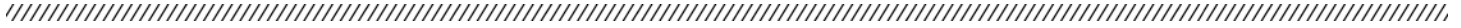


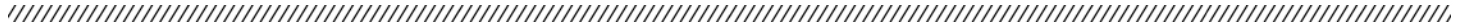
Quarter Two 2014 Report to the Oregon Public Utility Commission & Energy Trust Board of Directors



ENERGY TRUST OF OREGON

AUGUST 15, 2014

This report covers activity between April 1 and June 30, 2014



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I. Q2 2014 ACTIVITY AT A GLANCE

Residential activity in Q2 2014

New homes and major remodels	590
New homes constructed	564
New manufactured homes	26
Weatherization retrofits	1,954
Single-family site-built	1,495
Existing manufactured homes	459
Home Energy Reviews*	387
Total Sites	2,932
Heating systems	1,011
Water heaters	164
Solar	15
High-efficiency products	3,852
Washing machines	3,191
Refrigerators & freezers	661
High-efficiency lighting**	843,327
Refrigerators, freezers recycled	3,108
Energy Saver Kits sent	11,651
Total Other Activity	19,786

*Includes in-home reviews only; Home Energy Reviews are also available online and by phone

**Lighting excluded from totals

Commercial activity in Q2 2014

New Buildings sites served¹	127
Whole building approaches	7
Packaged solutions for market segments	28
Standard/system-based approaches	92
Existing Buildings sites served¹	606
Building Operator Certification	0
Custom ²	47
Lighting	364
Prescriptive/standard ³	195
SEM projects	22
Completed	1
In progress	21
Existing multifamily sites served	695
Solar water heating sites served	4
Sites receiving technical assistance	198

¹New Buildings and Existing Buildings total sites served may include sites that 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 2014

Projects	288
Streamlined industrial ¹	170
Lighting	87
Custom ²	31
Strategic Energy Management ³	0
SEM projects in progress	40
Incentive offers made⁴	219

¹The streamlined track delivers savings from irrigation measures, small compressed air, variable frequency drives and other prescriptive and calculated measures

²The most common custom improvements are compressed air system and process upgrades

³Savings from no-cost or low-cost operational steps (i.e., turning off equipment when not in use) identified through trainings in SEM approaches

⁴Incentive offers were made to and accepted by customers in the quarter, giving customers two years to install upgrades and receive incentives

Renewable energy activity in Q2 2014

Solar electric installations	258
Residential	245
Commercial	13
Other renewable projects	0
Biopower projects	0
Wind projects	0
Hydropower projects	0
Geothermal projects	0
Total	258

Trade ally activity in Q2 2014

Regional trade ally roundtable meetings	4
Attendance	90
Trainings provided	22
Trade allies added to network	58
Trade allies accessing business development funds	92

Customer activity in Q2 2014

Calls	5,889
Website visits	196,831
info@energytrust.org inquiries	375
Complaints	7
Customer requests for services and products	30,986
Customer requests through website	23,117
News stories in print, broadcast	95

II. HIGHLIGHTS OF Q2 ACTIVITIES

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

Summary

- **At the close of quarter two, Energy Trust was on track to meet overall electric and gas efficiency goals.** Efforts to boost activity in the first half of the year resulted in significant increased savings over Q2 2013 in all utility territories and strong pipelines across sectors.
- **While the renewable energy sector is on track to meet Oregon Public Utility Commission performance metrics** for the year, Q2 generation was behind expectations due to several unanticipated project delays.
- **Greater activity was achieved in Q2 than in the same quarter last year**—as indicated by sites served, measures installed, technical studies provided to customers and savings achieved.
- **Noteworthy savings and generation activity occurred in several programs** in Q2.

Accomplishments detailed in this report include:

- **Staff continued outreach to increase engagement with smaller business customers** and customers in rural areas, resulting in increased activity around the state.
 - **Existing Buildings released bonuses for standard prescriptive upgrades** to boost electric and gas savings, targeted to smaller business customers and customers outside of the Portland metro area to increase results in these markets.
 - **Two multifamily affordable housing projects completed construction using MPower Oregon**, an on-bill repayment pilot supported by Energy Trust incentives and expertise.
 - **New Buildings enrollments remained high**, especially in Central Oregon.
 - **Production Efficiency achieved its highest ever savings** at midpoint in the year with the majority of savings achieved through custom projects.
 - **Existing Homes achieved significantly higher savings** than in Q2 2013, attributed to efforts to accelerate results early in the year through bonuses and Energy Saver Kit distribution.
 - **New Homes completed the 5,000th newly built home rated with EPS™**, Energy Trust's energy performance score, and reached 26 percent market share.
 - **Residential solar installations exceeded expectations with 245 systems installed**, and the pipeline of commercial solar projects is strong.
 - **Demand for LEDs increased** as prices continued to decline.
 - **Five renewable energy projects received commitments of project development assistance**, including the largest-ever assistance commitments for two geothermal projects. Projects are located in the Portland metro area, Southern and Eastern Oregon.
- **Collaboration across Energy Trust programs further simplified participation for customers** and increased cross-promotion of Energy Trust offerings, lead generation and process efficiencies. For example, to allow for seamless customer experiences, New Buildings now

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

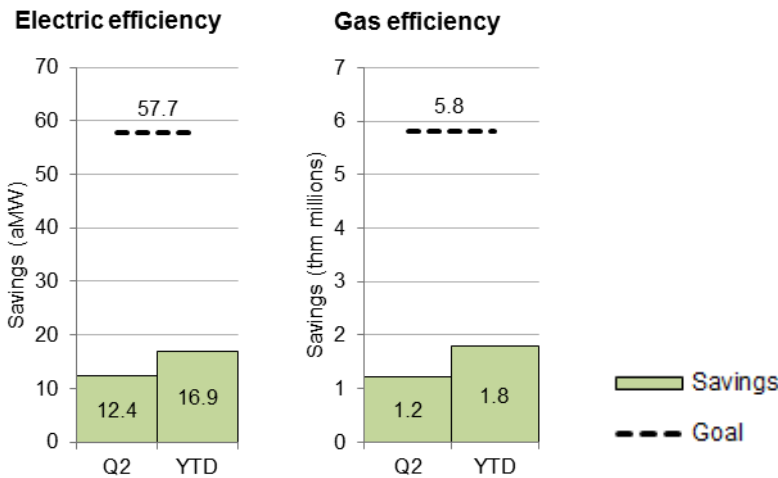
²This report includes the best available energy savings data as of the date of submission. Energy savings reported here for periods prior to January 1, 2013, may be different than previously reported as a result of applying updated evaluation factors to Energy Trust funded program savings and generation in Oregon through the annual true up process. The full True Up 2013 Report is available online at www.energytrust.org/reports.

accepts Existing Buildings enrollment forms for projects, and Existing Buildings and Production Efficiency created a joint lighting offering.

