

Quarter Two 2013 Report to the Oregon Public Utility Commission & Energy Trust Board of Directors



ENERGY TRUST OF OREGON

AUGUST 15, 2013

This report covers activity between April 1 and June 30, 2013



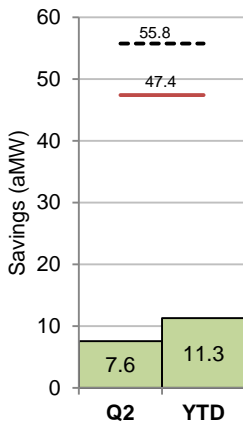
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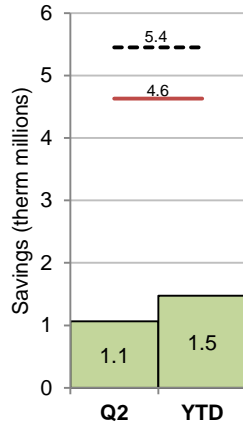
I. Q2 2013 ACTIVITY AT A GLANCE

Savings and generation

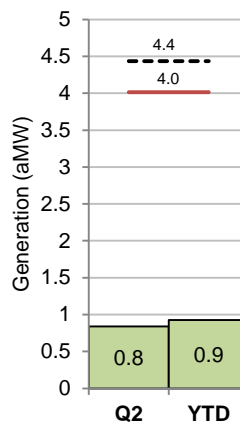
Electric efficiency



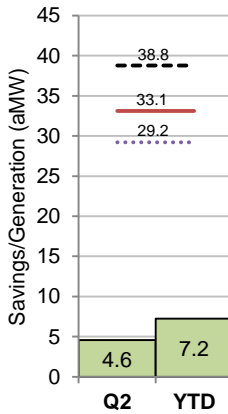
Gas efficiency



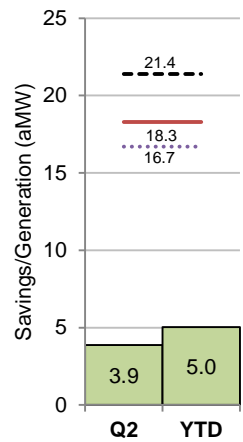
Renewable energy



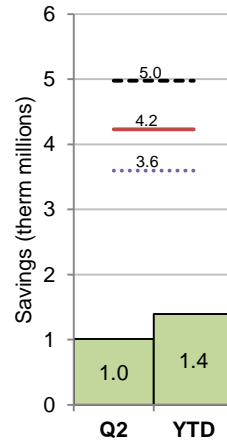
Portland General Electric



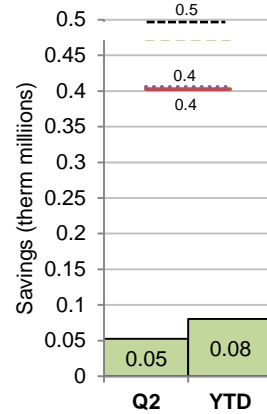
Pacific Power



NW Natural



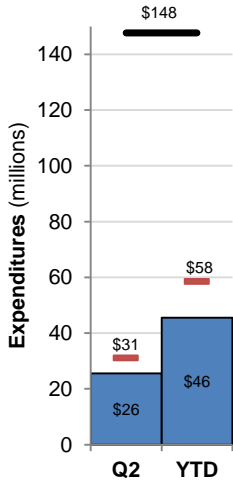
Cascade Natural Gas



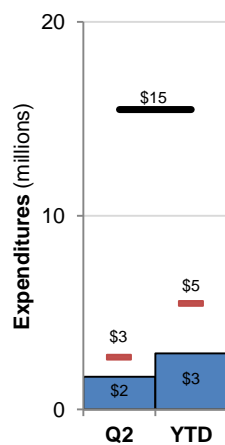
■ Savings
 - - - - Stretch Goal
 — Conservative Goal
 — IRP Goal

Expenditures

Energy efficiency



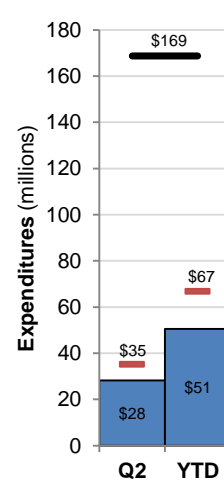
Renewable energy



Administration



Total



■ Actual
 - Budget
 — Annual Budget

Residential activity in Q2 2013

New homes and major remodels	484
New manufactured homes	18
Weatherization retrofits	1,956
Single-family site-built	1,504
Mobile	452
Home Energy Reviews	469
Total Sites	2,909
Heating systems	928
Water heaters	187
Solar	13
High-efficiency products	5,678
Washing machines	4,488
Refrigerators & freezers	1,190
High-efficiency lighting*	540,799
Refrigerators, freezers recycled	3,953
Energy Saver Kits sent	1,874
Total Other Activity	12,620

*Lighting excluded from totals

Commercial activity in Q2 2013

New Buildings sites served¹	83
Whole building approaches	13
Packaged solutions for market segments	3
Standard/system-based approaches	67
Existing Buildings sites served¹	493
Operations and maintenance	40
Custom ²	12
Lighting	224
Prescriptive/standard ³	223
Existing multifamily sites served	519
Solar water heating sites served	3
Sites with technical assistance	185

¹New Buildings and Existing Buildings total sites served may include sites that have participated in more than one program track

²The most common custom improvements are building controls and HVAC

³The most common prescriptive/standard improvements are foodservice and grocery equipment

Industrial/agricultural activity in Q2 2013

Projects	207
Custom ¹	24
Strategic Energy Management ²	2
Lighting	57
Small industrial and agricultural ³	124
SEM participating companies	29
Studies	18

¹The most common custom improvements are compressed air system and process upgrades

²Savings from no-cost or low-cost operational steps (i.e., turning off equipment when not in use) identified through trainings in SEM approaches/disciplines

³Targets users with gas or electric costs under \$25,000/year; top improvements are irrigation systems, compressed air systems and HVAC

Renewable energy activity in Q2 2013

Biopower projects	1
Solar electric installations	175
Residential	161
Commercial	14
Other renewable projects	--
Wind projects	--
Hydropower projects	--
Geothermal projects	--
Total	176

Trade ally activity in Q2 2013

Regional trade ally roundtable meetings	3
Attendance	220
Trainings provided	24
Trade allies added to network	89
Trade allies accessing business development funds	139

Other activity in Q2 2013

Calls	6,568
Website visits	135,582
info@energytrust.org inquiries	353
Customer complaints	5
News stories in print, broadcast	112

II. HIGHLIGHTS OF Q2 ACTIVITIES

A. Savings^{1,2}, generation and general highlights

Summary

- **As of the close of the second quarter, Energy Trust is confident it will meet or exceed conservative goals for all utilities in 2013.** There are a variety of factors contributing to achieved and year-end expected savings at this point in the year. Staff are adjusting program strategies to maximize savings and generation by year-end. Challenges that impact savings and generation include:
 - A decline in energy savings from residential lighting products as the market adapts to the introduction of more expensive LED lighting
 - Slower-than-forecasted growth in residential Home Performance with ENERGY STAR[®] projects and a reduction in forecasted Clean Energy Works Oregon projects
 - Fewer large commercial capital products and lower savings, particularly in lighting, for commercial projects as the market adjusts to the loss of state Business Energy Tax Credits and limited-time Energy Trust bonus incentives
 - Fewer large projects in commercial and industrial sectors, especially in eastern and southern Oregon where economic recovery has been slow
 - The delay of two large projects plus market challenges, including the loss of the Business Energy Tax Credits, have made it more difficult for commercial solar and renewable energy custom projects—biopower, hydropower, small wind and geothermal—to proceed
- **Additionally, transitions to new Existing Buildings and Existing Homes Program Management Contractors completed in Q1** required additional efforts in system integrations and auditing, slowing project processing and, in some areas, affecting market momentum. In Q2, staff made progress in processing a backlog of incentives delayed in Q1 and expects to complete the backlog by the middle of Q3.
- **Energy Trust achieved notable growth in savings and projects in some program areas, and increased efficiencies and improved outreach across programs and internal operations.** Among the Q2 accomplishments highlighted in this report are:
 - Improved services and outreach to rural and underserved customers and trade ally contractors
 - Growth in market penetration of EPS[™], Energy Trust's energy performance score
 - High participation in the New Buildings Market Solutions incentives approach
 - Substantial savings from large data centers, industrial Strategic Energy Management and installations of energy-saving products in multifamily buildings
 - Enhancements to Energy Trust internal systems and processes that improve customer experience and increase efficiency

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

²This report includes the best available energy savings data as of the date of submission. Energy savings reported here for periods prior to January 1, 2012, may be different than previously reported as a result of applying updated evaluation factors to Energy Trust funded program savings in Oregon through the annual true up process. The full True Up 2012 Report is available online at www.energytrust.org/reports.

Progress to Goals

- **Electric efficiency improvements completed during Q2** are expected to save 7.6 average megawatts, aMW, of electricity, about 16 percent of the 2013 electric conservative goal and 14 percent of the 2013 electric stretch goal of 56 aMW. Q2 2013 electric savings are approximately 27 percent lower than savings in Q2 2012.
- **Gas efficiency improvements completed during Q2** are expected to save 1.1 million annual therms of natural gas³, about 23 percent of the 2013 gas conservative goal and 20 percent of the 2013 stretch goal of 5.4 million annual therms. Q2 savings are roughly equivalent to savings in Q2 2012.
- **Renewable energy systems installed during Q2** are expected to generate 0.8 aMW of electricity, 21 percent of the 2013 renewable energy conservative goal of 4.0 aMW. Q2 renewable generation activity is 11 percent lower than the above-average activity in Q2 2012.
- **Overall, Energy Trust expects to achieve** 96 percent of Portland General Electric stretch goal, 87 percent of Pacific Power stretch goal, 93 percent of NW Natural stretch goal and 85 percent of Cascade Natural Gas stretch goal.
- **Progress to goals by sector include the following.** See sections 2D, 2E, 2F and 2G for detailed explanations.
 - The commercial sector is on track to exceed electric and gas conservative goals.
 - The residential sector is on track to meet electric and gas conservative goals.
 - The industrial sector expects to approach electric stretch goal and achieve gas stretch goal.
 - The renewable energy sector is expected to fall slightly short of conservative goal.
- **Staff developed options to clarify how annual efficiency goals**, funding levels, reserve amounts and usage, and performance measures are defined and established for discussion during an Energy Trust Strategic Utility Roundtable in May and a subsequent working group discussion with representatives from the utilities, OPUC and Energy Trust. The working group developed recommendations for presentation to and discussion with the board of directors at the July 31 public board meeting. Anticipated outcomes include a single Energy Trust savings goal corresponding to individual utility Integrated Resource Plan efficiency targets.

Highlights

- **This report addresses OPUC requests** received during the 2013-2014 budget and action plan comments period regarding deep retrofit pilot projects in commercial and residential sectors, computer system upgrades and lender ally promotions. Find more information in sections 2D, 2F and 4D.
- **Energy Trust staff successfully transferred Energy Trust data to utilities**, and received utility data under new data sharing agreements. Energy Trust developed training for staff and contractors regarding security procedures and the appropriate use of utility customer data, and began to identify new marketing processes to ensure utility coordination occurs and “do not contact” directives are honored. As of the end of Q2, 3,238 customers requested to be on a “do not contact” list, which is 0.2 percent of the approximately 1.5 million total customers Energy Trust serves.
- **To address cost-effectiveness challenges, Energy Trust completed the following** in Q2:

³The gas savings do not include NW Natural results in Washington. These results are reported in Appendix 6.

