, we know that ETO generally—and you Margie specifically—have hoped this might work and for that reason we mention it here.

5. Low-Income

Low income weatherization and efficiency programs continue to be a priority for us and we know you share our concern that these customers remain underserved. We're proud to say that our company managed weatherization program in which we partner with the CAP agencies, weatherized 576 homes over the last program year. While collectively with the CAP agencies we're proud of this accomplishment, this is a very small number given the demand. We note that our program and others will be hit hard by federal cuts in low income funding. We have discussed a variety of ways to partner with ETO to reach these customers more effectively, with some of these ideas getting from the drawing board to the proposal stage. I look forward to continuing this work and to delivering more in the way of efficiency services to low income homes and multi-family buildings in the coming year.

6. New Program Areas

We have appreciated ETO's willingness to look into new areas to partner such as exploring District Systems and hope some of these new efforts grow to become fresh, new opportunities for energy savings. It seems reasonable to expect that low cost gas will reverberate through the energy economy in ways that are difficult now to predict. We expect this new world will require new things of local distribution companies, like NWN, and will also require our partners, like ETO, to broaden their efforts to meet these new challenges as well.

If you have questions about any of these suggestions, don't hesitate to give me a call.

Sincerely,
Bill Edmonds

Bill Edmonds | Director, Environmental Management & Sustainability | NW Natural 220 NW Second Avenue |
Portland, Oregon 97209 |

From: Abrahamson, Jim
Sent: Friday, November 02, 2012 3:15 PM
To: Peter West; Steve Lacey; Elaine Prause
Cc: Parvinen, Michael; Spector, Allison
Subject: Cascade Natural Gas Draft 2013 Budget Comments

Greetings,

Cascade Natural Gas appreciates this opportunity to comment on the Energy Trust of Oregon's 2013 draft budget of energy efficiency programs for Cascade's Oregon service area.

These comments are built upon information compiled from different sources and times in the 2013 budget process so there might not be total alignment on some of the figures. Specifically, some of this information comes from the September 17, 2012 discussion between Cascade and ETO and some comes from the October 24, 2012 meeting of the Conservation Advisory Council. The 2013 draft budget figures are still in flux, so any slight differences should be ignored.

The draft 2013 energy efficiency budget for Cascade is \$2,415,938 for total program expenses and \$2,501,506 when total administrative costs are included. These budgeted expense figures support a 2013 IRP goal of 405,844 therms and a stretch goal of 415,948 therms. The draft 2013 budget figure is relatively stable and consistent with the energy efficiency budgets of the past couple years and reflects a combination of factors including the relatively slow economic recovery in Cascade's service area.

At the CAC meeting we were presented with the detailed energy efficiency budgets for each of the five program areas that deliver energy efficiency services to Cascade's Oregon customers. We hope to learn more about the specific details that have been factored into the development of these program budgets at our upcoming budget meeting on November 8, 2012.

In the meantime, the following are some observations we have that are related to the 2013 budget and to our ongoing request for transparent information related to the reported energy efficiency program successes

- **Cascade's IRP Targets come from ETO and the Stellar Study**

Cascade's Oregon demand-side management potential and targets are developed by ETO through the use of resource assessments conducted by Stellar Processes. Cascades recently approved 2011 Integrated Resource Plan (OPUC Order 12-342, Docket number LC 54, September 12, 2012) notes that Cascade's cumulative "best case" therm savings target over the 20-year planning horizon is 10,718,950 therms. This achievable potential figure came from ETO and is broken down by sector in the following manner:

| <u>Sector</u> | <u>Therms</u> |
|---------------|------------------|
| Industrial: | 1,397,825 |
| Commercial: | 1,046,952 |
| Residential: | <u>8,274,173</u> |
| Total: | 10,718,950 |

By way of observation, we note that over 77 percent of the achievable potential has been identified in the residential sector.

- **ETO program alignment with IRP technical and achievable potential**

There are 79 specific measures identified and included in the resource assessment of the residential and commercial sectors. These 79 measures are listed in Cascade's IRP. While there is no specific measure listing

itemized for the industrial sector (for a variety of reasons we have agreed upon) there ARE specific measures identified in the resource assessment that can compile to the 20-year industrial achievable potential figure included in the IRP.

This is mentioned because it is Cascade's expectation that ETO is building the 2013 therm savings and program budgets for each sector and program on the foundation provided by specific measures identified and quantified in the Stellar Processes analysis and listed in CNG's approved 2011 Integrated Resource Plan.

- **Fourth quarter, 2012 expected achievements and relationship to 2013**

As noted above, there is a rough comparability between the draft 2013 energy efficiency budget and the 2012 budget for Cascade. At the last Conservation Advisory Council meeting (October 24, 2012) it was noted that that all five of ETO's programs were experiencing exceptional results in Cascade's service area. Estimates of therm savings for 2012 were reported to be in neighborhood of 101 percent of the stretch goal. This is excellent news from the standpoint of total therm savings.

However, this news raises a couple of questions that we might be able to explore in more detail at our upcoming meeting. We are all familiar with the "hockey stick" where a large proportion of annual program expenses occur, or are booked, in the fourth quarter of the program year. We note that in 2012 the projected hockey stick is significantly steeper than in years past – with as much as 62 percent of total 2012 program expenses expected to be incurred between October and December, 2012. Is this steepening expense pattern unique to 2012? Why has this occurred to such a degree? Is this a reflection of an ongoing uptick in activity in CNG's service territory or is it isolated to 2012? Are there any ramifications for 2013 that could be expected?

These issues will be easier to discuss once we see the measure details that underlie each of the five program budgets for 2013.

- **Cascade's expectations for specific reporting savings and accomplishments**

Cascade and ETO continue to work toward the identification and reporting of specific program energy efficiency achievements by ETO for the benefit of Cascade's Oregon customers. It is Cascade's intent to track savings achievements as much as possible in each relevant measure area identified in the resource assessment and to mark progress in achieving the overall achievable conservation potential in our Oregon service area. As I said at the CAC meeting last week, I look forward to seeing the specific program accomplishment details for 2012 when they become available. In the meantime, we will all continue working on the 2006-2011 data.

Thank you for this opportunity to comment on the draft 2013 budget. We look forward to our meeting on November 8, 2012 and to our opportunity to provide final comments to the ETO Board prior to the presentation of the final 2013 budget on December 14, 2012.

Jim Abrahamson
Senior Conservation Analyst
Cascade Natural Gas Corporation
<http://www.cngc.com>

Amber Cole

Subject: FW: ETO Budget Comments

From: Carol Dillin
Sent: Wednesday, November 28, 2012 1:50 PM
To: Margie Harris
Subject: ETO Budget Comments

Dear Margie,

Thanks to the extensive discussions PGE and Energy Trust have already had about Energy Trust's 2013 budget, and Energy Trust's willingness to incorporate our conversations into its plans, PGE has no further comments on the Energy Trust budget.

PGE has submitted a tariff to increase our Schedule 110 (SB838) tariff by \$8 million to meet Energy Trust budget for 2013 and 2014, and hope for OPUC approval December 18, with the tariff to go into effect January 1, 2013.

We look forward to working with you to meet our joint goals in the new year.

Carol A. Dillin | Vice President, Customer Strategies & Business Development | Portland General Electric

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Amber Cole

Subject: FW: BUDGET COMMENT: Energy Trust 2013-2014 Budget Comments

From: Theo Anderson

Sent: Monday, November 26, 2012 10:54 AM

To: info

Subject: Energy Trust 2013-2014 Budget Comments

As a Trade Ally we truly appreciated the Kick Start program as a bonus to having our customers move forward with projects. The added incentive to begin and order parts in a 90 day period increased our closing percentage greatly.

Please feel free to contact me if you have any questions.

Respectfully,
Theo Anderson

Theo Anderson | Energy Services | Alliant Systems, LLC |

Providers of innovative mechanical services

www.alliant-systems.com



Amber Cole

Subject: FW: Thank you and request for comments

From: Ty Barker
Sent: Wednesday, November 28, 2012 2:28 PM
To: Margie Harris
Subject: RE: Thank you and request for comments


Margie

That was a very informative presentation – sorry I had to leave early.

I think the messaging is fairly presented – you have to digest and present complexities of legislation and actual achieved goals. Because so much of the benefit ETO brings is in “avoided” costs, presenting that information will always be difficult – especially when combined with measured savings based on completed infrastructure upgrades. I am also always impressed with how well you articulate the message.

Long and short: Thank you for all your support and assistance over the years. The ETO is instrumental in making capital projects in commercial buildings affordable. The built environment would not be as efficient as it is without ETO and we look forward to the continued efficiency gains.

Ty Barker





Please consider the impact to the environment before printing this email.

From: Margie Harris [<mailto:Margie.Harris@energytrust.org>]
Sent: Wednesday, November 28, 2012 11:54 AM
To: Amber Cole; Margie Harris
Subject: Thank you and request for comments

Good morning,

Special thanks to those of you who attended our draft budget and outreach meetings held this past Monday and Tuesday, November 26 and 27th. We had good turnout and discussion and we highly value your time and participation in these meetings.

As mentioned during our presentation, our draft budget and action plan were both designed to cost effectively meet PGE, Pacific Power, NW Natural and Cascade Natural Gas integrated resource plans targets for energy efficiency savings and to continue small scale renewable energy development for both PGE and Pacific Power customers. Specific details are included in the individual program descriptions and corresponding line item budgets, available here for your review: www.energytrust.org/about/budget

As a reminder, Energy Trust very much encourages and welcomes your written comments on our draft 2013-2014 budget and action plan. As previously referenced, the due date for receipt of your comments is 5:00 pm next Monday, December 3rd. Comments may be provided via email to me at margie@energytrust.org, with a copy to Amber Cole at amber.cole@energytrust.org, who is included in this mailing.

Every year, feedback received through a variety of forums enables us to solicit and listen to different perspectives that help us strengthen our strategies and approaches. All suggestions are considered as we prepare the final proposed budget and action plan, which will be presented for board action at the board of

directors meeting on Friday, December 14th. The board packet for this upcoming meeting also will include actual copies of written comments received along with a comment summary and staff responses. The board meeting begins at 12:15 pm in our offices and of course, is open to the public. You are welcome to attend and to provide comments there if you would like.

For those who would prefer to send or drop off written comments, our address is 421 SW Oak St., Suite 300, Portland, OR 97204.

We value your comments and do hope to hear from you by close of business next Monday. Thank you again for your time and thoughts.

Best,

Margie

Margie Harris
Executive Director

Energy Trust of Oregon
421 SW Oak Street, Suite 300
Portland, Oregon 97204

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This email is intended for its addressee(s) and may contain confidential information. If you receive this email in error, please notify me and delete it promptly. Thank you.

+ Please consider the environment before printing this email.

Amber Cole

Subject: FW: Duct Sealing Incentives

From: jthull

Sent: Thursday, November 15, 2012 10:23 AM

To: Peter West

Subject: Duct Sealing Incentives

I am a duct sealing and air sealing contractor. I was going over your minutes on 10/24/12. I see that it's proposed to end the duct sealing rebates. I am very concerned about this due to my entire business is duct and air sealing. I fear that if all rebates are ended that I will be out of business soon. From my experience home owners only choose to do duct sealing because there are incentives to help them out of pocket costs.

I propose that we still have some sort of rebates for duct sealing, even if it is way less than what is currently available. There are some people who do not even understand what duct sealing is, but if they see rebates for it on the Energy Trust website, then it peaks their interest.

My costs have not gone up over the past two years. We consistently try to make our costs as close to the rebate costs so customers are getting the most for their money. Instead of doing rebates by a 50% margin, why not make a solid figure like the other utility companies are doing in Oregon. Say for example you make the rebates at a flat fee of \$300. Then, all duct sealers will have to make their costs as close to that rebate amount as possible for them to be competitive. Also, you will have an exact dollar amount for budgets and can track it if, and when, it gets close to going over.

These are suggestions that I have to help save our business and also the entire duct sealing program. I believe in going green and saving the environment. How can we do that if all of our energy in our home is literally going right out the door? Why does it matter if a consumer purchases a 99% energy efficient furnace or heat pump if all the heat from it is getting pumped into non livable spaces? I believe we need to be smarter about the choices in program cuts and spending. If people do not see duct sealing on the list of Energy Trust measures, then some people won't even know what duct sealing is. A majority of our work is from people hearing about duct sealing and having their utility bills high during the winter time. It's not from people buying new furnaces and heat pumps.

Duct sealing is a way to help the environment by saving people energy and money. I believe we will lose a big step towards this if we delete these incentives.

Sincerely,

Jessica Hull
Hull Home Efficiency, Inc.

Amber Cole

Subject: FW: Residential Program changes

From:

To: marshall.johnson@energytrust.org

CC: tom.beverly@energytrust.org

Subject: Residential Program changes

Date: Thu, 8 Nov 2012 17:14:44 +0000

Hi Marshall,

It's been awhile since we last spoke. Trust all is well. Say...I missed the last CAC meeting in October. However, I just read through the notes and do have a concern. I also have a group of corrective suggestions to evaluate. To be direct, I think you are doing the customer wrong by stepping back from duct testing/sealing. Air sealing I can understand, but eliminating duct sealing....not good. **Too many homes (customers) are being sold new and improved HVAC systems by profit only CONTRACTORS when factually all or part of the actual solution is leaky ductwork.** I've seen it too many times as an Energy Rep for Pacific and I still see it today. To eliminate duct testing/sealing from any HVAC upgrade is no different from eliminating window incentives standard weatherization package. It might not always be cost effective, but necessary. **FYI - California building code actually requires all ductwork be tested and sealed prior to any HVAC upgrade.** Your proposal or (Market Transformation) is going in the opposite direction. Why?

As for solutions....one is to match or partly match California building code. Perhaps have a two-tier HVAC incentive. One for HVAC only and a higher incentive for duct sealing combined. This would encourage better performance and market transformation. As for existing homes and existing ductwork with no upgrade, the least you could offer is a reasonable incentive to have sealed and no test incentive. Reduce the incentive to 25% up to \$400, **but have something to create awareness in the customer.** Like past conversations....which is most important? Sealing/insulating the envelope (home) first or a hvac system upgrade. You know my answer. I trust that it still matches your (ETO) answer. I can't answer for the other contractors.

Please consider...

Steve Campbell
Home Comfort I & S
Roseburg, Oregon

FYI - When I meet with a customer, I provide a simple explanation with reference to their current HVAC system and possible improvements. I compare it to a three legged stool. One leg is the air handler (furnace); one is the hvac (outside unit) and one is the air supply system (ductwork). If either three are weak (not functioning to best performance) it will fall over (fail). The customer would usually provide the answer first (awareness). I'm sorry to say.... but your proposal is eliminating one leg of the total package and jeopardizing best home performance. It's also leaving more customer education in the hands of the salesman. Think about it.

2013 Budget Recap - R2: Final Approved

| PROGRAM | BUDGET (\$M) | | | ELECTRIC SAVINGS ¹ | | | | GAS SAVINGS ¹ | | | |
|--|----------------|---------------|----------------|----------------------------------|--------------|---------------------|--------------|--------------------------|------------------|----------------------|--------------|
| | ELECTRIC | GAS | TOTAL | GOALS | | COST | | GOALS | | COST | |
| | | | | aMW | | Levelized (\$/kW h) | | Annual Therms | | Levelized (\$/Therm) | |
| | | | | Conservative | Stretch Goal | Conservative | Stretch Goal | Conservative | Stretch Goal | Conservative | Stretch Goal |
| ENERGY EFFICIENCY | | | | | | | | | | | |
| Commercial | | | | | | | | | | | |
| Business Energy Solutions – Existing Buildings | 35.9 | 6.7 | 42.6 | 13.13 | 15.45 | 0.037 | 0.032 | 1, 444,984 | 1, 699,981 | 0.460 | 0.391 |
| Business Energy Solutions – N ew Buildings | 16.8 | 1.3 | 18.1 | 4.86 | 5.72 | 0.040 | 0.034 | 393, 405 | 462, 829 | 0.270 | 0.230 |
| Mkt Transformation (Alliance) | 3.0 | 0.0 | 3.0 | 1.93 | 2.27 | 0.018 | 0.015 | NA | | | |
| Total Commercial | 55.7 | 8.0 | 63.7 | 19.9 | 23.4 | 0.036 | 0.030 | 1,838,388 | 2,162,810 | 0.412 | 0.350 |
| Industrial | | | | | | | | | | | |
| Production Efficiency | 30.9 | 3.3 | 34.2 | 13.83 | 16.27 | 0.030 | 0.025 | 971, 159 | 1, 142,540 | 0.346 | 0.294 |
| Mkt Transformation (Alliance) | 1.6 | 0.0 | 1.6 | 0.56 | 0.66 | 0.041 | 0.035 | NA | | | |
| Total Industrial | 32.5 | 3.3 | 35.8 | 14.4 | 16.9 | 0.030 | 0.026 | 971, 159 | 1,142,540 | 0.346 | 0.294 |
| Residential | | | | | | | | | | | |
| Home Energy Solutions – Existing Homes | 16.0 | 11.4 | 27.4 | 5.23 | 6.15 | 0.038 | 0.033 | 1, 073,250 | 1, 262,647 | 0.813 | 0.691 |
| Home Energy Solutions – N ew Homes & Products | 16.7 | 4.3 | 21.0 | 5.66 | 6.66 | 0.046 | 0.039 | 748, 330 | 880, 388 | 0.489 | 0.416 |
| Mkt Transformation (Alliance) | 4.9 | 0.0 | 4.9 | 2.19 | 2.58 | 0.040 | 0.034 | NA | | | |
| Total Residential | 37.6 | 15.7 | 53.3 | 13.1 | 15.4 | 0.041 | 0.035 | 1,821,580 | 2,143,035 | 0.686 | 0.583 |
| W ashington | | | | | | | | | | | |
| Business Energy Solutions – Existing Buildings | 0.0 | 0.7 | 0.7 | | | | | 127, 500 | 150, 000 | 0.401 | 0.341 |
| Home Energy Solutions – Existing Homes | 0.0 | 0.5 | 0.5 | | | | | 62, 722 | 73, 791 | 0.540 | 0.459 |
| Home Energy Solutions – N ew Homes & Products | 0.0 | 0.3 | 0.3 | | | | | 36, 513 | 42, 956 | 0.693 | 0.589 |
| Total W ashington | 0.0 | 1.5 | 1.5 | | | | | 226, 735 | 266, 747 | 0.489 | 0.416 |
| Total Energy Efficiency with Gas Market T ransformation | \$125.8 | \$28.5 | \$154.3 | 47.4 | 55.8 | 0.035 | 0.030 | 4,857,862 | 5,715,132 | 0.517 | 0.440 |
| | BUDGET (\$M) | | | ELECTRIC GENERATION ¹ | | | | | | | |
| | ELECTRIC | GAS | TOTAL | GOALS | | COST | | | | | |
| aMW | | | | (\$mils/ aMW) | | | | | | | |
| Conservative | | | | Best Case | Conservative | Best Case | | | | | |
| REN EW ABLE RESOURCES | | | | | | | | | | | |
| Biopower | 2.9 | | 2.9 | 2.32 | 2.32 | 1.25 | 1.25 | | | | |
| Open Solicitation | 3.6 | | 3.6 | 0.96 | 0.99 | 3.73 | 3.61 | | | | |
| Solar Electric | 9.5 | | 9.5 | 0.73 | 1.12 | 13.01 | 8.48 | | | | |
| Total Renewable Resources | \$16.0 | | \$16.0 | 4.0 | 4.4 | 3.98 | 3.60 | | | | |

¹ some columns may not add due to rounding

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory
2013 Budget Approved Final

| | ENERGY EFFICIENCY | | | | | | RENEWABLE ENERGY | | | Other | TOTAL | | |
|---|--------------------|-------------------|--------------------|------------------|-------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|
| | PGE | PacifiCorp | Total | NWN Ind | NW Natural | Cascade | Oregon Total | NWN WA | ETO Total | | PGE | PacifiCorp | Total |
| REVENUES | | | | | | | | | | | | | |
| Public Purpose Funding | \$26,449,746 | \$19,893,195 | \$46,342,941 | | \$21,996,075 | \$3,293,912 | \$71,632,928 | | \$71,632,928 | \$7,569,342 | \$5,579,296 | \$13,148,638 | \$84,781,566 |
| Incremental Funding | 50,850,000 | 25,881,600 | 76,731,600 | 2,391,083 | | | 79,122,683 | 1,291,102 | 80,413,785 | | | | 80,413,785 |
| Revenue from Investments | | | | | | | | | | | | | 120,000 |
| TOTAL PROGRAM REVENUE | 77,299,746 | 45,774,795 | 123,074,541 | 2,391,083 | 21,996,075 | 3,293,912 | 150,755,611 | 1,291,102 | 152,046,713 | 7,569,342 | 5,579,296 | 13,148,638 | 165,315,351 |
| EXPENSES | | | | | | | | | | | | | |
| Program Management (Note 3) | 2,457,782 | 1,483,211 | 3,940,994 | 81,138 | 853,480 | 121,227 | 4,996,839 | 203,515 | 5,200,354 | 470,051 | 576,786 | 1,046,837 | 6,247,191 |
| Program Delivery | 21,504,818 | 13,520,004 | 35,024,822 | 726,502 | 5,162,867 | 610,357 | 41,524,548 | 286,819 | 41,811,367 | | | | 41,811,367 |
| Incentives | 45,325,664 | 25,088,181 | 70,413,845 | 1,656,790 | 11,724,491 | 1,373,554 | 85,168,680 | 624,135 | 85,792,815 | 6,509,284 | 5,852,403 | 12,361,687 | 98,154,502 |
| Program Eval & Planning Svcs. | 2,581,869 | 1,600,065 | 4,181,934 | 65,018 | 797,585 | 85,214 | 5,129,751 | 61,136 | 5,190,887 | 91,674 | 93,161 | 184,835 | 5,375,722 |
| Program Marketing/Outreach | 2,261,532 | 1,302,379 | 3,563,910 | 18,210 | 1,176,838 | 105,065 | 4,864,024 | 105,712 | 4,969,736 | 127,645 | 76,355 | 204,000 | 5,173,736 |
| Program Legal Services | | | | | | | | | | | | | 0 |
| Program Quality Assurance | 116,953 | 75,556 | 192,509 | 659 | 56,561 | 5,272 | 255,000 | | 255,000 | 7,500 | 7,500 | 15,000 | 270,000 |
| Outsourced Services | 664,897 | 488,524 | 1,153,422 | 25,270 | 252,717 | 23,641 | 1,455,050 | 500 | 1,455,550 | 633,492 | 441,008 | 1,074,500 | 2,530,050 |
| Trade Allies & Cust. Svc. Mgmt. | 429,126 | 258,163 | 687,290 | 3,743 | 283,317 | 25,990 | 1,000,341 | 29,194 | 1,029,535 | 28,952 | 15,198 | 44,150 | 1,073,685 |
| IT Services | 1,114,399 | 658,372 | 1,772,771 | 22,189 | 496,189 | 49,447 | 2,340,596 | 65,741 | 2,406,337 | 128,679 | 154,858 | 283,537 | 2,689,874 |
| Other Program Expenses | 423,146 | 255,260 | 678,406 | 11,065 | 242,522 | 23,523 | 955,516 | 41,567 | 997,083 | 138,396 | 122,691 | 261,087 | 1,258,170 |
| TOTAL PROGRAM EXPENSES | 76,880,187 | 44,729,716 | 121,609,902 | 2,610,585 | 21,046,567 | 2,423,291 | 147,690,345 | 1,418,319 | 149,108,664 | 8,135,672 | 7,339,961 | 15,475,633 | 164,584,297 |
| ADMINISTRATIVE COSTS | | | | | | | | | | | | | |
| Management & General (Notes 1 & 2) | 1,620,561 | 946,545 | 2,567,106 | 50,365 | 461,742 | 51,883 | 3,131,096 | 31,321 | 3,162,417 | 152,373 | 149,105 | 301,478 | 3,463,895 |
| Communications & Cust Svc (Notes 1 & 2) | 1,027,392 | 600,108 | 1,627,500 | 32,037 | 292,341 | 32,874 | 1,984,753 | 19,852 | 2,004,605 | 96,038 | 93,956 | 189,994 | 2,194,600 |
| Total Administrative Costs | 2,647,953 | 1,546,653 | 4,194,606 | 82,402 | 754,083 | 84,757 | 5,115,849 | 51,173 | 5,167,022 | 248,411 | 243,061 | 491,472 | 5,658,494 |
| TOTAL PROG & ADMIN EXPENSES | 79,528,139 | 46,276,369 | 125,804,508 | 2,692,987 | 21,800,651 | 2,508,048 | 152,806,194 | 1,469,492 | 154,275,686 | 8,384,083 | 7,583,022 | 15,967,105 | 170,242,790 |
| TOTAL REVENUE LESS EXPENSES | (2,228,393) | (501,574) | (2,729,967) | (301,904) | 195,424 | 785,864 | (2,050,583) | (178,390) | (2,228,973) | (814,741) | (2,003,726) | (2,818,467) | 120,000 |
| Cumulative Carryover at 12/31/12 (Note 4) | 7,014,161 | 1,089,539 | 8,103,700 | 301,902 | 3,938,817 | (639,450) | 11,704,969 | 178,390 | 11,883,359 | 7,333,768 | 7,198,497 | 14,532,265 | 10,654,933 |
| Interest attributed | 1,740,000 | 1,160,000 | 2,900,000 | | 5,000,000 | 700,000 | 8,600,000 | | 8,600,000 | 585,000 | 2,235,000 | 2,820,000 | (3,520,000) |
| Interest re-attributed | (1,740,000) | (1,160,000) | (2,900,000) | | (5,000,000) | (700,000) | (8,600,000) | | (8,600,000) | | | | 700,000 |
| TOTAL NET ASSETS CUMULATIVE | 4,785,768 | 587,965 | 5,373,733 | (1) | 4,134,241 | 146,414 | 9,654,386 | 0 | 9,654,386 | 7,104,027 | 7,429,771 | 14,533,798 | 7,954,933 |

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.

Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.

Note 3) Program Management costs include both outsourced and internal staff.

Note 4) Cumulative carryover at 12/31/2012 is from the 2012 Forecast.

The Energy Trust of Oregon, Inc
Program Expense by Service Territory
For the Twelve Months Ending December 31, 2013
2013 Budget Approved Final

| | <u>PGE</u> <u>2013 Budget</u> | <u>Pacific Power</u> <u>2013 Budget</u> | <u>Elec. Utilities</u> <u>2013 Budget</u> | <u>NWN Industrial</u> <u>2013 Budget</u> | <u>NW Natural Gas</u> <u>2013 Budget</u> | <u>Cascade</u> <u>2013 Budget</u> | <u>Gas Providers</u> <u>2013 Budget</u> | <u>Oregon Total</u> <u>2013 Budget</u> | <u>NWN WA</u> <u>2013 Budget</u> | <u>ETO Total</u> <u>2013 Budget</u> |
|---|----------------------------------|--|--|---|---|--------------------------------------|--|---|-------------------------------------|--|
| Energy Efficiency | | | | | | | | | | |
| Commercial | | | | | | | | | | |
| Business Energy Solutions - Existing Buildings | 24,308,365 | 11,598,271 | 35,906,636 | 518,887 | 5,522,093 | 689,447 | 6,730,427 | 42,637,063 | 652,870 | 43,289,933 |
| Business Energy Solutions - New Buildings | 9,188,357 | 7,598,083 | 16,786,440 | 59,548 | 1,088,524 | 125,343 | 1,273,415 | 18,059,855 | | 18,059,855 |
| Market Transformation (NEEA) | 1,786,935 | 1,241,768 | 3,028,703 | | | | | 3,028,703 | | 3,028,703 |
| Total Commercial | 35,283,657 | 20,438,122 | 55,721,779 | 578,435 | 6,610,617 | 814,790 | 8,003,842 | 63,725,621 | 652,870 | 64,378,491 |
| Industrial | | | | | | | | | | |
| Business Energy Solutions - Production Efficiency | 19,716,670 | 11,198,194 | 30,914,864 | 2,114,551 | 758,749 | 416,035 | 3,289,335 | 34,204,199 | | 34,204,199 |
| Market Transformation (NEEA) | 918,439 | 638,237 | 1,556,676 | | | | | 1,556,676 | | 1,556,676 |
| Total Industrial | 20,635,109 | 11,836,431 | 32,471,540 | 2,114,551 | 758,749 | 416,035 | 3,289,335 | 35,760,875 | | 35,760,875 |
| Residential | | | | | | | | | | |
| Home Energy Solutions - Existing Homes | 9,614,122 | 6,396,900 | 16,011,022 | | 10,456,809 | 915,702 | 11,372,511 | 27,383,533 | 473,034 | 27,856,567 |
| Home Energy Solutions - New Homes/Products | 11,094,851 | 5,589,384 | 16,684,235 | | 3,974,475 | 361,520 | 4,335,995 | 21,020,230 | 343,588 | 21,363,818 |
| Market Transformation (NEEA) | 2,900,397 | 2,015,531 | 4,915,928 | | | | | 4,915,928 | | 4,915,928 |
| Total Residential | 23,609,370 | 14,001,815 | 37,611,185 | | 14,431,284 | 1,277,222 | 15,708,506 | 53,319,691 | 816,622 | 54,136,313 |
| Energy Efficiency Program Costs | 79,528,136 | 46,276,368 | 125,804,504 | 2,692,986 | 21,800,650 | 2,508,047 | 27,001,683 | 152,806,187 | 1,469,492 | 154,275,679 |
| Renewables | | | | | | | | | | |
| Biopower | 1,287,500 | 1,626,105 | 2,913,605 | | | | | 2,913,605 | | 2,913,605 |
| Solar Electric (Photovoltaic) | 6,392,847 | 3,077,338 | 9,470,185 | | | | | 9,470,185 | | 9,470,185 |
| Other Renewable | 703,736 | 2,879,581 | 3,583,317 | | | | | 3,583,317 | | 3,583,317 |
| Renewables Program Costs | 8,384,083 | 7,583,024 | 15,967,107 | | | | | 15,967,107 | | 15,967,107 |
| Cost Grand Total | 87,912,219 | 53,859,392 | 141,771,611 | 2,692,986 | 21,800,650 | 2,508,047 | 27,001,683 | 168,773,294 | 1,469,492 | 170,242,790 |

**Energy Trust of Oregon, Inc
Statement of Functional Expenses
2013 Budget Approved Final**

| | Energy Efficiency | Renewable Energy | Total Program Expenses | Management & General | Communications & Customer Service | Total Admin Expenses | Total |
|---|------------------------------|-----------------------------|-----------------------------------|-------------------------------------|--|---------------------------------|--------------------|
| Program Expenses | | | | | | | |
| Incentives/ Program Management & Delivery | 133,391,671 | 12,411,686 | 145,803,357 | | | 0 | 145,803,357 |
| Payroll and Related Expenses | 2,885,598 | 996,837 | 3,882,435 | 1,995,834 | 832,871 | 2,828,705 | 6,711,140 |
| Outsourced Services | 5,856,628 | 1,363,500 | 7,220,128 | 532,350 | 930,000 | 1,462,350 | 8,682,478 |
| Planning and Evaluation | 2,541,809 | 114,836 | 2,656,645 | | | 0 | 2,656,645 |
| Customer Service Management | 1,008,358 | 26,469 | 1,034,827 | | | 0 | 1,034,827 |
| Trade Allies Network | 418,916 | 18,942 | 437,858 | | | 0 | 437,858 |
| Total Program Expenses | 146,102,979 | 14,932,270 | 161,035,249 | 2,528,184 | 1,762,871 | 4,291,055 | 165,326,304 |
| Program Support Costs | | | | | | | |
| Supplies | 33,174 | 10,767 | 43,941 | 24,515 | 9,986 | 34,501 | 78,442 |
| Postage and Shipping Expenses | 1,689 | 614 | 2,303 | 1,038 | 4,512 | 5,550 | 7,853 |
| Telephone | 3,086 | 1,249 | 4,335 | 2,182 | 208 | 2,390 | 6,725 |
| Printing and Publications | 117,681 | 22,293 | 139,974 | 1,941 | 55,662 | 57,603 | 197,577 |
| Occupancy Expenses | 196,697 | 71,489 | 268,186 | 120,946 | 59,668 | 180,614 | 448,800 |
| Insurance | 30,962 | 11,253 | 42,215 | 19,038 | 9,392 | 28,430 | 70,645 |
| Equipment | 10,049 | 3,652 | 13,701 | 6,179 | 4,048 | 10,227 | 23,928 |
| Travel | 56,750 | 53,200 | 109,950 | 47,334 | 7,000 | 54,334 | 164,284 |
| Meetings, Trainings & Conferences | 50,900 | 33,000 | 83,900 | 187,815 | 28,500 | 216,315 | 300,215 |
| Interest Expense and Bank Fees | | | 0 | 7,500 | | 7,500 | 7,500 |
| Depreciation & Amortization | 45,175 | 16,419 | 61,594 | 27,778 | 13,704 | 41,482 | 103,076 |
| Dues, Licenses and Fees | 52,479 | 35,636 | 88,115 | 9,246 | 2,171 | 11,417 | 99,532 |
| Miscellaneous Expenses | 704 | 256 | 960 | 633 | 213 | 846 | 1,806 |
| IT Services | 2,406,335 | 283,537 | 2,689,872 | 479,567 | 236,665 | 716,232 | 3,406,104 |
| Total Program Support Costs | 3,005,681 | 543,364 | 3,549,045 | 935,712 | 431,730 | 1,367,442 | 4,916,487 |
| TOTAL EXPENSES | 149,108,660 | 15,475,634 | 164,584,294 | 3,463,896 | 2,194,600 | 5,658,496 | 170,242,790 |

OPUC Performance Measure 5.6%

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory
2013 Budget Approved Final

PGE

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Existing Homes | New Homes & Products | NEEA Residential | ETO Total |
|---|--------------------|------------------|------------------|-----------------------|-----------------|------------------|----------------------|------------------|-------------------|
| Program Management | 682,736 | 470,820 | 7,216 | 496,621 | 3,995 | 435,640 | 349,931 | 10,823 | 2,457,782 |
| Program Delivery: | 6,083,820 | 2,127,704 | 1,677,844 | 4,072,148 | 844,758 | 2,211,670 | 1,738,050 | 2,748,824 | 21,504,818 |
| Incentives: | 15,129,126 | 5,377,879 | | 13,511,247 | | 4,619,326 | 6,688,086 | | 45,325,664 |
| Program Eval & Planning Svcs.: | 749,976 | 388,714 | 34,382 | 467,628 | 35,394 | 455,696 | 414,687 | 35,394 | 2,581,869 |
| Program Marketing/Outreach: | 171,891 | 188,902 | | 130,261 | | 677,535 | 1,092,942 | | 2,261,532 |
| Program Legal Services: | | | | | | | | | - |
| Program Quality Assurance: | 19,944 | 35,604 | | | | 35,053 | 26,352 | | 116,953 |
| Outsourced Services: | 178,407 | 75,023 | | 214,989 | | 149,150 | 47,328 | | 664,897 |
| Trade Allies & Cust. Svc. Mgmt.: | 75,860 | 29,044 | | 17,973 | | 207,079 | 99,172 | | 429,126 |
| IT Services: | 360,296 | 150,903 | 1,641 | 125,648 | 820 | 301,966 | 170,663 | 2,461 | 1,114,399 |
| Other Program Expenses | 66,558 | 25,367 | 670 | 88,241 | 335 | 183,288 | 57,683 | 1,004 | 423,146 |
| TOTAL PROGRAM EXPENSES | 23,518,613 | 8,869,960 | 1,721,753 | 19,124,756 | 885,302 | 9,276,403 | 10,684,893 | 2,798,506 | 76,880,187 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 483,452 | 194,858 | 39,938 | 361,620 | 20,290 | 206,790 | 251,239 | 62,372 | 1,620,561 |
| Communications & Customer Svc | 306,300 | 123,540 | 25,244 | 230,294 | 12,847 | 130,929 | 158,719 | 39,520 | 1,027,392 |
| Total Administrative Costs | 789,752 | 318,398 | 65,182 | 591,914 | 33,137 | 337,719 | 409,958 | 101,892 | 2,647,953 |
| Total Program & Admin Expenses | 24,308,366 | 9,188,358 | 1,786,935 | 19,716,670 | 918,439 | 9,614,122 | 11,094,851 | 2,900,398 | 79,528,139 |

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PAC

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Existing Homes | New Homes & Products | NEEA Residential | ETO Total |
|---|---------------------------|----------------------|------------------------|------------------------------|------------------------|-----------------------|---------------------------------|-------------------------|-------------------|
| Program Management | 286,601 | 381,297 | 5,015 | 312,738 | 2,777 | 301,299 | 185,965 | 7,521 | 1,483,211 |
| Program Delivery: | 2,847,361 | 1,703,924 | 1,165,959 | 2,876,514 | 587,036 | 1,418,388 | 1,010,622 | 1,910,200 | 13,520,004 |
| Incentives: | 7,232,236 | 4,494,049 | | 7,079,396 | | 3,066,093 | 3,216,407 | | 25,088,181 |
| Program Eval & Planning Svcs.: | 357,837 | 341,437 | 23,893 | 265,592 | 24,595 | 353,204 | 208,912 | 24,595 | 1,600,065 |
| Program Marketing/Outreach: | 66,746 | 152,825 | | 73,983 | | 449,992 | 558,833 | | 1,302,379 |
| Program Legal Services: | | | | | | | | | - |
| Program Quality Assurance: | 9,516 | 29,442 | | | | 23,323 | 13,276 | | 75,556 |
| Outsourced Services: | 181,299 | 62,038 | | 122,104 | | 99,239 | 23,843 | | 488,524 |
| Trade Allies & Cust. Svc. Mgmt.: | 36,195 | 24,017 | | 10,208 | | 137,783 | 49,961 | | 258,163 |
| IT Services: | 171,909 | 124,786 | 1,140 | 71,363 | 570 | 200,918 | 85,977 | 1,710 | 658,372 |
| Other Program Expenses | 31,757 | 20,977 | 465 | 50,117 | 233 | 121,954 | 29,060 | 698 | 255,260 |
| TOTAL PROGRAM EXPENSES | 11,221,456 | 7,334,791 | 1,196,472 | 10,862,014 | 615,211 | 6,172,193 | 5,382,854 | 1,944,724 | 44,729,716 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 230,670 | 161,133 | 27,754 | 205,384 | 14,100 | 137,591 | 126,570 | 43,344 | 946,545 |
| Communications & Customer Svc | 146,145 | 102,158 | 17,542 | 130,797 | 8,927 | 87,115 | 79,959 | 27,463 | 600,108 |
| Total Administrative Costs | 376,815 | 263,292 | 45,296 | 336,181 | 23,027 | 224,706 | 206,529 | 70,807 | 1,546,653 |
| Total Program & Admin Expenses | 11,598,271 | 7,598,083 | 1,241,768 | 11,198,195 | 638,238 | 6,396,899 | 5,589,383 | 2,015,531 | 46,276,369 |

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NWN

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | Production Efficiency | Existing Homes | New Homes & Products | ETO Total |
|---|-------------------------------|----------------------|----------------------------------|---------------------------|-------------------------------------|-------------------|
| Program Management | 130,372 | 51,411 | 25,536 | 472,673 | 173,488 | 853,480 |
| Program Delivery: | 1,300,048 | 221,368 | 185,137 | 2,093,597 | 1,362,717 | 5,162,867 |
| Incentives: | 3,548,097 | 677,868 | 485,873 | 5,327,137 | 1,685,516 | 11,724,491 |
| Program Eval & Planning Svcs.: | 157,565 | 42,042 | 17,192 | 458,613 | 122,172 | 797,585 |
| Program Marketing/Outreach: | 31,886 | 20,537 | 5,018 | 780,423 | 338,974 | 1,176,838 |
| Program Legal Services: | | | | | | - |
| Program Quality Assurance: | 4,546 | 4,235 | | 38,273 | 9,508 | 56,561 |
| Outsourced Services: | 55,586 | 8,923 | 8,283 | 162,850 | 17,076 | 252,717 |
| Trade Allies & Cust. Svc. Mgmt.: | 17,291 | 3,454 | 692 | 226,099 | 35,781 | 283,317 |
| IT Services: | 82,124 | 17,948 | 4,841 | 329,701 | 61,575 | 496,189 |
| Other Program Expenses | 15,171 | 3,017 | 3,400 | 200,123 | 20,812 | 242,522 |
| TOTAL PROGRAM EXPENSES | 5,342,685 | 1,050,804 | 735,972 | 10,089,488 | 3,827,617 | 21,046,567 |
| ADMINISTRATIVE COSTS | | | | | | |
| Management & General | 109,825 | 23,084 | 13,916 | 224,916 | 90,001 | 461,742 |
| Communications & Customer Svc | 69,582 | 14,636 | 8,862 | 142,405 | 56,857 | 292,341 |
| Total Administrative Costs | 179,407 | 37,720 | 22,778 | 367,320 | 146,858 | 754,083 |
| Total Program & Admin Expenses | 5,522,092 | 1,088,524 | 758,751 | 10,456,809 | 3,974,475 | 21,800,651 |

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NWN Industrial

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | Production Efficiency | ETO Total |
|---|-------------------------------|----------------------|----------------------------------|------------------|
| Program Management | 10,097 | 3,063 | 67,978 | 81,138 |
| Program Delivery: | 128,025 | 13,838 | 584,639 | 726,502 |
| Incentives: | 333,212 | 35,000 | 1,288,578 | 1,656,790 |
| Program Eval & Planning Svcs.: | 14,806 | 2,300 | 47,913 | 65,018 |
| Program Marketing/Outreach: | 2,996 | 1,229 | 13,986 | 18,210 |
| Program Legal Services: | | | | - |
| Program Quality Assurance: | 427 | 232 | | 659 |
| Outsourced Services: | 1,699 | 488 | 23,083 | 25,270 |
| Trade Allies & Cust. Svc. Mgmt.: | 1,625 | 189 | 1,930 | 3,743 |
| IT Services: | 7,717 | 982 | 13,490 | 22,189 |
| Other Program Expenses | 1,426 | 165 | 9,474 | 11,065 |
| TOTAL PROGRAM EXPENSES | 502,029 | 57,485 | 2,051,071 | 2,610,585 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General | 10,320 | 1,263 | 38,783 | 50,365 |
| Communications & Customer Svc | 6,538 | 801 | 24,698 | 32,037 |
| Total Administrative Costs | 16,858 | 2,064 | 63,481 | 82,402 |
| Total Program & Admin Expenses | 518,887 | 59,549 | 2,114,552 | 2,692,987 |

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NWN WA

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | Existing Homes | New Homes and Products | ETO Total |
|---|---------------------------|-----------------------|-------------------------------|------------------|
| Program Management | 106,302 | 59,608 | 37,605 | 203,515 |
| Program Delivery: | 102,959 | 119,517 | 64,343 | 286,819 |
| Incentives: | 291,565 | 159,282 | 173,288 | 624,135 |
| Program Eval & Planning Svcs.: | 30,568 | 23,712 | 6,856 | 61,136 |
| Program Marketing/Outreach: | 42,472 | 43,031 | 20,209 | 105,712 |
| Program Legal Services: | | | | - |
| Program Quality Assurance: | | | | - |
| Outsourced Services: | 500 | | | 500 |
| Trade Allies & Cust. Svc. Mgmt.: | 12,485 | 13,258 | 3,451 | 29,194 |
| IT Services: | 25,740 | 24,628 | 15,373 | 65,741 |
| Other Program Expenses | 18,287 | 13,400 | 9,880 | 41,567 |
| TOTAL PROGRAM EXPENSES | 630,878 | 456,436 | 331,005 | 1,418,319 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General | 13,462 | 10,152 | 7,707 | 31,321 |
| Communications & Customer Svc | 8,531 | 6,445 | 4,876 | 19,852 |
| Total Administrative Costs | 21,993 | 16,597 | 12,583 | 51,173 |
| Total Program & Admin Expenses | 652,871 | 473,033 | 343,588 | 1,469,492 |

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Cascade

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | Production Efficiency | Existing Homes | New Homes & Products | ETO Total |
|---|-------------------------------|--------------------------|----------------------------------|---------------------------|-------------------------------------|------------------|
| Program Management | 14,817 | 6,177 | 20,341 | 63,790 | 16,102 | 121,227 |
| Program Delivery: | 154,827 | 27,267 | 124,586 | 174,455 | 129,222 | 610,357 |
| Incentives: | 456,619 | 75,915 | 237,000 | 455,092 | 148,928 | 1,373,554 |
| Program Eval & Planning Svcs.: | 19,672 | 4,841 | 9,427 | 40,161 | 11,113 | 85,214 |
| Program Marketing/Outreach: | 3,981 | 2,473 | 2,752 | 66,230 | 29,629 | 105,065 |
| Program Legal Services: | | | | | | - |
| Program Quality Assurance: | 568 | 488 | | 3,352 | 865 | 5,272 |
| Outsourced Services: | 2,258 | 1,028 | 4,541 | 14,261 | 1,553 | 23,641 |
| Trade Allies & Cust. Svc. Mgmt.: | 2,159 | 398 | 380 | 19,799 | 3,255 | 25,990 |
| IT Services: | 10,253 | 2,067 | 2,654 | 28,872 | 5,601 | 49,447 |
| Other Program Expenses | 1,894 | 347 | 1,864 | 17,525 | 1,893 | 23,523 |
| TOTAL PROGRAM EXPENSES | 667,048 | 121,000 | 403,545 | 883,536 | 348,161 | 2,423,291 |
| ADMINISTRATIVE COSTS | | | | | | |
| Management & General | 13,712 | 2,658 | 7,630 | 19,696 | 8,186 | 51,883 |
| Communications & Customer Svc | 8,687 | 1,685 | 4,859 | 12,470 | 5,172 | 32,874 |
| Total Administrative Costs | 22,399 | 4,343 | 12,490 | 32,166 | 13,358 | 84,757 |
| Total Program & Admin Expenses | 689,448 | 125,343 | 416,035 | 915,703 | 361,519 | 2,508,048 |

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PGE Renewables

RENEWABLE EFFICIENCY

| EXPENSES | BioPower | Solar Electric | Open Solicitation | ETO Total |
|---|------------------|-----------------------|--------------------------|------------------|
| Program Management | 67886.60943 | 348260.8899 | 53903.30856 | 470,051 |
| Program Delivery: | | | | - |
| Incentives: | 1010415 | 5070746 | 428123 | 6,509,284 |
| Program Eval & Planning Svcs.: | 16853.20903 | 56649.51467 | 18170.84499 | 91,674 |
| Program Marketing/Outreach: | 8750 | 98894.81403 | 20000 | 127,645 |
| Program Legal Services: | | | | - |
| Program Quality Assurance: | | | 7500 | 7,500 |
| Outsourced Services: | 109250 | 419491.8248 | 104750 | 633,492 |
| Trade Allies & Cust. Svc. Mgmt.: | | 28721.34917 | 230.5970047 | 28,952 |
| IT Services: | 17939.06537 | 96317.47342 | 14422.59831 | 128,679 |
| Other Program Expenses | 20270.39011 | 78900.5103 | 39225.04271 | 138,396 |
| TOTAL PROGRAM EXPENSES | 1,251,364 | 6,197,982 | 686,325 | 8,135,672 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General | 22141.90434 | 119545.9413 | 10685.28691 | 152,373 |
| Communications & Customer Svc | 13993.4078 | 75318.6954 | 6725.434287 | 96,038 |
| Total Administrative Costs | 36,135 | 194,865 | 17,411 | 248,411 |
| Total Program & Admin Expenses | 1,287,500 | 6,392,847 | 703,736 | 8,384,083 |

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PAC Renewables

RENEWABLE EFFICIENCY

| EXPENSES | BioPower | Solar Electric | Open Solicitation | ETO Total |
|---|------------------|-----------------------|--------------------------|------------------|
| Program Management | 85740.39057 | 170239.1101 | 320806.6914 | 576,786 |
| Program Delivery: | | | | - |
| Incentives: | 1361081 | 2422742 | 2068580 | 5,852,403 |
| Program Eval & Planning Svcs.: | 19641.79097 | 27269.48533 | 46250.15501 | 93,161 |
| Program Marketing/Outreach: | 8750 | 47605.18597 | 20000 | 76,355 |
| Program Legal Services: | | | | - |
| Program Quality Assurance: | | | 7500 | 7,500 |
| Outsourced Services: | 66250 | 217508.1752 | 157250 | 441,008 |
| Trade Allies & Cust. Svc. Mgmt.: | | 13825.65083 | 1372.402995 | 15,198 |
| IT Services: | 22656.93463 | 46364.52658 | 85836.40169 | 154,858 |
| Other Program Expenses | 16345.60989 | 37980.4897 | 68364.95729 | 122,691 |
| TOTAL PROGRAM EXPENSES | 1,580,466 | 2,983,535 | 2,775,961 | 7,339,961 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General | 27965.09566 | 57546.05866 | 63593.71309 | 149,105 |
| Communications & Customer Svc | 17673.5922 | 36256.3046 | 40026.56571 | 93,956 |
| Total Administrative Costs | 45,639 | 93,802 | 103,620 | 243,061 |
| Total Program & Admin Expenses | 1,626,104 | 3,077,337 | 2,879,581 | 7,583,022 |

2013-2014 Approved Action Plan

December 14, 2012

I. INTRODUCTION

Energy Trust measures its performance against its five-year Strategic Plan goals and the Oregon Public Utility Commission (OPUC) annual minimum performance measures. The goals of the Energy Trust 2010-2014 Strategic Plan are:

Goal 1: Help utilities and their ratepayers acquire all cost-effective energy efficiency.