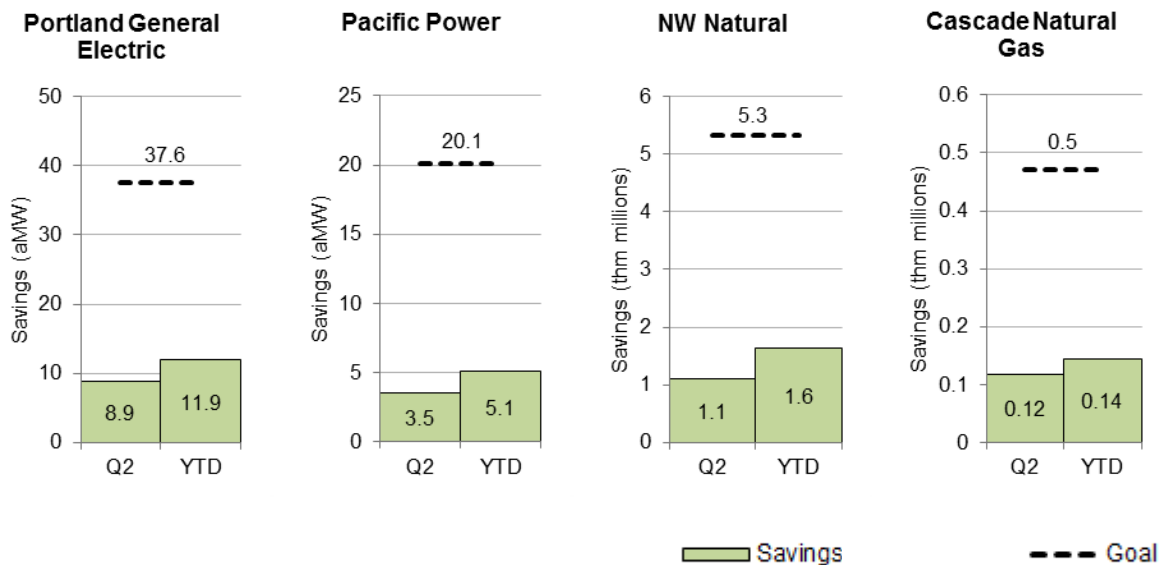
- **Energy Trust developed a draft 2015-2019 Strategic Plan**, guided by input from a two-day board of directors' workshop as well as discussions with industry leaders, advisory councils, the OPUC, collaborating utilities and stakeholders. Energy Trust began conducting outreach across the state to gather public comments on the draft plan, to be considered for adoption by the board of directors at its October 1 meeting. Comments will be accepted at www.energytrust.org/strategicplan through August 26.
- **Energy Trust hired a new senior community relations manager** to strengthen its ability to reach and serve customers throughout the state. The senior community relations manager began cultivating relationships with local business and community leaders, increasing awareness and identifying strategies to further enhance energy efficiency and renewable energy participation, investment and results.
- **Energy Trust developed a “Cost-Effectiveness Review for Specific Gas Measures and Programs” report** for submittal to the OPUC on July 1 in response to OPUC Docket UM 1622, Order 13-256.
- **Energy Trust engaged a third-party contractor to conduct a management review** of operations, completed every five years as part of Energy Trust' grant agreement with the OPUC. The contractor conducted interviews with staff, board members, stakeholders and similar organizations to inform recommendations expected later in the year.
- **This report addresses OPUC requests** regarding a Pay for Performance pilot and deep retrofit projects in commercial and residential sectors, along with computer system upgrades and lending ally promotions. Find more information in sections 2C, 2E and 4D.

Quarterly progress to energy-efficiency goals

- **Electric efficiency improvements completed during Q2** will save 12.4 aMW of electricity, about 21 percent of the 2014 electric goal of 57.7 aMW. Q2 2014 electric savings were approximately 63 percent greater than savings in Q2 2013. Savings in Q2 2013 were notably low due to transitions to new Existing Buildings and Existing Homes Program Management Contractors, fewer commercial and industrial projects and low growth and savings from some Existing Homes offerings.
- **Gas efficiency improvements completed during Q2** will save 1.2 million annual therms of natural gas³, about 21 percent of the 2014 goal of 5.8 million annual therms. Q2 2014 gas savings were approximately 16 percent greater than savings in Q2 2013. Savings in Q2 2013 were slightly low given the same challenges that impacted electric savings, noted above.
- **Savings are typically lower in the first half of the year** as more studies and assessments are completed compared to the second half of the year when the majority of projects complete.



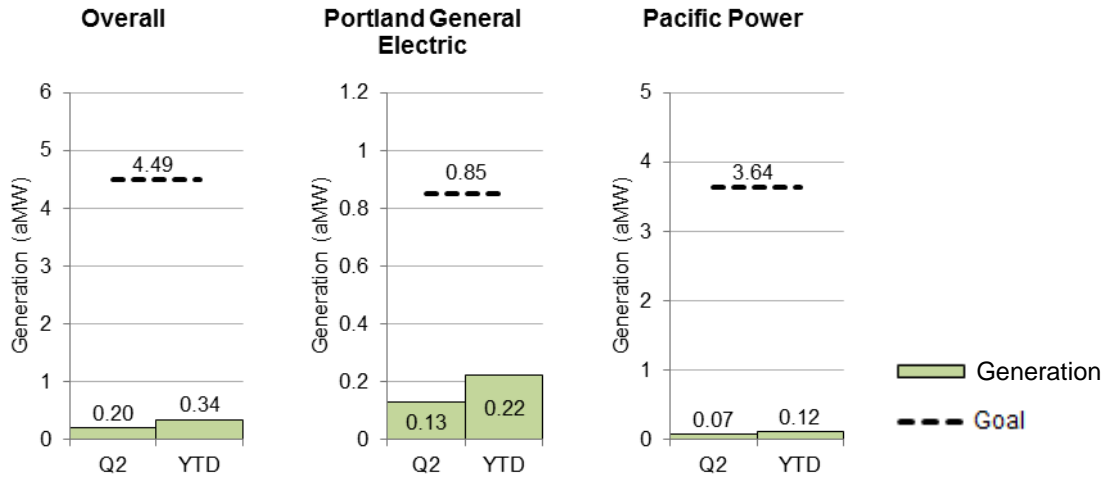
Quarterly progress to energy-efficiency goals by utility



³The gas savings do not include NW Natural results in Washington. These results are reported in Appendix 5.

Quarterly progress to renewable energy generation goals

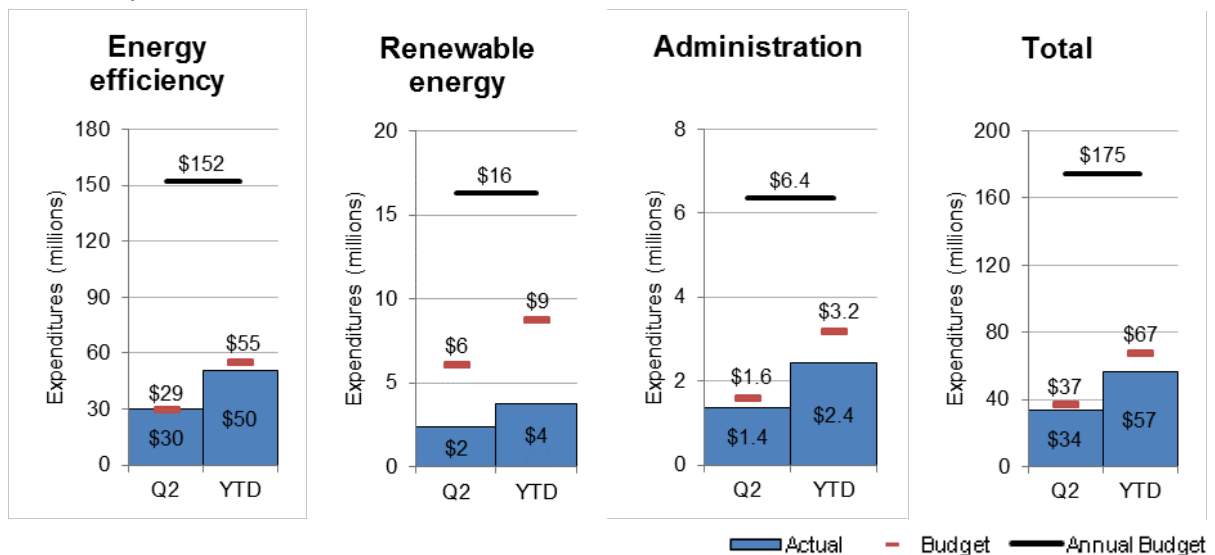
- Renewable energy systems installed during Q2** will generate 0.20 aMW of electricity, 4 percent of the 2014 renewable energy goal of 4.49 aMW. Q2 2014 renewable generation activity was 76 percent less than activity in Q2 2013, due to the delay and cancellation of several large projects. Ongoing market challenges, including the loss of Oregon Business Energy Tax Credits and challenging market fundamentals, made it difficult for commercial solar and renewable energy custom projects to complete. Delays are typical for both utility scale and distributed generation projects, often stemming from financing and other unanticipated schedule changes.