- Achieved agreement with the OPUC on a process and schedule to determine cost-effectiveness of gas measures and programs. In addition to continuing to refine programs to reduce costs, Energy Trust will propose which programs and measures should continue and explain why they are cost-effective by July 1, 2014. The OPUC will reach a decision on these measures on October 18, 2014.
- Delivered a workshop, with contributions from OPUC staff, to inform Conservation Advisory Council members about cost-effectiveness principles, issues and the current OPUC order granting Energy Trust a temporary exception from cost-effectiveness guidelines for all gas measures and programs.
- Expanded contractor and stakeholder education about cost-effectiveness with presentations from Energy Trust's Planning and Evaluation staff.

B. Revenues and expenditures

- **Overall public purpose revenue plus incremental electric revenue** from SB 838 totaled \$39.1 million for Q2 2013, approximately 3 percent less than budgeted revenues. Revenue projections are estimates provided by utilities; typically, actual revenues vary by a few percentage points from budgeted revenue.
- **Q2 expenditures totaled \$28.3 million**, of which \$12.9 million or 46 percent was for incentives. Q2 2013 incentives paid were down 24 percent from Q2 2012.
- **Q2 electric efficiency expenditures** were 21 percent under budget.
- **Q2 gas efficiency expenditures** were 5 percent under budget.

C. Appendices

- **Appendix 1** shows a geographic distribution of Home Energy Reviews conducted in Q2 2013 and provides an update on customer satisfaction results (see page 24).
- **Appendix 2** presents Oregon Public Utility Commission 2013 performance measures for Energy Trust and benefit/cost ratios from Energy Trust's 2012 annual report (see page 25).
- **Appendix 3** provides cumulative and total annual results for Energy Trust (see page 26).
- **Appendix 4** includes reports from Pacific Power and Portland General Electric on Q2 2013 utility activities supported by their shares of SB 838 funding, providing additional support for electric efficiency acquisition above funds collected through the public purpose charge (see page 27).
- **Appendix 5** includes a report from the Northwest Energy Efficiency Alliance on its Q2 2013 market transformation activities in PGE and Pacific Power Oregon service territories, funded by Energy Trust (see page 36).
- **Appendix 6** provides the Q2 2013 report on Energy Trust activities serving NW Natural customers in Washington (see page 40).

D. Commercial sector highlights

- **The commercial sector, comprising the Existing Buildings program, New Buildings program and multifamily initiative**, is on track to exceed conservative goals in all utility territories. While the current pipeline in the Existing Buildings program is behind historical accomplishments, New Buildings and the multifamily initiative are on target to exceed conservative goals and approach stretch goals in most utility territories. The Existing Buildings program achieved fewer savings than expected for custom, lighting, prescriptive and rooftop HVAC unit tune-up projects.

- **The sector completed five “deep retrofit” projects** out of 29 projects identified as renovations. The five projects completed upgrades to at least two major building systems. Based on a working definition of commercial deep retrofits developed for the purpose of OPUC reporting, deep retrofit projects typically achieve approximate savings of 40 percent beyond market average by following a number of pathways. A project must be a major renovation of an existing commercial building and receive incentives for one of the following: Market Solutions package, Leadership in Energy and Environmental Design achieving a 25 percent reduction for Energy and Atmosphere credit 1 points, Path to Net Zero or upgrades to at least two major building systems (such as HVAC, lighting or shell measures). The building can be large or small and the project can be simple or complex, applying multiple system-level upgrades or more holistic, customized energy-efficiency strategies.

Existing Buildings

- **The Existing Buildings program is on track to reach or exceed conservative goals** for all utilities. The stretch goal is within reach for Cascade Natural Gas territory.
- **Existing Buildings savings to date are behind historical averages for all utilities.** Low activity can be attributed to factors including a maturing market with fewer potential large, cost-effective custom and lighting projects; the full loss of Business Energy Tax Credits for key measures coupled with the end of a temporary Energy Trust bonus designed to ease the transition after tax credit changes in 2012; and a larger-than-expected drop-off in rooftop tune-up projects after standards were increased for program qualifications. Reduced savings in 2013 may also be a result of projects that accelerated to complete in Q4 2012 to take advantage of the temporary Energy Trust bonus that expired in 2012.
- **Q2 results were impacted by the Program Management Contractor, PMC, transition** completed in Q1. The PMC transition required time to develop operational infrastructure and establish customer relationships, which delayed completion of projects in the pipeline and resulted in a backlog of projects. Although the backlog was alleviated during Q2, the focus in Q3 will be on re-establishing market momentum in recruiting new projects and expediting the close of projects in the pipeline.
- **Achieving goals in all territories is contingent on recruiting and closing large projects.** In particular, completion of boiler and lighting projects will be essential to attaining savings targets. To help reach goals, the program began offering additional incentives for LED lighting and short-term operations and maintenance measures.
- **The program continues to recruit Strategic Energy Management, SEM, participants** and process projects at participating sites. The program also developed an introductory SEM offering to launch in Q3 to support participants with short-term operations and maintenance solutions.
- **The program integrated a bonus for SEM customers** who implement custom capital projects identified on their action plans.
- **Existing Buildings is educating program outreach staff and trade allies**, including non-lighting trade allies, to help them become more adept at identifying both lighting and non-lighting opportunities. The program’s efforts to engage more non-lighting trade allies resulted in new market connections, such as working with roofing contractors who can identify and promote opportunities for ceiling and attic insulation.
- **The multifamily initiative is on track to approach stretch goals in all four utility territories**, taking into account year-to-date achievements, planned direct installation efforts and expected uptake of prescriptive measures and projects.

- **Multifamily will continue business development efforts** to build a robust and diverse pipeline for the remainder of the year that will deliver stretch goals and limit the program's reliance on energy-saving products—light bulbs, showerheads and faucet aerators—to approximately 60 percent of savings. As planned, the program saw a larger quantity of custom studies and projects, which bodes well for future projects.
- **The total number of sites served by the multifamily initiative increased** significantly in the past year. Through Q2 2013, the multifamily initiative achieved savings at more than 780 sites compared with 315 in the first half of 2012. The increase in sites is attributed to appliance price buy-downs, which now include more distributors, qualifying products and eligible equipment.
- **To deploy MPower Oregon, a pilot using on-bill repayment mechanisms** to serve residents in affordable housing developments, multifamily continued to work with local, regional and national stakeholders to determine targeted buildings and refine the program design and offerings. While no projects have been completed through MPower to date, several leads generated by MPower have resulted in projects completed through the standard multifamily track.
- **Efforts continued to support the integration of small multifamily buildings** with two to four attached units and campus living projects into the multifamily initiative. Multifamily identified a need for additional delivery strategies to improve customer service for individual unit owners in condominiums and multifamily developments. These strategies will launch in Q3.
- **In 2013, the multifamily initiative refined marketing messaging** for specific market segments regarding key equipment and typical measures, and produced a multifamily lighting guide for trade allies and customers.

New Buildings

- **New Buildings is on track to exceed conservative goals for all four utilities** and is well-positioned to meet stretch goals in electric utility territories.
- **The program observed especially strong activity** in low-rise multifamily buildings, parking garages and retirement and assisted living facilities, as well as continued high electric savings from data centers. The program saw a shift from large to small hospitals, which equates to lower savings compared to last year for this industry group. For gas utilities, a coastal hospital led savings, with additional contributions from multifamily projects and several college and university projects.
- **Economic recovery occurred at different rates throughout the state, impacting the availability of eligible projects.** Western Oregon, especially along the I-5 corridor, has experienced a faster recovery than eastern Oregon, resulting in a more robust volume of new, small projects in western Oregon compared to other parts of the state.
- **The program's Market Solutions offering, launched in Q4 2012, garnered high participation** in multifamily and office sectors with 15 enrollments in Q2 and 29 enrollments year to date. Market response from grocery, restaurant and retail sectors was slower than expected, and the program plans to launch a marketing campaign to promote these offerings.
- **New Buildings efforts to increase contractor awareness and participation** included sponsoring the Daily Journal of Commerce's annual Disadvantaged, Minority, Women and Emerging Small Business awards banquet and reaching out to the Oregon Association of Minority Entrepreneurs.
- **The program held the second annual Allies for Efficiency Training Series** on "Emerging Technologies and Design Practices" and "Banking on Innovation: How to Finance a High-performance Building," featuring the Lighting Design Lab, Pacific Northwest National Laboratory

and Architectural Applications. The 77 attendees received continuing education credits through the American Institute of Architects.

E. Industry and agriculture sector highlights

Production Efficiency

- **The program's pipeline of potential projects indicates the program is on track** to reach 99 percent of its electric stretch goal and 103 percent of the gas stretch goal.
- **Production Efficiency electric savings reached 13 percent of stretch goal** by the end of the second quarter, compared to historical accomplishments of 17 percent of electric savings. Strong achievement in Portland General Electric territory is counterbalanced by weaker performance for Pacific Power territory, which experienced slower economic recovery.
- **Gas savings reached 37 percent of stretch goal** through Q2, compared to historical gas savings of 13 percent. The loss of a few large projects in Cascade Natural Gas territory indicates conservative savings will not be met for this utility in this sector. These results are counterbalanced by strong achievement in NW Natural territory. Unusual for the first half of the year, custom projects were the leading source of savings due to two large projects delayed from late 2012 to early 2013.
- **In Pacific Power territory, 30 percent of savings came from two sites** that completed their first year of Strategic Energy Management, SEM.
- **Ten sites are engaged in the new, multi-phased Industrial Systems Retro-Commissioning** offering, launched in Q1. This offering assists participants in identifying, investigating and implementing lasting operations and maintenance improvements with the help of technical guidance from Allied Technical Assistance Contractors. Two of the 10 sites enrolled are from rural areas, including a site outside of Pendleton, and are expected to complete in Q3.
- **Production Efficiency engaged in a variety of efforts in eastern Oregon.** Program staff presented a check to Boise Cascade in Pilot Rock for \$36,000, which garnered press in the East Oregonian and Oregon Public Broadcasting. Staff presented on irrigation and other offerings to soil and water conservation district staff from around the state at the Connect Conference in Grande Ronde. In addition, the small industrial initiative conducted one-on-one trainings with trade allies in eastern Oregon.
- **The program enhanced customer-facing tools to improve customer experience** and address barriers to timely project closeouts. The program created a customer project packet to provide guidance on verification and closeout of projects and make participation even easier for customers. In addition, a redesign of the industry and agriculture web pages launched in June.
- **The fourth Breakfast of Champions was attended by 45 past and current SEM participants** in June. The breakfast provided continuous learning opportunities for SEM participants, including sessions on energy management topics and opportunities to share information with other participants.

F. Residential sector highlights

- **The residential sector, comprising Existing Homes and New Homes and Products** programs, is on track to meet conservative goals. Existing Homes had a slow start this year and expects to reach conservative goals by year-end through increased marketing, promotion of Energy Saver Kits and additional promotions, marketing, retailer outreach, trade ally support and customer engagement. For New Homes and Products, lagging retail lighting sales slowed electric savings, while a robust new homes market bolstered gas savings.