- Between 2010 and 2014, save 256 average megawatts of electricity, contingent on adequate funding, through efficiency and conservation; and
- Between 2010 and 2014, save 22.5 million annual therms of natural gas, contingent on adequate funding, through efficiency and conservation.

Goal 2: Accelerate the rate at which new renewable energy generation is produced, helping to achieve Oregon's 2025 goal of meeting at least 8 percent of retail electrical load from small-scale renewable energy projects.

- Between 2010 and 2014, achieve an additional 23 average megawatts of renewable energy; and
- Flexibly expand markets including hydro, solar, geothermal, biopower, and wind.

Current OPUC minimum performance measures are listed below, with the understanding that some may be revisited and updated for the final Action Plan:

- Save at least 41 average megawatts of electricity, computed on a three-year rolling average basis at a levelized cost of no more than 4.4 cents per kilowatt hour;
- Save at least 4,500,000 annual therms of gas, computed on a three-year rolling average basis at a levelized cost of no more than 52 cents per therm;
- There is no renewable energy metric this year; the appropriate measure is still under discussion with the OPUC;
- Earn an unqualified audit opinion;
- Keep administrative and program support costs below 9-11 percent of annual revenues;
- Maintain greater than 85 percent customer satisfaction rates for both interaction with program representatives and overall satisfaction;
- Report the benefit/cost ratio for conservation acquisition programs based on the utility system perspective and societal perspective annually; report any significant changes in benefit/cost performance mid-year.

In 2012, Energy Trust program results continued to be impacted by the poor economy, limited new construction activity, limited available capital for customers to invest and changes to the

state of Oregon's long-established energy tax credit programs. Energy Trust commercial and industrial programs quickly implemented mitigation strategies, such as the "Kick Start Bonus" to partially close the gap while also attracting new projects during this period of uncertainty about new and more limited tax credit offerings.

Overall, 2012 Energy Trust programs performed well under these challenging circumstances: Energy efficiency programs are projected to deliver 50.3 average megawatts in electric savings, 3 percent above the electric stretch-case goal; 5.5 million therms in gas efficiency, 1 percent above the gas stretch-case goal; and 4.5 average megawatts of renewable generation, exceeding the renewable energy conservative goal of 3.9 average megawatts.

Looking ahead to 2013-2014, Energy Trust identified a number of working assumptions to guide design, development and implementation of programs and activities. These include:

- Meet utility IRP targets with minimum rate impact
- Manage overall costs and cost effectiveness
- Incorporate low avoided natural gas costs and lower savings results into programs
- Maintain renewable program offerings with limited funds
- Maintain customer focus and serve a diverse market
- Meet or exceed OPUC minimum performance measures
- Acknowledge a slowly improving economy

II. 2013-2014 ACTION PLAN HIGHLIGHTS

To achieve Energy Trust goals and OPUC performance measures, the 2013-2014 budget and action plan is designed to implement consistent with the following strategies:

Industry and Agriculture

Industry and Agriculture serves industrial and agricultural customers through a single program. The dominant portion of the program is Production Efficiency, which provides a diverse set of custom and streamlined offerings designed to help energy intensive and complex organizations achieve ongoing cost-effective savings.

Program volume has quadrupled over the past 5 years by expanding tracks and introducing new initiatives. For 2013, the sector's strategies include:

- Retain successful approaches
- Further develop and deploy Strategic Energy Management
- Utilize Program Delivery Contractors (PDC's) as energy efficiency "account managers" for industrial customers
- Foster confident decision-making and investments by engaging the expertise and services of third-parties
- Provide centralized program management and direction of effort
- Cultivate a learning community of industrial energy champions
- Coordinate with the actions of existing and emerging market players

Commercial

The Commercial Sector provides energy efficiency services and incentives to commercial customers, institutional customers and multifamily properties. The program focuses on services which enable customers to invest in energy efficiency projects within their cost constraints. The program is delivered with the assistance of two Program Management Contractors (PMC's), one for Existing Buildings and one for New Buildings. Small commercial is a particularly hard-to-reach customer base. Consistent with resource potential studies and interests from utilities, small commercial is targeted within this action plan.

For 2013, the sector's strategies include:

- Accelerate efficiency investments by providing customers with incentives, technical assistance and business case development
- Enhance operations and maintenance (O&M) based offerings
- Help customers identify future capital projects and funding sources
- Continue development of Strategic Energy Management program to address retrofit, new construction and renewable opportunities
- Introduce new program offerings requiring minimal up-front investment by the customer
- Develop tools to help customers with decision-making

Residential

The Residential Sector provides energy efficiency and some renewable energy services to residential customers, homebuilders, installation (trades) and program (retail) allies. Primary sector activity is delivered through two Program Management Contractors (PMC's), one for Existing Homes and one for New Homes and Products. Additionally, the sector supports behavioral savings efforts, trade ally and customer engagement strategies and other initiatives.

Among the sector's 2013 strategies are:

- Develop audience-centric targeted messaging
- Further streamline incentive processing
- Reduce dependency upon instant savings measures such as CFLs and showerheads
- Develop pilots and targeted initiatives to test innovation
- Enhance outreach and training to new retailers to increase store participation
- Eliminate complex energy modeling where unnecessary to reduce costs
- Assess financing opportunities to increase participation

Renewable Energy

Energy Trust's renewable energy program provides a wide range of cash incentives and technical assistance for businesses and facilities interested in generating renewable energy. The sector includes five technologies including Solar, Biopower, Small Wind, Hydro and Geothermal.

The program strategies for 2013 include:

- Acknowledging and addressing challenging markets focusing on smaller projects which are able to offset retail rates
- Transition from a technology focus to two program tracks: Custom and Standard
- Continue a portfolio management approach encompassing all five technologies
- Complete the transition to a relatively fixed funding level with limited state and federal incentives available
- Implement expanded development assistance funding to build pipeline of projects
- Expanding marketing for small wind
- Continue with competitive RFP approach to obtain projects
- Utilize financing tools where appropriate

III. 2013-2014 PROGRAM SUMMARIES

Details of individual program strategies and descriptions and corresponding line item budgets for 2013-2014 plans appear in the next tab (“one-pagers.”) Four program sectors are represented: 1) Business; 2) Industrial/Agricultural; 3) Homes and 4) Renewable Energy. These sections include individual program statements of purpose, detailed 2013 strategies and activities, new initiatives and focus areas, and projected activities planned for 2014.

It is anticipated that both 2013 and 2014 activities may be affected by changing policies and potential outcomes resulting from Governor Kitzhaber’s Final 10-year Energy Plan, which has not yet been released.

IV. PROJECTED 2014 HIGHLIGHTS AND CONTINGENCIES

Many of the activities identified within the individual program descriptions will either continue in 2014 or will help to shape and inform new activities in 2014.

Commercial Existing Buildings

Program Purpose: Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency equipment and energy efficient operating practices in existing commercial facilities.

2013 Strategies & Activities

1. Deliver program to commercial entities through Program Management Contractor (ICF), subcontractors and a statewide comprehensive network of trade allies.
2. Continue to focus on delivering tailored program services to the entire value chain of target markets from business owners, property owners, tenants, property management companies, service providers, electrical/mechanical contractors, distributors, manufacturer representatives and manufacturers.
3. Provide offerings and services that appeal to a wide-range of participants, including 16 key market sectors.
4. Maintain the state-wide program reach, while looking for opportunities to reach customers in under-participating areas.
5. Modify Trade Ally approach to increase non-lighting project activity in addition to historical lighting focus. Develop approaches for Trade Allies to sell lighting and non-lighting measures concurrently.
6. Evolve lighting program offerings to adapt to changing lighting baselines associated with market transformation effects and federal lighting standards.
7. Adapt to reduced Gas Avoided Costs to provide cost-effective gas savings measures, providing more services as necessary to aid the customer's decision making and redefining recommendations to limit measures on the margin.
8. Increase operations-based savings and low-cost/no-cost approaches to save energy as a means to expand the ways to engage customers or provide energy savings options for the capital constrained customer.
9. Build and leverage long-term relationships to help customers implement energy savings strategies over time.
10. Explore options to streamline certain program requirements including compressing processes and paperwork in order to speed participation and provide more direct access to program experts via a dedicated call center.
11. Increase awareness and visibility throughout the state by expanding geographic presence with statewide field staff to promote program with Customers and Trade Allies.
12. Develop marketing strategies to address key barriers to action, including but not limited to customer success stories, demonstration of the business case for energy efficiency.

2013 New Initiatives & Focus Areas

1. Expand market education on the pending Federal 2014 lighting ballast standard and provide incentives to encourage participants to convert T12s to T8s.
2. Review results of the Comprehensive Lighting Pilot to see if the market is becoming educated on better lighting design and, if appropriate incorporate into steady-state program offerings.
3. Review results of Building Performance Tracking and Control Systems pilot to review efficacy of using building information systems to encourage operational improvements and if appropriate modify to be a regular program offering.
4. Provide incentives for technically sound and cost-effective LED applications.
5. Expand both aspects of the Strategic Energy Management pilot by: 1) Enrolling 15 participants in the commercial energy improvement approach 2) Enrolling 3 large chain customers to the individual integrated energy management track.
6. Work with other efficiency organizations to achieve regional economies to reduce product costs and ensure supply.
7. Use incentives, services and sales techniques to encourage customers to install more measures in a shorter time frame.
8. Manage Roof-top Tune-up projects to deliver cost-effective electric and gas savings.
9. Continue to coordinate with ODOE to identify and study Cool Schools projects in Energy Trust service territory.
10. Coordinate with NEEA and other NEEA utility funders to leverage regional lighting coordination opportunities like upstream buy-downs and contractor training.
11. Coordinate with electric utility field and outreach representatives and marketing efforts to recruit and screen new leads.
12. Multifamily Strategies and Activities and New Initiatives and Focus Areas presented in a separate Action Plan.

2014 Planned Activities

1. Revise lighting program to account for new baseline from Federal 2014 lighting ballast standards.
2. Continue to expand the emphasis on operations and strategic energy planning.

| Targets | | | | | | | | | | | |
|-----------------|----------------|-------|--------|------------------|---------|-------------------------|---------|-------------|-----------|---------------------------|---------|
| Year | Annual Expense | | | Electric Savings | | | | Gas Savings | | | |
| | (\$M) | | | Goal aMW | | Levelized Cost (\$/kWh) | | Goal Therms | | Levelized Cost (\$/therm) | |
| | Electric | Gas | Total | Conserv | Stretch | v | Stretch | Conserv | Stretch | Conserv | Stretch |
| 2012 Forecast | \$32.9 | \$6.8 | \$39.7 | 13.50 | | \$0.030 | | 1,845,329 | | \$0.309 | |
| 2013 Budget | \$35.9 | \$6.7 | \$42.6 | 13.13 | 15.45 | \$0.037 | \$0.032 | 1,444,984 | 1,699,981 | \$0.460 | \$0.391 |
| 2014 Projection | \$36.9 | \$7.2 | \$44.0 | 13.55 | 15.94 | \$0.038 | \$0.032 | 1,548,796 | 1,822,113 | \$0.458 | \$0.389 |

**The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Existing Buildings**

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------------|---------------------|---------------------|---------------------|
| Incentives | \$24,533,837 | \$26,699,290 | \$28,428,608 |
| Delivery Costs | | | |
| Program Management | 602,731 | 261,763 | 269,616 |
| Program Delivery | 9,357,602 | 10,514,081 | 10,302,161 |
| Marketing-PMC | 497,012 | | |
| Performance Comp | 308,500 | 215,000 | 219,200 |
| Total Delivery Costs | 10,765,844 | 10,990,844 | 10,790,977 |
| ETO expenses | | | |
| Staffing | 514,271 | 647,858 | 718,796 |
| Marketing | 189,500 | 247,500 | 265,600 |
| Other Services | 1,222,797 | 1,223,640 | 1,010,000 |
| General | 41,256 | 49,182 | 48,682 |
| Allocations | 1,106,186 | 1,393,518 | 1,413,778 |
| Sub-Total before Admin Costs | 38,373,691 | 41,251,832 | 42,676,442 |
| Administrative Costs | 1,277,243 | 1,385,232 | 1,368,829 |
| TOTAL EXPENSE | 39,650,934 | 42,637,064 | 44,045,271 |

2013-2014 APPROVED FINAL ACTION PLAN

*Acquire cost-effective energy, accelerate investment, innovate,
be accessible and transparent, communicate value, focus on customers.*

**Commercial
Existing Multifamily**

Program Purpose: Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency equipment and energy efficient operating practices in existing multifamily (2+ attached units, retirement and campus living) facilities.

2013 Strategies & Activities

1. Deliver program to multifamily entities through Program Management Contractor (LM), subcontractors and a statewide network of trade allies specializing in this market.
2. Develop and include offerings and initiatives that will involve multifamily tenants in the savings decision and overcome the split incentive dilemma.
3. Continue to focus on delivering tailored program services to the entire value chain of target markets from property owners, tenants, property management companies, service providers, electrical/mechanical contractors, distributors, manufacturer representatives and manufacturers.
4. Provide offerings and services that appeal to a broad mix of multifamily owners and managers.
5. Expand program throughout the state to reach new customers and go deeper with existing customers in all four utility service territories.
6. Collaborate across New Buildings, Existing Homes and Existing Buildings to maximize program effectiveness in the marketplace.
7. Build and develop a project pipeline that can utilize either the on-bill financing option through the MPower Oregon pilot or through normal program tracks.
8. Leverage learning's from custom track projects and audits to redesign the services and offerings to better fit the needs of multifamily owners and managers.
9. Continue the distributor buy-downs focused on suppliers of energy efficient clothes washers and refrigerators in order to competitively place equipment in replacement applications.
10. Enhance outreach focus to promote project activity including selling lighting and non-lighting measures concurrently.
11. Launch seasonal and special "limited time only" bonuses for specific technologies to increase penetration or introduce successful but yet to be adopted technologies.
12. Increase operations-based savings and low-cost/no-cost approaches to save energy in a capital constrained market.
13. Build and leverage long-term relationships to help established customers implement energy savings strategies over time and across multiple capital budget cycles.
14. Develop marketing approaches that use customer success stories to demonstrate the strong business case for energy efficiency as a means to help spur action from more property managers.

2013 New Initiatives & Focus Areas

1. Extend the program offerings and the "single point of contact" outreach approach to small multifamily properties and campus living facilities through 2013 integration of these building types into Existing Multifamily.
2. Work with the affordable housing community to innovate how the program can serve their tenants through partnership in a financing pilot, behavioral opportunities and capital investments.
3. Continue implementation of the Memory Care Comprehensive Lighting Pilot to develop a cost and savings baseline for this facility type, test the effectiveness of a template approach on meeting the Oregon regulations for Memory Care Communities, characterize the non-energy benefits of advanced lighting design and, if appropriate incorporate into steady-state program offerings.
4. Implement a comprehensive overhaul of existing website structure and content to provide a "one-stop shop" for all multifamily properties in order to eliminate mixed messaging and confusion as a result of previous program design.
5. Integrate enhanced sales approach and benchmarking tools in order to provide comprehensive and actionable information on opportunities within customer portfolios
6. Consider a test that embeds a Resource Conservation Manager in affordable multifamily property management organizations to assess and implement energy efficiency resources in public institutions.
7. Collaborate with other energy efficiency implementation organizations to achieve regional economies to ensure satisfactory customer service, support pilot initiatives, reduce project costs and gain organizational efficiencies.
8. Coordinate with electric utility and water utility field and outreach representatives on marketing efforts to recruit and screen new leads and promote energy efficiency.

2013-2014 APPROVED FINAL ACTION PLAN

*Acquire cost-effective energy, accelerate investment, innovate,
be accessible and transparent, communicate value, focus on customers.*



9. Expand market education on the pending Federal 2014 lighting ballast standard and provide incentives to encourage participants to convert T12s to T8s.

2014 Planned Activities

1. Evaluate progress and lessons learned from Phase I and II of MPower Oregon Pilot and move forward on tenant metered properties only if appropriate.
2. Revise lighting program to account for new baseline from Federal 2014 lighting ballast standards.
3. Continue to expand the emphasis on affordable housing and within the general multifamily market for operations and strategic energy planning opportunities.

Targets - Multi-family program costs and energy savings tables are included in the Existing Buildings summary

Commercial New Buildings

Program Purpose: Acquire cost-effective electric and natural gas savings by providing technical assistance and financial incentives for high-efficiency design and equipment in commercial and industrial new construction and major renovation projects.

2013 Strategies & Activities

1. New Buildings will continue to position itself as a technical and educational resource in the market, focus on influencing market transformation.
 - a. Expand support of early design meetings with project teams to identify energy saving strategies and make the business case for achieving efficiency goals directly to owners.
 - b. Enhance engineering support for modeled projects in development with the objective of identifying opportunities to design beyond code and influence decisions.
 - c. Maximize market transformation savings expected to result from the shift in 2007 code to 2010 code by helping projects to comply with code and claim a portion of savings in collaboration with NEEA's work. Implement tiered incentives to reward whole-building, cost-effective efficiency.
 - d. Develop new educational resources to increase the market's ability to identify and achieve savings.
2. Target the small commercial market with simple solutions.
 - a. Deploy new offers – called Market Solutions – that are building type-specific and offer projects simpler, pre-calculate, packaged options to drive quick decision making. This stems from results of the successful Small Commercial Efficiency Pilot launched in 2009.
 - b. Continue providing a broad array of over 100 standard measures that are trade ally driven.
3. Build on an effective strategy to create a market position for New Building Allies that actively support efficiency and are critical to New Buildings' success in transforming the market.
 - a. Focus on the allies' influence on practical elements of integrated design, system selection and critical decisions that affect the efficiency of a project.
 - b. Launch a formal training series to bridge practical strategies for designing energy savings to implementation and getting buy-in from building owners.
4. Prepare for the 2013 code cycle and the Reach code, currently a voluntary code expected to be adopted into the next code cycle by the state Building Codes Division.
 - a. Adopt any measure changes related to the 2013 Oregon Energy Efficiency Code expected to be published in Q2 or Q3 of 2013.
 - b. Collaborate with NEEA to support the Oregon Reach Code.
5. Streamline efforts to increasing the number of solar installations in New Buildings projects, and support the launch of a Solar Ready design option to build a pipeline of future projects.

2013 New Initiatives & Focus Areas

1. Continued focus on small commercial market opportunities.
 - a. Expand the packaged approaches for target market segments that face challenges with exceeding code, including small commercial and multifamily.
2. Continue to innovate and build on the success with the Path to Net Zero pilot.
 - a. Fine tune program design to remove barriers experienced by far-reaching projects.
 - b. Encourage projects to pursue leading edge design strategies or technologies where risk perceptions are a barrier to achieving deep energy savings.
 - c. Continue to engage potential net zero and net zero ready projects through targeted outreach, goal-setting, and directed participation.
3. Simplify the program process using a variety of tools including web-based capabilities to support processing.
4. Connect customers with additional financial resources and the Lending Ally network to push innovative financing approaches forward that could reduce financial barriers to participation and boost aggressive savings targets.
5. Position New Buildings to capture additional market transformation savings and adjust to the new code.
6. Engage trade allies to improve code compliance in preparation for the new 2013 code, which may align with the Reach.

2014 Planned Activities

1. Continue building the pipeline and support for 2013 Oregon Energy Efficiency Specialty Code in addition to adoption of the Reach code.
2. Offer incentives and engineering support to reward increasing energy efficiency in excess of 2010 code update.
3. Leverage our emerging delivery network of New Buildings Program Allies to drive projects that exceed code.