B. Revenues and expenditures

- **Overall revenue totaled \$39.2 million for Q2 2014**, approximately 2 percent more than what was budgeted. Revenue projections are estimates provided by utilities; typically, actual revenues vary from budgeted revenue by a few percentage points depending on factors like weather and rate filings impacting utility revenue collection.
- **Q2 expenditures totaled \$33.7 million, of which \$16.8 million or 50 percent was for incentives**, roughly on par with this time last year. Expenditures and incentives paid are typically lower in the first half of the year as more studies and assessments are completed compared to the second half of the year when the majority of projects complete.
- **Q2 electric efficiency expenditures** were 3 percent over budget.
- **Q2 gas efficiency expenditures** were 5 percent below budget.
- **Q2 renewable energy expenditures** were 61 percent below budget due to delay or cancellation of several large projects.
- **Monitoring projected expenditure rates continues.** Energy Trust is paying close attention to the status of forecasted and completed efficiency and renewable energy projects and corresponding expenditures in the current year, and is implementing process improvements in the 2015 budget development process. New forecasting methods are being implemented at the organization-wide level, and budget managers have more tools to accurately estimate costs. Additional historical expenditure trend information has been provided to managers as they prepare incentive and delivery budgets for 2015. New board policies governing access to program reserve accounts will also be emphasized. Further, budget coordination meetings with utilities have been shifted from July to October to allow more time to refine both year-end expenditures forecasts and more accurate cost estimates for the upcoming year budget. It is planned and anticipated that existing reserve levels will be drawn down in future years.

Quarter 2 expenditures



C. Commercial sector highlights

- **The commercial sector, comprising the Existing Buildings program, New Buildings program and multifamily initiative**, was slightly behind expected savings for the quarter.
- **To help the sector meet goals by year-end**, the Existing Buildings program and the multifamily initiative launched targeted bonuses and increased outreach efforts.
- **Continued outreach resulted in higher enrollments from small businesses and rural customers**. New Program Management Contractor representatives in Southern and Central Oregon and the lower Willamette Valley provided greater customer support.
- **The sector selected two office buildings for a Pay for Performance pilot** to determine if paying incentives for capital and operations and maintenance improvements over a multiyear period will help contractors close projects and achieve additional energy savings from more comprehensive projects. The two buildings were selected from six responses submitted through a request for proposals, all from medium to very large office buildings.
- **There were 25 projects identified as renovations in Q2**, none of which were commercial deep retrofit⁴ projects.
- **Savings from Northwest Energy Efficiency Alliance activities comprised approximately 4 percent and 6 percent** of the sector's results in Portland General Electric and Pacific Power territories, respectively. Healthcare initiatives, commercial building code improvements and efficient computer equipment were the primary sources of NEEA savings.

Existing Buildings

- **Lighting projects contributed 56 percent of electric savings**, with the remaining from custom, standard and Strategic Energy Management projects.
- **Gas savings were lower than expected** as continued low natural gas prices dampened market interest in energy-efficiency upgrades, and the program will increase custom gas incentives to further motivate customers to install projects in the remainder of the year.
- **Electric savings were bolstered by increased lighting incentives launched in Q1**. As prices declined, LEDs continued to increase as a portion of electric savings. The program expanded the LED buy-down offering to include seven distributors and continued work to set standards and requirements that encourage customers to install high-quality products.
- **The program released bonuses for standard prescriptive upgrades** to boost electric and gas savings by year-end. These bonuses meet the needs of smaller businesses and customers outside of the Portland metro area, and apply to cooler doors, insulation, steam traps in schools, boilers, package terminal heat pumps and foodservice equipment.
- **Savings from SEM engagements are expected to increase later in the year**. To bridge a gap in customer understanding of commercial SEM benefits, Existing Buildings selected a contractor to develop an educational curriculum, and released a request for proposals for Program Delivery Contractors to expand contractor capacity to deliver the offering.
- **Existing Buildings recruited and closed several ductless heat pump pilot projects** in small retail and office buildings, including some for rural customers.

⁴Based 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, LEED 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.

- **The program completed energy studies for schools in multiple districts** expected to install upgrades this summer, in continued collaboration with the Oregon Department of Energy's Cool Schools effort. The program also increased outreach to small school districts, such as Glide, Amity and Cascade, and dedicated additional resources to collaborate with the department on customer outreach and project analyses.
- **Multifamily gas savings were higher than expected in Q2 following increased outreach efforts**, showing significant improvement over historical achievements. Installations of compact fluorescent light bulbs, showerheads and faucet aerators comprised a majority of multifamily gas and electric savings.
- **By year-end, multifamily electric savings from common-area lighting and custom projects** are expected to increase, and custom and prescriptive offerings are expected to comprise the majority of multifamily gas savings.
- **The first two projects completed construction through MPower Oregon**, an on-bill repayment pilot developed to serve owners of affordable housing and benefit renters through lower energy costs. More than 30 additional projects signed up and are expected to complete construction in 2014 and 2015.
- **To encourage past and present walkthrough survey participants to take further action**, multifamily launched and promoted bonus incentives for prescriptive upgrades commonly identified during the surveys, including boilers, ductless heat pumps, package terminal heat pumps and select foodservice equipment.
- **Multifamily launched an Energy Savings Action Plan report** that supports customer decision-making by aggregating and ranking savings opportunities by return on investment, the cost of delaying upgrades and non-energy benefits.
- **Multifamily sent the first issue of its quarterly newsletter, Energy Portfolio**, to 1,600 participants and stakeholders. Readership rates were well above industry standards with 35 percent of recipients opening the email.

New Buildings

- **New Buildings enrollments remained high, with 152 in Q2.** Enrollments were strong across all utility territories, especially in Central Oregon. Activity in Cascade Natural Gas territory increased significantly following enhanced outreach activities, with 65 enrollments so far in 2014 compared to 43 in all of 2013.
- **Nearly one-half of New Buildings projects completed in Q2 were in multifamily, restaurant and office buildings.**
- **More than one-third of projects completed in Q2 were outside of the Portland metro area.**
- **Demand for the market solutions offering remained high, with 13 buildings completed** in restaurant, grocery and office sectors. The market solutions offering serves customers with pre-packaged incentives that help customers achieve deeper energy savings in construction of small restaurant, grocery, multifamily, office, school and retail buildings. Including projects completed and in progress, the program has engaged with customers on 95 market solutions projects to date.
- **Data centers are expected to comprise a large portion of electric savings in 2014**, yet continue to be difficult to predict. Construction of a data center was delayed from 2014 to 2016, impacting projected annual savings in PGE territory.
- **Given fast-paced construction in the thriving new multifamily sector, staff planned enrollment bonuses** to help ensure participants enroll with Energy Trust.

- **With Energy Trust support, construction broke ground on the largest Passive House** development in the U.S., a multifamily affordable housing complex in Hillsboro. Also supported by Washington County and Meyer Memorial Trust, the project will feature 12 inches of insulation in the roof and an innovative heat recovery ventilator that uses stale air to warm fresh incoming air.
- **More than 200 participants statewide attended an Allies for Efficiency training on net-zero** energy building design. In addition, New Buildings hosted three Building Energy Simulation forums and offered a lighting training for designers and others who specify building requirements for LED technology.
- **Responding to participant feedback, staff began efforts to further simplify application forms** and communications to enhance the customer experience.

D. Industry and agriculture sector highlights

Production Efficiency

- **In Q2, Production Efficiency savings were generally in line with expectations.** Savings and the pipeline of anticipated projects increased notably compared to this time last year. The program achieved the highest ever savings at mid-point in the year.
- **Custom track projects provided the majority of electric savings,** followed by lighting projects and trade ally-delivered streamlined track projects. LED upgrades grew due to increased custom lighting incentives launched in Q1, and provided the majority of lighting savings. High-speed doors in refrigerated spaces are an emerging source of electric savings within the streamlined industrial track.
- **Completion of a megaproject accounted for more than two-thirds of savings in PGE** territory in Q2. A megaproject is an extremely large project receiving more than \$500,000 in incentives.
- **Gas savings consisted primarily of custom projects,** with additional savings from calculated and prescriptive greenhouse projects.
- **Streamlined track projects, which are trade-ally delivered lighting,** calculated and prescriptive projects at small and large industrial sites, increased as a portion of savings compared to prior years.
- **Production Efficiency launched a bonus for customers in Cascade Natural Gas territory** to help achieve goals in 2014. Customers can receive a 20 percent bonus in addition to standard incentives for eligible custom or prescriptive projects completed in 2014.
- **The program launched a new compressed air leak reduction offering** in the streamlined track, and completed the first project. This offering includes repair of leaks on small compressed air systems at no cost to customers.
- **Production Efficiency held customer outreach events in Salem and Medford,** attended by representatives from 28 companies in Salem and 11 companies in Medford. Staff also attended the Northwest Food Processors Sustainability Summit in Portland.
- **Production Efficiency hosted Breakfast of Champions in Beaverton, attended by 30 customers** from 20 manufacturers implementing SEM. The twice annual event supports continued learning and sustains long-term relationships with SEM customers.
- **More than 2,100 customers received Production Efficiency's quarterly email newsletter,** The Champion. More than 28 percent of recipients opened the email, above the industry average of 21 percent.