Existing Homes

- **Savings year to date are behind forecast**, and Existing Homes expects to reach conservative goals in all utility territories by year-end through identified efforts.
- **In Q2, Existing Homes collaborated with Clean Energy Works Oregon** to accelerate processing the backlog of projects completed in Q1. Energy savings remained lower than expected through Q2 because roughly one-half of Clean Energy Works Oregon projects completed in 2013 have not been recognized in Energy Trust systems. Clean Energy Works Oregon will continue to process the backlog of projects in Q3.
- **Clean Energy Works Oregon lowered its original forecast of projects for 2013.** Based on reduced demand and the current pace of completions, Clean Energy Works Oregon reduced expected 2013 completions from 1,500 projects to 1,000 projects. To compensate, Existing Homes plans to increase savings by delivering more Energy Saver Kits.
- **Clean Energy Works Oregon completed and recognized 283 projects in Q2** with Energy Trust support. Clean Energy Works Oregon projects are whole-home energy-efficiency improvement projects accessing standard Existing Homes incentives and Home Performance with ENERGY STAR trade allies.
- **To diversify the program's portfolio of energy savings**, Energy Saver Kits were budgeted to provide not more than 35 percent of electric savings in 2013, compared to 60 percent in 2012. Because other savings drivers have matured more slowly than expected and still others are lagging, the program will increase distribution of Energy Saver Kits during the remainder of 2013. The program continues to pursue additional strategies to promote other sources of savings.
- **Energy savings from Home Performance with ENERGY STAR improvements** were lower than expected. Existing Homes is working to support marketing efforts through a marketing consortium with the Home Performance Contractors Guild of Oregon and Clean Energy Works Oregon.
- **In Q2, Energy Trust completed 342 residential "deep retrofits"** consistent with the definition developed in Q1 for the purpose of OPUC reporting. Deep retrofits are defined as energy-efficiency actions in existing homes that include two or more shell or heating measures installed at the same time, and achieve a 20 percent or greater reduction in estimated heating load.
- **Duct insulation, ductless heat pumps, spa covers and heat pump commissioning** measures increased in volume across multiple utilities in Q2.
- **To increase the number of contractors participating in Savings Within Reach**—which offers higher incentives for income-qualified moderate-income residents—and better support installation of equipment measures, Existing Homes planned adjustments to program requirements and increased outreach and support for contractors to participate in this track. A Savings Within Reach financing product with loan repayment on utility bills will launch in Q4, reducing financing barriers to participation.

- **Mobile homes activity through Q2 is roughly 50 percent lower than forecasted**, and the program will increase contractor outreach in Q3 to drive demand. Mobile homes comprise less than 4 percent of savings in Portland General Electric territory and about 7 percent of savings in Pacific Power territory.
- **Existing Homes supported activity outside major population centers** by launching a new strategy to reach out to trade allies and fireplace retailers in Cascade Natural Gas territory, marketing and coordinating with the Northwest Ductless Heat Pump Project to support Energize Corvallis, which promotes energy-efficiency programs for residents and businesses in Corvallis, and collaborating with the City of Pendleton on Solarize Pendleton. In addition, staff collaborated with the Oregon Department of Energy and South Central Oregon Economic Development District in Klamath Falls, and the collaboration is expected to result in contractor engagement opportunities later in the year.
- **To support delivery channels, the program pursued outreach and partnerships** with fireplace retailers, George Morlan and Smart Water Heat. Existing Homes also collaborated with PGE to streamline quality assurance processes for heat pumps. The program continued development of lender ally relationships and trade ally communications.
- **To support enhanced customer experiences while improving efficiency** of incentive processing, staff assessed five of the program's most frequently used incentive application forms, streamlined data requirements, created a new form template and planned online form usability improvements.

New Homes and Products

- **Oregon's improved economy bolstered the new housing construction market.** Single-family permits were strong in Q1 2013, and this trend continued through Q2.
- **New Homes and Products is on track to meet conservative gas savings goals**, given the strong new homes market.
- **Electric savings continue to be lower than expected** due to low redemptions in retail appliances and specialty compact fluorescent light bulbs, CFLs. Increases in baseline code standards caused the program to lower incentives for major appliances prior to 2013. The market has been slow to react to these changes and redemptions remain low. A number of major retailers switched specialty lighting products from CFLs to LEDs, which impacts energy savings because New Homes and Products supports a limited selection of LEDs. The program will continue to add more LED products to its portfolio.
- **To drive electric savings toward stretch goal, the program will implement a number of new initiatives** in Q3, which may include expanded LED offerings, additional promotions of CFLs and select lighting products in retail, a consumer electronics initiative test with Sears and exploration of offering instant incentives on ENERGY STAR-rated appliances through Sears online.
- **The program launched a "Fill a Fridge" campaign with Oregon Food Bank** on May 1 to encourage refrigerator recycling and provide an option for customers to donate their incentives to support Oregon families visiting participating food banks. This initiative drove awareness about refrigerator recycling by leveraging earned media. The campaign, which will continue into Q3, resulted in increased participation during times of frequent media coverage. There were a total of 3,953 participants in Q2, of whom 190 donated their incentives to the Oregon Food Bank.
- **In Cascade Natural Gas territory, a high volume of large homes** and homes with natural gas as a primary heat source were built in Q2. As a result, therm savings increased 53 percent from

EPS-rated homes within Cascade Natural Gas territory in the first half of 2013 compared to the same period in 2012.

- **To promote activity in northeast Oregon, the program reached out to verifiers**—who approve ENERGY STAR certifications for new homes—to boost activities in underserved markets and support increased program visibility. In addition, a northeast Oregon verifier was added to the network and processed the first Hood River home for EPS in Q2.
- **The first gas-heated EPS-rated home in the Hermiston area is near completion** with two more on the way. The program partnered with the Northeast Oregon Home Builders Association to bring construction technology, Construction Contractors Board credits and building science knowledge to builders and subcontractors in the Hermiston area.
- **New Homes and Products staff developed process improvements to increase efficiency** and improve customer experience, which is estimated to result in savings of one full-time equivalent when fully implemented in Q1 2014. In Q2, the program began development of a new homes database to be used by new home verifiers. A data entry plan was approved in Q2, and National Business Systems will provide data entry services to help reduce application backlog and overall incentive processing costs. Additionally, staff is working to streamline the W-9 process for property owners and store W-9 forms electronically in a secure location.
- **Eighteen of the 21 homes in the Portland Home Builders Association Ultimate Open House** tour were EPS-rated and featured Energy Trust marketing materials.
- **New Homes and Products launched a marketing collaboration with Sears** to develop a new online promotion as well as a potential consumer electronics market lift pilot.

G. Renewable energy highlights

- **The renewable energy sector is expected to reach 88 percent of its conservative goal** and 80 percent of its stretch goal in 2013. The projected shortfall is due to the delay of two large projects as well as a weak commercial solar market. In Portland General Electric territory, completion of one custom project shifted from 2013 to 2015. In Pacific Power territory, completion of one custom project was delayed from 2013 to 2014.
- **The Solar Electric program is on track to exceed its conservative goal** and achieve 75 percent of stretch goal, despite a slow start to the year, based on the current rate of reservations and typical installation timing.
- **The pipeline of Solar Electric projects is very strong in Pacific Power territory**, with 78 residential projects and 19 commercial projects, and slightly behind in PGE territory, with 108 residential projects and 25 commercial projects. The pipeline of custom projects—consisting of biopower, hydropower, small wind and geothermal—remains robust, with 12 projects in the pipeline and an additional 10 projects engaged in project development assistance activities.
- **Five projects applied to a request for proposals, RFP, for \$2.5 million** in custom project incentives in Pacific Power territory. Two projects were offered incentives and one accepted. The second phase of the Central Oregon Irrigation District Juniper Ridge hydroelectric facility was approved by the Energy Trust board in May for a \$1.28 million incentive.
- **Four projects applied to an RFP for up to \$800,000** in custom project development assistance incentives in PGE and Pacific Power territories. One project was approved and the three remaining projects are still in discussions and negotiations. A substantial volume of project development assistance incentives remains unallocated, and staff is seeking additional projects.

- **Market conditions, including the loss of Business Energy Tax Credits, remain challenging** for custom projects, a number of which have been delayed because of land use, permitting and construction issues.

Solar Electric

- **Commercial solar incentive changes implemented in Q2** will enable the Solar Electric program to exceed the OPUC 2013 performance measure of 0.66 average megawatts in installed generation of net-metered, standard projects.
- **Solar commercial incentive payments were significantly below target through Q2** because the year began with a diminished project pipeline and low reservations due to poor market conditions and incentive reductions in 2012. In response, the program increased incentives for businesses in Q2, which is reviving the solar business project pipeline. The program is now on track to achieve conservative goal.
- **Due to commercial incentive increases in Q2, incentive reservations grew** substantially in both size and number, resulting in the most capacity reserved since Q1 2012. The new commercial incentive structure takes advantage of economies of scale for larger solar projects— incentive rates are higher for smaller systems and decrease for larger systems. This incentive structure allowed more projects to move forward without substantially increasing the average incentive per watt.
- **Residential solar remains strong in Pacific Power territory and steady in PGE territory.** Residential systems have increased in size by 40 percent over Q2 2012 as lower equipment costs allowed customers to purchase larger systems. Residential activity is lower than forecasted in PGE territory because a seasonal summer increase in applications occurred later than in years past. Staff is reviewing options to promote residential activity and reduce system prices.
- **In Q2, Solar Electric issued the first RFP for custom projects in PGE territory.** One project was selected and is planned to complete by Q2 2014.
- **In collaboration with New Buildings, Solar Electric introduced early design assistance** and solar-ready incentives for new buildings. Solar Electric enrolled the first three solar design allies, who will help customers make preliminary solar incentive reservations during the design phase of projects. By providing a path to reserve funds early in the process, staff aims to help engineers design systems that comply with Energy Trust requirements and improve the use of solar technology in new and remodeled buildings. Year to date, 11 projects have enrolled in the solar-ready offering.

Biopower

- **The 0.69 aMW Farm Power Misty Meadows Dairy digester biogas project in Tillamook** began delivering power to Pacific Power in Q2.
- **Three biogas digester projects are expected to complete in 2013 and beyond**, including a 1.44 aMW project in Junction City in 2013, a 0.33 aMW project in Eugene in 2014 and a 0.33 aMW project in St. Paul in 2015.

Other

- **Four hydropower projects (0.88 aMW combined)**—three in Bend and one in Corbett—and one geothermal project (0.87 aMW) in Klamath Falls are expected to complete in 2014.

III. TABLES⁴

A. Revenues

Source	Q2 Actual Revenues Received	Q2 Budgeted Revenues
Portland General Electric	\$ 8,231,230	\$ 8,355,162
PGE Incremental	\$ 11,668,837	\$ 12,707,360
Pacific Power	\$ 6,051,635	\$ 5,860,629
Pacific Power Incremental	\$ 6,054,689	\$ 5,889,928
Cascade Natural Gas	\$ 410,160	\$ 761,198
NW Natural	\$ 6,118,154	\$ 6,719,496
NW Natural Industrial DSM	\$ 575,946	
Total	\$ 39,110,650	\$ 40,293,773

*Incremental revenues are those authorized under SB 838 to support capturing additional cost-effective electric efficiency savings above the amount supported by funding through SB 1149.

B. Expenditures

Type	Q2 Actual Expenditures	Q2 Budgeted Expenditures
Energy Efficiency Programs	\$ 25,592,678	\$ 31,066,577
Renewable Energy Programs	\$ 1,698,249	\$ 2,681,004
Administration	\$ 987,580	\$ 1,400,313
Total	\$ 28,278,507	\$ 35,147,894

Source	Q2 Actual Expenditures	Q2 Budgeted Expenditures
Portland General Electric	\$ 13,152,590	\$ 18,247,351
Pacific Power	\$ 9,577,001	\$ 11,043,952
Cascade Natural Gas	\$ 268,547	\$ 537,692
NW Natural	\$ 4,304,867	\$ 4,786,394
NW Natural Industrial DSM	\$ 975,502	\$ 532,504
Total	\$ 28,278,507	\$ 35,147,894

⁴Columns may not total due to rounding.