(See budget detail on reverse side)

2013-2014 APPROVED FINAL BUDGET & ACTION PLAN

*Acquire cost-effective energy, accelerate investment, innovate,
be accessible and transparent, communicate value, focus on customers.*

Targets

| Year | Annual Expense | | | Electric Savings | | | | Gas Savings | | | |
|-----------------|----------------|-------|--------|------------------|---------|-------------------------|---------|-------------|---------|---------------------------|---------|
| | (\$M) | | | Goal aMW | | Levelized Cost (\$/kWh) | | Goal Therms | | Levelized Cost (\$/therm) | |
| | Electric | Gas | Total | Conserv | Stretch | v | Stretch | Conserv | Stretch | Conserv | Stretch |
| 2012 Forecast | \$12.7 | \$1.7 | \$14.4 | 6.43 | | \$0.020 | | 529,242 | | \$0.272 | |
| 2013 Budget | \$16.8 | \$1.3 | \$18.1 | 4.86 | 5.72 | \$0.040 | \$0.034 | 393,405 | 462,829 | \$0.270 | \$0.230 |
| 2014 Projection | \$15.5 | \$1.3 | \$16.8 | 4.57 | 5.38 | \$0.039 | \$0.033 | 450,456 | 529,948 | \$0.237 | \$0.201 |

**The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
New Buildings**

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------------|--------------------|---------------------|--------------------|
| Incentives | \$7,625,691 | \$10,660,711 | \$9,991,236 |
| Delivery Costs | | | |
| Program Management | 180,827 | 472,494 | 222,494 |
| Program Delivery | 4,316,059 | 4,094,101 | 4,124,101 |
| Marketing-PMC | 149,173 | 249,465 | 289,465 |
| Performance Comp | 185,000 | 120,000 | |
| Total Delivery Costs | 4,831,059 | 4,936,060 | 4,636,060 |
| ETO expenses | | | |
| Staffing | 334,280 | 320,274 | 330,907 |
| Marketing | 102,000 | 112,500 | 120,000 |
| Other Services | 369,390 | 700,890 | 437,500 |
| General | 31,642 | 15,065 | 10,065 |
| Allocations | 545,182 | 688,539 | 702,932 |
| Sub-Total before Admin Costs | 13,839,244 | 17,434,039 | 16,228,700 |
| Administrative Costs | 516,092 | 625,817 | 556,158 |
| TOTAL EXPENSE | 14,355,336 | 18,059,856 | 16,784,857 |

Commercial

Market Transformation Northwest Energy Efficiency Alliance (NEEA)

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

2013 Strategies & Activities

1. It continues to be our primary goal to ensure that investing in energy efficiency is a high return option for building owners/operators/ investors and supply chain partners
2. Commercial Real Estate will focus on SEM by facility owners and managers. Initiative will be modified to improve savings measurement. New programs initiated in Boise, Portland and Lloyd Eco District (Portland)
3. Continue transitioning Hospitals initiative to Energy Trust.
4. Complete the commercial lighting initiative as currently defined and define specifics of regional coordination.
5. Existing Building renewal will focus only on pilot acquisition and integrated measure package implementation and testing.
6. Builder Operators Certification will continue to expand the capabilities of our trade allies through certified training programs as well as curriculum, and delivery channel enhancements.
7. Focus on creating capable and integrated supply chain trade allies in each initiative

2013 New Initiatives & Focus Areas

1. Begin 2-3 Existing Building Renewal pilots to test and enhance the accuracy of the integrated measure packages
2. Luminaire level lighting controls introduced as an initiative
3. LED street lighting with controls introduced as an initiative
4. Redefine the competitions and market partner's components of the Commercial Real Estate initiative to expand the impact of these SEM efforts and improve initiative savings measurability. Add Portland, Boise and Lloyd Eco district
5. Expand building Operators certification in existing and new target audiences. Complete introduction of new curriculum and channels.
6. Redefine the commercial lighting initiative to include components of a regional coordination effort which will include training and upstream programs
7. Complete a comprehensive market strategy for the commercial market
8. Review all initiatives currently in scanning and determine resolution

2014 Planned Activities

1. Expansion of the Existing Building Renewal initiative to include market facing activities to broaden the reach and range of technical planning tools and pilots
2. Exit hospital market and initiative
3. Expansion of an integrated SEM approach to market transformation
4. Expansion of commercial lighting regional coordination components including upstream activities
5. Introduction of any initiatives identified in 2013 scanning review process
6. Move all initiatives through appropriate Initiative life cycle stage gates

Targets

| Year | Annual Expense | | | Electric Savings | | | |
|-----------------|----------------|-----|-------|------------------|---------|-------------------------|---------|
| | (\$M) | | | Goal aMW | | Levelized Cost (\$/kWh) | |
| | Electric | Gas | Total | Conserv | Stretch | v | Stretch |
| 2012 Forecast | \$2.8 | | \$2.8 | 1.86 | | \$0.038 | |
| 2013 Budget | \$3.0 | | \$3.0 | 1.93 | 2.27 | \$0.018 | \$0.015 |
| 2014 Projection | \$3.0 | | \$3.0 | 1.95 | 2.29 | \$0.017 | \$0.015 |

The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
NEEA Commercial

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------------|------------------|------------------|--------------------|
| Delivery Costs | | | |
| Program Delivery | \$2,637,642 | \$2,843,803 | \$2,843,803 |
| Total Delivery Costs | 2,637,642 | 2,843,803 | 2,843,803 |
| ETO expenses | | | |
| Staffing | 3,067 | 12,231 | 12,636 |
| Allocations | 52,484 | 62,190 | 69,039 |
| Sub-Total before Admin Costs | 2,693,194 | 2,918,225 | 2,925,478 |
| Administrative Costs | 103,278 | 110,478 | 104,908 |
| TOTAL EXPENSE | 2,796,472 | 3,028,703 | 3,030,386 |

Industry and Agriculture Production Efficiency (PE)

Program Purpose: Acquire cost-effective electric and gas savings through technical assistance and financial incentives for high-efficiency design, equipment and operations in existing and new industrial and agricultural processes and facilities. Promote innovative technological and behavioral approaches to industrial energy efficiency; provide technical expertise, training and project funding to help companies plan, manage and improve their energy efficiency.

2013 Strategies & Activities

1. Custom track allows for a comprehensive approach to process efficiency projects, retrofits, operations & maintenance (O&M).
 - a. Custom Program Delivery Contractor (PDC) delivery funds dedicated industrial engineers to work with medium to large sites, to facilitate program participation. The Custom track approach is relationship based and designed to reap the unique, ongoing efficiency opportunities in industry. Custom PDCs are geographically assigned territories with the exception of a single PDC dedicated to food processing and pulp and paper strategic markets.
2. Lighting Trade Ally Network, shared with the Commercial programs, remains a highly cost-effective element of the PE program and will continue to accelerate savings.
3. Small Industrial and Agricultural Initiative relies on Trade Allies to serve smaller manufacturers, farmers, nurseries, and wineries, many in rural areas. Small Industry and Ag PDC will develop additional prescriptive and semi-prescriptive measures. This initiative will increase awareness by focusing on marketing and trade ally development.
4. Industrial gas efficiency is fully integrated into the delivery of both the Custom track for larger projects and the prescriptive track for small industrial and agricultural participants. Industrial customers who purchase their gas from a 3rd party (i.e., Transport customers) are not eligible for incentives. The program also identifies, analyzes and incents industrial solar thermal opportunities as gas efficiency projects
5. Increase depth and persistence of savings and respond to customer demand by providing training, tools, technical support and public recognition to establish or improve an energy management culture in the workplace
6. Drive customer adoption of industrial strategic energy management (SEM) and support their continuous improvement, including a new cohort of Industrial Energy Improvement (IEI) for 10 plants, SEM Maintenance services to past participants, corporate SEM for individual sites, SEM to the ISO 50001 energy management standard for 2 plants, and a new cohort of Refrigeration Operator Coaching (ROC) for 5 food processing or cold storage facilities.

2013 New Initiatives & Focus Areas

1. Hold steady on most program offerings, channels to market, strategies, and base incentive levels for projects. Primary focus is on helping Industrial customers participate easily and continue to achieve even deeper savings by consistently providing the high quality services and incentives that have proven effective in recent years.
2. Further develop Energy Trust's Strategic Energy Management offerings for all sizes of industrial customers. Synthesize best practices and lessons learned in 2009-2012 SEM initiatives and standardize SEM offerings for highest impact. Continue to test the scalability of SEM and provide more comprehensive services to motivated small industrial customers by completing the first cohort (begun in 2012) of 12 companies participating in the CORE pilot. Tune the design based on findings and launch a 2nd cohort of CORE.
3. Increase O&M project volume by tuning and re-launching technical services designed to identify and analyze deep, comprehensive O&M savings opportunities in complex industrial systems.
4. Continue to support and learn from emerging industrial lighting measures and applications, including comprehensive lighting design approaches and LED measures.

2014 Planned Activities

1. Finalize design, integrate cost-effective small industrial SEM into program based on CORE pilot results.

2013-2014 APPROVED FINAL BUDGET & ACTION PLAN

Acquire cost-effective energy, accelerate investment, innovate,
be accessible and transparent, communicate value, focus on customers.

| Targets | | | | | | | | | | | | |
|-----------------|----------------|-------|--------|------------------|---------|-------------------------|---------|-------------|-----------|---------------------------|---------|--|
| Year | Annual Expense | | | Electric Savings | | | | Gas Savings | | | | |
| | (\$M) | | | Goal aMW | | Levelized Cost (\$/kWh) | | Goal Therms | | Levelized Cost (\$/therm) | | |
| | Electric | Gas | Total | Conserv | Stretch | v | Stretch | Conserv | Stretch | Conserv | Stretch | |
| 2012 Forecast | \$28.2 | \$3.2 | \$31.4 | 13.26 | | \$0.030 | | 1,089,270 | | \$0.299 | | |
| 2013 Budget | \$30.9 | \$3.3 | \$34.2 | 13.83 | 16.27 | \$0.030 | \$0.025 | 971,159 | 1,142,540 | \$0.346 | \$0.294 | |
| 2014 Projection | \$34.5 | \$3.4 | \$37.9 | 15.53 | 18.27 | \$0.030 | \$0.025 | 1,021,753 | 1,202,062 | \$0.344 | \$0.292 | |

The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Production Efficiency

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------------|---------------------|---------------------|---------------------|
| Incentives | \$20,833,782 | \$22,602,093 | \$25,348,842 |
| Delivery Costs | | | |
| Program Delivery | 7,476,852 | 7,843,022 | 8,750,466 |
| Performance Comp | 96,000 | 156,000 | 156,000 |
| Total Delivery Costs | 7,572,852 | 7,999,022 | 8,906,466 |
| ETO expenses | | | |
| Staffing | 649,522 | 767,215 | 792,303 |
| Marketing | 105,000 | 196,000 | 189,000 |
| Other Services | 734,517 | 936,517 | 828,000 |
| General | 100,210 | 64,136 | 65,136 |
| Allocations | 497,804 | 612,372 | 629,839 |
| Sub-Total before Admin Costs | 30,493,687 | 33,177,355 | 36,759,586 |
| Administrative Costs | 908,464 | 1,026,844 | 1,125,465 |
| TOTAL EXPENSE | 31,402,150 | 34,204,199 | 37,885,051 |

Industrial

Market Transformation Northwest Energy Efficiency Alliance (NEEA)

Program Purpose: NEEA funds regional market transformation initiatives in the Northwest region across commercial, industrial and residential sectors working in coordination with Energy Trust programs. This budget contemplates leveraging NEEA regional market transformation initiatives in the industrial market sector to acquire cost-effective savings while embedding sustainable and efficient products, practices, and services among industrial and agricultural consumers.

2013 Strategies & Activities

1. The Small to Medium Industrial (SMI) initiative applies key learnings from the food processing industry to accelerate adoption of Strategic Energy Management (SEM) by the SMI market. The initiative is piloting an online version of Continuous Energy Improvement (CEI) designed to allow resource-constrained SMIs to manage energy as their schedules allow. Focusing on Strategy Development in 2013, field trials will be deployed of online CEI as a reliable methodology for SMIs to achieve energy savings, and leverage utilities and market actors to recruit and deploy online CEI to end users and cohorts of end users.
2. Develop an easy-to-use, integrated agricultural irrigation decision support solution leveraging existing equipment components (irrigation hardware, controls, moisture sensing, soil mapping, weather information, pump controls, user interfaces, and services). Influence the agriculture industry to engage, define, and adopt protocols, and develop standards for data collection and management to enable 20 percent energy and water reduction by 2020.
3. The Food Processing (FP) initiative comprises an SEM whole product that leverages the Northwest Food Processors Association (NWFPA) energy intensity reduction goal to increase adoption of SEM. In 2013, plans to transition the FP initiative to completion and long-term monitoring phase will continue by monitoring CEI-engaged companies in self-sustaining mode to ensure persistence of savings, and promote relationships among food processors and their serving utilities to ensure end users look first to their utilities to begin energy efficiency efforts. The transition will be complete by end of 2013.
4. The Certified Refrigeration Energy Specialist (CRES) initiative is a coordinated effort among associations and other market players to fund, develop, market and launch a certification effort. CRES includes the creation of a project data base, learning objectives, prequalification exam, partnership with RETA, and assuring ANSI accreditation. Refrigeration System Operators (RSO) will be encouraged to obtain certification; owners to require certification; and training orgs to help RSOs prepare for certification.

2013 New Initiatives & Focus Areas

1. Development of Industrial Market Strategy for Strategic Energy Management
2. Development of Industrial Market Strategy for Refrigeration

2014 Planned Activities

1. Achieve Product Release for Precision Irrigation
2. Develop third Industrial Market Strategy for Pumping Systems

Targets

| Year | Annual Expense | | | Electric Savings | | | |
|-----------------|----------------|-----|-------|------------------|---------|----------------------------|---------|
| | (\$M) | | | Goal aMW | | Levelized Cost (\$/kWh) | |
| | Electric | Gas | Total | Conserv | Stretch | v | Stretch |
| 2012 Forecast | \$1.4 | | \$1.4 | 0.47 | | \$0.049 | |
| 2013 Budget | \$1.6 | | \$1.6 | 0.56 | 0.66 | \$0.041 | \$0.035 |
| 2014 Projection | \$1.6 | | \$1.6 | 0.52 | 0.61 | \$0.045 | \$0.038 |

2013-2014 APPROVED FINAL BUDGET & ACTION PLAN

*Acquire cost-effective energy, accelerate investment, innovate,
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**The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
NEEA Industrial**

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------------|------------------|------------------|--------------------|
| Delivery Costs | | | |
| Program Delivery | \$1,327,998 | \$1,431,794 | \$1,431,794 |
| Total Delivery Costs | 1,327,998 | 1,431,794 | 1,431,794 |
| ETO expenses | | | |
| Staffing | 1,433 | 6,772 | 6,994 |
| Allocations | 52,428 | 61,947 | 69,106 |
| Sub-Total before Admin Costs | 1,381,859 | 1,500,512 | 1,507,894 |
| Administrative Costs | 50,722 | 56,164 | 53,512 |
| TOTAL EXPENSE | 1,432,581 | 1,556,676 | 1,561,407 |

Residential Existing Homes

Program Purpose: Acquire cost-effective electric and gas savings by providing energy-efficiency services and incentives for existing single-family and mobile home dwellings.

2013 Strategies & Activities

1. Transition to a new PMC, ensuring a high level of customer service and maintaining aggressive savings goals.
2. Utilize the new CRM system and enhance customer experience through the energy efficiency journey to maximize customer participation and investments in energy efficiency.
3. Implement savings portfolio adjustments to provide reliable, long-term savings and replace transforming measures.
4. Adjust measure and program requirements with a goal of reducing installation cost and improving savings performance of weatherization measures.
5. Guide customers to relevant resources and support, based upon customer disposition, utility consumption, and housing characterization criteria.
6. Provide a seamless path for connecting customers to access Trade Allies through referral options.
7. Identify, promote and facilitate consumer awareness and education of energy efficiency actions through online, phone, and in-home Home Energy Reviews and provide education on measure payback.
8. Reduce dependence on Instant Savings Measures (ISM) while transitioning to Program-and Trade Ally- direct installations, integration with the online audit tool, and advancement of relationships with customer-owned utilities.
9. Expand market-based support and responsibility of the Home Performance with ENERGY STAR track by focusing Program resources on industry collaboration and empowerment of trade allies and market actors.
10. Develop promotion and delivery of water heater savings strategies, including ENERGY STAR Gas tank, heat pump, and solar thermal installations through outreach and in collaboration with NEEA, supply chain, and trade allies.
11. Expand lender ally participation and increase promotion of financing products.
12. Integrate Trade Ally participation requirements into the rating system to further distinguish high-performing allies.
13. Provide simplified solutions for trade allies, including web forms for all program tracks, contractor referral codes and development of tools to increase trade ally visibility into their program activities and customers.
14. Manage partnerships with community action programs to support Quality Control verifications in remote regions and to support program referrals to saving within reach and existing mobile homes track.
15. As a pilot, extend delivery of Energy Performance Scores from the new home market to existing homes which participate in deep retrofits.
16. Continue to explore behavioral savings strategies, including a test to measure the persistence of savings related to the 2011-12 Opower pilot with NW Natural and PGE customers; and expand Opower efforts to a small set of Pacific Power electric heating customers.

2013 New Initiatives & Focus Areas

1. Develop and integrate a market-oriented quality control process by training trade allies to develop internal processes for quality assurance.
2. Create avenues to expand program delivery functions, such as Home Energy Reviews and ISMs, to be provided by trade allies.
3. Implement gas weatherization pilots aimed at testing alternative delivery approaches for installation of air and duct sealing measures.
4. Transition school-based approach from Living Wise Kit education program (delivered through Resource Action Programs) to outreach and education services delivered through Community Action Partnership of Oregon (CAPO).
5. Create an EEAST compliant financing product targeted to accommodate the needs of Savings Within Reach customers.

2014 Planned Activities

1. Increase percentage of Home Energy Reviews delivered by trade allies.

2013-2014 APPROVED FINAL BUDGET & ACTION PLAN

Acquire cost-effective energy, accelerate investment, innovate,
be accessible and transparent, communicate value, focus on customers.



| Targets | | | | | | | | | | | |
|-----------------|----------------|--------|--------|------------------|---------|-------------------------|---------|-------------|-----------|---------------------------|---------|
| Year | Annual Expense | | | Electric Savings | | | | Gas Savings | | | |
| | (\$M) | | | Goal aMW | | Levelized Cost (\$/kWh) | | Goal Therms | | Levelized Cost (\$/therm) | |
| | Electric | Gas | Total | Conserv | Stretch | v | Stretch | Conserv | Stretch | Conserv | Stretch |
| 2012 Forecast | \$16.3 | \$9.1 | \$25.4 | 6.42 | | \$0.028 | | 1,723,133 | | \$0.381 | |
| 2013 Budget | \$16.0 | \$11.4 | \$27.4 | 5.23 | 6.15 | \$0.038 | \$0.033 | 1,073,250 | 1,262,647 | \$0.813 | \$0.691 |
| 2014 Projection | \$15.5 | \$11.6 | \$27.2 | 4.71 | 5.54 | \$0.036 | \$0.031 | 1,243,669 | 1,463,140 | \$0.665 | \$0.565 |

The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Existing Homes

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------------|---------------------|---------------------|---------------------|
| Incentives | \$12,346,125 | \$13,467,648 | \$13,839,245 |
| Delivery Costs | | | |
| Program Management | 427,848 | 466,297 | 466,297 |
| Program Delivery | 5,634,857 | 5,898,110 | 5,370,610 |
| Marketing-PMC | 1,958,563 | 1,456,680 | 1,456,680 |
| Performance Comp | 200,020 | 140,000 | 140,000 |
| Total Delivery Costs | 8,221,287 | 7,961,087 | 7,433,587 |
| ETO expenses | | | |
| Staffing | 485,935 | 667,105 | 651,321 |
| Marketing | 380,000 | 477,500 | 517,000 |
| Other Services | 1,094,890 | 1,101,890 | 1,050,500 |
| General | 70,750 | 448,241 | 455,241 |
| Allocations | 1,946,319 | 2,298,149 | 2,321,993 |
| Sub-Total before Admin Costs | 24,545,307 | 26,421,622 | 26,268,888 |
| Administrative Costs | 852,674 | 961,913 | 903,561 |
| TOTAL EXPENSE | 25,397,981 | 27,383,534 | 27,172,449 |

Residential New Homes & Products

Program Purpose: Transform the residential new construction market to minimize lost energy efficiency opportunities and support builders to meet higher efficiency standards. Overcome market barriers to the retail purchase of energy-efficient products and manufactured homes. Achieving energy savings through consumer purchase of specialty CFLs & LEDs, high performance showerheads, energy-efficient appliances and recycling of inefficient refrigerators & freezers.

2013 Strategies & Activities

1. Secure 18 percent market share of EPS homes built within Energy Trust territory up from a goal of 13 percent in 2012. As the market continues to rebound this translates to 900 new homes in 2013, down from a projected 1,000 in 2012.
2. Increase homebuyer awareness, understanding, and purchase of EPS homes (Energy Trust's energy performance scoring tool) through home tour support, web content, Smart Homebuyer campaign, and identifying homes striving to reach net zero.
3. Leverage residential market actors (NEEA, real estate community and home builders associations) to reach the largest portion of the market possible.
4. Increase market awareness and uptake of EPS and energy-efficient building practices within the building community (i.e. builders, architects, lenders and appraisers.)
5. Continue to improve trade ally's engagement in the program through paperless processes, enhanced on-line information, and supporting the integration of current modeling with NEEA's online ENERGY STAR New Homes database.
6. Educate customers on energy-efficiency and drive them to purchase the most energy-efficient products at retail.
7. Identify ways to motivate customers to make energy-efficient product choices beyond financial incentives.
8. Build and leverage relationships with retailers and manufacturers to increase availability of energy efficient products and strengthen engagement with the program.
9. Further expand measure portfolio to diversify savings opportunities (clothes washer recycling, LEDs) and develop new innovative program designs.
10. Encourage repeat participation with the program and other Energy Trust residential offerings by analyzing products program data to model future participation behavior.
11. Coordinate retail programs with NEEA, NW utilities, and Western Regional Utility Network (WRUN) to streamline regional energy efficiency efforts.
12. Expand savings within a shrinking manufactured homes market by focusing on new advanced regional specifications, leveraging manufactured home retailers and industry stakeholders to educate consumers.

2013 New Initiatives & Focus Areas

1. Support builders through Oregon code and ENERGY STAR specification increases to encourage continued program participation.
2. Leverage independent training organizations to bring new technical support to our trade allies.
3. Offer stand-alone measures to subcontractors including ENERGY STAR water heaters, air sealing, and others.
4. Continue to work with NEEA, OHBA, and other industry stakeholders to identify cost effective strategies to reduce the energy consumption of new homes.
5. Offer tiered product incentives to consumers at retail to continue pushing a good, better, best approach.
6. Promote LED technology through specific, targeted channels, also gather and analyze feedback on customer experience.
7. Explore cost effectiveness improvement of refrigerator recycling and incent clothes washer recycling (retirement).
8. Pilot a market lift approach at retail for CFLs with BPA and D&R Intl. Work with the Existing Homes program staff to leverage predictive modeling and data analysis to help support market engagement efforts.
9. Offer new manufactured homes retailer incentives to support higher standards beyond ENERGY STAR.
10. Research and develop opportunities to increase the assortment of cost effective product to receive incentives.

2014 Planned Activities

1. Continue established activities with available funds, employing flexibility to meet savings and funding expectations.
2. Transition more of the New Homes activities to the marketplace and leverage NEEA's New Homes program.
3. Expand LED lighting offerings while continuing to focus on consumer education and specialty CFLs.
4. Move toward alternative retail models for appliances - market lift, instant incentives, and midstream buy downs.
5. Increase the assortment of products to offer cost-effective incentives - based on 2013 research and development.

| Targets | | | | | | | | | | | |
|-----------------|----------------|-------|--------|------------------|---------|-------------------------|---------|-------------|---------|---------------------------|---------|
| Year | Annual Expense | | | Electric Savings | | | | Gas Savings | | | |
| | (\$M) | | | Goal aMW | | Levelized Cost (\$/kWh) | | Goal Therms | | Levelized Cost (\$/therm) | |
| | Electric | Gas | Total | Conserv | Stretch | v | Stretch | Conserv | Stretch | Conserv | Stretch |
| 2012 Forecast | \$15.0 | \$4.2 | \$19.2 | 5.78 | | \$0.039 | | 792,189 | | \$0.419 | |
| 2013 Budget | \$16.7 | \$4.3 | \$21.0 | 5.66 | 6.66 | \$0.046 | \$0.039 | 748,330 | 880,388 | \$0.489 | \$0.416 |
| 2014 Projection | \$16.6 | \$4.6 | \$21.2 | 5.91 | 6.95 | \$0.042 | \$0.036 | 623,407 | 733,420 | \$0.571 | \$0.486 |

**The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
New Homes & Products**

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------------|---------------------|---------------------|---------------------|
| Incentives | \$10,295,474 | \$11,738,937 | \$12,154,597 |
| Delivery Costs | | | |
| Program Management | 227,858 | 263,693 | 263,693 |
| Program Delivery | 4,337,609 | 4,240,612 | 3,993,699 |
| Marketing-PMC | 1,786,708 | 1,693,380 | 1,753,288 |
| Performance Comp | 200,000 | 115,000 | 115,000 |
| Total Delivery Costs | 6,552,175 | 6,312,684 | 6,125,680 |
| ETO expenses | | | |
| Staffing | 311,810 | 346,792 | 334,955 |
| Marketing | 276,500 | 297,000 | 300,000 |
| Other Services | 213,990 | 510,190 | 474,800 |
| General | 54,750 | 72,620 | 78,620 |
| Allocations | 810,462 | 965,305 | 990,020 |
| Sub-Total before Admin Costs | 18,515,161 | 20,243,527 | 20,458,672 |
| Administrative Costs | 649,594 | 776,703 | 740,734 |
| TOTAL EXPENSE | 19,164,755 | 21,020,230 | 21,199,406 |

Residential

Market Transformation Northwest Energy Efficiency Alliance (NEEA)

Program Purpose: NEEA funds regional market transformation initiatives in the Northwest across commercial, industrial and residential sectors working in coordination with Energy Trust programs. This budget supports NEEA's regional market transformation initiatives in the residential market sector to acquire cost-effective savings while creating sustainable and efficient purchasing patterns among consumers.