- **Savings from NEEA activities comprised approximately 0.5 percent and 2 percent** of the sector's results in PGE and Pacific Power territories, respectively. Improved motor standards and SEM with food processors were the primary savings sources.

E. Residential sector highlights

- **Savings in the residential sector, comprising Existing Homes and New Homes and Products programs**, were in line with expectations.
- **Residential sector savings were bolstered by weatherization bonuses, Energy Saver Kit promotions, LivingWise Kit distribution to sixth-grade students, strong new construction and sales of LED bulbs.**
- **Savings from NEEA activities comprised approximately 15 percent and 14 percent** of the sector's savings in PGE and Pacific Power territories, respectively. Savings were from energy-efficient televisions, specialty lighting and residential code improvements.

Existing Homes

- **Existing Homes achieved significantly higher savings than in Q2 2013**, attributed to efforts to accelerate savings early in the year through bonuses and kits. Savings through Q2 in Cascade Natural Gas territory were higher than ever, at more than 50 percent of annual goal, following a spring bonus for gas hearths.
- **Installation of CFLs, showerheads and faucet aerators comprised 80 percent of electric and 64 percent of gas savings** in Q2. Heating and weatherization upgrades contributed the remainder. Increased demand for spa covers, windows, heat pump water heaters and heat pumps also contributed to savings.
- **Existing Homes launched and promoted a new incentive for high-efficiency pool pumps.**
- **Staff increased outreach to retail vendors to increase sales of efficient gas hearths.**
- **To increase savings from ductless heat pumps, staff expanded eligibility requirements**, developed a ductless heat pump bonus to launch in Q3 and planned a fixed-price offering for manufactured homes.
- **Installations began for a ceiling insulation and prescriptive air sealing study** to examine the combined effects of installing both measures together. The study aims to increase cost-effectiveness of both measures given historically low natural gas prices.
- **Though fewer Clean Energy Works and Home Performance with ENERGY STAR® projects than expected completed** in Q2, the program expects strong savings in the remainder of the year.
- **Energy Trust paid incentives on 152 Clean Energy Works projects in Q2.** Clean Energy Works reported receiving 1,048 applications and completing 157 projects in Q2, some of which may be located outside of Energy Trust service territory.⁵ Clean Energy Works offers access to financing for whole-home energy-efficiency improvement projects using standard Energy Trust Existing Homes incentives with measures installed by Home Performance with ENERGY STAR trade allies.

⁵The difference in reported completed projects is due in part to a delay in transferring project information to Energy Trust data tracking systems. There is a lag between the time Clean Energy Works records a completed project and when Energy Trust enters the project into its data tracking system. Clean Energy Works project counts may also include activity outside Energy Trust territory.

- **Energy Trust completed 218 residential deep retrofits**, including Home Performance and Clean Energy Works projects⁶.
- **The program launched and received 20 applications for a new Savings Within Reach on-bill financing** repayment offering, more than one-half of which were from customers in rural areas. Savings Within Reach offers enhanced incentives for moderate-income residents, and the associated loan product has been in development for two years. Trade allies expressed strong demand for offering the loan product, and additional trade allies will be trained to offer it later in the year.
- **Existing Homes collaborated with Clean Energy Works, the Native American Youth Association and other community groups on “Weatherization Cully 2.0,”** which targets homeowners in an underserved part of Portland where a large proportion of homes need weatherization. A request for qualifications was released in Q2 to attract five to seven contractors to support the effort and improve 100 homes.
- **Staff engaged customers at 12 events in Clark, Deschutes, Umatilla and Wallowa counties and in Roseburg, Pendleton and the Portland metro area**, including the Latino Cultural Festival in Hillsboro. In addition, staff collaborated with South Central Oregon Economic Development District to conduct outreach in Klamath Falls and with The Home Depot to present an attic insulation class in Eastern Oregon.
- **Staff conducted outreach to real estate allies in Southern Oregon** and trade allies and direct installation collaborators in Central Oregon, including Neighbor Impact and the Central Oregon Council on Aging.
- **Staff coordinated with Oregon Department of Energy to provide information for a Residential Energy Tax Credit** rulemaking process expected to lead to tax credit adjustments to heating and water heating measures in 2015. The adjustments aim to optimize alignment between tax credit requirements and technical specifications.

New Homes and Products

- **General purpose CFLs accounted for approximately 38 percent of electric savings** during Q2, followed by LED lamps at 19 percent, specialty CFLs at 16 percent and refrigerator recycling at about 9 percent.
- **Market transformation accounted for approximately one-half of gas savings in Q2**, followed by homes rated with EPS, Energy Trust’s energy performance score, at 27 percent and efficient showerheads at 12 percent. Market transformation includes Energy Trust’s impact on state building codes, influencing builders who do not work directly with Energy Trust and benefiting customers.
- **As LED prices continued to decline, demand for LEDs increased** and demand for CFLs waned. Uptake in LED incentives was much higher than anticipated, and LEDs savings were already 123 percent of the annual target in Q2. LED prices are expected to drop another 25 percent by the end of the year as consumer demand grows.
- **The program completed the 5,000th newly built home rated with EPS**, and reached 26 percent market share. EPS helps homebuyers understand and compare the energy consumption of similarly sized homes.

⁶Energy Trust defines deep retrofits as achieving a 20 percent or greater reduction in heating load through two or more weatherization or heating improvements installed at the same time. Many additional customers achieve whole-home savings through installation of a series of single upgrades over a period of months or years.

- **With new home construction on the rise, the program received 567 EPS** applications in Q2 2014, more than twice the number received in Q2 2013.
- **A promotion with Sears-Kenmore and Western Regional Utility Network**, a coalition of utilities in seven western states, resulted in 33 high-efficiency refrigerators purchased in Q2. Customers received \$100 (including \$50 from Sears) for qualifying refrigerator models purchased, in addition to standard Energy Trust incentives. Additional retail lighting and showerhead promotions took place at Fred Meyer and Target stores.
- **Customers recycled 3,108 refrigerators in Q2**—more than twice the number recycled in Q1—due in part to promotion of the offering in utility bill inserts, television advertisements in PGE territory and Pacific Power’s enewsletter. More than 6 percent of these participants donated \$13,820 in incentives to the Oregon Food Bank, the equivalent of more than 40,000 meals for families in need.
- **The program added two new verifiers in Central and Eastern Oregon.** Third-party verifiers ensure the effectiveness of energy-efficient measures by inspecting and testing homes, and issue EPS ratings for qualified new homes.
- **Of 45 homes featured in the Home Builders Association’s 2014 Ultimate Open House tour,** 25 were rated with EPS.
- **Staff distributed free energy-saving products at Earth Day events** in Bend, Ashland, Hillsboro and Portland. Staff also presented information about EPS to builders, subcontractors and consumers at the SolWest fair in La Grande.
- **In collaboration with the Portland Water Bureau and Bureau of Transportation,** 400 showerheads were delivered to new residents through the city’s SmartTrips campaign.

F. Renewable energy sector highlights

- **The renewable energy sector, comprising Solar and Other Renewables** programs, ended Q2 behind generation expectations due to several unanticipated project delays and a project cancellation. Though the Solar program is expected to fall short of budgeted generation goal in 2014 due to cancellation of the large Stone House solar project, staff are confident in meeting or exceeding the annual OPUC performance measure for standard generation.