C. Incentives paid

Quarter	Energy Efficiency				Renewable Energy		Total
	PGE	Pacific Power	NW Natural	Cascade Natural Gas	PGE	Pacific Power	
Q1	\$ 4,101,652	\$ 1,433,889	\$ 964,458	\$ 57,157	\$ 476,302	\$ 252,458	\$ 7,285,916
Q2	\$ 5,538,043	\$ 3,568,819	\$ 2,412,322	\$ 120,252	\$ 592,955	\$ 673,506	\$ 12,905,897
Q3							
Q4							
Total	\$ 9,639,695	\$ 5,002,708	\$ 3,376,780	\$ 177,409	\$ 1,069,257	\$ 925,964	\$ 20,191,813

D. Savings and generation

Q2 Electric Efficiency Savings	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses
Commercial	2.0	1.3	3.3	\$ 8,749,600
Industrial	0.7	0.7	1.4	\$ 4,173,210
Residential	1.7	1.2	2.9	\$ 8,045,778
Total Electric Efficiency Programs	4.5	3.1	7.6	\$ 20,968,588

Q2 Gas Efficiency Savings	NW Natural Therms	Cascade Natural Gas Therms	Total Savings Therms	Expenses
Commercial	309,269	24,786	334,056	\$ 1,614,991
Industrial	290,780	0	290,780	\$ 725,236
Residential	411,008	27,645	438,653	\$ 3,208,689
Total Gas Efficiency Programs	1,011,058	52,431	1,063,489	\$ 5,548,916

Q2 Renewable Energy Generation	PGE aMW	Pacific Power aMW	Total Generation aMW	Expenses
Biopower		0.7	0.7	\$ 435,772
Other Renewable Programs	0.000	0.000	0.000	\$ 189,703
Solar Electric Program	0.10	0.06	0.15	\$ 1,135,529
Total Renewable Programs	0.10	0.75	0.84	\$ 1,761,004

E. Progress toward efficiency goals by utility

	Q2 Savings	YTD Savings	Energy Trust Annual Stretch Goal		Annual IRP Goal	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Portland General Electric	4.48 aMW	7.09 aMW	36.08 aMW	20%	29.22 aMW	24%
Pacific Power	3.12 aMW	4.24 aMW	19.68 aMW	22%	16.70 aMW	25%
NW Natural	1,011,058 annual therms	1,394,169 annual therms	4,975,055 annual therms	28%	3,593,679 annual therms	39%
Cascade Natural Gas	52,431 annual therms	80,246 annual therms	473,330 annual therms	17%	405,844 annual therms	20%

F. Incremental utility SB 838 expenditures⁵

Utility	Q1 2013 SB 838 Expenditures	YTD SB 838 Expenditures
Portland General Electric	\$ 195,504	\$ 322,378
Pacific Power	\$ 314,428	\$ 399,695
Total	\$ 509,931	\$ 722,073

⁵Reflects expenditures by Pacific Power and PGE in support of utility activities described in SB 838. See Appendix 4 for reports from these utilities on their SB 838 activities during the quarter.

IV. PROGRAM AND OPERATIONS DETAIL

A. Q2 revenues and expenditures

- Received \$39.1 million in public purpose and incremental SB 838 revenues, which is approximately 3 percent less than the \$40.3 million budgeted. Revenue projections are estimates provided by utilities; typically, actual revenues vary by a few percentage points from budgeted revenues.
- Spent \$28.3 million in Q2, which is 20 percent below the \$35.1 million budget.
- Incentives paid totaled \$12.9 million, which was 46 percent of total expenditures.
- Total electric expenditures (efficiency and renewable energy) were 22 percent under budget for Q2.
- Gas efficiency expenditures were 5 percent under budget for Q2.

B. Energy efficiency programs⁶

1. Total energy efficiency Q2 2013 savings and expenditures

	Q2 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	7.6 aMW	11.3 aMW	47.4 aMW	23.9%	55.8 aMW	20.3%
Gas	1,063,489 annual therms	1,474,415 annual therms	4,631,127 annual therms	31.8%	5,448,385 annual therms	27.1%

	Q2	Variance from Q2 Budget		YTD	Variance from YTD Budget	
	Expenditures			Expenditures		
Electric	\$ 20,968,588	\$ 5,533,845	20.9%	\$ 38,670,420	\$ 11,282,048	22.6%
Gas	\$ 5,548,916	\$ 307,675	5.3%	\$ 8,840,787	\$ 2,265,644	20.4%
Total	\$ 26,517,504	\$ 5,841,519	18.1%	\$ 47,511,207	\$ 13,547,691	22.2%

2. Existing Buildings Q2 2013 savings and expenditures

	Q2 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	1.8 aMW	2.4 aMW	13.1 aMW	18.1%	15.4 aMW	15.4%
Gas	211,030 annual therms	240,590 annual therms	1,444,984 annual therms	16.6%	1,699,981 annual therms	14.2%

⁶Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

	Q2 Expenditures	Variance from Q2 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 5,061,662	\$ 2,870,992	36.2%	\$ 8,997,333	\$ 4,227,006	32.0%
Gas	\$ 1,356,735	\$ 67,038	4.7%	\$ 1,729,094	\$ 669,950	27.9%
Total	\$ 6,418,397	\$ 2,938,030	31.4%	\$ 10,726,427	\$ 4,896,956	31.3%

- **Existing Buildings electric spending was lower than expected because the program closed fewer** custom, multifamily, operations and maintenance, prescriptive and lighting projects than anticipated. Low activity can be attributed to a combination of factors, including a maturing market with fewer large, cost-effective custom and lighting projects and the adverse impact of the loss of Business Energy Tax Credits coupled with the end of a temporary 2012 Energy Trust bonus incentive designed to motivate customers after the state tax credit changes.
- **The pipeline of custom and multifamily projects is strong** in Portland General Electric territory, and the pipeline of multifamily projects is strong in Pacific Power territory. Program efforts will focus on recruiting and closing new prescriptive, lighting and operations and maintenance projects in electric territories to realign spending with budget by year-end.

3. New Buildings Q2 2013 savings and expenditures

	Q2 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	1.2 aMW	2.3 aMW	4.9 aMW	46.3%	5.7 aMW	39.4%
Gas*	123,026 annual therms	180,341 annual therms	393,405 annual therms	45.8%	462,829 annual therms	39.0%

*Includes gas market transformation savings associated with changes to the 2010 commercial code.

	Q2 Expenditures	Variance from Q2 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 2,993,287	\$ 363,288	10.8%	\$ 5,478,513	\$ 1,962,422	26.4%
Gas	\$ 258,256	\$ 7,039	2.7%	\$ 373,504	\$ 120,521	24.4%
Total	\$ 3,251,543	\$ 370,327	10.2%	\$ 5,852,016	\$ 2,082,942	26.3%

4. Production Efficiency Q2 2013 savings and expenditures

	Q2 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	1.3 aMW	2.1 aMW	13.8 aMW	15.0%	16.3 aMW	12.7%
Gas	290,780 annual therms	418,601 annual therms	971,159 annual therms	43.1%	1,142,540 annual therms	36.6%

	Q2 Expenditures	Variance from Q2 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 3,851,667	\$ 1,849,342	32.4%	\$ 8,384,097	\$ 1,863,826	18.2%
Gas	\$ 725,236	\$ (62,719)	-9.5%	\$ 1,281,951	\$ (72,585)	-6.0%
Total	\$ 4,576,903	\$ 1,786,623	28.1%	\$ 9,666,048	\$ 1,791,241	15.6%

- **Production Efficiency electric spending was lower than expected** because fewer projects than anticipated were completed in Pacific Power territory. Given the pipelines for both electric utilities, the program expects spending to realign with quarterly expectations over the second half of the year.

5. Existing Homes Q2 2013 savings and expenditures

	Q2 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.8 aMW	1.1 aMW	5.2 aMW	21.1%	6.2 aMW	17.9%
Gas*	204,108 annual therms	277,278 annual therms	1,073,250 annual therms	25.8%	1,262,647 annual therms	22.0%

*Includes gas market transformation savings from high-efficiency gas furnaces.

	Q2 Expenditures	Variance from Q2 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 3,263,190	\$ 13,393	0.4%	\$ 5,459,497	\$ 1,053,575	16.2%
Gas	\$ 2,133,683	\$ 309,837	12.7%	\$ 3,473,450	\$ 1,382,685	28.5%
Total	\$ 5,396,873	\$ 323,230	5.7%	\$ 8,932,947	\$ 2,436,260	21.4%

6. New Homes and Products Q2 2013 savings and expenditures

	Q2 Savings	YTD Savings	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	1.9 aMW	2.4 aMW	5.7 aMW	42.8%	6.7 aMW	36.4%
Gas*	234,545 annual therms	357,605 annual therms	748,330 annual therms	47.8%	880,388 annual therms	40.6%

*Includes gas market transformation savings associated with the 2008 and 2011 residential code changes.

	Q2 Expenditures	Variance from Q2 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 3,868,380	\$ 310,326	7.4%	\$ 6,099,626	\$ 2,346,356	27.8%
Gas	\$ 1,075,006	\$ (13,520)	-1.3%	\$ 1,982,788	\$ 165,073	7.7%
Total	\$ 4,943,387	\$ 296,806	5.7%	\$ 8,082,414	\$ 2,511,429	23.7%

7. Northwest Energy Efficiency Alliance Q2 2013 savings and expenditures

	Q2 Generation	YTD Generation	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.55 aMW	1.10 aMW	4.68 aMW	23.5%	5.51 aMW	20.0%

	Q2 Expenditures	Variance from Q2 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 1,930,401	\$ 126,504	6.2%	\$ 4,251,355	\$ (171,138)	-4.2%

C. Renewable energy programs⁷

1. Total renewable energy Q2 2013 generation and expenditures

	Q2 Generation	YTD Generation	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.84 aMW	0.93 aMW	4.01 aMW	23.1%	4.43 aMW	20.9%

	Q2 Expenditures	Variance from Q2 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 1,761,004	\$ 1,027,868	36.9%	\$ 3,010,724	\$ 2,676,807	47.1%

2. Biopower Q2 2013 generation and expenditures

	Q2 Generation	YTD Generation	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.69 aMW	0.69 aMW	2.32 aMW	29.7%	2.32 aMW	29.7%

	Q2 Expenditures	Variance from Q2 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 435,772	\$ (202,428)	-86.8%	\$ 508,955	\$ 369,669	42.1%

- **Completion of a large biopower project occurred in Q2**, delayed from its original completion date in Q4 2012.

3. Solar Electric Q2 2013 generation and expenditures

	Q2 Generation	YTD Generation	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.15 aMW	0.23 aMW	0.73 aMW	32.2%	1.12 aMW	21.0%

	Q2 Expenditures	Variance from Q2 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 1,135,529	\$ 1,038,607	47.8%	\$ 2,043,263	\$ 2,103,960	50.7%

- **Solar spending was less than budgeted because the year began with a diminished project pipeline and low reservations due to poor market conditions and incentive reductions in 2012.**

⁷Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

- **The program responded to the reduced project pipeline by raising commercial incentives,** which have resulted in an increased pipeline for the rest of the year.

4. Other renewable energy Q2 2013 generation and expenditures

	Q2 Generation	YTD Generation	Annual Goal (Conservative)		Annual Goal (Stretch)	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Electric	0.000 aMW	0.003 aMW	0.96 aMW	0.3%	0.99 aMW	0.3%

	Q2 Expenditures	Variance from Q2 Budget		YTD Expenditures	Variance from YTD Budget	
Electric	\$ 189,703	\$ 191,688	50.3%	\$ 458,507	\$ 203,178	30.7%

- **The program spent less than budgeted because two projects expected to complete** in Q2 were delayed.
- **The program underspent on project development assistance incentives** in Q2 and is working with customers to cultivate project development assistance proposals later in 2013.