2013 Strategies & Activities

1. Provide technical and marketing support for the Northwest ENERGY STAR Homes while transitioning program elements to the market (i.e. Support open providership model). This transition allows the program to diversify focus and develop an implementation strategy for an advanced performance home leveraging learnings from the 12 test homes built in 2012.
2. Capitalize on relationships with retailers established in 2009-2012 to continue to gain market share for efficient televisions. Leverage retail relationships to explore additional regional retail strategies leveraging the NW Regional Retail collaborative. Opportunities may include leveraging experience with television initiative to diversify retailer stocking practices across several categories.
3. Continue to build contractor and distributor infrastructure for ductless heat pumps. Support continued advancement of DHPS in retail channel and explore alternative installation practices to support trades outside of traditional HVAC channel. Explore barriers and opportunities of DIY installations.
4. Complete heat pump water heater market test and transition to full scale implementation. Explore additional opportunities to drive demand for Tier 1 HPWH products and leverage NEEA's relationship with retailers to influence increased customer adoption of this technology.
5. Track and report on market transformation savings from new homes, compact fluorescent light bulbs, and consumer appliances.

2013 New Initiatives & Focus Areas

1. Support the region in implementing an integrated, regionally coordinated retail strategy that leverages strengths of NEEA, ETO, BPA, and NW utilities. The retail strategy will utilize the market power of NW, potentially in concert with California utilities, to provide platform for coordinated utility acquisition programs incenting retailers to carry the most energy-efficient products.
2. Support launch of Super-Efficient dryer initiative.
3. Support advancement and field test of high performance home.
4. Develop transition strategy for Television initiative.
5. Continue to identify opportunities to commercialize emerging technologies, utilizing a regional advisory group to help set priorities and scope projects.
6. Increase participation in Federal and regional proceedings to create and improve equipment efficiency standards; bring information on NW successes in market adoption of efficient products to that process.

2014 Planned Activities

1. Similar to 2013.
2. As funding progressively increases, expand work on emerging technologies and select other new initiatives.

Targets

| Year | Annual Expense | | | Electric Savings | | | |
|-----------------|----------------|-----|--------|------------------|---------|----------------------------|---------|
| | (\$M) | | | Goal aMW | | Levelized Cost (\$/kWh) | |
| | Electric | Gas | Total | Conserv | Stretch | v | Stretch |
| 2012 Forecast | \$4.5 | | \$ 4.5 | 2.54 | | \$0.032 | |
| 2013 Budget | \$4.9 | | \$ 4.9 | 2.19 | 2.58 | \$0.040 | \$0.034 |
| 2014 Projection | \$4.9 | | \$ 4.9 | 1.98 | 2.33 | \$0.044 | \$0.038 |

**The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
NEEA Residential**

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------------|------------------|------------------|--------------------|
| Delivery Costs | | | |
| Program Delivery | \$4,321,270 | \$4,659,024 | \$4,659,024 |
| Total Delivery Costs | 4,321,270 | 4,659,024 | 4,659,024 |
| ETO expenses | | | |
| Staffing | 1,549 | 18,344 | 18,951 |
| Allocations | 55,450 | 65,862 | 72,814 |
| Sub-Total before Admin Costs | 4,378,269 | 4,743,229 | 4,750,789 |
| Administrative Costs | 142,759 | 172,699 | 164,464 |
| TOTAL EXPENSE | 4,521,028 | 4,915,928 | 4,915,253 |

NW Natural Washington

Program Purpose: To broaden gas savings opportunities to customers of NW Natural (NWN) in southwest Washington by increasing program awareness, building off of Oregon success and collaborating with key stakeholders and utilities.

2013 Strategies & Activities

Residential (Existing & New Homes):

- Further efforts to increase the profile of energy efficiency in the consumer market, build Energy Trust program awareness and motivate homeowners and builders to perform energy efficiency measures.
- Evaluate research, including analysis of customer disposition, utility consumption, and housing characterization criteria, to refine market potential and target specific neighborhoods for high-impact measure approaches.
- Continue to leverage Oregon initiatives applicable to the Washington market including, but not limited to, the use of online forms, contractor referrals and a market-oriented quality control process.
- Collaborate with industry stakeholders, including Clark Public Utilities, Planet Clark, Clark County, NWN, BPA, NEEA, BIA, the verifier network and other market partners, to promote incentive offerings, leveraging their existing communication channels and events.
- In collaboration with regional groups and partners, participate in community events, employer fairs and other public channels that offer access to high potential customers within NWN WA territory.
- Provide education and product-specific collateral to retail product distributors and installers.
- Provide direct support and assistance to current trade allies to increase number of projects submitted to the program, as well as recruiting new trade allies to the network.
- Help to transform the market to increase consumer demand for energy efficient construction and positively affect energy code cycles.

Existing Buildings:

- Drive deeper savings per customer by bolstering portfolio of measures and more heavily promoting custom incentive program.
 - Increase outreach efforts to mid-stream and up-stream supply houses and equipment manufacturers.
 - Increase marketing activities to improve awareness of services available to Clark County businesses.
 - Maintain direct sales efforts slightly below 2012 FTE levels, focusing greater attention toward trade ally recruitment and engagement in order to diversify project channels coming into the program.
 - Maintain focus on K-12 Schools, particularly given upcoming WA State funding awards for energy projects.
 - Leverage relationships with national lodging and food service chains to boost program participation in this sector (food service equipment, dish washing, pool and water heating projects).
-

2013 New Initiatives & Focus Areas

Residential (Existing & New Homes):

- Expand participation of lending institutions as lender allies and increase integration and promotion of lending ally products in the WA marketplace.
- Continue to develop plumber direct install initiative of showerheads, showerwands and aerators.
- Continue roll out of low-income energy saver kits through Clark County food pantries.
- Explore possibility of providing incentives for additional efficient building tiers beyond ENERGY STAR.

Existing Buildings:

- Pending analysis of 2012 performance, continue collaborative rooftop unit tune-up (RTU) incentive offerings with Clark Public Utilities.
 - Amend WA custom process to allow for up-front study payment to boost program participation. Potentially, WA may closely match the OR custom approach by utilizing ATACs, walk-through assessments and/or site evaluations.
 - Explore opportunities for joint funding of custom project studies with Clark Public Utilities.
-

2014 Planned Activities

- Implement strategies to achieve IRP efficiency savings goals despite termination of furnace incentives after 2013.
- Begin shifting delivery of Home Energy Reviews to the marketplace.

2013-2014 APPROVED FINAL BUDGET & ACTION PLAN

*Acquire cost-effective energy, accelerate investment, innovate,
be accessible and transparent, communicate value, focus on customers.*



| Targets | | | | | | | |
|-----------------|----------------|--------|--------|-------------|---------|---------------------------|---------|
| Year | Annual Expense | | | Gas Savings | | | |
| | (\$M) | | | Goal Therms | | Levelized Cost (\$/therm) | |
| | Electric | Gas | Total | Conserv | Stretch | Conser v | Stretch |
| 2012 Forecast | | \$ 1.3 | \$ 1.3 | 227,267 | | \$0.445 | |
| 2013 Budget | | \$ 1.5 | \$ 1.5 | 226,735 | 266,747 | \$0.489 | \$0.416 |
| 2014 Projection | | \$ 1.5 | \$ 1.5 | 224,642 | 264,285 | \$0.506 | \$0.430 |

**The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Washington**

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------------|------------------|------------------|--------------------|
| Incentives | \$596,374 | \$624,135 | \$644,341 |
| Delivery Costs | | | |
| Program Management | 35,713 | 84,507 | 88,732 |
| Program Delivery | 312,428 | 286,819 | 287,510 |
| Marketing-PMC | 95,350 | 73,212 | 76,873 |
| Performance Comp | 7,900 | 20,000 | 21,000 |
| Total Delivery Costs | 451,391 | 464,538 | 474,115 |
| ETO expenses | | | |
| Staffing | 92,565 | 99,008 | 102,386 |
| Marketing | 10,000 | 31,500 | 31,500 |
| Other Services | 35,000 | 21,500 | 21,500 |
| General | 28,214 | 29,510 | 31,341 |
| Allocations | 118,198 | 148,127 | 148,590 |
| Sub-Total before Admin Costs | 1,331,742 | 1,418,318 | 1,453,773 |
| Administrative Costs | 46,553 | 51,174 | 49,663 |
| TOTAL EXPENSE | 1,378,296 | 1,469,493 | 1,503,436 |
| Washington Programs: | | | |
| Existing Buildings | 577,406 | 652,871 | 674,760 |
| Existing Homes | 487,898 | 473,034 | 474,265 |
| New Homes | 312,992 | 343,588 | 354,411 |
| TOTAL Washington | 1,378,296 | 1,469,493 | 1,503,436 |

Renewable Energy - Biopower

Program Purpose: Expand the biopower generation market by supporting development in the woody biomass industry sector utilizing mill and forest residue; and the biogas industry sector utilizing agricultural, food processing, human, and organic municipal solid waste residues.

2013 Strategies & Activities

1. Utilize market partners and direct outreach to actively identify project opportunities early in their development.
2. Expand the use of development assistance through the implementation of a competitive process to support projects with the best opportunity to advance project development;
3. Provide ongoing support for projects authorized for Energy Trust funding in achieving commercial operation.
4. Leverage new funding sources (Biomass Tax Credit extension, expansion of Oregon Standard funding for methane reduction projects) to offset reductions in Business Energy Tax Credit program.
5. Provide support to operating projects receiving Energy Trust incentives to address changing market, regulatory and operational conditions.

2013 New Initiatives & Focus Areas

1. Conduct a review of identified co-digestion projects at wastewater treatment plants and document their performance.
2. Conduct a review of identified biogas plants in the agriculture sector and develop a roadmap for third party ownership for project hosts.
3. Provide targeted support to promote and fund the state's Combined Heat and Power initiative.
4. Work with Bonneville Power Administration and the consumer-owned electric utility industry to document common criteria for interconnection and wheeling requirements for projects developed in BPA balancing authority and delivered to PGE or PAC.
5. Support the continuing development of the Biogas Working Group.
6. Participate in the development of a project selection process to address possible budget limitations for custom projects
7. Transition Energy Management training program for wastewater treatment to Production Efficiency
8. Establish the levelized cost for biomass projects installed in 2012 and 2013.

2014 Planned Activities

1. Support development of projects that integrate energy recovery from organic residues recovered from the municipal solid waste on a state wide basis.

Targets

| Year | Annual Electric Activity \$M | Energy Generation | | | | | | |
|-----------------|------------------------------|-------------------|---|------|-------|---|---------|-----------------|
| | | aMW | | | MWh | | \$M/aMW | |
| 2012 Forecast | \$1.4 | 0.69 | | | 6,042 | | \$2.01 | |
| 2013 Budget | \$4.5 | 1.08 | - | 1.70 | 9,421 | - | 14,882 | \$4.15 - \$2.63 |
| 2014 Projection | \$2.3 | 0.59 | - | 0.93 | 5,141 | - | 8,162 | \$3.92 - \$2.47 |

The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Biopower

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|---|--------------------|--------------------|--------------------|
| Incentives | \$1,364,186 | \$2,371,496 | \$5,395,830 |
| ETO expenses | | | |
| Staffing | 144,293 | 153,627 | 158,795 |
| Marketing | 10,925 | 15,500 | 15,500 |
| Other Services | 55,823 | 190,000 | 190,000 |
| General | 35,141 | 20,050 | 25,800 |
| Allocations | 64,485 | 81,158 | 81,037 |
| Sub-Total before Admin Costs | 1,674,853 | 2,831,831 | 5,866,962 |
| Administrative Costs | 38,317 | 81,774 | 180,801 |
| TOTAL EXPENSE, Accounting | 1,713,170 | 2,913,605 | 6,047,763 |
| Plus/minus Incentives committed for future yrs | (324,193) | 1,553,503 | (3,745,830) |
| TOTAL EXPENSE, Action Plan | 1,388,977 | 4,467,108 | 2,301,933 |

Renewable Energy – Other Renewables

Program Purpose: Provide funding for wind, hydropower and geothermal electric projects. Develop a portfolio of market-defining installations, each element of which demonstrates a new application, technology, market or business model not otherwise covered by Energy Trust programs, provides insight on whether and how to launch new, technology-specific Energy Trust programs and/or secures a low-cost renewable energy resource.

2013 Strategies & Activities

1. Shift focus to finding smaller projects that are able to offset retail rates.
2. Increase focus on development assistance funding, working with the other custom programs to develop a competitive process for larger amounts of development assistance.
3. Reinstigate marketing and outreach for small wind program.
4. Work toward integrating hydro, geothermal, and non-standard wind into an overall custom RE offering.
5. Provide grant-writing assistance to potential projects to uncover new funding sources to replace dwindling federal and state resources.
6. Increased outreach for all technologies as viable projects will be more difficult to find.

2013 New Initiatives & Focus Areas

1. Wind workshops and outreach targeted at specific geographic areas.
2. Market research to better understand the small wind customer.
3. Targeted outreach effort to municipal water purveyors and irrigation districts.
4. Targeted outreach effort to owners of existing geothermal wells.

2014 Planned Activities

1. Evaluation of small wind initiative.
2. Implementation of custom renewables budget structure and competitive distribution of funds for both utilities.
3. Evaluation of competitive larger project development assistance.

Targets

| Year | Annual Electric Activity \$M | Energy Generation | | | | | | |
|-----------------|------------------------------|-------------------|---|------|-------|---|---------|-------------------|
| | | aMW | | | MWh | | \$M/aMW | |
| 2012 Forecast | \$3.0 | 0.99 | | | 8,641 | | \$3.01 | |
| 2013 Budget | \$5.3 | 0.38 | - | 0.70 | 3,310 | - | 6,169 | \$14.14 - \$7.59 |
| 2014 Projection | \$2.8 | 0.12 | - | 0.20 | 1,017 | - | 1,795 | \$24.32 - \$13.78 |

The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Open Solicitation

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|---|------------------|--------------------|--------------------|
| Incentives | \$996,356 | \$2,496,703 | \$4,667,287 |
| Program Delivery Costs | 6,909 | | |
| ETO expenses | | | |
| Staffing | 317,714 | 374,710 | 387,331 |
| Marketing | 21,656 | 33,000 | 28,000 |
| Other Services | 102,891 | 309,000 | 177,000 |
| General | 35,821 | 66,681 | 61,681 |
| Allocations | 143,805 | 182,193 | 179,527 |
| Sub-Total before Admin Costs | 1,625,152 | 3,462,287 | 5,500,826 |
| Administrative Costs | 53,103 | 121,031 | 166,452 |
| TOTAL EXPENSE, Accounting | 1,678,255 | 3,583,318 | 5,667,278 |
| Plus/minus Incentives committed for future yrs | 1,295,250 | 1,758,296 | (2,844,287) |
| TOTAL EXPENSE, Action Plan | 2,973,505 | 5,341,614 | 2,822,991 |

Renewable Energy – Solar Electric (Photovoltaic)

Program Purpose: Develop the solar electric market for all sectors in Oregon by increasing awareness, expanding participation, providing quality standards and ensuring there is a strong qualified installer base for consumers.

2013 Strategies & Activities

1. Foster strong residential market, leveraging the state Residential Energy Tax Credit and third party ownership models.
2. Maintain steady incentive levels; decrease gradually only if demand threatens to exhaust the budget.
3. Build pipeline for solar in all sectors through education, advertising, promotion and targeted marketing.
4. Support the Oregon Public Utility Commission’s evaluation of the solar feed-in tariff pilot program vis-à-vis Energy Trust and state tax credit programs.
5. Track potential legislation that affects the solar market; support implementation of successful legislation.
6. Support innovations in the delivery channel (codes, permitting, equipment, installation practices) to reduce installed cost.
7. Maintain high quality installation standards that deliver consistent generation and build trust in the technology.
8. If sufficient funding is available, solicit a large-scale solar project(s) through a competitive process.

2013 New Initiatives & Focus Areas

1. Offer solar ready incentives to homebuilders and commercial property developers to reduce cost of retrofitting solar later; encourage property buyers to add solar.
2. Establish a network of qualified designers that design solar into new commercial buildings and can apply for incentives early in the design/construction process.
3. Support local efforts to develop a cooperatively owned solar project, which would broaden the market to residents who lack good solar resource or don’t own property.

2014 Planned Activities

1. Continue to emphasize residential sector, leveraging state and federal credits available through 2016.
2. Continue to lower incentives as demand increases, in coordination with state tax credits, in order to manage annual incentive budget.

Targets

| Year | Annual Electric Activity \$M | Energy Generation | | | | | | |
|-----------------|------------------------------|-------------------|---|------|--------|---|-------|------------------|
| | | aMW | | | MWh | | | \$M/aMW |
| 2012 Forecast | \$15.6 | 2.81 | | | 24,638 | | | \$5.56 |
| 2013 Budget | \$9.3 | 0.62 | - | 1.06 | 5,470 | - | 9,253 | \$14.91 - \$8.82 |
| 2014 Projection | \$8.0 | 0.50 | - | 0.81 | 4,372 | - | 7,123 | \$16.03 - \$9.84 |

2013-2014 APPROVED FINAL BUDGET & ACTION PLAN

*Acquire cost-effective energy, accelerate investment, innovate,
be accessible and transparent, communicate value, focus on customers.*



**The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Solar Electric (Photovoltaic)**

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|---|--------------------------|------------------------|----------------------------|
| Incentives | \$18,307,163 | \$7,493,488 | \$6,245,313 |
| Program Delivery Costs | 262,500 | 50,000 | 70,000 |
| ETO expenses | | | |
| Staffing | 339,115 | 468,500 | 484,520 |
| Marketing | 221,000 | 138,500 | 138,500 |
| Other Services | 258,700 | 677,500 | 657,500 |
| General | 17,500 | 58,662 | 62,662 |
| Allocations | 241,680 | 294,867 | 290,511 |
| Sub-Total before Admin Costs | 19,647,658 | 9,181,517 | 7,949,006 |
| Administrative Costs | 707,293 | 288,668 | 242,984 |
| TOTAL EXPENSE, Accounting | 20,354,951 | 9,470,185 | 8,191,990 |
| Plus/minus Incentives committed for future yrs | (4,726,375) | (158,487) | (193,313) |
| TOTAL EXPENSE, Action Plan | 15,628,576 | 9,311,698 | 7,998,677 |

Planning and Evaluation (P&E)

Group Purpose: To provide strategic and quantitative planning, reporting, and evaluation for Energy Efficiency and Renewable Resources and organizational initiatives. Contributes to all Energy Trust Strategy goals. Support and enhance accelerated acquisition capabilities for Program Delivery staff.

2013 Strategies & Activities

1. Provide reliable estimates of program savings and generation through impact evaluations, and constructive feedback to programs through process evaluations. Major evaluations in 2013 include process and impact evaluations for Production Efficiency and Existing Buildings programs and process evaluations for New Homes, New Buildings, and Existing Home Products programs
2. Work with utilities to integrate updates in the estimates of potential savings into integrated resource planning.
3. Provide support for annual utility funding level agreements
4. Continue surveying customers about their satisfaction and investment decision making process through the Fast Feedback project. Continue to field its annual Residential Awareness survey, and Trade Ally survey. Residential impact evaluations will continue being done in-house with an outside expert review team.
5. Evaluation will continue to work with programs on developing and evaluating pilots.
6. Continue working with NEEA on their commercial and residential stock assessments, and other regional research projects.
7. Help business sector programs to develop technically solid and cost effective bundles of measures and streamlined calculation procedures to reduce transaction costs and encourage deeper savings.
8. Assure reliable, consistent, and high-quality reporting of savings and generation through the annual and quarterly reports to the Board, the biennial legislative report, the annual summary of economic impacts, etc.
9. Working with NEEA, PSU, and others, encourage and test highest-priority emerging technologies for gas and electric efficiency. 2013 focus is on heat pump water heaters, commercial building monitoring and feedback systems, LED lighting, and ductless heat pumps for existing multifamily and manufactured housing.
10. Streamline reporting and forecasting tools.

2013 New Initiatives & Focus Areas

1. Update forecasts of gas and electric avoided costs. Work with PUC to consider cost-effectiveness exceptions and revised policies where appropriate. Develop tools to budget to targeted societal benefit/cost ratios.
2. Help programs develop strategies and measures to improve cost-effectiveness. Assess impact of cost-effectiveness limitations, and exceptions, on Energy Trust's annual program savings volume.
3. Advise the Oregon PUC and governor's office regarding how to align and integrate the goals of the governor's energy plan with the role of the Energy Trust. Develop initiatives stemming from this effort.
4. Implement a C&I lighting controls savings and persistence study.
5. Evaluate pilots testing streamlined customer referrals and follow-up approaches homes.
6. Work with programs to identify the best ways to use the new access to data under the utility data sharing agreement, and other data sets to target program marketing to those consumers most likely to act and achieve large savings.
7. Upgrade estimates of residential savings using the recently completed Residential Building Stock Assessment.
8. Working with finance, develop strategic principles and guidelines for Energy Trust's growing and multiplying initiatives to encourage broader availability and use of efficiency and renewable energy financing.
9. Update and expand forecasts and reporting of market transformation savings based on efficient equipment standards and building codes (e.g., commercial lighting). Refine program strategies to support codes and standards.
10. Support high-priority initiatives to regionally and nationally coordinate programs to increase market impact. High priorities for 2013 include residential appliances and commercial lighting.
11. With Oregon PUC to develop a revised system of performance metrics for Energy Trust's renewable energy programs.

2014 Planned Activities

1. 2014 will see many of the same evaluation, resource planning and reporting activities.
2. In 2014, we will develop a revised strategic plan, which will reflect elements of the Governor's energy plan, any changes to cost-effectiveness policy, deliver a refined vision of the role and intended outcomes from Energy Trust's renewable and energy efficiency programs, and consider the increasing importance of technical innovation in sustaining the stream of efficiency savings.
3. We will report to the Oregon PUC on our efforts to improve gas program cost-effectiveness, and develop 2015 plans.

based on our results in this area and any changes to state policy.

Targets

| Year | Annual Expense (\$M) |
|-----------------|----------------------|
| 2012 Forecast | \$ 4.4 |
| 2013 Budget | \$ 5.4 |
| 2014 Projection | \$ 5.0 |

**The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Planning & Evaluation**

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|---|------------------|------------------|--------------------|
| Program Specific P&E | | | |
| Evaluation Services | \$1,783,000 | \$2,126,000 | \$1,830,000 |
| Planning Services | 391,077 | 593,077 | 230,000 |
| Total Program Specific P&E | 2,174,078 | 2,719,077 | 2,060,000 |
| Non Program Specific P&E | | | |
| Evaluation Services | 128,000 | 222,000 | 242,000 |
| Planning Services | 457,000 | 342,000 | 649,077 |
| Staffing | 1,151,926 | 1,401,669 | 1,449,297 |
| Other Services | | 3,000 | |
| General | 77,750 | 117,600 | 97,750 |
| Allocations | 440,217 | 570,376 | 540,181 |
| Total Non Program Specific P&E | 2,254,893 | 2,656,645 | 2,978,305 |
| GRAND TOTAL | 4,428,971 | 5,375,722 | 5,038,305 |

General Communications

Purpose: Provides staff, services and resources necessary for organizational communications, general outreach and marketing, utility collaboration, and program support activities. These functions generate awareness of Energy Trust programs and services in all service territories; position Energy Trust as a trusted energy resource for customers and the public; communicate the value of Energy Trust investments; demonstrate organizational transparency and accountability; and provide efficiencies through centralized program marketing support services, online customer engagement, and by supporting advancements in Customer Relationship Management and Business Intelligence information systems and capabilities. Program-specific marketing activities are reflected in program budgets and action plans. Customer Service and Trade Ally Network activities are reflected in the specific budgets and action plans for those activities.