Solar

- **Residential solar installations exceeded expectations**, with a majority of projects owned by third parties. New residential applications increased 50 percent over Q2 2013, with 284 applications received.
- **The pipeline of commercial solar projects is strong with 41 new applications received,** making Q2 one of the highest ever quarters for new reservations. Commercial installations remained below expectations in Q2.
- **The program reduced residential incentives slightly in PGE and Pacific Power territory,** given strong demand for residential solar installations and continued price reductions.
- **The 0.4-megawatt Beaverton Sexton Mountain solar project in PGE territory was delayed to Q4** due to setbacks in the city’s competitive bid process and project contracting.
- **The 5-MW Stone House solar project in Pacific Power territory was cancelled.** The large project represented nearly one-half of the program’s generation goal for 2014. Energy Trust is working with Pacific Power and a new project developer to review a comparable replacement project scheduled to complete in 2015.

- **With the final scheduled funding allocation from the state of Oregon solar incentive option** in Q2, staff anticipate demand for Energy Trust incentives to increase. The state's solar incentive option, or feed-in tariff, is an incentive program in which the electric utility pays the owner of a solar electric system a fixed premium rate for energy generated over 15 years, allowing customers to recoup their investments over time. Such systems are not eligible for Energy Trust incentives.
- **The program developed a survey to quantify “soft” costs**—including labor, marketing and permitting work—of installing solar in Oregon, with support from the National Renewable Energy Lab, Oregon Department of Energy and Lewis and Clark's Green Energy Institute. The survey will provide a baseline for the program's long-term soft-cost reduction strategy.
- **Staff provided data, technical expertise and analysis to support the OPUC's July “Investigation into the Effectiveness of Solar Programs in Oregon” report** to the Oregon Legislature on the effectiveness of various incentive programs for solar, including the use of Energy Trust incentives.

Other Renewables

- **Project delays negatively impacted generation in Q2.** Two projects are expected to complete later in 2014, including Oregon Tech geothermal and Three Sisters Irrigation District hydropower projects. A third biopower project at Gresham Wastewater Treatment Plant was delayed until 2015.
- **Five projects received commitments of project development assistance in Q2**, including the program's largest-ever commitment for assistance of \$150,000 for each of two geothermal projects. Projects are located in the Portland metro area, Southern and Eastern Oregon. Financial and technical project development assistance helps project developers overcome market barriers, supporting development of a project pipeline and attracting investment in new projects.
- **The program received installation incentive applications for two hydropower projects** and one biopower project through a competitive solicitation. The program did not receive any proposals for project development assistance through a competitive funding process.
- **Efforts continued to build a pipeline of new projects and help projects come to fruition** given challenging market fundamentals. To this aim, staff began efforts to connect successful hydropower project developers with irrigation districts, and began collaboration with other organizations to develop new financing models and mitigate high upfront costs of hydropower projects.
- **Staff attended two ribbon-cutting events** for a 50-kilowatt wind turbine at the Tamástslíkt Cultural Institute on the Confederated Tribes of the Umatilla Indian Reservation and the Oregon Tech 1.75-MW geothermal project. Both projects are expected to receive incentives in Q3.
- **Staff toured the Wallowa Integrated Biomass Energy Campus biopower project** with Governor Kitzhaber, First Lady Cylvia Hayes and county officials.
- **Staff presented at events including a hydropower workshop for irrigators** in Wallowa County. Staff also talked about wind power with the Mid-Columbia Producers, an organization of wheat growers in Morrow County.

III. TABLES⁷

A. Revenues

Source	Q2 actual revenues received	Q2 budgeted revenues
Portland General Electric	\$ 8,852,655	\$ 8,274,171
PGE Incremental	\$ 11,811,535	\$ 11,668,837
Pacific Power	\$ 6,266,826	\$ 6,088,850
Pacific Power Incremental	\$ 5,888,199	\$ 5,986,413
Cascade Natural Gas	\$ 461,907	\$ 267,919
NW Natural	\$ 4,871,410	\$ 4,953,122
NW Natural Industrial DSM	\$ 1,024,352	\$ 1,257,878
Total	\$ 39,176,884	\$ 38,497,190

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	\$ 29,960,225	\$ 29,410,474
Renewable energy programs	\$ 2,363,472	\$ 6,057,399
Administration	\$ 1,358,522	\$ 1,580,117
Total	\$ 33,682,219	\$ 37,047,990

Source	Q2 actual expenditures	Q2 budgeted expenditures
Portland General Electric	\$ 17,695,135	\$ 17,601,450
Pacific Power	\$ 10,815,868	\$ 14,017,570
Cascade Natural Gas	\$ 566,408	\$ 478,492
NW Natural	\$ 4,051,803	\$ 4,441,520
NW Natural Industrial DSM	\$ 553,005	\$ 508,958
Total	\$ 33,682,219	\$ 37,047,990

C. Incentives paid

Quarter	Energy efficiency				Renewable energy		Total
	PGE	Pacific Power	NW Natural	Cascade Natural Gas	PGE	Pacific Power	
Q2	\$ 8,016,188	\$ 4,361,563	\$ 2,353,929	\$ 229,014	\$ 1,112,130	\$ 731,143	\$ 16,803,966
Total	\$ 8,016,188	\$ 4,361,563	\$ 2,353,929	\$ 229,014	\$ 1,112,130	\$ 731,143	\$ 16,803,966

⁷Columns may not total due to rounding.

D. Savings and generation

Q2 electric efficiency savings	PGE (aMW)	Pacific Power (aMW)	Total savings (aMW)	Expenses
Commercial	2.7	1.2	3.9	\$ 11,257,916
Industrial	4.2	0.5	4.7	\$ 5,675,716
Residential	2.0	1.8	3.8	\$ 9,113,730
Total electric efficiency programs	8.9	3.5	12.4	\$ 26,047,362

Q2 gas efficiency savings	NW Natural (thm)	Cascade Natural Gas (thm)	Total savings (thm)	Expenses
Commercial	425,345	60,882	486,227	\$ 1,645,371
Industrial	211,042	12,398	223,441	\$ 452,978
Residential	476,671	43,725	520,396	\$ 3,072,867
Total gas efficiency programs	1,113,058	117,005	1,230,063	\$ 5,171,216

Q2 renewable energy generation	PGE (aMW)	Pacific Power (aMW)	Total generation (aMW)	Expenses
Other Renewable Programs	0.00	0.00	0.00	\$ 827,334
Solar Electric Program	0.13	0.07	0.20	\$ 1,636,307
Total renewable programs	0.13	0.07	0.20	\$ 2,463,641

E. Progress toward annual efficiency and generation goals

	YTD expenditures	YTD savings/generation	Energy Trust annual goal	Percent achieved
Electric savings	\$ 43,942,317	16.9 aMW	57.7 aMW	29%
Natural gas savings	\$ 8,803,564	1.8 million therms	5.8 million therms	31%
Electric generation	\$ 3,916,205	0.3 aMW	4.5 aMW	8%

F. Progress toward annual efficiency goals by utility

	YTD expenditures	YTD savings	Energy Trust annual goal	Percent achieved	Annual IRP target	Percent achieved
Portland General Electric	\$27,716,965	11.9 aMW	37.6 aMW	32%	36.3 aMW	33%
Pacific Power	\$16,225,352	5.1 aMW	20.1 aMW	25%	19.0 aMW	27%
NW Natural	\$ 7,962,519	1.6 million therms	5.3 million therms	31%	5.3 million therms	31%
Cascade Natural Gas	\$ 841,045	144,753 therms	470,561 therms	31%	470,561 therms	31%

G. Incremental utility SB 838 expenditures⁸

Utility	Q2 SB 838 Expenditures	YTD SB 838 Expenditures
Portland General Electric	\$241,828	\$394,096
Pacific Power	\$249,802	\$302,736
Total	\$491,630	\$696,832

⁸Reflects expenditures by Pacific Power and PGE in support of utility activities described in SB 838. Reports detailing these activities are submitted annually to the OPUC.