D. Highlights of internal operations

1. Communications, Customer Service and Trade Ally Network

- **Received 6,568 calls to the main hotline in Q2**, compared to 8,174 in Q2 2012. It is typical for call volume to decline in Q2 as the weather warms up. Residential inquiries continued to dominate calls to the Energy Trust hotline. Reduction in calls appears to be a steady trend, as customers increasingly choose online communications. In addition, more customers call individual program hotlines directly once they are engaged with Energy Trust.
- **Received and responded to 353 inquiries via info@energytrust.org in Q2**, compared to 391 in Q2 2012. The most common requests were for information on residential cash incentives and refrigerator recycling.
- **Received five customer complaints in Q2 that were escalated.** All complaints have been resolved or closed.
- **Received 135,582 website visits in Q2**, compared to 142,456 in Q2 2012. The slight decrease in visitors is attributed to the absence of targeted utility promotions for Energy Saver Kits in Q2, which have driven significant website activity in the past. Overall traffic increased for a number of key audience pages, including the residential and commercial main landing pages.
- **Completed and launched a redesign of industrial and agricultural sector web pages**, with streamlined access to current offerings, success stories and simplified access to other resources, such as The Champion quarterly customer newsletter. In addition, developed and launched new web pages to promote the New Buildings Market Solutions incentive offerings.
- **Garnered 112 news stories about Energy Trust in print and broadcast** with a media value of \$70,000—what it would have cost to purchase the equivalent advertising space and air time—as a result of media outreach and responses to reporter inquiries.
- **Starting in Q1, expanded information in quarterly reports on lender ally promotions** in response to an OPUC request. In Q2, Energy Trust worked with five lender allies, including one new ally, Columbia Credit Union.

- **Met with 220 trade allies at roundtables held in Portland, Medford and Bend.** Staff held an additional program overview and re-engagement meeting with 15 trade ally representatives in Clatsop County, organized in coordination with Pacific Power and Clatsop Economic Development Resources.
- **Reached out to Minority, Women and Emerging Small Businesses, MWESB,** through regular attendance at Oregon Association of Minority Entrepreneurs meetings. Supported 70 MWESB-certified trade allies through Energy Trust web listings.
- **Maintained collaborations with Cascade Natural Gas district staff** through rural outreach staff, and provided outreach tools and training for district staff to use with builders and homeowners.
- **Organized customer engagement events in Albany and Corvallis,** inviting feedback and ideas from past participants and interested community members.
- **Launched an internal public reporting improvement project** to streamline development and delivery of quarterly and annual reports to the OPUC and quarterly summaries to affiliated utilities.
- **Completed two public reports** and posted them on the Energy Trust website in Q2:
 - 2012 Annual Report to the Oregon Public Utility Commission
 - Quarter One 2013 Report to the Oregon Public Utility Commission & Energy Trust Board of Directors

2. IT

- **To fulfill utility data sharing requirements** in collaboration with Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas, began storing data in a database developed in Q1. In addition, distributed historical, utility-specific program participation data to all utilities per data sharing agreements.
- **Supported the New Homes and Products program in streamlining the W-9 process** for property owners and storing W-9 forms electronically in a secure location.
- **Developed and added new functionality to the website** to present more information to participants searching for a trade ally by location.
- **Processed 19,314 customer requests for Energy Trust services and products,** including 9,465 submitted through web applications.
- **Starting in Q1, expanded information in quarterly reports on IT infrastructure investments** in response to an OPUC request. In Q2, invested in foundational improvements to IT systems to accommodate future program needs and reduce future costs of integrating functionality, including:
 - **Released a request for proposals to support the replacement of FastTrack**—Energy Trust’s current measure and project tracking system—with a more flexible and efficient tool. The first stage of the project, which will begin in Q3 and conclude in Q4, includes analysis, assessment and definition of subsequent stages.
 - **Continued to expand the Customer Relationship Management system,** a tool that staff can use to better understand, track and communicate with customers.
 - **Completed improvements to the integration of the Solar Electric program’s** third-party application with Energy Trust’s internal systems, leading to greater automation, additional reporting abilities and fewer errors.

- **Developed a budgeting solution that integrates with Business Intelligence**, Energy Trust's reporting software, to facilitate iterative development of budgets and tracking of budgets to actual expenditures. The solution is expected to release in Q3.
- **Streamlined processes for development and testing of business systems** and incorporated an approach to software development based on iterative and incremental improvements, called Agile.
- **Enhanced security of mobile devices** by implementing encryption on all Energy Trust laptops and requiring passwords on all smart phones that access Energy Trust email.
- **Successfully closed 1,110 help tickets**, supporting system users including Energy Trust and Program Management Contractor staff.

3. Planning and Evaluation

- **Created 81 new energy-efficiency measures** and revised 183 measures.
- **Reached agreement with the OPUC regarding measurement** and reporting of customer satisfaction.
- **Supported staff and board members at the annual Energy Trust board strategic planning retreat** through research, presentations and participation in discussions.
- **Completed five evaluations and market studies** and posted them on the Energy Trust website in Q2:
 - 2012 Fast Feedback Results
 - Existing Multifamily Program Market Research Results
 - Evaluation of the New Homes Air Sealing Pilot
 - 2010-2011 Energy Trust of Oregon Existing Homes Program Process Evaluation
 - 2012 Existing Buildings Process Evaluation

Appendix 1

GEOGRAPHIC DISTRIBUTION OF HOME ENERGY REVIEWS; CUSTOMER SATISFACTION

1. Home Energy Reviews in Q2 2013

Service Region	In-Home Reviews	Telephone Reviews	Online Reviews
1 - North Coast (Astoria)	1	0	19
2 - South Coast (Coos Bay, North Bend)	5	0	9
3 - Portland Metro	270	30	614
4 - Mid-Willamette (Salem, Dallas)	48	5	98
5 - Southern Willamette (Eugene, Corvallis, Albany)	23	2	92
6 - Southern (Medford, Roseburg, Grants Pass)	56	3	111
7 - Columbia Basin (Hood River, The Dalles)	4	0	9
8 - Central (Bend, Redmond, Prineville)	26	5	73
9 - Klamath Basin (Klamath Falls, Lakeview)	2	0	21
10 - Northeast (Pendleton, Enterprise)	18	1	16
11 - Eastern (Baker City, Ontario, Vale)	0	0	0
Total	469*	46	1,062

*Total includes 16 homes that received in-home reviews with missing or mistaken zip codes that did not map to any of the 11 regions.

2. Customer satisfaction

In Q2, Energy Trust transitioned to a new research contractor to survey customers through Fast Feedback. Customer satisfaction results from Q1 2013 are not presented in this report because the transition to the new contractor delayed surveying 2013 participants.

Energy Trust staff is working with the new research contractor to accelerate Fast Feedback surveying and resume the preferred schedule of surveying participants approximately one month after they receive an incentive check. In agreement with the Oregon Public Utility Commission, customer satisfaction results from Q1 and Q2 2013 will be included in the Q3 2013 report.

Appendix 2

OPUC 2013 PERFORMANCE MEASURES AND 2012 BENEFIT/COST RATIOS

1. OPUC 2013 Performance Measures

Following are the 2013 performance measures established by the OPUC for Energy Trust. Comparison of 2013 performance against these measures will be reported in the 2013 annual report.

Category	Measures
Electric Efficiency	<ul style="list-style-type: none"> Obtain at least 47 aMW in 2013 Levelized cost not to exceed 3.9 cents/kWh
Natural Gas Efficiency	<ul style="list-style-type: none"> Obtain at least 4.6 million annual therms in 2013 Levelized cost not to exceed 57 cents/therm
Renewable Energy	<ul style="list-style-type: none"> For project and market development assistance, report annual results, including number of projects supported, milestones met and documentation of results from market and technology perspective For standard, net-metered projects, including solar and small wind, obtain at least 0.66 aMW in installed generation For non-solar custom projects, the three-year rolling average incentive is not to exceed \$40/allocated MWh For innovative and custom solar projects, report sources of funding for projects and the selection criteria
Financial Integrity	<ul style="list-style-type: none"> Receive an unqualified financial opinion from an independent auditor on annual financial statements
Administrative/Program Support Costs	<ul style="list-style-type: none"> Keep below 9 percent of annual revenues
Customer Satisfaction	<ul style="list-style-type: none"> Demonstrate greater than 85 percent satisfaction rates for: <ul style="list-style-type: none"> Interaction with program representatives Overall satisfaction
Benefit/Cost Ratios	<ul style="list-style-type: none"> Report both utility system and societal perspective Report significant mid-year changes as necessary in quarterly reports

2. Benefit/Cost ratios for 2012⁸

The following benefit/cost ratios were calculated for and published in Energy Trust's 2012 Annual Report to the OPUC, which requires their publication as one element of its performance oversight. OPUC also requires Energy Trust to report significant mid-year changes in quarterly reports.

Program	Combined Utility System Benefit/Cost Ratio	Combined Societal Benefit/Cost Ratio
New Homes and Products	1.8	2.0
Existing Homes	2.2	1.8
Existing Buildings	2.4	1.7
New Buildings	3.5	2.5
Production Efficiency	3.0	2.0
Northwest Energy Efficiency Alliance	3.7	1.2

⁸By law, Oregon public purpose funds may be invested only in cost-effective energy efficiency measures—that is, efficiency measures must cost less than acquiring the energy from conventional sources.

Appendix 3

CUMULATIVE AND TOTAL ANNUAL RESULTS

- **Including Q2 2013 results, total annual savings of 380 aMW** have been realized since electric efficiency programs began in 2002, accounting for 79 percent of Energy Trust's 2014 goal of 479 aMW. This is equivalent to the annual electric consumption of approximately 294,240 average Oregon homes. This total includes 21 aMW of savings from self-direct customers.
- **Including Q2 2013 results, total annual savings of 29.7 million annual therms** have been realized since gas efficiency programs began in 2003, accounting for 86 percent of the 2014 goal of 34.7 million annual therms. This is equivalent to providing gas heat to approximately 58,529 homes.
- **Including Q2 2013 results, total annual renewable energy generation of 110 aMW** has been installed since 2002, accounting for 89 percent of the 2014 goal of 124 aMW of installed generation. This is equivalent to powering approximately 85,622 average Oregon homes.

Appendix 4

Q2 2013 UTILITY ACTIVITIES SUPPORTED BY SB 838 – AUTHORIZED FUNDING

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

1. Pacific Power SB 838 Energy Efficiency Activities and Results Q2 2013 (for submission with Energy Trust quarterly report)

Pacific Power utilized several approaches to support and deliver energy efficiency communications, advertising and outreach to residential and small- and mid-size commercial customers.⁹

In the media

TV - Bend, Medford, Eugene and Albany/Corvallis DMAs

- **Q1**
 - "Motel"
 - "Little Hero"
 - "Porch Light"
 - "Small Changes"
 - "Sweet Savings"
- **Q2**
 - "Contractor-ETO" / Energy Trust
 - "Cookies" / Energy Trust
 - "Motel" / Energy Trust
 - "Little Hero" / Energy Trust
 - "Porch Light" / Energy Trust
 - "Remodel your energy bill" /Energy Trust
 - "Small Changes"

Radio – Bend, Eugene and Medford DMAs

- **Q1**
 - "Jess Conserve Energy Answers"
 - "Teamwork" / Energy Trust, Trailblazers
 - "Phil Answers – Energy Efficiency"
 - "Lori Answers – Energy Efficiency"
- **Q2**
 - "ETO Home Energy Review" / Energy Trust

Print

- **Q1**
 - "Grants Pass Chamber Directory" ad
 - "Medford Chamber Membership Guide" ad / Energy Trust
 - "Pendleton Chamber Economic Outlook Luncheon" ad / Energy Trust
 - "Cottage Grove Community Guidebook" ad
- **Q2**
 - "Home Energy Review" ad / Energy Trust
 - "City of Bend energy efficiency project" / Energy Trust
 - "Corvallis Knights Baseball" ad
 - "Takena Kiwanis Track Meet" ad

⁹ Some activities are funded outside of SB 838 funds.