2013 Strategies & Activities

1. Produce and distribute public annual report, quarterly and annual reports to the Oregon Public Utilities Commission, quarterly activity summaries for each of four utilities, public presentations, fact sheets, case studies and other general communications.
2. Develop and distribute public relations content and materials, such as press releases and monthly SYNERGY e-newsletter/blog, highlighting customer success stories, results information, and collaborations.
3. Respond to media and stakeholder inquiries about energy issues, Energy Trust programs, and associated data.
4. Ensure consistent Energy Trust representation in all territories through coordination of outreach resources, leveraging program-based and general field representatives, and seeking utility coordination where applicable.
5. Support new outreach initiatives with external groups to engage customers through membership and community organizations, libraries, schools, etc.
6. Invest sponsorship dollars in alignment with program marketing and general awareness objectives.
7. Develop and maintain energytrust.org, Energy Trust Facebook and Twitter pages, e-mail management systems, mobile site and other online properties; provide content, tools, online incentive applications and other functionality to increase customer awareness and drive engagement in Energy Trust offers
8. Provide coordinated media planning, buying, and creative services for Energy Trust program and general advertising. Collaborate with utilities on co-branded advertising.
9. Provide coordinated creative and production services, including writing, graphic design, photography, videography, presentations and on-demand webinars, utilizing contracted and in-house resources
10. Lead cross-sector marketing initiatives and guide program-based marketing activities; ensure alignment with Energy Trust strategic goals, objectives, and legal requirements. Reinforce brand, accuracy, consistency and customer-focused tone through brand guidelines reinforcement. Engage in marketing coordination with utilities.
11. Provide communications and marketing support for program activities with significant new customer or stakeholder engagement elements or reporting requirements, such as EPS and Clean Energy Works Oregon.
12. Support continued development of Customer Relationship Management (CRM) and integrated marketing management information systems.
13. Provide subject matter expertise and project support for ongoing Integrated Solutions Information Projects, Business Intelligence Reporting, and web integration developments.
14. Support effective internal/employee communications through internal newsletter (PitStop), Sharepoint home page (StaffNet) content development, and staff meeting content.

2013 New Initiatives & Focus Areas

1. Organize targeted regional outreach events in five to six communities; engage local business and civic leaders, city, county and state officials, utilities, potential customers, and news-media.
2. Explore alternative mechanisms, platforms and reward systems to engage and motivate customers. Collaborate with residential program to develop a social rewards system for engagement activities, explore the mobile platform as an in-store information source, and develop promotional "rewards" marketing with local energy and sustainability businesses.
3. Develop on-demand, self-paced, web-based trainings on communication and marketing processes and topics to support new staff and PMC staff onboarding. Assist other groups in converting trainings to online format.
4. Implement customer service, marketing, communications, and reporting processes aligned with new utility information sharing agreements.
5. Support deeper knowledge of customers and effective engagement by mining customer activity and feedback sources, analyzing marketing results, conducting market research, and synthesizing/sharing learnings.
6. Develop info-graphic and presentation tools, leveraging GIS, available data, video and other assets, to enhance customer-engagement and outreach opportunities, and further public relations, communication, and marketing objectives.
7. Begin development of online account system (portal) for customers to provide visibility to recommendations and track projects and incentives; further support trade ally portal tool development.
8. Support grantwriting to seek additional resources for activities aligning with program and organizational objectives.

2014 Planned Activities

1. Organize 8 to 10 regional outreach events, covering all utility service territories, to collect public input informing Energy Trust's 2015-2019 strategic plan.

Targets

| Year | Annual Expense (\$M) |
|-----------------|----------------------|
| 2012 Forecast | \$ 1.8 |
| 2013 Budget | \$ 2.2 |
| 2014 Projection | \$ 2.3 |

The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Communications & Customer Service

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------|------------------|------------------|--------------------|
| Staffing | \$807,871 | \$832,871 | \$861,115 |
| Marketing | | | |
| Public Rel/Creative | 20,000 | 25,000 | 25,000 |
| Creative Services | 120,000 | 118,000 | 155,000 |
| Media Advertising | 292,500 | 397,500 | 457,500 |
| Events Co-Sponsor | 20,000 | 32,000 | 32,000 |
| Total Marketing | 452,500 | 572,500 | 669,500 |
| Services | | | |
| Website Design & Maintenance | 205,500 | 257,500 | 277,500 |
| Other Professional Services | 35,000 | 100,000 | 105,000 |
| Total Other Services | 240,500 | 357,500 | 382,500 |
| General | | | |
| General Program Support Costs | 45,000 | 98,500 | 38,500 |
| Shared | 91,411 | 96,565 | 97,666 |
| IT Services | 165,777 | 236,665 | 217,924 |
| Total General | 302,187 | 431,730 | 354,089 |
| TOTAL EXPENSE (Note 1) | 1,803,058 | 2,194,600 | 2,267,205 |

Note 1 - 100% of these expenses are allocated to programs, located towards the bottom of each report on the line "Administrative Costs."

Customer Service & Trade Ally Management

Purpose: Provides staff, services, and resources necessary to enable customer access to Energy Trust programs and information. Customer service functions include leadership on customer experience values, establishment of protocols and policies, visibility into customer activity through Customer Relationship Management (CRM) systems and other reporting tools, process improvements, call center services, forms, online customer access tools, training, response to customer inquiries and outreach. Trade ally network development and administration functions include recruiting, enrolling and providing structure and support for a network of approved skilled trade contractors and other professionals to help Energy Trust customers in all areas of the state.

2013 Customer Service Strategies & Activities

1. Establish standards for customer service and offer access through call center and email response.
2. Enable excellent customer experience through information sharing and training for customer service representatives.
3. Work with utilities to provide seamless routing of customers, continued training and materials.
4. Respond to customer complaints in a timely manner; utilize customer feedback to improve programs and processes.
5. Support the design and use of CRM to facilitate a 360 degree view of customers.
6. Apply best practices and customer-friendly designs to forms to gain processing efficiencies and minimize user administrative burden; align paper form processes with online form development and vet form changes.

2013 Trade Ally Strategies & Activities

1. Maintain resources and access to programs for trade allies via the website, online calendars, roundtables, surveys, distance learning and through the *Insider* e-newsletter.
2. Work with web team to enhance the online trade ally search tool, web language and other tools for trade allies.
3. Provide enhanced customer service and sales training to help trade allies communicate energy efficiency and renewable information and services to their customers; utilize trade allies as a sales force.
4. Support adoption of rating systems; maintain and evaluate systems in existence.
5. Maintain network of trade and program allies that can reach diverse customer segments, oversee creation of new groups, enrollment, termination, retention of records; identify and mitigate risks.
6. Determine program and customer needs and develop outreach, recruitment and training plans to fill any gaps in the network. Explore and implement solutions to remove barriers to participation.
7. Gather feedback from trade allies to help inform program design.
8. Track and resolve customer complaints about trade allies; utilize complaints to identify and respond to trends.

2013 Customer Service New Initiatives & Focus Areas

1. Establish Customer Experience framework and initiate efforts that enhance the customer's experience.
2. Support the establishment of the CRM and participate in the prioritization of future enhancements to offer greater visibility into customers and enhanced usability; gather and share customer data through customer dashboards.
3. Support the PMC transition to ensure that customers receive the same high level of customer service and that our messaging and brand reflect what is available to customers.
4. Standardize and implement a common form template with customer-friendly design, and apply streamlining approaches to forms.
5. Offer on-demand and webinar training for staff and representatives related to customer experience.

2013 Trade Ally New Initiatives & Focus Areas

1. Gather trade ally input to improve the value and usability of the website, online portal, online training and other web-based tools. Support the transition to online forms for trade ally enrollment and posting of customer applications.
2. Provide expertise as trade ally tracking and enrollment processes transition to CRM and SharePoint; plan to migrate insurance tracking in-house using the new CRM.
3. Support efforts to utilize trade allies as a sales force through advertising campaigns, training, development of new collateral and optimization of the contractor search.
4. Remain knowledgeable of active trade ally and non-trade ally contractors in the market offering energy services; monitor communication and marketing approaches.
5. Ensure quality service to customers and remove trade allies in violation of agreements.
6. Support program design changes by offering guidance and expertise; utilize feedback and communication mechanisms to ensure success and keep trade allies informed.
7. Lead recruitment and development of lending allies and support efforts to develop new ally groups.
8. Provide training and support for new PMCs during transition period, and assist them with new initiatives and related communications.
9. Enhance roundtable venues, format and timing to meet trade ally, PMC, and program needs.
10. Develop key trade ally feedback groups in regional markets. Work with these groups to tailor training, communications and roundtables to better meet local needs.
11. Increase visibility and use of Energy Trust's trade ally hotline to ensure trade allies have a dedicated means of reaching trade ally staff during PMC transitions.

2013-2014 APPROVED FINAL BUDGET & ACTION PLAN

*Acquire cost-effective energy, accelerate investment, innovate,
be accessible and transparent, communicate value, focus on customers.*

2014 Planned Activities

1.

Targets

| Year | Annual Expense (\$M) | |
|-----------------|----------------------|-----|
| 2012 Forecast | \$ | 1.1 |
| 2013 Budget | \$ | 1.1 |
| 2014 Projection | \$ | 1.1 |

**The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Customer Service and Trady Ally**

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------|------------------|------------------|--------------------|
| Staffing | \$464,063 | \$559,849 | \$579,062 |
| Marketing | | | |
| Events Co-Sponsor | | 5,000 | 5,000 |
| Total Marketing | | 5,000 | 5,000 |
| Services | | | |
| Website Design & Maintenance | 25,000 | 5,000 | 20,000 |
| Other Professional Services | 175,900 | 84,800 | 75,800 |
| Total Other Services | 200,900 | 89,800 | 95,800 |
| General | | | |
| General Program Support Costs | 244,600 | 192,300 | 180,450 |
| Shared | 62,195 | 65,702 | 66,451 |
| IT Services | 112,799 | 161,034 | 148,282 |
| Total General | 419,594 | 419,036 | 395,183 |
| TOTAL EXPENSE (Note 1) | 1,084,558 | 1,073,685 | 1,075,045 |

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

Management & General

Department Purpose: To provide overall management, direction and resources in support of Energy Trust strategies and operations. Contributes to all strategic goals.

2013 Strategies & Activities

1. Expand participation with other state energy leaders in developing a strategy regarding energy efficiency and demand management.
2. Enhance development of alliances with other organizations and business opportunities
3. Finalize comprehensive succession planning activities for Executive Director, Management Team, and other high-level staff to assure continuity
4. Expand outreach efforts to variety of constituents
5. Manage corporate compliance requirements.
6. Complete implementation of document retention strategy.
7. Expand and enhance risk mitigation strategies
8. Continue to develop and monitor metrics in alignment with budget themes
9. Further develop recruiting strategy to reflect expanded outreach to minority communities
10. Complete staff transition within legal department
11. Transition to new audit firm
12. Analyze benefits of PMC model
13. Complete analysis of Energy Trust role in financing activities

2013 New Initiatives & Focus Areas

1. Initiate analysis of operations to recommend further efficiencies and maximize performance opportunities throughout organization
2. Implement succession planning recommendations for mentoring, coaching and training
3. Continue to provide enhanced and targeted training activities for all staff
4. Monitor document retention activities for effectiveness
5. Implement improved contract monitoring methods
6. Pursue grant writing activities to diversify revenue opportunities
7. Pursue enhancement to performance management and recognition activities

2014 Planned Activities

1. Implement Health Care Reform in full

Targets

| Year | Annual Expense (\$M) | |
|-----------------|----------------------|-----|
| 2012 Forecast | \$ | 3.5 |
| 2013 Budget | \$ | 3.5 |
| 2014 Projection | \$ | 3.4 |

2013-2014 APPROVED FINAL BUDGET & ACTION PLAN

*Acquire cost-effective energy, accelerate investment, innovate,
be accessible and transparent, communicate value, focus on customers.*



**The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Management & General Administration**

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------|--------------------------|------------------------|----------------------------|
| Staffing | \$1,861,028 | \$1,995,834 | \$2,063,887 |
| Services | | | |
| Legal Services | 15,000 | 90,000 | 75,000 |
| Accounting Services | 45,495 | 47,500 | 63,925 |
| Other Professional Services | 202,547 | 394,850 | 237,441 |
| Total Services | 263,042 | 532,350 | 376,366 |
| General | | | |
| General Program Support Costs | 899,300 | 260,409 | 310,514 |
| Shared | 185,289 | 195,736 | 197,968 |
| IT Services | 335,922 | 479,567 | 441,590 |
| Total General | 1,420,511 | 935,712 | 950,071 |
| TOTAL EXPENSE (Note 1) | 3,544,580 | 3,463,896 | 3,390,324 |

Note 1 - 100% of these expenses are allocated to programs, located at the bottom of each report on the line "Administrative Costs."

Information Technology

Department Purpose: To deliver high quality, cost-effective technology and information management solutions and services to support the strategic goals of Energy Trust.

2013 Strategies & Activities

1. Continue building relationships throughout the organization to ensure that IT is responding with appropriate technology solutions that meet business needs.
2. Strengthen the quality and improve the functionality and usability of applications.
3. Enhance data quality and increase accessibility to information.
4. Ensure system stability and performance by building on existing infrastructure architecture.

2013 New Initiatives & Focus Areas

Build partnerships

1. Work with sector leads and program managers through the Integrated Solutions Implementation Project (ISIP) to connect key business requirements to technology solutions.
2. Re-establish IT steering committee as centerpiece of IT governance in prioritizing technology solutions to business problems and opportunities.
3. Focus on continued high level of responsiveness to immediate as well as longer term needs of users as internal customers of IT.

Strengthen applications

1. Complete systems analysis and selection for phase 2 of ISIP, leveraging foundational work completed in ISIP phase 1.
2. Hire programming resources to establish internal skills for continuous improvement of applications.
3. Conduct a broad assessment of application architecture, create and implement development standards and processes, and complete projects focused on continuous improvement.

Enhance data quality

1. Create new business intelligence platform based on comprehensive data model created as part of ISIP phase 1.
2. Implement data governance processes to enforce the integrity of the data model as part of on-going business process and systems development work.
3. Hire CRM data analyst to provide a dedicated resource to leverage our investment in CRM and marketing data.
4. Continue Business Intelligence tools development, targeting increased user self-service for information needs.

Ensure system stability

1. Conduct a broad assessment of systems architecture including web architecture and create and implement improvement plan based on that assessment.
2. Continue replacement of servers and other backbone hardware as part of regular schedule to ensure availability and performance improvements.
3. Utilize new virtual technology to further leverage our investments in software and servers.

2014 Planned Activities

1. Complete implementation of ISIP phase 2 and add new functionality and continue making on-going improvements to all enterprise solutions.
2. Finalize Business Intelligence tools rollout and transition to maintenance and improvement.
3. Integrate or assimilate point solutions into enterprise solution architecture utilizing standardized toolset.

Targets

| Year | Annual Expense (\$M) | |
|-----------------|----------------------|-----|
| 2012 Forecast | \$ | 2.8 |
| 2013 Budget | \$ | 4.0 |
| 2014 Projection | \$ | 3.7 |

**The Energy Trust of Oregon, Inc
2013 Proposed Final Budget
Informational Technology**

| | 2012 Forecast | 2013 Budget | 2014 Projection |
|-------------------------------|--------------------|--------------------|--------------------|
| Staffing | \$1,267,514 | \$1,952,639 | \$1,584,477 |
| Services | | | |
| Other Professional Services | 678,700 | 947,500 | 700,000 |
| Total Services | 678,700 | 947,500 | 700,000 |
| General | | | |
| Supplies and Equipment | 149,160 | 207,890 | 190,000 |
| Software | 304,435 | 274,730 | 320,000 |
| Depreciation | 81,667 | 270,556 | 537,601 |
| Other General Expenses | 136,600 | 145,300 | 150,000 |
| Allocations | 164,344 | 173,610 | 175,589 |
| Total General | 836,206 | 1,072,086 | 1,373,190 |
| TOTAL EXPENSE (Note 1) | 2,782,420 | 3,972,225 | 3,657,667 |

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

MEMO

Date:December 14, 2012

To:Board of Directors

From:Margie Harris

Subject:Proposed Staffing for 2013 Budget (Approved 12/14/2012)

The proposed final 2013-2014 budget endorses funding one brand new FTE and converting four other existing temporary and agency positions to regular employee status. This memorandum provides background information leading to these recommended changes. Summarized job descriptions and justifications for each position follow.

Background

The Energy Trust proposed final action plan and budget projects over 10% growth in annual electric savings in 2012. Annual funding requirements are expected to also increase while levelized costs and administrative costs will be kept as low as possible. To target new energy efficiency resources identified as achievable, program strategies continue to diversify. The result is a broader set of program offers and customer engagement approaches to accomplish savings goals in a cost-effective manner.

The impact of the continued poor economy combined with changes to state tax credit programs will continue to require more diverse program strategies. In addition, there is greater opportunity to utilize data collection and analysis as a way to target particular customer markets and segments. Three of the five proposed positions are intended to fill needs within program sectors created by this diversification, and, together with a fourth proposed position, to maximize new capabilities with the Customer Relationship Management (CRM) system to inform program strategies and initiatives. More labor-intensive efforts including working directly with customers and market actors to serve outlying geographic areas are also an assumed part of Energy Trust strategies to achieve goals throughout our service territory.

Part of the recommendation to retain additional employee capacity in these areas results from lower costs and savings associated with hiring employees as compared to paying higher prices for Program Management Contractor services. This becomes a cost savings approach and measure while at the same time, allows capabilities to be built and tapped within the organization. With these positions included, Energy Trust has reduced program delivery costs by almost 1% over 2012's budget.

Energy Trust expects to fulfill these and other related efforts with the addition of the following positions:

1. CRM Business Systems Analyst (new position)
2. Eastern Oregon Outreach Manager (currently temporary employee)
3. Residential Coordinator/Specialist (currently agency contractor)

4. Commercial Program Assistant/Specialist (currently agency contractor)
5. Industrial Program Assistant/Specialist (currently agency contractor)

The following section summarizes each of the positions and corresponding justifications and benefits.

Customer Relationship Management (CRM) Business Systems Analyst

POSITION SUMMARY:

This position would be responsible for working closely with IT resources to drive development phases of the CRM and to ensure that the CRM enables Energy Trust to meet its customer focus goals. The oversight of the CRM application is a collaborative effort between IT functionality maintenance and enhancement, and Program and Communications and Customer Service (CCS) groups' application requirements. It will serve as the facilitator with program owners as new business rules need to be considered and adopted and our customer needs evolve. The CRM Business Systems Analyst will have market analysis skills to respond to program and customer services staff marketing data analysis requests by using CRM sourced data, and by coordinating the usage of customer data gained through information transfer agreement and other program and marketing data sources for targeting purposes. The CRM Business Systems Analyst will also have the ability to analyze CRM data to identify trends, analyze where we are successful in meeting customer needs and bring that intelligence to programs and CCS to develop new approaches.

POSITION JUSTIFICATION (What has changed to create the need for this position?):

A newly implemented CRM application requires a system "owner" to care, feed, and enhance the system. At the same time we will be given greater latitude to perform more targeted, direct marketing to prospective customers through new OPUC data sharing rules and Energy Trust policy changes. This will require resource expertise to take existing data and new data coming from the utilities, synthesize it in a common location and then, through analysis, work with program staff to design effective targeted program offers, strategies, and outreach activities. Given the cross-cutting nature of the CRM application, it requires a collaborative approach between IT's traditional software support role and operations functionality requirements.

BENEFITS TO ENERGY TRUST:

CRM will be an important tool moving forward for programs, trade ally management, customer service and the organization. Development to date has focused on the replacement of the previous CRM system. Continued and ongoing development of the CRM is needed to realize the full potential of the tool we invested in, particularly for marketing management functionality. Current staff resources devoted to the first phase of the CRM replacement as part of the Integrated Solutions Implementation project need to return to their core functions. This position will allow for CRM application oversight and customer-data analysis to be transferred to a dedicated expert resource.

Eastern Oregon Outreach Manager

POSITION SUMMARY:

This position will deliver Energy Trust outreach and public relations services in Morrow, Umatilla, Wallowa, Union, Malheur and Baker Counties to generate awareness across all Energy Trust programs and services, establish contractor and supplier channels and facilitate customer engagement with our offerings. By establishing and maintaining relationships with Energy Trust stakeholders, local governments, utility representatives, community partners and local media this position will serve as Energy Trust's strategic outreach and relationship arm in eastern Oregon. With a strong understanding of the offers, tactics and communication channels that will be most effective in this market, this position will offer expert advice and a point of coordination to program managers, marketing managers, contractors, and utility representatives in outreach and implementation activities.

POSITION JUSTIFICATION (What has changed to create the need for this position?):

A 2011 employment audit determined that the work in the contract with Susan Badger Jones for outreach services in Eastern Oregon was too integrated with Energy Trust's operations to be filled by a contractor. Energy Trust staff believe Susan's physical residence and office location in Eastern Oregon, and her knowledge of how to establish and maintain relationships in rural communities, bring us value and enable us to better serve the region as a whole. Based on a recommendation from the legal group, Management Team approved the conversion of Susan Badger Jones to temporary staff through the end of 2012.

Eastern Oregon continues to represent a unique challenge for Energy Trust:

- The region lags in energy efficiency awareness and contractor base. It has limited sources of energy efficiency and renewable energy information
- Its largely rural demographic and location far from centers of state power mean residents typically experience a lack of service, have to "travel to the west side for service," or access resources through conference calls. Residents in the region highly value services and staff that are based within the region.
- Sparse population and mixed utility areas challenge typical program messaging and service but do create opportunities for micro- initiatives or one off campaigns that can be more successful if driven from within the region.
- The Oregonian is not delivered to most of the region and cable TV services often deliver Washington or Idaho news rather than Oregon, limiting effectiveness of some state-wide messaging. (Malheur County is in a different time zone.)
- Significant portions of the area are Cascade Natural Gas-only.

- Other regions of the state are adequately covered through a combination of Program Management Contractor (PMC) and Program Delivery Contractor (PDC) field representation and Energy Trust staff. Due to the travel distance required to serve Eastern Oregon, and the reduced savings potential in these areas, most PMCs and PDCs do not maintain a consistent field presence beyond Central Oregon. Only the Existing Homes PMC has maintained a regional representative in Eastern Oregon over the past year. It is not likely that PMC and PDC representatives can provide enough coverage to adequately represent all programs and serve general outreach needs across Eastern Oregon without adding significant program delivery costs. Concurrently, program and general outreach strategy recognizes the growing importance of developing and maintaining business and public sector customer relationships in-house. Staff therefore recommends that the Eastern Oregon Outreach position be established as an ongoing staff position.