IV. PROGRAM AND OPERATIONS DETAIL

A. Q2 revenues and expenditures

- Received \$39.2 million in public purpose and incremental SB 838 revenues, which is approximately 2 percent more than the \$38.5 million budgeted. Revenue projections are estimates provided by utilities; typically, actual revenues vary from budgeted revenue by a few percentage points depending on factors like weather and rate filings impacting utility revenue collection.
- Spent \$33.7 million in Q2, 9 percent below the \$37.0 million budget.
- Incentives paid totaled \$16.8 million, 50 percent of total expenditures.
- Total electric expenditures for efficiency and renewable energy were 10 percent below budget for Q2.
- Gas efficiency expenditures were 5 percent below budget for Q2.

B. Energy efficiency programs^{9,10}

1. Total energy efficiency Q2 2014 savings and expenditures

	Q2 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	12.4 aMW	16.9 aMW	57.7 aMW	29%
Gas	1.2 million therms	1.8 million therms	5.8 million therms	31%

	Q2 expenditures	Variance from Q2 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 26,047,362	\$ (743,049)	-2.9%	\$ 43,942,317	\$ 3,471,441	7.3%
Gas	\$ 5,171,216	\$ 257,755	4.7%	\$ 8,803,564	\$ 2,002,770	18.5%
Total	\$ 31,218,578	\$ (485,294)	-1.6%	\$ 52,745,881	\$ 5,474,211	9.4%

2. Existing Buildings Q2 2014 savings and expenditures

	Q2 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	2.5 aMW	3.1 aMW	15.9 aMW	20%
Gas	248,783 therms	316,406 therms	1.8 million therms	18%

⁹Levelized cost is Energy Trust's total cost to save or generate each unit of energy over the life of the measure (which ranges from two to 20 years or more). Levelized cost YTD is per kilowatt hour for electric and per annual therm for gas.

¹⁰Variance 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	\$ 7,203,842	\$ 954,344	11.7%	\$ 11,636,129	\$ 3,019,818	20.6%
Gas	\$ 1,064,823	\$ 387,053	26.7%	\$ 1,758,431	\$ 1,013,311	36.6%
Total	\$ 8,268,665	\$ 1,341,397	14.0%	\$ 13,394,560	\$ 4,033,129	23.1%

- Existing Buildings spent less than budgeted because fewer-than-expected projects were completed in Q2 and gas savings were acquired at a lower cost than budgeted. Spending is expected to align with budget as activity increases later in the year.

3. New Buildings Q2 2014 savings and expenditures

	Q2 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	1.3 aMW	1.6 aMW	5.0 aMW	31%
Gas	237,444 therms	273,427 therms	560,707 therms	49%

	Q2 expenditures	Variance from Q2 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 3,347,393	\$ (760,215)	-29.4%	\$ 4,850,894	\$ 242,687	4.8%
Gas	\$ 564,508	\$ (269,195)	-91.2%	\$ 835,128	\$ (273,913)	-48.8%
Total	\$ 3,911,901	\$ (1,029,410)	-35.7%	\$ 5,686,022	\$ (31,226)	-0.6%

- New Buildings expenditures were higher than budgeted because several large projects shifted completion to Q2 from Q1. Project completion dates are difficult to predict because they are impacted by changes in construction schedules and other external factors.

4. Production Efficiency Q2 2014 savings and expenditures

	Q2 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	4.7 aMW	5.4 aMW	17.5 aMW	31%
Gas	223,441 therms	336,699 therms	1.2 million therms	28%

	Q2 expenditures	Variance from Q2 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 5,474,111	\$ (82,933)	-1.5%	\$ 9,318,249	\$ 198,599	2.1%
Gas	\$ 452,978	\$ 123,663	21.4%	\$ 843,851	\$ 201,807	19.3%
Total	\$ 5,927,089	\$ 40,729	0.7%	\$ 10,162,099	\$ 400,406	3.8%

5. Existing Homes Q2 2014 savings and expenditures

	Q2 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	1.5 aMW	2.1 aMW	5.2 aMW	41%
Gas	279,657 therms	435,043 therms	1.2 million therms	36%

	Q2 expenditures	Variance from Q2 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 3,401,781	\$ 72,540	2.1%	\$ 5,914,146	\$ 436,829	6.9%
Gas	\$ 1,949,374	\$ (92,074)	-5.0%	\$ 3,531,446	\$ 467,587	11.7%
Total	\$ 5,351,155	\$ (19,534)	-0.4%	\$ 9,445,592	\$ 904,416	8.7%

6. New Homes and Products Q2 2014 savings and expenditures

	Q2 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	2.0 aMW	3.5 aMW	8.1 aMW	44%
Gas	240,738 therms	425,236 therms	1.0 million therms	41%

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	\$ 4,594,583	\$ (808,052)	-21.3%	\$ 8,003,263	\$ 12,783	0.2%
Gas	\$ 1,107,453	\$ 107,706	8.9%	\$ 1,802,628	\$ 560,329	23.7%
Total	\$ 5,702,036	\$ (700,346)	-14.0%	\$ 9,805,891	\$ 573,112	5.5%

7. Northwest Energy Efficiency Alliance Q2 2014 savings and expenditures¹¹

	Q2 savings	YTD savings	Annual energy target
Commercial	0.1 aMW	0.2 aMW	1.0 aMW
Industrial	0.02 aMW	0.04 aMW	0.2 aMW
Residential	0.4 aMW	1.0 aMW	4.8 aMW
Total	0.5 aMW	1.2 aMW	6.0 aMW

	Q2 expenditures	Variance from Q2 budget		YTD expenditures	Variance from YTD budget	
Commercial	\$ 722,720	\$ (51,023)	-7.6%	\$ 1,477,425	\$ (51,023)	-9.8%
Industrial	\$ 201,605	\$ 102,737	33.8%	\$ 558,956	\$ 102,737	13.0%
Residential	\$ 1,133,406	\$ (169,844)	-17.6%	\$ 2,215,335	\$ (169,844)	-19.3%
Total	\$ 2,057,732	\$ (118,131)	-6.1%	\$ 4,251,716	\$ (405,626)	-10.5%

- Energy Trust works with NEEA to estimate quarterly and total annual spending by sector. Expenditures may vary from budget in any given quarter, and are expected to balance out by the end of the year.

¹¹For the first time in 2014, Energy Trust has allocated budget to NEEA for gas market transformation activities. While there were no associated savings in Q2, savings are expected in subsequent quarters.

Renewable energy programs¹²

1. Total renewable energy Q2 2014 generation and expenditures

	Q2 generation	YTD generation	Energy Trust annual goal	Percent achieved YTD
Electric	0.2 aMW	0.3 aMW	4.5 aMW	8%

	Q2 expenditures	Variance from Q2 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 2,463,641	\$ 3,851,066	61.0%	\$ 3,916,205	\$ 5,211,459	57.1%

2. Solar Q2 2014 generation and expenditures

	Q2 generation	YTD generation	Energy Trust annual goal	Percent achieved YTD
Electric	0.2 aMW	0.3 aMW	2.7 aMW	13%

	Q2 expenditures	Variance from Q2 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 1,636,307	\$ 1,222,426	42.8%	\$ 2,856,353	\$ 2,285,839	44.5%

- The Solar program spent less than budgeted in Q2 because of the delay and cancellation of two large custom projects, the Beaverton Sexton Mountain Reservoir project and the Stone House project, respectively.

3. Other Renewables Q2 2014 generation and expenditures

	Q2 generation	YTD generation	Energy Trust annual goal	Percent achieved YTD
Electric	0.0 aMW	0.0 aMW	1.8 aMW	0%

	Q2 expenditures	Variance from Q2 budget		YTD expenditures	Variance from YTD budget	
Electric	\$ 827,334	\$ 2,628,640	76.1%	\$ 1,059,852	\$ 2,925,620	73.4%

- Other Renewables spending was impacted by the delay of three projects to later in 2014, including the Oregon Tech geothermal project, Three Sisters Irrigation District hydropower project and Gresham Wastewater Treatment Plant biopower project.