- “Deschutes Library energy efficiency project” ad / Energy Trust
- “Boys & Girls Club of Greater Santiam”
- “Boys & Girls Club of Albany”
- “Upper Rogue Independent Destination magazine” ad

Outdoor

- **Q1**
- **Q2**
 - “Outlet House Poster”
 - “Outlet House Bulletin”

In customer bills

Voices residential newsletter

- **Q1**
 - Resolve to get the most for your money
 - Just a few dollars powers your day
 - Save with cash back incentives / Energy Trust
 - Spruce up your savings / Energy Trust
 - Efficient new homes / Energy Trust
- **Q2**
 - Respect goes a long way / Energy Trust
 - Free Energy Saver Kit / Energy Trust

Bill inserts

- **Q1**
 - The weather outside is frightful, but the cash incentives are delightful / Energy Trust
 - How comfortable are you with saving money? / Energy Trust
 - Keeping you informed: Changes to how Pacific Power shares information with Energy Trust of Oregon / Energy Trust
- **Q2**
 - “**wattsup**” / Energy Trust

Outbound Envelope

- **Q1**
- **Q2**
 - “Be **watt**smart – save energy and money”

In the mail

Direct mail

- **Q1**
- **Q2**
 - Clean Energy Works Oregon letters
 - Central Oregon, Southern Oregon, Portland, Marion & Polk Counties
 - Be **watt**smart Workshop invitations / Energy Trust
 - Bend & Redmond, Dallas, Grants Pass & Medford, Klamath Falls, Stayton

On the web

Voices residential e-newsletter

- **Q1**
 - Just a few dollars powers your day
 - Save with cash-back incentives / Energy Trust
 - Spruce up your savings / Energy Trust
 - Efficient new homes / Energy Trust
- **Q2**

- Ready, set, save this summer / Energy Trust
- Respect goes a long way
- Fill a fridge by recycling yours / Energy Trust

Energy Connections mid-size business e-newsletter

- **Q1**
 - Energy-Saving Resolutions for 2013
 - The Impact of Federal Lighting Legislation on Your Facility
 - Conducting Your Own Energy Audit
 - LEDs Add Shine to Auto Dealership / Energy Trust
 - Advanced Power Strips: A Smarter Way to Save
 - Spring Clean Your Facility
- **Q2**
 - Ask an Expert: Improving HVAC System Performance
 - Save Now: Eight **watt**smart Ways to Reduce Energy Use
 - Five Steps to Saving Energy this Summer
 - Learn the ABCs of LEDs
 - City Lights Up Big Savings / Energy Trust
 - Lighting Retrofits: Comparing T8 and T5 Fluorescent Lamps
 - Heats Up on Cooling System Upgrades

Energy Update managed accounts and opinion leaders e-newsletter

- **Q1**
 - The Impact of Federal Lighting Legislation on Your Facility
 - Minimizing Heat Loss: Warehouse Facilities
 - Controlling Energy Costs in Manufacturing Facilities
 - Advanced Power Strips: A Smarter Way to Save
 - Powerful Data for Managing Energy Use
 - Spring Clean Your Facility
 - Ask an Expert: Trends in Lighting Controls
- **Q2**
 - Ask an Expert: Improving HVAC System Performance
 - Benchmarking Helps Save Energy, Study Shows
 - Stay Cool with HVAC Economizers
 - Learn the ABCs of LEDs
 - Stepping Up to the Plate: Baseball Clubs Go Green
 - Lighting Retrofits: Comparing T8 and T5 Fluorescent Lamps

Energy Insights large C&I / communities newsletter

- **Q1**
 - Electricity: What's ahead for customers
 - Cabinet maker cuts energy waste / Energy Trust
- **Q2**
 - Balancing energy needs with the environment
 - Energy efficiency powers Oregon sawmill

Direct email

- **Q1**
- **Q2**
 - Be **watt**smart Workshop invitations
 - Bend & Redmond, Dallas, Grants Pass & Medford, Klamath Falls, Stayton

Online Media

- **Q1**
- **Q2**
 - "Home Energy Review" / Energy Trust
 - "ETO Block" / Energy Trust

Websites / Social Media (continuous energy efficiency and Energy Trust content)

- pacificpower.net/wattsmart
- bewattsmart.com
- Pacific Power wattsmart Facebook page
- Twitter

Support materials

Fact Sheets, Flyers, Brochures and More

- Q1
- Q2
 - “Oregon Conservation Report” / Energy Trust
 - “Summer **watt**smart handout” / Energy Trust

Outreach

Chambers of Commerce, Business and Community outreach: Q1 – Q2

Pacific Power continues to host and participate in multiple energy efficiency focused meetings with business and community leaders across the state utilizing existing relationships with local Chambers of Commerce and economic development groups. These presentations focus on small- to mid-size commercial customers and how they can improve energy efficiency. Energy efficiency presentations and event participation occurred in Corvallis (2), Cottage Grove (2), Grants Pass, Independence, Junction City, Lebanon (2), McMinnville, Medford (3), Pendleton (2), Portland (3), Redmond, Seaside, Sprague River, Stayton, Wallowa, Warrenton (2), and Wolf Creek, Oregon. The presentations highlighted Pacific Power’s relationship with Energy Trust and available programs and incentives to save energy and money. Pacific Power also offered:

- An on-site walk through with Pacific Power to document information about the customer’s building and how they use energy. We reviewed lighting, office equipment, HVAC and foodservice equipment. Pacific Power also provided practical no cost/low cost ideas for saving energy and a review of which improvements were eligible for Energy Trust cash incentives. (Utilizing Energy Trust’s “Do it yourself” energy audit)
- Additional support for on-site assistance from Energy Trust of Oregon and local contractors.
- Regular checkups with Pacific Power on recommended energy saving improvements.

Be *watt*smart Workshops – Q2

Pacific Power produced and delivered another successful round of Be *watt*smart Workshops. The workshops were targeted to Clean Energy Works Oregon eligible homeowners to educate them on how to manage energy use and improve energy efficiency. Locations included Bend, Dallas, Grants Pass, Klamath Falls, Medford, Redmond, and Stayton, Oregon. Sessions were presented by Pacific Power.

Mass Media¹⁰

	2013 – Impressions (Q1-Q2)
TV	11,386,000
Radio	1,176,000
Print	566,340
Outdoor	5,851,466
Digital	3,436,214
TOTAL	22,416,020

Outreach

Locations	Chambers of Commerce, business /	Be <i>watt</i> smart / HEIQ / other residential	TOTAL (Q1-Q2)

¹⁰ SB 838 funded mass media only

	community groups / conferences (2013)	(2013)	
Albany		450	450
Bend		39	39
Corvallis	850		850
Cottage Grove	320		320
Dallas		36	36
Grants Pass	75	85	160
Independence	30		30
Junction City	30		30
Klamath Falls		650	650
Lebanon	1,050		1,050
McMinnville	30		30
Medford	71	85	156
Pendleton	180		180
Portland	383		383
Redmond	300	39	339
Roseburg	25		25
Seaside	30		30
Sprague River	30		30
Stayton	317	25	342
Wallowa	15		15
Warrenton	100		100
Wolf Creek	17		17
TOTAL	3,585	1,409	4,994

“Warm Leads” / Customer Response

	2013 (Q1-Q2)
“Warm Leads” provided to ETO	293
Consultations	664

Other Energy Efficiency Coordination / Support

- Internal Pacific Power support for ETO programs
- Weekly / Monthly ETO coordination meetings
- ETO Conservation Advisory Council
- EEAST implementation
- On-Bill Financing support
- CEWO implementation, contracting, support
- ETO / Utility Data Transfer coordination
- Opower pilot
- 1aMW / Self Direct reconciliation
- Lloyd EcoDistrict

**2. Portland General Electric SB 838 Energy Efficiency Activities and Results Q2 2013
(for submission with Energy Trust quarterly report)**

Commercial and Residential SB838 Efforts

Introduction

PGE collaborates with the Energy Trust utilizing SB838 funding in residential and small to mid-sized commercial energy efficiency marketing and outreach activity.

PGE marketing and outreach plans are created based on market conditions and projected Energy Trust program goals. PGE focuses on promoting Energy Trust programs to customers based on Energy Trust program offerings and potential for its customers to participate in the programs. Furthermore, PGE works to promote specific programs when PGE is an appropriate and effective communication channel. PGE makes changes to planned activity when there is a need to shift focus based on new Energy Trust programs that are offered or focus is shifted throughout the year due to Energy Trust goals. Ongoing meetings between PGE and the Energy Trust guide the direction of marketing activity to meet changing market conditions.

Summary of SB838 Activities

PGE utilizes many communication channels and approaches. Some activities can be directly identified as driving customer participation in Energy Trust programs. Specific promotions are often developed based lessons learned from the outcome of previous promotions. Promotions are evaluated based on metrics appropriate for the specific promotion. Other activities are related to awareness of specific Energy Trust programs and are tracked via impressions. PGE also considers timing of communications based on quantity of content that specific customers receive on specific promotions.

Q2 Residential Activity Summary

PGE's residential customer newsletter, *Update*, is sent monthly to approximately 600,000 customers in their PGE bills. PGE's residential e-newsletter, *Home Connection*, is sent monthly to about 385,000 customers. In May, ETO refrigerator recycling incentives were covered in *Update* and *Home Connection*. A bill insert promoting refrigerator recycling was mailed in May. April editions of *Update* and *Home Connection* mentioned Home Performance with Energy Star. Home Energy Reviews were covered in the May and June issues of *Home Connection*. A direct mail to over 8,000 single family landlords raised awareness of Energy Trust weatherization and appliance incentives.

Impressions	Q1 Impressions	Q2 Impressions	YTD Impressions	2013 Goal	Channels
Residential	2.6 million	3.94 million	6.54 million	7 million	Newsletters, bill inserts and direct mail

PGE Call Center Activity	Q1 Call transfers to ETO	Q2 Call transfers to ETO	YTD Call center activity
Transfers to Appliance Program (PECI)	23	23	46
Transfers to Fluid Market Strategies	93	46	139
Customers calling about OPOWER	114	83	197

2013 Energy Trust Residential Program Participation*

	Q1	Q2	YTD
PGE customers who received Energy Saver Kits from ETO	1,606	1,073	2,679
PGE customers who participated in ETO Refrigerator Recycling Program	1,698	2,519	4,217
PGE customers who received ETO water heater incentive	43	132	175
PGE customers who have received heat pump water heater incentive	5	31	36
PGE customers who have participated in Savings Within Reach	22	60	82
CFLs distributed at PGE community offices	5,000	5,520	10,520
Showerheads distributed at PGE community offices	0	3,995	3,995

*Energy Trust provided information on YTD participation among PGE customers. Weatherization measures are among electrically-heated homes.

PGE-Approved Heat Pump Contractors

A successful ductless heat pump direct mail in May resulted in 210 heat pump installations by PGE-Approved Heat Pump Contractors in June. PGE-Approved contractors have reported an increase in heat pump sales. The number of failed installations declined for Q2 compared to Q1. For Q2 all failed inspections were due to auxiliary heat lockout settings. Auxiliary lockout settings were found to be higher than allowed by Oregon energy code or lockout was not utilized. Correction of the lockout settings resulted in more efficient systems that meet energy code.