BENEFITS TO ENERGY TRUST:

This position will:

- Retain a single point of contact to represent all Energy Trust programs and services in the region, and provide continuity when there are transitions in contracted program representatives.
- Support operational and cost-efficiencies by providing a local resource all programs can leverage for greater effectiveness in customer engagement efforts
- Allow on-the-ground observations and support for improving program performance
- Demonstrate Energy Trust's commitment to serving customers in rural and sparsely populated areas
- Expand opportunities for local earned media throughout region
- Allow staff to regularly visit/participate in community civic groups, leadership roles, steering committees, special events and initiatives
- Support regional Energy Trust events such as roundtables, trainings and tours
- Provide local presence with existing community/business relationships and provide additional support for complex or longer-term customer needs and opportunities.

Residential Coordinator/Specialist

POSITION SUMMARY:

The residential coordinator/specialist will provide coordination and administrative support to the residential sector, including systems support for tracking and documenting progress towards program deliverables, assisting in the development of program budgets, supporting new pilots and initiatives, and providing data analysis support for program and market analyses. The coordinator will also assist with residential engagement strategies.

POSITION JUSTIFICATION (What has changed to create the need for this position?):

The residential sector has been successful in accelerating and transforming many market elements. The program is currently operating 7 pilots and 6 new market initiatives. Some of these will phase out and be absorbed into the program as standard offers or regular targeted approaches. However, to continue realizing the level of success necessary to meet goals in upcoming years the homes programs will need to initiate more new strategies and adapt some program elements to address the many changes the residential market will likely undergo. Along these lines we are proposing 7 new pilots and 4 new targeted initiatives in 2013. These will replace some of the ending efforts, but overall the residential sector will be managing about ten pilots and 7 new initiatives in 2013.

- In accordance with the market, the Homes Programs are also entering a time of significant change in direction. The anticipated changes over the next several years will require that program managers and staff are able to spend significant time working closely with the PMC and other stakeholders.
- In 2013 new program strategies will include added engagement with schools, targeted customer engagement approaches, innovative retail strategies, and the continued development of Energy Performance Score (EPS) for existing homes. The coordinator position would provide administrative and coordination support to enable the residential team to oversee these added contracts and deliverables. The transition to a new PMC for the existing homes program and potentially putting up all or parts the New Homes and Products program for re-bid in 2013 will also require significant internal resources in order to ensure any transitions are seamless.
- The coordinator will work with the Operations Analyst to provide additional business analytics support and will also support program managers throughout the budgeting and forecasting process.
- This position will coordinate and guide further development and expansion of the Lender Ally network. The provision of loan product options to Trade Allies and customers is important to stimulate the market and increase project volume. Coordination between Clean Energy Works Oregon (CEWO) staff working on recruiting options for Energy Trust's Lender Ally network will need monitoring to ensure Energy Trust goals are being met in this endeavor.
- As Energy Trust deploys the new CRM and Integrated Solutions Implementation (ISI) functionalities, we see this position as instrumental to guiding the program in the effective use of data to inform program decisions. This position would become a Business Intelligence (BI) power user, and provide backfill capabilities for the Operations Analyst.
- This position will develop systems to document and monitor progress to tasks and timelines across programs, as well as revise and maintain the Homes sector Sharepoint site to facilitate efficient access to documents and resources.

- This position will continue the library engagement efforts, including outreach and ongoing communications with participating libraries, updating materials as necessary, and facilitating annual surveys to monitor the effort.
- This position will update tracking for and analyze customer inquiries associated with the Personal Energy Reports, and develop and update tracking and analysis of customer feedback on other added customer engagement pilots, such as Aclara reports.
- This position will support the initial development of programs budgets according to budget calendars. This position will be uniquely positioned to do this as they will be coordinating across sector and departments for this process.

BENEFITS TO ENERGY TRUST:

This support role will enable the residential sector to more effectively deliver programs:

- It will enable more direct oversight over residential program activities and support in the management of an increasing number of contracts that are managed in house. These include contracts with OPower, Ideas 42, Home Performance Guild, New Homes' and Existing Homes' quality assurance, school engagement, and other contracts as they arise.
- This support role will also drive better residential programs through improved data analytics
- This position will allow program managers additional time to focus on developing strategic directions of the programs while maintaining oversight of each PMC contract.

Commercial Program Assistant/Specialist

POSITION SUMMARY:

The Commercial Program Assistant/Specialist assumes a supporting role for Energy Trust's data quality, project processing, reporting and record keeping functions for the commercial group, and the development of improved tools for information management and analysis. He/she also provides technical business systems support; supports data mining efforts for improved project and program management, implementation and marketing; and oversees/supports program tasks as identified by the commercial operations analyst.

POSITION JUSTIFICATION (What has changed to create the need for this position?):

In recent years the Commercial Sector has consistently increased its goals and expanded program offerings as well as increasing the number of projects served. In this time the data tracking and reporting needs of the sector have grown more complex while sector has also expanded capabilities in program analysis, program development, and continuous improvement. To meet these growing needs, daily data management and

reporting functions have been assigned to a temporary Backfill Operations Analyst position.

Without this additional position, the existing staff would be required to take on the bulk of the project assistance and reporting functions work when the temporary position expires. Program management, program development, and continuous improvement tasks would not get the attention they require to ensure the ongoing success of the program.

Following is a chart of the projects completed within the Commercial group in the recent past:

| Projects Completed | | | | |
|---------------------------|--------------|--------------|----------------------------|-----------------------------|
| | 2010 | 2011 | 2012 | |
| | | | (Completed through Nov. 1) | (Forecast, Nov. 2- Dec. 31) |
| BE | 2,070 | 2,903 | 2,031 | 1,335 |
| BEM | 306 | 524 | 545 | 67 |
| SLB | 11 | 16 | 3 | 0 |
| NBE | 217 | 255 | 170 | 355 |
| NBM | 22 | 23 | 28 | 36 |
| SLN | 5 | 17 | 2 | 0 |
| Total | 2,631 | 3,738 | 4,572 | |
| SEM* | | | | 24 |

Regular activities to be performed by the new position will include:

- Payment Approvals – coordinate payment approvals in FastTrack for the commercial programs. Coordinate payment corrections & notify PMCs of approval status.
- Project Audits – coordinate commercial sector FastTrack concurrent and quarterly audits, leading efforts to resolve identified problems.
- Reversals – execute project, measure and payment reversals and resets in FastTrack, leading efforts to resolve associated issues.
- Periodic Reports – produce and improve periodic reports such as dashboards, PGE referral reports, Pacific Power Referral reports, and End-of-year Reports
- Ad Hoc Data Analysis & Reporting – as requested, mainly for commercial programs. Produce Business Intelligence reports and SQL queries for program activity and other reporting.
- Data Quality and Record Keeping – support commercial sector data quality and record keeping. Facilitate or deliver technical assistance and training to program

staff and contractors to ensure data systems are being used to maximize efficiency and capture project detail accurately.

- Business Systems Support – for the commercial (and industrial, when there is overlap) sector: create, change, and maintain FastTrack measures. Manage user accounts and groups for sector team and PMC staff and contracts in FastTrack & SharePoint. Coordinate GL code updates, program code addition/deactivation, project sub-type additions/updates. Proactively work with IT staff to ensure tools & solutions are available and effective, representing sector needs.
- Continuous Improvement – define and implement tools that increase productivity for self and program staff; expand the sector’s abilities to strategically analyze and use information. Manage data-related quality assurance and quality control improvements by proactively defining, initiating and implementing sector process improvements to overcome data variances and improve documentation.
- Accounting Transaction Support – support the accounting department with commercial program transaction maintenance in FastTrack & CRM
- Lighting Tool Support – support documentation, tracking and new releases of the lighting tool.

BENEFITS TO ENERGY TRUST:

- Maintain a high level of quality in program data and files and high customer satisfaction with quick and accurate incentive processing by making this a permanent full time position and reducing the high turnover that should be expected from interns or temporary agency contractors.
- Better utilization of existing Operations Analyst time to support continuous improvement of program and systems, thereby improving realization rates, program effectiveness and customer satisfaction.
- Higher realization rates, higher volume and better customer service due to better management of data.
- High quality reports and presentations for CAC, Board, utilities and other stakeholders.
- Better utilization of Sector Lead and Program Managers time to focus on strategic issues and delivery of goals.

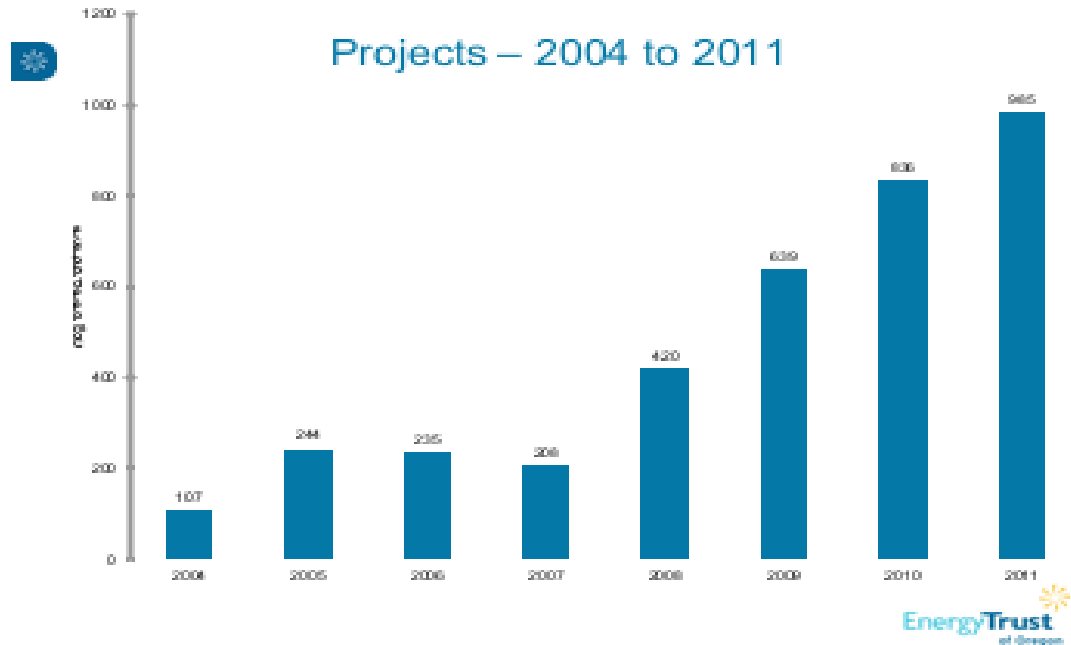
Industrial Assistant/Specialist

POSITION SUMMARY:

The Industrial Program Assistant/Specialist does the majority of the administrative tasks needed to maintain up-to-date physical and electronic project files and projects in the project tracking system; queues and mails payments for project incentives and contractor invoices to ensure prompt payments; performs internal document retention and audits to ensure program compliance; requests utility data to assist with project studies; answers general inquiries; and assists in other project assignments from team members and other sectors.

POSITION JUSTIFICATION (What has changed to create the need for this position?):

- Although not originally budgeted or planned for when the decision was made, the position of Program Assistant/Specialist has been recognized as an essential role in the Production Efficiency program since the program was taken in house in 2008. Since there is no PMC to handle program management and delivery tasks within the sector, Energy Trust staff in the industrial sector perform all data entry, file management and incentive processing for all projects, in house.
- In 2009 and 2010, this work was performed by a half time intern. The Energy Trust five-year strategic plan published in 2009 and increasing annual goals since then drove a massive increase in project volume and savings in the sector. In late 2010, it was apparent that the doubling of project volume was directly affecting this role's workload and ability to maintain the high level of data quality and perfect audit scores expected, and that this had become a full time job. In 2011 and 2012, the position was filled on a 40 hour/ week basis through a contract agency. A single individual has been performing these functions successfully throughout that time. At this time, since it is known that this is an essential full time position in order for the program to operate, we propose a full time staff person for this position.



BENEFITS TO ENERGY TRUST:

- Manage the continued growth in program project activity.
- Ability to run the industrial program – without this essential position for project data entry, file management and incentive processing, we cannot operate effectively at the current project volume.
- Maintain a high level of quality in program data and files and high customer satisfaction with quick and accurate incentive processing by reducing the turnover from interns or temporary agency contractors.

Complete job descriptions will be available once the budget and action plan are approved by the Board of Directors at their meeting on December 14, 2012.

Energy Trust of Oregon
Capital Purchases Approved

| | 2013 Q1 | 2013 Q2 | 2013 Q3 | 2013 Q4 | 2013 budget |
|---|--------------------|--------------------|--------------------|--------------------|------------------------|
| Capital Items - non ISP | | | | | |
| Server Replacements | | | 90,000 | | 90,000 |
| 10G Switches | | | 30,000 | | 30,000 |
| Backup Hardware - Tape library + software | | | 30,000 | | 30,000 |
| | - | - | 150,000 | - | 150,000 |
| Capital Items - ISP | | | | | |
| ISI Phase 2 implementation project management | | | 300,000 | | 300,000 |
| ISI Implementation vendor | | | 300,000 | | 300,000 |
| FastTrack replacement | | | 500,000 | | 500,000 |
| | - | - | 1,100,000 | - | 1,100,000 |
| Total capital purchases - 2013 budget | - | - | 1,250,000 | - | 1,250,000 |

2014 Budget Recap - R2: Final Approved

| PROGRAM | BUDGET (\$M) | | | ELECTRIC SAVINGS ¹ | | | | GAS SAVINGS ¹ | | | |
|--|----------------|---------------|----------------|----------------------------------|--------------|---------------------|--------------|--------------------------|------------------|----------------------|--------------|
| | ELECTRIC | GAS | TOTAL | GOALS | | COST | | GOALS | | COST | |
| | | | | aMW | | Levelized (\$/kW h) | | Annual Therms | | Levelized (\$/Therm) | |
| | | | | Conservative | Stretch Goal | Conservative | Stretch Goal | Conservative | Stretch Goal | Conservative | Stretch Goal |
| ENERGY EFFICIENCY | | | | | | | | | | | |
| Commercial | | | | | | | | | | | |
| Business Energy Solutions – Existing Buildings | 36.9 | 7.2 | 44.0 | 13.55 | 15.94 | 0.038 | 0.032 | 1, 548,796 | 1, 822,113 | 0.458 | 0.389 |
| Business Energy Solutions – N ew Buildings | 15.5 | 1.3 | 16.8 | 4.57 | 5.38 | 0.039 | 0.033 | 450, 456 | 529, 948 | 0.237 | 0.201 |
| Mkt Transformation (Alliance) | 3.0 | 0.0 | 3.0 | 1.95 | 2.29 | 0.017 | 0.015 | NA | | | |
| Total Commercial | 55.4 | 8.4 | 63.9 | 20.1 | 23.6 | 0.036 | 0.030 | 1,999,252 | 2,352,061 | 0.400 | 0.340 |
| Industrial | | | | | | | | | | | |
| Production Efficiency | 34.5 | 3.4 | 37.9 | 15.53 | 18.27 | 0.030 | 0.025 | 1, 021,753 | 1, 202,062 | 0.344 | 0.292 |
| Mkt Transformation (Alliance) | 1.6 | 0.0 | 1.6 | 0.52 | 0.61 | 0.045 | 0.038 | NA | | | |
| Total Industrial | 36.0 | 3.4 | 39.4 | 16.0 | 18.9 | 0.030 | 0.026 | 1,021,753 | 1,202,062 | 0.344 | 0.292 |
| Residential | | | | | | | | | | | |
| Home Energy Solutions – Existing Homes | 15.5 | 11.6 | 27.2 | 4.71 | 5.54 | 0.036 | 0.031 | 1, 243,669 | 1, 463,140 | 0.665 | 0.565 |
| Home Energy Solutions – N ew Homes & Products | 16.6 | 4.6 | 21.2 | 5.91 | 6.95 | 0.042 | 0.036 | 623, 407 | 733, 420 | 0.571 | 0.486 |
| Mkt Transformation (Alliance) | 4.9 | 0.0 | 4.9 | 1.98 | 2.33 | 0.044 | 0.038 | NA | | | |
| Total Residential | 37.1 | 16.2 | 53.3 | 12.6 | 14.8 | 0.039 | 0.033 | 1,867,076 | 2,196,560 | 0.634 | 0.539 |
| W ashington | | | | | | | | | | | |
| Business Energy Solutions – Existing Buildings | 0.0 | 0.7 | 0.7 | | | | | 133, 875 | 157, 500 | 0.393 | 0.334 |
| Home Energy Solutions – Existing Homes | 0.0 | 0.5 | 0.5 | | | | | 52, 429 | 61, 681 | 0.648 | 0.551 |
| Home Energy Solutions – N ew Homes & Products | 0.0 | 0.4 | 0.4 | | | | | 38, 338 | 45, 104 | 0.681 | 0.579 |
| Total W ashington | 0.0 | 1.5 | 1.5 | | | | | 224,642 | 264,285 | 0.506 | 0.430 |
| Total Energy Efficiency with Gas Market T ransformation | \$128.5 | \$29.6 | \$158.1 | 48.7 | 57.3 | 0.035 | 0.030 | 5,112,723 | 6,014,968 | 0.487 | 0.414 |
| | BUDGET (\$M) | | | ELECTRIC GENERATION ¹ | | | | | | | |
| | ELECTRIC | GAS | TOTAL | GOALS | | COST | | | | | |
| aMW | | | | (\$mils/ aMW) | | | | | | | |
| Conservative | | | | Best Case | Conservative | Best Case | | | | | |
| REN EW ABLE RESOURCES | | | | | | | | | | | |
| Biopower | 6.0 | | 6.0 | 1.08 | 1.70 | 5.62 | 3.56 | | | | |
| Open Solicitation | 5.7 | | 5.7 | 0.76 | 1.06 | 7.47 | 5.36 | | | | |
| Solar Electric | 8.2 | | 8.2 | 0.51 | 0.83 | 16.12 | 9.88 | | | | |
| Total Renewable Resources | \$19.9 | | \$19.9 | 2.3 | 3.6 | 8.50 | 5.55 | | | | |

¹ some columns may not add due to rounding

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory - joint costs allocated at program level
Projection for the Twelve Months Ending December 31, 2014
Approved

| | ENERGY EFFICIENCY | | | | | | RENEWABLE ENERGY | | | Other | TOTAL | | |
|---|-------------------|-------------------|--------------------|------------------|-------------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | PGE | PacifiCorp | Total | NWN Ind | NW Natural | Cascade | Oregon Total | NWN WA | ETO Total | | PGE | PacifiCorp | Total |
| REVENUES | | | | | | | | | | | | | |
| Public Purpose Funding | \$26,449,746 | \$19,893,195 | \$46,342,941 | | \$21,996,075 | \$2,536,524 | \$70,875,540 | | \$70,875,540 | \$7,569,342 | \$5,579,296 | \$13,148,638 | \$84,024,178 |
| Incremental Funding | 53,545,942 | 30,219,674 | 83,765,616 | 2,726,309 | | | 86,491,925 | 1,503,436 | 87,995,361 | | | | 87,995,361 |
| Revenue from Investments | | | | | | | | | | | | | 120,000 |
| TOTAL PROGRAM REVENUE | 79,995,688 | 50,112,869 | 130,108,557 | 2,726,309 | 21,996,075 | 2,536,524 | 157,367,465 | 1,503,436 | 158,870,901 | 7,569,342 | 5,579,296 | 13,148,638 | 172,139,539 |
| EXPENSES | | | | | | | | | | | | | |
| Program Management (Note 3) | 2,253,589 | 1,412,848 | 3,666,437 | 77,385 | 857,031 | 118,309 | 4,719,162 | 212,118 | 4,931,280 | 520,401 | 580,245 | 1,100,646 | 6,031,926 |
| Program Delivery | 21,046,775 | 14,151,909 | 35,198,684 | 747,484 | 4,948,562 | 580,930 | 41,475,660 | 287,510 | 41,763,170 | | | | 41,763,170 |
| Incentives | 46,058,761 | 27,784,357 | 73,843,118 | 1,691,520 | 12,773,812 | 1,454,078 | 89,762,528 | 644,341 | 90,406,869 | 8,386,015 | 7,922,415 | 16,308,430 | 106,715,299 |
| Program Eval & Planning Svcs. | 2,320,523 | 1,463,457 | 3,783,980 | 53,305 | 868,650 | 87,516 | 4,793,450 | 66,116 | 4,859,566 | 88,089 | 90,651 | 178,740 | 5,038,306 |
| Program Marketing/Outreach | 2,302,652 | 1,387,469 | 3,690,121 | 15,890 | 1,236,334 | 106,689 | 5,049,033 | 109,373 | 5,158,406 | 121,064 | 74,936 | 196,000 | 5,354,406 |
| Program Legal Services | | | | | | | | | | | | | 0 |
| Program Quality Assurance | 78,995 | 46,691 | 125,686 | 417 | 53,994 | 4,903 | 185,000 | 0 | 185,000 | 7,500 | 7,500 | 15,000 | 200,000 |
| Outsourced Services | 667,432 | 483,474 | 1,150,905 | 26,128 | 266,665 | 24,103 | 1,467,801 | 500 | 1,468,301 | 571,304 | 374,196 | 945,500 | 2,413,801 |
| Trade Allies & Cust. Svc. Mgmt. | 415,293 | 264,031 | 679,324 | 3,449 | 292,079 | 26,211 | 1,001,062 | 29,746 | 1,030,808 | 28,265 | 15,972 | 44,237 | 1,075,045 |
| IT Services | 994,099 | 623,504 | 1,617,603 | 18,606 | 473,520 | 45,516 | 2,155,245 | 60,535 | 2,215,780 | 123,529 | 137,555 | 261,084 | 2,476,864 |
| Other Program Expenses | 410,937 | 267,887 | 678,823 | 10,413 | 254,440 | 23,832 | 967,509 | 43,536 | 1,011,045 | 140,850 | 126,307 | 267,157 | 1,278,202 |
| TOTAL PROGRAM EXPENSES | 76,549,056 | 47,885,625 | 124,434,681 | 2,644,597 | 22,025,085 | 2,472,087 | 151,576,450 | 1,453,775 | 153,030,225 | 9,987,017 | 9,329,777 | 19,316,794 | 172,347,019 |
| ADMINISTRATIVE COSTS | | | | | | | | | | | | | |
| Management & General (Notes 1 & 2) | 1,512,063 | 946,610 | 2,458,673 | 48,928 | 448,329 | 49,507 | 3,005,437 | 29,745 | 3,035,182 | 177,255 | 177,888 | 355,143 | 3,390,325 |
| Communications & Cust Svc (Notes 1 & 2) | 1,012,303 | 633,844 | 1,646,147 | 32,781 | 300,124 | 33,143 | 2,012,194 | 19,918 | 2,032,112 | 117,950 | 117,144 | 235,094 | 2,267,206 |
| Total Administrative Costs | 2,524,366 | 1,580,454 | 4,104,819 | 81,709 | 748,453 | 82,650 | 5,017,631 | 49,663 | 5,067,294 | 295,204 | 295,033 | 590,237 | 5,657,531 |
| TOTAL PROG & ADMIN EXPENSES | 79,073,422 | 49,466,079 | 128,539,500 | 2,726,306 | 22,773,538 | 2,554,737 | 156,594,081 | 1,503,438 | 158,097,519 | 10,282,221 | 9,624,810 | 19,907,031 | 178,004,550 |
| TOTAL REVENUE LESS EXPENSES | 922,266 | 646,790 | 1,569,057 | 3 | (777,463) | (18,213) | 773,384 | 0 | 773,382 | (2,712,879) | (4,045,514) | (6,758,393) | 120,000 |
| Cumulative Carryover at 12/31/13 (Note 4) | 4,785,769 | 587,964 | 5,373,733 | (1) | 4,134,243 | 146,415 | 9,654,390 | | 9,654,386 | 6,519,026 | 5,194,768 | 11,713,794 | 32,143,117 |
| Interest attributed | 1,740,000 | 1,160,000 | 2,900,000 | | 5,000,000 | 700,000 | 8,600,000 | | 8,600,000 | 585,000 | 2,235,000 | 2,820,000 | 7,900,000 |
| Interest re-attributed | (1,740,000) | (1,160,000) | (2,900,000) | | (5,000,000) | (700,000) | (8,600,000) | | (8,600,000) | | | 700,000 | (7,900,000) |
| TOTAL NET ASSETS CUMULATIVE | 5,708,035 | 1,234,754 | 6,942,790 | 2 | 3,356,780 | 128,202 | 10,427,774 | 0 | 10,427,772 | 4,391,147 | 3,384,254 | 7,775,401 | 26,278,106 |

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.

Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.

Note 3) Program Management costs include both outsourced and internal staff.

Note 4) Cumulative carryover at 12/31/2013 is from the 2013 Budget.

The Energy Trust of Oregon, Inc
Program Expense by Service Territory
For the Twelve Months Ending December 31, 2014
Approved

| | PGE 2014 Projection | Pacific Power 2014 Projection | Elec. Utilities 2014 Projection | NWN Ind 2014 Projection | NW Natural 2014 Projection | Cascade 2014 Projection | Gas Providers 2014 Projection | Oregon Total 2014 Projection | NWN WA 2014 Projection | ETO Total 2014 Projection |
|---|--------------------------------|--|--|------------------------------------|---------------------------------------|------------------------------------|--|---|-----------------------------------|--------------------------------------|
| Energy Efficiency | | | | | | | | | | |
| Commercial | | | | | | | | | | |
| Business Energy Solutions - Existing Buildings | 24,994,621 | 11,896,938 | 36,891,559 | 523,434 | 5,925,990 | 704,288 | 7,153,712 | 44,045,271 | 674,760 | 44,720,031 |
| Business Energy Solutions - New Buildings | 8,168,378 | 7,339,719 | 15,508,097 | | 1,182,784 | 93,977 | 1,276,761 | 16,784,858 | | 16,784,858 |
| Market Transformation (NEEA) | 1,787,928 | 1,242,458 | 3,030,386 | | | | 0 | 3,030,386 | | 3,030,386 |
| Total Commercial | 34,950,927 | 20,479,115 | 55,430,042 | 523,434 | 7,108,774 | 798,265 | 8,430,473 | 63,860,515 | 674,760 | 64,535,275 |
| Industrial | | | | | | | | | | |
| Business Energy Solutions - Production Efficiency | 20,323,338 | 14,146,895 | 34,470,233 | 2,202,874 | 790,973 | 420,972 | 3,414,819 | 37,885,052 | | 37,885,052 |
| Market Transformation (NEEA) | 921,229 | 640,177 | 1,561,406 | | | | 0 | 1,561,406 | | 1,561,406 |
| Total Industrial | 21,244,567 | 14,787,072 | 36,031,639 | 2,202,874 | 790,973 | 420,972 | 3,414,819 | 39,446,458 | | 39,446,458 |
| Residential | | | | | | | | | | |
| Home Energy Solutions - Existing Homes | 9,106,048 | 6,438,366 | 15,544,414 | | 10,726,906 | 901,130 | 11,628,036 | 27,172,450 | 474,266 | 27,646,716 |
| Home Energy Solutions - New Homes/Products | 10,871,878 | 5,746,272 | 16,618,150 | | 4,146,886 | 434,369 | 4,581,255 | 21,199,405 | 354,411 | 21,553,816 |
| Market Transformation (NEEA) | 2,900,000 | 2,015,254 | 4,915,254 | | | | 0 | 4,915,254 | | 4,915,254 |
| Total Residential | 22,877,926 | 14,199,892 | 37,077,818 | | 14,873,792 | 1,335,499 | 16,209,291 | 53,287,109 | 828,677 | 54,115,786 |
| Energy Efficiency Program Costs | 79,073,420 | 49,466,079 | 128,539,499 | 2,726,308 | 22,773,539 | 2,554,736 | 28,054,583 | 156,594,082 | 1,503,437 | 158,097,519 |
| Renewables | | | | | | | | | | |
| Biopower | 3,651,590 | 2,396,173 | 6,047,763 | | | | | 6,047,763 | | 6,047,763 |
| Solar Electric (Photovoltaic) | 5,385,669 | 2,806,321 | 8,191,990 | | | | | 8,191,990 | | 8,191,990 |
| Other Renewable | 1,244,963 | 4,422,317 | 5,667,280 | | | | | 5,667,280 | | 5,667,280 |
| Renewables Program Costs | 10,282,222 | 9,624,811 | 19,907,033 | | | | | 19,907,033 | | 19,907,033 |
| Cost Grand Total | 89,355,642 | 59,090,890 | 148,446,532 | 2,726,308 | 22,773,539 | 2,554,736 | 28,054,583 | 176,501,115 | 1,503,437 | 178,004,550 |

Energy Trust of Oregon, Inc
Statement of Functional Expenses
2014 Projection Approved

| | Energy Efficiency | Renewable Energy | Total Program Expenses | Management & General | Communications & Customer Service | Total Admin Expenses | Total |
|---|------------------------------|-----------------------------|-----------------------------------|-------------------------------------|--|---------------------------------|--------------------|
| Program Expenses | | | | | | | |
| Incentives/ Program Management & Delivery | 137,708,377 | 16,378,430 | 154,086,807 | | | | 154,086,807 |
| Payroll and Related Expenses | 2,969,249 | 1,030,646 | 3,999,895 | 2,063,887 | 861,115 | 2,925,002 | 6,924,897 |
| Outsourced Services | 5,245,400 | 1,206,500 | 6,451,900 | 376,366 | 1,052,000 | 1,428,366 | 7,880,266 |
| Planning and Evaluation | 2,849,566 | 128,740 | 2,978,306 | | | | 2,978,306 |
| Customer Service Management | 1,000,697 | 26,153 | 1,026,850 | | | | 1,026,850 |
| Trade Allies Network | 427,848 | 19,346 | 447,194 | | | | 447,194 |
| Total Program Expenses | 150,201,138 | 18,789,815 | 168,990,953 | 2,440,253 | 1,913,115 | 4,353,368 | 173,344,321 |
| Program Support Costs | | | | | | | |
| Supplies | 29,868 | 9,565 | 39,433 | 22,483 | 8,983 | 31,466 | 70,899 |
| Postage and Shipping Expenses | 3,603 | 1,309 | 4,912 | 2,215 | 5,093 | 7,308 | 12,220 |
| Telephone | 5,215 | 2,023 | 7,238 | 3,533 | 854 | 4,387 | 11,625 |
| Printing and Publications | 134,970 | 26,216 | 161,186 | 1,830 | 15,598 | 17,428 | 178,614 |
| Occupancy Expenses | 198,104 | 72,000 | 270,104 | 121,811 | 60,094 | 181,905 | 452,009 |
| Insurance | 34,059 | 12,379 | 46,438 | 20,942 | 10,332 | 31,274 | 77,712 |
| Equipment | 9,979 | 3,627 | 13,606 | 6,136 | 4,027 | 10,163 | 23,769 |
| Travel | 53,363 | 48,300 | 101,663 | 48,337 | 5,000 | 53,337 | 155,000 |
| Meetings, Trainings & Conferences | 48,550 | 33,000 | 81,550 | 236,847 | 10,500 | 247,347 | 328,897 |
| Interest Expense and Bank Fees | | | 0 | 7,500 | | 7,500 | 7,500 |
| Depreciation & Amortization | 43,844 | 15,935 | 59,779 | 26,959 | 13,300 | 40,259 | 100,038 |
| Dues, Licenses and Fees | 51,047 | 41,286 | 92,333 | 9,249 | 2,171 | 11,420 | 103,753 |
| Miscellaneous Expenses | 704 | 256 | 960 | 639 | 213 | 852 | 1,812 |
| IT Services | 2,215,779 | 261,084 | 2,476,863 | 441,590 | 217,924 | 659,514 | 3,136,377 |
| Total Program Support Costs | 2,829,085 | 526,980 | 3,356,065 | 950,071 | 354,089 | 1,304,160 | 4,660,225 |
| TOTAL EXPENSES | 153,030,223 | 19,316,795 | 172,347,018 | 3,390,324 | 2,267,205 | 5,657,529 | 178,004,550 |

OPUC Performance Measure 5.24%

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory
2014 Projection Approved

PGE

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Existing Homes | New Homes & Products | NEEA Residential | ETO Total |
|---|--------------------|------------------|------------------|-----------------------|-----------------|------------------|----------------------|------------------|-------------------|
| Program Management | 729,319 | 269,313 | 7,455 | 479,444 | 4,126 | 413,895 | 338,855 | 11,181 | 2,253,589 |
| Program Delivery: | 5,972,542 | 2,006,994 | 1,677,844 | 4,220,555 | 844,758 | 1,880,992 | 1,694,266 | 2,748,824 | 21,046,775 |
| Incentives: | 15,972,522 | 4,862,258 | | 14,101,202 | | 4,571,262 | 6,551,517 | | 46,058,761 |
| Program Eval & Planning Svcs.: | 703,372 | 299,904 | 38,545 | 363,410 | 39,679 | 445,546 | 390,389 | 39,679 | 2,320,523 |
| Program Marketing/Outreach: | 183,918 | 201,699 | | 117,482 | | 667,803 | 1,131,749 | | 2,302,652 |
| Program Legal Services: | | | | | | | | | - |
| Program Quality Assurance: | 19,853 | | | | | 33,512 | 25,630 | | 78,995 |
| Outsourced Services: | 163,164 | 74,214 | | 229,599 | | 149,296 | 51,157 | | 667,432 |
| Trade Allies & Cust. Svc. Mgmt.: | 76,481 | 28,360 | | 17,002 | | 197,247 | 96,203 | | 415,293 |
| IT Services: | 330,263 | 132,949 | 1,510 | 107,683 | 755 | 265,831 | 152,842 | 2,266 | 994,099 |
| Other Program Expenses | 66,410 | 22,031 | 677 | 83,208 | 339 | 177,863 | 59,393 | 1,016 | 410,937 |
| TOTAL PROGRAM EXPENSES | 24,217,845 | 7,897,723 | 1,726,032 | 19,719,585 | 889,657 | 8,803,246 | 10,492,001 | 2,802,966 | 76,549,056 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 465,341 | 162,068 | 37,091 | 361,492 | 18,905 | 181,315 | 227,763 | 58,088 | 1,512,063 |
| Communications & Customer Svc | 311,436 | 108,588 | 24,804 | 242,261 | 12,667 | 121,487 | 152,114 | 38,946 | 1,012,303 |
| Total Administrative Costs | 776,777 | 270,655 | 61,895 | 603,753 | 31,573 | 302,802 | 379,877 | 97,034 | 2,524,366 |
| Total Program & Admin Expenses | 24,994,622 | 8,168,378 | 1,787,927 | 20,323,338 | 921,230 | 9,106,048 | 10,871,878 | 2,900,000 | 79,073,422 |

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory
2014 Projection Approved

PAC

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | NEEA Commercial | Production Efficiency | NEEA Industrial | Existing Homes | New Homes & Products | NEEA Residential | ETO Total |
|---|---------------------------|----------------------|------------------------|------------------------------|------------------------|-----------------------|---------------------------------|-------------------------|-------------------|
| Program Management | 310,518 | 241,992 | 5,181 | 357,444 | 2,868 | 302,440 | 184,636 | 7,770 | 1,412,848 |
| Program Delivery: | 2,806,319 | 1,803,387 | 1,165,959 | 3,578,493 | 587,036 | 1,331,258 | 969,257 | 1,910,200 | 14,151,909 |
| Incentives: | 7,645,002 | 4,369,000 | | 9,151,412 | | 3,219,397 | 3,399,546 | | 27,784,357 |
| Program Eval & Planning Svcs.: | 334,791 | 269,480 | 26,786 | 252,966 | 27,573 | 317,950 | 206,338 | 27,573 | 1,463,457 |
| Program Marketing/Outreach: | 71,549 | 181,237 | | 81,778 | | 470,802 | 582,103 | | 1,387,469 |
| Program Legal Services: | | | | | | | | | - |
| Program Quality Assurance: | 9,450 | | | | | 23,694 | 13,547 | | 46,691 |
| Outsourced Services: | 124,368 | 66,686 | | 159,822 | | 105,559 | 27,039 | | 483,474 |
| Trade Allies & Cust. Svc. Mgmt.: | 36,403 | 25,483 | | 11,835 | | 139,462 | 50,848 | | 264,031 |
| IT Services: | 157,198 | 119,462 | 1,050 | 74,957 | 525 | 187,954 | 80,784 | 1,575 | 623,504 |
| Other Program Expenses | 31,610 | 19,796 | 471 | 57,921 | 235 | 125,756 | 31,392 | 706 | 267,887 |
| TOTAL PROGRAM EXPENSES | 11,527,208 | 7,096,521 | 1,199,446 | 13,726,628 | 618,237 | 6,224,272 | 5,545,489 | 1,947,824 | 47,885,625 |
| ADMINISTRATIVE COSTS | | | | | | | | | |
| Management & General | 221,493 | 145,626 | 25,775 | 251,631 | 13,138 | 128,197 | 120,383 | 40,366 | 946,610 |
| Communications & Customer Svc | 148,237 | 97,572 | 17,237 | 168,636 | 8,803 | 85,897 | 80,399 | 27,064 | 633,844 |
| Total Administrative Costs | 369,730 | 243,198 | 43,012 | 420,267 | 21,940 | 214,094 | 200,782 | 67,430 | 1,580,454 |
| Total Program & Admin Expenses | 11,896,938 | 7,339,719 | 1,242,458 | 14,146,895 | 640,177 | 6,438,366 | 5,746,271 | 2,015,254 | 49,466,079 |

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory
2014 Projection Approved

NWN

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | Production Efficiency | Existing Homes | New Homes & Products | ETO Total |
|---|---------------------------|----------------------|------------------------------|-----------------------|---------------------------------|-------------------|
| Program Management | 141,130 | 38,997 | 25,042 | 478,684 | 173,178 | 857,031 |
| Program Delivery: | 1,248,633 | 290,625 | 198,024 | 1,995,903 | 1,215,377 | 4,948,562 |
| Incentives: | 3,990,059 | 704,043 | 508,666 | 5,593,494 | 1,977,550 | 12,773,812 |
| Program Eval & Planning Svcs.: | 157,528 | 43,426 | 14,144 | 513,072 | 140,480 | 868,650 |
| Program Marketing/Outreach: | 35,731 | 29,207 | 4,572 | 818,678 | 348,146 | 1,236,334 |
| Program Legal Services: | | | | | | - |
| Program Quality Assurance: | 4,719 | | | 39,477 | 9,797 | 53,994 |
| Outsourced Services: | 51,556 | 10,746 | 8,936 | 175,871 | 19,556 | 266,665 |
| Trade Allies & Cust. Svc. Mgmt.: | 18,179 | 4,107 | 662 | 232,356 | 36,775 | 292,079 |
| IT Services: | 78,503 | 19,251 | 4,191 | 313,148 | 58,427 | 473,520 |
| Other Program Expenses | 15,786 | 3,190 | 3,238 | 209,522 | 22,704 | 254,440 |
| TOTAL PROGRAM EXPENSES | 5,741,824 | 1,143,593 | 767,475 | 10,370,204 | 4,001,989 | 22,025,085 |
| ADMINISTRATIVE COSTS | | | | | | |
| Management & General | 110,328 | 23,467 | 14,069 | 213,588 | 86,876 | 448,329 |
| Communications & Customer Svc | 73,839 | 15,724 | 9,429 | 143,112 | 58,021 | 300,124 |
| Total Administrative Costs | 184,167 | 39,191 | 23,498 | 356,700 | 144,897 | 748,453 |
| Total Program & Admin Expenses | 5,925,991 | 1,182,784 | 790,973 | 10,726,904 | 4,146,887 | 22,773,538 |

Energy Trust of Oregon, Inc
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NWN Industrial

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | Production Efficiency | ETO Total |
|---|-------------------------------|----------------------------------|------------------|
| Program Management | 10,816 | 66,569 | 77,385 |
| Program Delivery: | 124,479 | 623,005 | 747,484 |
| Incentives: | 343,208 | 1,348,312 | 1,691,520 |
| Program Eval & Planning Svcs.: | 13,914 | 39,390 | 53,305 |
| Program Marketing/Outreach: | 3,156 | 12,734 | 15,890 |
| Program Legal Services: | | | - |
| Program Quality Assurance: | 417 | | 417 |
| Outsourced Services: | 1,242 | 24,887 | 26,128 |
| Trade Allies & Cust. Svc. Mgmt.: | 1,606 | 1,843 | 3,449 |
| IT Services: | 6,934 | 11,672 | 18,606 |
| Other Program Expenses | 1,394 | 9,019 | 10,413 |
| TOTAL PROGRAM EXPENSES | 507,166 | 2,137,431 | 2,644,597 |
| ADMINISTRATIVE COSTS | | | |
| Management & General | 9,745 | 39,183 | 48,928 |
| Communications & Customer Svc | 6,522 | 26,259 | 32,781 |
| Total Administrative Costs | 16,267 | 65,442 | 81,709 |
| Total Program & Admin Expenses | 523,433 | 2,202,873 | 2,726,306 |

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NWN WA

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | Existing Homes | New Homes and Products | ETO Total |
|---|---------------------------|-----------------------|-------------------------------|------------------|
| Program Management | 111,016 | 61,987 | 39,115 | 212,118 |
| Program Delivery: | 102,857 | 120,243 | 64,410 | 287,510 |
| Incentives: | 306,143 | 156,246 | 181,952 | 644,341 |
| Program Eval & Planning Svcs.: | 33,058 | 25,372 | 7,686 | 66,116 |
| Program Marketing/Outreach: | 43,746 | 44,583 | 21,044 | 109,373 |
| Program Legal Services: | | | | - |
| Program Quality Assurance: | | | | - |
| Outsourced Services: | 500 | | | 500 |
| Trade Allies & Cust. Svc. Mgmt.: | 12,748 | 13,477 | 3,521 | 29,746 |
| IT Services: | 23,702 | 22,678 | 14,155 | 60,535 |
| Other Program Expenses | 19,390 | 13,883 | 10,263 | 43,536 |
| TOTAL PROGRAM EXPENSES | 653,160 | 458,469 | 342,146 | 1,453,775 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General | 12,938 | 9,461 | 7,346 | 29,745 |
| Communications & Customer Svc | 8,663 | 6,337 | 4,918 | 19,918 |
| Total Administrative Costs | 21,601 | 15,798 | 12,264 | 49,663 |
| Total Program & Admin Expenses | 674,761 | 474,267 | 354,410 | 1,503,438 |

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Cascade

ENERGY EFFICIENCY

| EXPENSES | Existing Buildings | New Buildings | Production Efficiency | Existing Homes | New Homes & Products | ETO Total |
|---|-------------------------------|--------------------------|----------------------------------|---------------------------|-------------------------------------|------------------|
| Program Management | 15,828 | 3,099 | 19,804 | 62,599 | 16,979 | 118,309 |
| Program Delivery: | 150,189 | 23,095 | 130,389 | 162,458 | 114,799 | 580,930 |
| Incentives: | 477,817 | 55,935 | 239,250 | 455,092 | 225,984 | 1,454,078 |
| Program Eval & Planning Svcs.: | 18,722 | 3,450 | 7,528 | 43,101 | 14,715 | 87,516 |
| Program Marketing/Outreach: | 4,246 | 2,321 | 2,433 | 66,397 | 31,291 | 106,689 |
| Program Legal Services: | | | | | | - |
| Program Quality Assurance: | 561 | | | 3,316 | 1,026 | 4,903 |
| Outsourced Services: | 1,671 | 854 | 4,756 | 14,774 | 2,048 | 24,103 |
| Trade Allies & Cust. Svc. Mgmt.: | 2,161 | 326 | 352 | 19,519 | 3,852 | 26,211 |
| IT Services: | 9,330 | 1,530 | 2,231 | 26,306 | 6,120 | 45,516 |
| Other Program Expenses | 1,876 | 253 | 1,724 | 17,601 | 2,378 | 23,832 |
| TOTAL PROGRAM EXPENSES | 682,400 | 90,863 | 408,466 | 871,165 | 419,192 | 2,472,087 |
| ADMINISTRATIVE COSTS | | | | | | |
| Management & General | 13,112 | 1,865 | 7,488 | 17,943 | 9,100 | 49,507 |
| Communications & Customer Svc | 8,776 | 1,249 | 5,018 | 12,022 | 6,077 | 33,143 |
| Total Administrative Costs | 21,888 | 3,114 | 12,506 | 29,965 | 15,177 | 82,650 |
| Total Program & Admin Expenses | 704,288 | 93,977 | 420,972 | 901,130 | 434,370 | 2,554,737 |

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PGE Renewables

RENEWABLE EFFICIENCY

| EXPENSES | BioPower | Solar Electric | Open Solicitation | ETO Total |
|---|------------------|-----------------------|--------------------------|-------------------|
| Program Management | 95,879 | 363,339 | 61,183 | 520,401 |
| Program Delivery: | | | | - |
| Incentives: | 3,260,415 | 4,112,313 | 1,013,287 | 8,386,015 |
| Program Eval & Planning Svcs.: | 22,493 | 46,116 | 19,481 | 88,089 |
| Program Marketing/Outreach: | 8,250 | 96,314 | 16,500 | 121,064 |
| Program Legal Services: | | | | - |
| Program Quality Assurance: | | | 7,500 | 7,500 |
| Outsourced Services: | 109,250 | 413,554 | 48,500 | 571,304 |
| Trade Allies & Cust. Svc. Mgmt.: | | 28,007 | 259 | 28,265 |
| IT Services: | 22,570 | 86,375 | 14,583 | 123,529 |
| Other Program Expenses | 23,567 | 79,907 | 37,376 | 140,850 |
| TOTAL PROGRAM EXPENSES | 3,542,424 | 5,225,924 | 1,218,669 | 9,987,017 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General | 65,307 | 96,000 | 15,947 | 177,255 |
| Communications & Customer Svc | 43,859 | 63,745 | 10,345 | 117,950 |
| Total Administrative Costs | 109,166 | 159,745 | 26,293 | 295,204 |
| Total Program & Admin Expenses | 3,651,590 | 5,385,670 | 1,244,962 | 10,282,221 |

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PAC Renewables

RENEWABLE EFFICIENCY

| EXPENSES | BioPower | Solar Electric | Open Solicitation | ETO Total |
|---|------------------|-----------------------|--------------------------|------------------|
| Program Management | 62,916 | 191,181 | 326,148 | 580,245 |
| Program Delivery: | | | | - |
| Incentives: | 2,135,415 | 2,133,000 | 3,654,000 | 7,922,415 |
| Program Eval & Planning Svcs.: | 16,908 | 24,029 | 49,713 | 90,651 |
| Program Marketing/Outreach: | 8,250 | 50,186 | 16,500 | 74,936 |
| Program Legal Services: | | | | - |
| Program Quality Assurance: | | | 7,500 | 7,500 |
| Outsourced Services: | 67,250 | 223,446 | 83,500 | 374,196 |
| Trade Allies & Cust. Svc. Mgmt.: | | 14,593 | 1,378 | 15,972 |
| IT Services: | 14,811 | 45,008 | 77,737 | 137,555 |
| Other Program Expenses | 18,988 | 41,638 | 65,681 | 126,307 |
| TOTAL PROGRAM EXPENSES | 2,324,538 | 2,723,082 | 4,282,157 | 9,329,777 |
| ADMINISTRATIVE COSTS | | | | |
| Management & General | 42,855 | 50,023 | 85,011 | 177,888 |
| Communications & Customer Svc | 28,780 | 33,216 | 55,149 | 117,144 |
| Total Administrative Costs | 71,635 | 83,239 | 140,159 | 295,033 |
| Total Program & Admin Expenses | 2,396,173 | 2,806,320 | 4,422,316 | 9,624,810 |