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

Highlights of internal operations

1. Communications, Customer Service and Trade Ally Network

- **Received 5,889 calls to the main hotline** in Q2, compared to 6,568 in Q2 2013. The call volume fluctuates based on seasonality, weather and marketing activity—which directed customers primarily to the website in Q2.
- **Received and responded to 375 inquiries via info@energytrust.org** in Q2, compared to 353 in Q2 2013. The most common requests were for information about Existing Homes offerings.
- **Received 196,831 website visits in Q2**, compared to 135,582 in Q2 2013. This 45 percent increase in traffic is attributed to two emails sent by PGE promoting Energy Saver Kits in May, resulting in nearly 30,000 visits in May and June. An Existing Homes spring bonus campaign and refrigerator recycling promotion also drove traffic, with 24,000 and 11,000 visits, respectively.
- **Garnered 95 news stories about Energy Trust with a media value of \$91,000**—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. Public relations efforts to promote energy-efficient residential lighting options in April resulted in 16 articles with a media value of \$72,000.
- **More than 5 percent of recipients of an email promotion ordered Energy Saver Kits** in Q2. An additional set of customers received the email in addition to direct mail, resulting in 9.6 percent of recipients ordering a kit. This is Energy Trust’s first large-scale marketing campaign using Customer Relationship Management system capability, and results were well above the industry average.
- **Completed eight press releases** in Q2, featuring Energy Trust’s new board members, residential lighting, Tamástslikt Cultural Institute wind generation, residential bonus incentives and refrigerator recycling.
- **In Q2, seven complaints received were escalated**, four of which were closed in the quarter and three of which remain open with ongoing communication. Two of the closed complaints will continue to be monitored as part of a new Managed Accounts tracking system. This compares to eight complaints received in Q2 2013.
- **Met with 90 trade allies at roundtables in Medford, Bend, Eugene and Portland.** Presentations included program updates, marketing guidance, information about bonuses and upcoming Existing Homes star rating changes. Lending ally TIP Capital made a presentation and distributed materials to commercial allies, and representatives from the Oregon Department of Energy provided rulemaking updates at each session.
- **In preparation for launching the Existing Homes Trade Ally Portal in Q3, solicited feedback** from select three-star Existing Homes trade allies. The Trade Ally Portal is an online tool for trade ally contractors that provides real-time information on projects and incentive applications in process with Energy Trust.
- **Developed a lending offering for commercial customers who receive a lighting project** proposal from participating trade allies. This pilot offering is expected to launch in Q3.

2. IT

- **IT provides critical, ongoing foundational support for Energy Trust program delivery**, including Business Intelligence services for reporting and evaluation data, Customer

Relationship Management systems, energy and incentive project tracking and accounting, secure remote connectivity and functionality for Energy Trust and PMC staff.

- **Continued investment in foundational IT system improvements** helps anticipate program needs and reduce future costs to serve customers, including:
 - **FastTrack replacement with CRM**—Energy Trust’s measure and project tracking system will be provided through expansion of the current CRM system with additional components developed by IT.
 - **CRM enhancement**—Upgraded to a new, easier-to-use version of CRM, and provided continued staff support.
 - **Business Intelligence migration**—Continued transfer of all reporting data to a new system that will make data easier to use and more accessible using familiar Microsoft Office tools. These changes will improve reporting capabilities and inform the FastTrack replacement project.
- **Reviewed implementation of utility data sharing agreements** at the first annual utility coordination meeting, and identified process improvement opportunities.
- **Staff planned for automating data inputs from Clean Energy Works into Energy Trust** systems to improve forecasting, incentive processing and customer follow-up opportunities.
- **Processed 30,986 customer requests for Energy Trust services and products**, including 23,117 submitted through web applications.
- **Responded to 1,228 help desk tickets submitted to IT** by Energy Trust and PMC staff to ensure staff and delivery contractors have the tools and support they need to complete their work.

3. Planning and Evaluation

- **Created 75 new energy-efficiency measures and revised 787 measures**, resulting from review of Energy Trust’s measure catalog.
- **Completed 12 evaluations and market studies** and posted them on the Energy Trust website in Q2:
 - Energy Efficiency Resource Assessment Report
 - 2014 HVAC Market Update
 - Existing Homes Process Evaluation
 - Strategic Energy Management Introductory Pilot Process Evaluation
 - Economic Impacts from Energy Trust of Oregon 2013 Program Activities
 - Market-Based Investigation of Residential Solar Installation Values in Oregon
 - 2013 New Homes Program Process Evaluation
 - 2011-2012 Production Efficiency Process Evaluation
 - Industrial Energy Improvement Cohort 2, Year 1
 - 2013 Commercial Financing Market Research Results
 - Research to Support a Commercial and Industrial Solar Marketing Strategy
 - Billing Analysis of 2010 and 2011 Rooftop Unit Tune-ups
- **Supported the annual Energy Trust Board of Directors strategic planning retreat** through research, presentations and facilitation of discussions.
- **Completed a new resource assessment model to support development** of efficiency goals in the draft 2015-2019 Strategic Plan.

- **Provided support for development of Pacific Power's 2015 Integrated Resource Plan**, including energy resource acquisition plans quantifying cost-effective efficiency resource available through 2025.
- **Filed an electric measure cost-effectiveness exceptions report with the OPUC** for consideration at a public meeting in July.
- **Revised 2015 residential window incentive tiers to prepare the market** for ENERGY STAR changes expected in early 2016.
- **Provided technical support and comments for HB 2801** regarding rule creation for measure bundling.
- **Participated in early rulemaking procedures for AR 580**, voluntary carbon reduction project support for gas utilities.
- **Completed a funding study for sites using more than one average megawatt of electricity**, which will be used to track compliance with SB 838 funding limitations for large energy users.

Appendix 1: GEOGRAPHIC DISTRIBUTION OF SITES SERVED; CUSTOMER SATISFACTION

1. Energy Trust sites served by region in Q2 2014

	Commercial	Industrial	Residential	Total
Central Oregon	86	23	893	1,002
Eastern Oregon	25	9	199	233
North Coast	21	4	269	294
Portland Metro & Hood River	1,059	150	8,622	9,831
Southern Oregon	94	51	2,632	2,777
Willamette Valley	231	83	3,055	3,369
Total	1,516	320	15,670	17,506

2. Customer satisfaction

From the middle of February 2014 through the beginning of May 2014, Energy Trust delivered a short telephone survey to 801 randomly selected participants in five programs who completed projects between January and March 2014. Below are results from Fast Feedback surveys of these customers.

The survey asked participants about overall satisfaction with Energy Trust. Satisfaction rates for Q1 remained consistent with past quarters. Participants in the Existing Buildings, Solar and Production Efficiency programs were also asked about satisfaction with program representatives.¹³

Q1 2014 Results

Program	Respondent Count	Percent Satisfied Overall	Percent Satisfied with Program Representative
Existing Buildings, including multifamily	59	100%	98%
Production Efficiency	48	94%	94%
New Homes and Products ¹⁴	208	96%	N/A
Existing Homes	455	90%	N/A
Solar ¹⁵	31	100%	N/A ¹⁶

New Buildings projects often involve numerous market actors (architect, engineer, developer, owner and more) at different project stages, so it is difficult to reach a project representative who is able to respond to questions about satisfaction. Satisfaction with the New Buildings program is obtained from interviews with program participants as part of annual program process evaluations. In the 2013 process evaluation, conducted in early 2014, 35 New Buildings project owners or representatives were surveyed about their overall program satisfaction and satisfaction with communications with program representatives. Of participants surveyed, 89 percent were satisfied with their overall program experience. Respondents were

¹³Since residential customers have varying degrees of interaction with program representatives (many may not have any interaction), and because it is not possible to identify customers who did have interaction to survey, residential customers are not questioned on this topic.

¹⁴Only Products customers were surveyed. Energy Trust does not track purchasers of new homes.

¹⁵Customers that installed solar using a third party are not surveyed.

¹⁶Only commercial solar customers are surveyed about satisfaction with program representatives. In Q1 2014, one commercial solar customer was surveyed and was satisfied with the interaction with program representatives.

asked about five different aspects of their communications with program representatives, and these responses were averaged to determine that 96 percent were satisfied with program representatives.

Appendix 2: OPUC 2014 PERFORMANCE MEASURES AND 2013 BENEFIT/COST RATIOS

1. OPUC 2014 performance measures

Following are the 2014 performance measures established by the OPUC for Energy Trust. Comparison of 2014 performance against these measures will be reported in the 2014 annual report.