Key Objectives	Q1 Activity	Q2 Activity	YTD Activity	2013 Goal
Heat Pump installations as reported by PGE Approved Contractors	296	334	630	2,000
Inspections of Heat Pump installations	76	139	215	Goal is 25% of installations
Failed installations	13	12	25	Track

Q2 Commercial Activity Summary

PGE utilizes its print and mail business newsletters to promote Energy Trust programs to business customers. PGE's business newsletter, *Energize*, is sent quarterly to 75,000 customers in their bills. PGE's business e-newsletter, *Business Connection*, is sent bi-monthly to 15,000 business customers.

Activity	Q1 Impressions	Q2 Impressions	YTD Impressions	2013 Goal	Channels
Commercial Q2	231,042	285,555	516,597	900,000	Newsletters, direct mail, and email

In April, PGE launched lighting awareness campaign including a direct mail to 22,726 customers. The campaign highlighted a sweepstakes for business customers that ran from April 1 to May 31 with ten \$1,000 prizes for lighting upgrade projects through the Energy Trust of Oregon. Customers also could request a free PGE energy efficiency consultation for their businesses. A direct mail letter and brochure with business reply card was mailed the first two weeks of April, and a bangtail envelope was sent with paper bills during the April billing cycles. Articles about the sweepstakes also appeared in April issues of *Business Connection* and *Landlord Times* and the May issue of *Energize*.

During the lighting awareness campaign 280 customers requested a free energy efficiency consultations and PGE sent 108 qualified leads to Energy Trust, for a 38.6% conversion rate.

Campaign Activities	Requests for Consultations
Total for Q2 Campaigns	
Lighting Awareness	280

SB838 Commercial Energy Efficiency Outreach

PGE Outreach Specialists engage and facilitate customer participation in Energy Trust programs. The results are qualified leads to the Energy Trust. The outreach team utilizes a variety of tactics to engage customers in Energy Trust programs. Qualified leads were generated from but not limited to the following activities:

- Phone and on-site consultations
- Targeted outbound customer calls
- Response to canvassing (summer-hire and outreach rep driven)
- Response to business marketing (i.e. Save More, Matter More, direct mail, etc.)
- Response to customer emails (energy.efficiency@pgn.com)
- Customer calls to PGE Tualatin Contact Center
- Business partnerships (i.e. City of Portland BEST program, Clackamas County Office of Sustainable Development, etc.)
- Chamber, Business and Trade Association presentations
- Customer follow-up after PGE Training and Education classes
- Leveraging internal networks (i.e. Key Customer Managers, Governmental Affairs representatives, Service and Design Consultants, Green Mountain Energy, etc.)

Key Objectives	Q1 Results	Q2 Results	YTD Results	2013 Goals
Increased Awareness of Energy Trust Programs - Outreach Presentations and Networking	13	8	21	40
Increased Participation- Qualified Leads delivered to Energy Trust	119	96	215	540
Increased Awareness of Energy Trust Programs- Number of Customers Contacted by <ul style="list-style-type: none"> • Phone • Email • On-site Consultations • Outreach Presentations • Summer Hire Canvassers 	500	572	1,072	6,000
			*Note: Expecting an increase in Q3 due to summer canvassers	

Q2 Outreach Presentations, Networking, Trade Associations and Events

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

- PGE Training & Ed- Electrical Safety Workshop
- Hillsboro Rotary
- Tualatin Chamber of Commerce
- Sherwood Chamber
- T&E Seminar: HVAC systems
- Tigard Chamber of Commerce
- PGE T & E - Energy Champions
- Mercy Corp.

Appendix 5

NEEA Quarterly Performance Report for Energy Trust of Oregon

Second Quarter 2013

OVERVIEW

The Northwest Energy Efficiency Alliance (NEEA) is a non-profit organization working to increase energy efficiency to meet the future energy needs of the Northwest. Working in partnership with funders, efficiency allies, and other strategic market partners, NEEA identifies barriers that impede market transformation and then strategically intervenes to remove those barriers on behalf of the entire Northwest.

Among the more than 100 Northwest utilities and other energy efficiency organizations investing in NEEA, Energy Trust of Oregon is one of NEEA's largest funders. Energy Trust expects to invest slightly more than \$38 million to support NEEA from 2010-2014, more than 20 percent of NEEA's budget for the period. This report provides a summary of NEEA's second quarter 2013 activities that delivered value to Energy Trust and its utility partners.

FILLING THE ENERGY EFFICIENCY 'PIPELINE' FOR ENERGY TRUST

NEEA's primary focus, as prioritized by stakeholders, is to bring new energy-efficient technologies and practices to the market in order to deliver long-term energy savings to the region.

Technologies and Market Strategies Highlights:

During the second quarter of 2013, NEEA:

- Continued to investigate more than 20 emerging energy-efficient technologies that will have broad benefits for Energy Trust and its consumers, including: combined space and water heating, luminaire level lighting controls, and super-efficient dryers.
- Provided critical support to AirGenerate to re-enter the heat pump water heater market with its Tier-2 product. NEEA worked closely with the manufacturer to identify and mitigate a production issue in late 2012. NEEA's rigorous quality assurance process ensures careful product testing prior to full-scale market launch, thereby reducing emerging technology development risk for NEEA's funders, including Energy Trust of Oregon.
- Continued quality testing of Enlighted's luminaire level lighting controls to ensure reliability and durability prior to market testing. In Q2, Enlighted released a NEEA-commissioned study (www.conduitnw.org) to assess the impact of luminaire level lighting controls on building energy consumption. The study concluded that Enlighted lighting controls can deliver significant savings at relatively low cost while increasing occupant comfort. With measured energy savings of 35 - 59 percent over existing baseline, luminaire level lighting controls represent significant savings potential for electricity customers in Energy Trust territory.

ACCELERATING MARKET ADOPTION FOR ENERGY TRUST

NEEA leverages the power of the Northwest's 13 million energy customers to effect market transformation by accelerating the adoption of energy-efficient products, services and practices. In partnership with Energy Trust of Oregon and our other funders, NEEA designs and executes strategic market interventions to create lasting change and deliver long-term savings to the region. NEEA currently has 20 active market transformation initiatives in the residential, commercial, industrial and agricultural sectors. NEEA is also heavily involved in raising the bar for state energy codes and federal appliance standards.

Residential Sector Highlights:

During the second quarter of 2013, NEEA:

- Continued to raise awareness and market capacity for Northwest ENERGY STAR Homes by:
 - Delivering a variety of training opportunities to market actors in Energy Trust territory to strengthen the energy-efficient New Construction market. Approximately 130 builders, contractors and verifiers in Energy Trust territory participated in the trainings, which included: home appraisals, HVAC Design, Northwest ENERGY STAR Homes 101, ventilation commissioning and Axis Database.
 - Launching a consumer awareness campaign across Northwest Oregon and four other markets, positioning utilities and participating builders as champions in the industry and driving consumers to explore Next Step Home pilot projects on the Northwest ENERGY STAR website.

As a result of these and other market transformation initiatives, 218 homes were certified as Northwest ENERGY STAR Homes in Energy Trust territory in the first half of 2013.

- Continued to build and test market capacity for heat pump water heaters (HPWH) in Energy Trust territory by:
 - Delivering 12 Smart Water Heat orientations and facilitating nine manufacturer trainings to promote the adoption of HPWH technology and encourage availability of manufacturer product support.
 - Performing 54 retail and wholesale support visits to educate staff on HPWH technology and place in-store marketing materials.
 - Providing \$73,000 in consumer rebates on Tier 2 heat pump water heaters to engage the supply chain, overcome cost barriers and influence manufacturer product development.
 - Performing 112 quality assurance inspections to verify installation quality and eligibility; provide homeowner education; and, support contractor and utility engagement. Inspection results are shared with and utilized by Energy Trust to approve their consumer rebate applications.
 - Coordinating a HPWH promotion with GE to sell HPWHs through all distribution channels (retailers, distributors and contractors) in Energy Trust territory. The successful promotion, carried out in collaboration with NEEA's partners including Energy Trust, resulted in a 350% increase in regional HPWH sales for GE over the same period in 2012.
- Furthered market adoption of ductless heat pump (DHP) technology in Energy Trust territory by:
 - Leveraging NEEA's relationships at Mitsubishi and Sears to facilitate and accelerate collaboration on an in-store Sears DHP promotion. This is the first time Sears has entered the DHP market. The multinational retailer specifically chose the Northwest to pilot this program because of the opportunity to leverage NEEA's DHP initiative and history of successful DHP market transformation in the region. During the first two quarters of 2013, 115 DHP installations were achieved in Energy Trust territory. Over the same period, NEEA recruited four Master Installers and conducted six site inspections to ensure installation quality, gather customer feedback and gauge consumer satisfaction.
 - Collaborating with Energy Trust of Oregon, Consumers Power Inc., The Resource Innovation Group and The Heat Pump Store to launch a lead generation effort in the Corvallis area to build consumer awareness, generate consumer demand and contractor leads. In this effort, NEEA distributed approximately 11,000 direct mail pieces, and produced and circulated 400 flyers and 650 door hangers for events.

Commercial/Industrial Highlights:

During the second quarter of 2013, NEEA:

- Continued partnership with Energy Trust, the City of Portland, and Clark Public Utilities to implement the 2013 Kilowatt Crackdown competition. The program is on track to deliver technical

scoping reports and action plans for the 83 building teams participating in the competition. NEEA is actively coordinating with Energy Trust representatives to attend meetings with property teams and refer qualified participants to Energy Trust's commercial Strategic Energy Management program.

- Supported the launch of KG Investment Management Company's AmberGlen Tenant Green Team to enable tenants to share their own experiences, challenges and best practices while implementing energy efficiency upgrades. KG Investment is a committed partner to implementing energy efficiency best practices and has multiple properties in Energy Trust territory.
- Completed technical and financial analyses of deep energy retrofits for commercial buildings, established implementation plans, and obtained owner commitment to proceed with a demonstration project (in Energy Trust territory). Through these efforts, NEEA is creating a market-attractive pathway for integrated deep energy retrofits of existing office buildings with potential energy savings estimated at between 42-73%.
- Registered 14 building operators in Building Operator Certification (BOC) courses in Energy Trust territory. NEEA's BOC Expansion initiative provides skill enhancement training to improve building energy performance through operation and maintenance best-practices for HVAC, lighting, and controls systems.
- Launched new "upstream" lighting platform to provide critical regional infrastructure in support of utility commercial lighting programs and create a new savings opportunity from the untapped lamp maintenance market. By targeting distributors, manufacturers and other upstream market actors to influence product selection and price, this initiative will reduce utility program costs by lowering overhead and simplifying program policies. This initiative was identified as a priority for NEEA by the 2012 Regional Commercial Lighting Strategy Development group, in which Energy Trust participated.
- Delivered energy efficiency training to 46 industrial end-users in Energy Trust territory. Trainings include: Energy Data Management (a hands-on workshop in Portland), Energy Efficiency of Chilled Water Systems & Cooling Towers, Developing an Energy Plan, Adjustable Speed Drives, Energy Efficiency Investment Analysis and Motor Systems Management Best Practices.

Codes and Standards Highlights:

During the second quarter of 2013, NEEA:

- Delivered codes training to 48 builders and contractors in Energy Trust territory to support compliance with commercial and residential energy codes.
- Continued to collaborate with Energy Trust and the Oregon Home Builders Association on a joint vision for the evolution of the Oregon energy code over the next 10-15 years. A joint vision will increase predictability as to how the residential market will move over this period and help NEEA and Energy Trust ensure future energy savings.
- Served as a technical expert to the Oregon Legislature in support of more efficient household appliance standards. The new bill, which goes into effect January 14, 2014, includes minimum TV and battery charger standards, offers the potential for significant energy savings in Oregon.

DELIVERING ON REGIONAL ADVANTAGE

NEEA is the only alliance of public and private electric utilities that represents the entire four-state region in the Northwest. NEEA aggregates resources and plays a regional coordination role identifying and capitalizing on economies of scale and reducing resource duplication.

Second Quarter Highlights:

During the second quarter of 2013, NEEA:

- Used the combined market power of Energy Trust and NEEA's other utility funders to influence retailers to stock and sell most-efficient televisions. By pooling resources, coordinating market

interventions and negotiating as a region, NEEA and its partners have had a measurable and lasting impact on the television market. In Q2, NEEA conducted 462 store visits and 378 trainings in Energy Trust territory to ensure a supported and educated market and increase consumer awareness. As a result of these activities, 27 percent of TVs on display at participating retailers in Energy Trust territory currently qualify as most-efficient.

- Completed and rolled out final phases of the regional energy efficiency marketing toolkit, “Good Place to Be”, including: 1) online platform featuring actual utility customer “peer portraits” intended to motivate customers to participate in utility efficiency programs and designed as a seamless interface with utility programs (www.goodplacetobe.com); and, 2) a Proactive Public Relations Guide to help utilities generate effective local media interest in customer success stories, again, with the intent to motivate customers to participate in utility energy efficiency programs.
- Delivered the "Efficiency Exchange" conference in collaboration with Bonneville Power Administration in Portland, May 14-16. Nearly 500 registered attendees – including several from Energy Trust of Oregon – participated in 19 formal breakout sessions, "knowledge sharing" sessions, and three plenary sessions designed to spur discussion and exchange of ideas around utility energy efficiency programs. Energy Trust was instrumental in providing opportunities to experience real-world energy efficiency by organizing well-received site visits to the Port of Portland, the Twelve West Building, the DoubleTree Hotel and the Energy Trust office.
- Published nine independent market research and evaluation reports to validate and evaluate NEEA’s market transformation work (<http://neea.org/resource-center>):
 - [Comprehensive Commercial Lighting Initiative Pilot Evaluation Report](#)
 - [Current State of Lighting Retrofit Programs and Standard Project Practices in the Northwest Region](#)
 - [Northwest Agricultural Irrigation Market Characterization and Baseline Study](#)
 - [Commercial Real Estate Initiative 2012 Impact Analysis](#)
 - [Hospital and Healthcare Initiative 2012 Energy Savings Validation](#)
 - [Consumer Electronics Television Initiative Market Progress Evaluation Report #2](#)
 - [Northwest Regional Strategy for Commercial Lighting Energy Efficiency](#)
 - [Energy Savings from NEMA Premium Electric Motors in the Northwest in 2012](#)
 - [Database of Northwest Manufacturers, Nurseries, and Wineries](#)

For additional information, NEEA’s [2013 Quarterly Performance Reports](#) and the [2012 Annual Report](#) are available online.

Please contact Lindsey Clark, Communications Coordinator at lclark@neea.org, with any questions or comments.

Appendix 6

Q2 2013 REPORT FOR NW NATURAL WASHINGTON ACTIVITIES

April 1 through June 30, 2013

This Energy Trust of Oregon quarterly report covers the period April 1, 2013, through June 30, 2013. This report addresses progress toward 2013 goals for the NW Natural energy-efficiency program in southwest Washington. It includes information on expenditures, therm savings, sites served and incentives paid during the quarter and year to date, along with highlights of program activity.

I. PROGRAM HIGHLIGHTS

A. General

- **Energy Trust saved 40,948 annual therms in Q2**—including 21,881 annual therms in Existing Buildings, 8,669 annual therms in Existing Homes and 10,398 annual therms in New Homes. In total, this represents a 13 percent improvement over Q2 2012.

B. Commercial efficiency

Existing Buildings

- **Existing Buildings saved 21,881 therms in Q2**, with savings from foodservice equipment, boilers and rooftop HVAC unit tune-ups each representing approximately one-third of total savings.
- **Efficient fryer incentives performed well in Q2**, with 11 installations and seven more applications in process. This particular incentive is largely driven by trade ally contractors. Activating the Trade Ally Network as an energy-savings delivery channel is a key theme for the program in 2013.
- **The program has seen increased activity from the custom track**, which was redesigned in Q1 to allow for easier access to custom study funding. Study funding has been paid or committed for five new custom project opportunities, which will bolster program performance in 2013 and help build the project pipeline for 2014. Three of these studies are joint gas and electric studies in collaboration with Clark Public Utilities.
- **The program completed 28 rooftop HVAC unit tune-ups in Q2** in collaboration with Clark Public Utilities.

C. Residential efficiency

Existing Homes

- **Existing Homes saved 8,669 annual therms in Q2**. The savings were achieved primarily through heating equipment and weatherization measures, which constituted 60 percent and 20 percent of savings, respectively.
- **Program staff conducted outreach to fireplace retailers, installers and distributors**, including site visits and in-store marketing collateral.

- **The program hosted a breakfast roundtable for 28 trade allies**, and followed up with attendees after the event to offer program support and gather feedback on improving Energy Trust services.

New Homes

- **New Homes saved 10,398 annual therms in Q2**, primarily through retail showerheads and the ENERGY STAR® Builder Option Package. Incentives were processed for 55 homes.
- **New construction permitting increased in Clark County through Q2**. Through June, 465 single-family permits were issued, compared with 265 through June 2012 and 162 through June 2011. Program staff expects the ENERGY STAR Builder Option Package will perform well during the second half of 2013.
- **In Q2, the program continued outreach to non-ENERGY STAR builders** and plumbing companies to promote tankless water heaters in new homes. The program plans to offer a stand-alone incentive for 0.67 Energy Factor tank water heaters beginning in Q3.

D. Washington Utilities and Transportation Commission Performance Metrics

The table below compares 2013 quarterly results with program goals, as established in NW Natural's Energy Efficiency Plan for Washington (updated December 2012).

Metrics	Goal	2013 Total YTD	Q1 Results	Q2 Results	Q3 Results	Q4 Results
Therms Saved	220,421 – 259,319	61,574	20,626	40,948		
Total Program Costs	\$1,430,092 – \$1,613,437	\$482,132	\$190,711	\$291,420		
Average Levelized Cost Per Measure	Less than \$0.65	\$0.651	\$0.826	\$0.573		
Dollars Spent Per Therm Saved	Less than \$6.50	\$7.83	\$9.25	\$7.12		
Total Resource Cost and Utility Costs at Portfolio Level	Greater than 1.0	n/a	Reported Annually	Reported Annually	Reported Annually	Reported Annually

- While year-to-date levelized cost and dollars spent per therm saved are above the performance thresholds set by the Washington Utilities and Transportation Commission, these cost-effectiveness metrics will continue to decline as projects close in future quarters. Additional information by program is provided in Section III.

II. QUARTERLY RESULTS

A. Expenditures¹¹

		Actual Expenditures Q2	Budgeted Expenditures Q2	Variance
Commercial Programs	Existing Buildings	\$ 102,116	\$ 140,130	\$ 38,014
	Subtotal	\$ 102,116	\$ 140,130	\$ 38,014
Residential Programs	Existing Homes	\$ 100,712	\$ 93,752	\$ (6,960)
	New Homes	\$ 78,034	\$ 72,247	\$ (5,787)
	Subtotal	\$ 178,746	\$ 165,999	\$ (12,747)
Administration		\$ 10,559	\$ 12,502	\$ 1,943
TOTAL		\$ 291,420	\$ 318,632	\$ 27,211

- **Residential program spending in Q2 slightly exceeded budget** due to the large number of incentives for ENERGY STAR homes and slightly higher-than-normal delivery spending associated with Program Management Contractor, PMC, transition activities continued from Q1. Delivery spending will decrease in the second half of 2013 after the PMC transition is complete. Year-to-date expenditures are below budgeted amounts.

B. Incentives paid

		Actual Incentives Q2
Commercial Programs	Existing Buildings	\$ 48,099
	Subtotal	\$ 48,099
Residential Programs	Existing Homes	\$ 23,045
	New Homes	\$ 40,430
	Subtotal	\$ 63,475
TOTAL		\$ 111,574

C. Savings

		Therms Saved Q2	\$/Therm	Levelized Cost/Therm
Commercial Programs	Existing Buildings	21,881	\$ 4.85	42.7 ¢
	Subtotal	21,881	\$ 4.85	42.7 ¢
Residential Programs	Existing Homes	8,669	\$ 12.04	87.0 ¢
	New Homes	10,398	\$ 7.79	59.5 ¢
	Subtotal	19,066	\$ 9.72	72.3 ¢
TOTAL		40,948	\$ 7.12	57.3 ¢

¹¹ Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

III. YEAR-TO-DATE RESULTS

A. Activity highlights—sites served

	Q1	Q2	Q3	Q4	Total
Existing Commercial					
School/college retrofits	0	2			2
Other commercial retrofits	1	18			19
Studies	0	0			0
Existing Homes					
Weatherization (insulation, air and duct sealing and windows)	10	25			35
Gas hearths	9	26			35
Gas furnaces	21	35			56
Water heaters	4	6			10
Home Energy Reviews	11	14			25
New Homes					
Builder Option Packages	5	55			60
Clothes washers	159	124			283

B. Revenues

Source	Actual Revenue YTD	Budgeted Revenue YTD
NW Natural	\$ 645,551	\$ 645,551

C. Expenditures¹²

		Actual Expenditures YTD	Budgeted expenditures YTD	Variance
Commercial Programs	Existing Buildings	\$ 156,726	\$ 247,409	\$ 90,683
	Subtotal	\$ 156,726	\$ 247,409	\$ 90,683
Residential Programs	Existing Homes	\$ 178,751	\$ 209,744	\$ 30,993
	New Homes	\$ 126,992	\$ 157,781	\$ 30,788
	Subtotal	\$ 305,744	\$ 367,525	\$ 61,781
Administration		\$ 19,662	\$ 28,190	\$ 8,528
Total		\$ 482,132	\$ 643,124	\$ 160,992

¹² Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

D. Incentives paid

		Actual Incentives YTD
Commercial Programs	Existing Buildings	\$ 58,582
	Subtotal	\$ 58,582
Residential Programs	Existing Homes	\$ 34,413
	New Homes	\$ 50,475
	Subtotal	\$ 84,888
TOTAL		\$ 143,470

- **Incentives paid account for 35 percent of year-to-date program expenses**, similar to Q2 2012. Incentives, as a percentage of total expenses, will continue to increase in future quarters as more projects close.
- **Total program expense is adjusted down by 15 percent** to account for costs that a utility-delivered program would recover through rates.

E. Savings

		Therms Saved YTD	Annual Goal (Conservative)	% Achieved YTD	\$/Therm	Levelized Cost/Therm
Commercial Programs	Existing Buildings	32,364	127,500	25%	\$ 5.05	45.8 ¢
	Subtotal	32,364	127,500	25%	\$ 5.05	45.8 ¢
Residential Programs	Existing Homes	14,939	56,409	26%	\$ 12.47	93.5 ¢
	New Homes	14,271	36,513	39%	\$ 9.28	73.5 ¢
	Subtotal	29,210	92,921	31%	\$ 10.91	83.9 ¢
TOTAL		61,574	220,421	28%	\$ 7.83	65.1 ¢