Category	Measures
Electric Efficiency	PGE <ul style="list-style-type: none"> Obtain at least 32.0 aMW Levelized cost not to exceed 3.2 cents/kWh Pacific Power <ul style="list-style-type: none"> Obtain at least 17.1 aMW Levelized cost not to exceed 3.7 cents/kWh
Natural Gas Efficiency	NW Natural <ul style="list-style-type: none"> Obtain at least 4.53 million annual therm savings Levelized cost not to exceed 45.3 cents/therm Cascade Natural Gas <ul style="list-style-type: none"> Obtain at least 0.40 million annual therm savings Levelized cost not to exceed 52.0 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 0.70 aMW in installed generation For non-solar custom projects, the three-year rolling average incentive is not to exceed \$29/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 unmodified 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 total resource perspective Report significant mid-year changes as necessary in quarterly reports

2. Benefit/cost ratios for 2013

The following benefit/cost ratios were calculated for and published in Energy Trust's 2013 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	Total Resource Benefit/Cost Ratio
New Homes and Products	1.9	2.4
Existing Homes	1.4	1.2
Existing Buildings	2.1	1.3
New Buildings	4.0	2.7
Production Efficiency	2.9	2.0
NEEA	3.2	0.8 ¹⁷

¹⁷In 2013, the combined total resource benefit/cost ratio for NEEA was below 1.0 due in part to difficulty in quantifying single-year societal costs given NEEA's portfolio includes multi-year market transformation initiatives at various stages of development. NEEA is redesigning its program portfolio to enhance and assure cost-effectiveness. Energy Trust cannot be certain that the total resource benefit/cost ratio is less than one, due to the limited ability to collect consumer cost data for NEEA's many and complex initiatives and limited information on non-energy benefits.

Appendix 3: CUMULATIVE AND TOTAL ANNUAL RESULTS

- **Including Q2 2014 results, total annual savings of 453 aMW** have been realized since electric efficiency programs began in 2002, accounting for 95 percent of Energy Trust's 2010-2014 goal of 479 aMW. This is equivalent to the annual electric consumption of approximately 351,365 Oregon homes. This total includes 22 aMW of savings from self-direct customers.
- **Including Q2 2014 results, total annual savings of 34.8 million annual therms** have been realized since gas efficiency programs began in 2003, accounting for 100 percent of the 2010-2014 goal of 34.7 million annual therms. This is equivalent to providing gas heat to approximately 68,713 Oregon homes for a year.
- **Including Q2 2014 results, total annual renewable energy generation of 113 aMW** has been installed since 2002, accounting for 91 percent of the 2010-2014 goal of 124 aMW of installed generation. This is equivalent to powering approximately 87,359 Oregon homes for a year.

Appendix 4: NEEA QUARTERLY PERFORMANCE REPORT FOR ENERGY TRUST OF OREGON

Second Quarter 2014

OVERVIEW

The Northwest Energy Efficiency Alliance (NEEA) is a voluntarily funded non-profit organization working in partnership with Energy Trust of Oregon, the Bonneville Power Administration, and more than 140 public and private Northwest utilities to accelerate energy efficiency on behalf of the Northwest's 13 million energy consumers.

NEEA scans the market to identify emerging energy-efficient technologies, services and practices and works to create market conditions within the Northwest to accelerate and sustain their market adoption. In 2014, NEEA is forecasting to deliver 109 average megawatts (aMW) of energy savings to the region. Of these savings, 57 aMW or 52% will come from previously funded initiatives – those that NEEA no longer actively manages but continue to deliver long-term value to the region. For more information about NEEA's long-term value delivery, please visit neea.org/initiatives.

Energy Trust of Oregon (Energy Trust) is one of NEEA's key funders and expects to invest slightly more than \$37 million to support NEEA from 2010-2014. This report summarizes NEEA's 2014 second quarter value delivery to Energy Trust. For additional information about NEEA's unique value to the region, history, structure and recent initiatives, please visit www.neea.org.

FILLING THE ENERGY EFFICIENCY 'PIPELINE' WITH ENERGY TRUST

NEEA's top focus, as prioritized by its stakeholders, is to scan the market for emerging energy-efficient technologies, services and practices. In partnership with its funders, NEEA is investigating more than 15 different opportunities that have promising energy saving benefits for Energy Trust and the region. These projects currently represent a 20-year savings potential to the region of more than 1759 average megawatts (aMW).

Second Quarter Emerging Technologies Highlights

Heat Pump Clothes Dryers – Conducted lab testing on the first two heat pump hybrid clothes dryers developed for the U.S. market. Both units were tested to the DOE test protocol as well as NEEA's supplemental test protocol (which uses real clothing). The units performed well but did not meet NEEA's proposed specification. NEEA communicated the mixed results to both manufacturers and they are working on refinements. Production-ready versions will be available for additional lab and field testing in September, with an anticipated launch date in late 2014. Heat pump dryers show potential for significant energy savings for residential customers in Energy Trust territory, and contingent upon successful product testing and validation, may become part of NEEA's market transformation portfolio in 2015.

High Performance Manufactured Homes – Continued collaboration with Bonneville Power Administration (BPA) to address barriers and demonstrate the benefits of high performance manufactured homes. By providing valuable data collected from four prototype homes, NEEA is influencing the rulemaking on a new manufactured homes standard. The new standard, the first

in 18 years, represents significant savings for the Northwest, estimated at up to 125 aMW of energy savings over the next 20 years.

Unsolicited Proposals – Received and reviewed three unsolicited proposals for new energy-efficient technology. NEEA is not pursuing any of these proposals as they do not fit with its portfolio; however, NEEA forwarded one of the proposals (a Green Cooling Tower) to BPA to consider with their energy efficiency activities. NEEA's role in emerging technology is to scan, investigate and vet potential energy savings opportunities of value to the region.

ACCELERATING MARKET ADOPTION WITH ENERGY TRUST

In partnership with Energy Trust and its other funders, NEEA intervenes in markets to remove barriers to the adoption of energy-efficient products, services and practices. NEEA currently has 16 market transformation initiatives designed to create efficiencies and lasting change in the residential, commercial and industrial sectors. NEEA is also pursuing long-term energy savings by raising the bar for state energy codes and federal appliance standards.

Second Quarter Residential Sector Highlights

Residential New Construction – Promoted the market adoption of energy-efficient building practices and technologies to pave the way for future, more stringent, codes in residential new construction. NEEA's residential new construction program leverages relationships and training infrastructure originally established through NEEA's voluntary Northwest ENERGY STAR Homes program to set the stage for a new, advanced home specification. NEEA is making progress towards its year-end goal of recruiting 30 builders across the Northwest to pilot these advanced specification homes, with six pilot homes in Energy Trust territory.

The residential new construction program supports New Tradition Homes, PDX Living, PBL Design, Woodcraft Builders, Tyee Development, and others in Energy Trust territory, by delivering monitoring equipment, verifying installation and providing technical assistance for their advanced home pilot. Test projects across Energy Trust territory and the region aim to generate consumer and builder awareness for advanced building practices and new technologies while promoting builders who go above and beyond ENERGY STAR.

Heat Pump Water Heaters (HPWH) – Raised awareness of energy-efficient HPWHs in Energy Trust territory by offering training and education to support local contractors, and coordinating promotions for residential consumers. In Q2, the program delivered six Smart Water Heat orientations to contractors and facilitated six manufacturer trainings to encourage the availability and adoption of HPWH technology in the market. To motivate the supply chain and overcome cost barriers, the Smart Water Heat regional program offered upstream rebates on Tier-2 (the most stringent specification) product to manufacturers. In Q2, 46 Energy Trust consumers took advantage of this offer. NEEA also performed quality assurance inspections on Tier 1 and Tier 2 installations in Energy Trust territory to gauge homeowner satisfaction and provide additional homeowner education.

To further increase consumer awareness of HPWH technology, NEEA facilitated a promotion for GE with Sears, Lowe's, Ferguson and independent partners, as well as a promotion between The Home Depot and Rheem. Support included assistance in the creation of customized point-of-purchase materials and direct mailing pieces to drive customers' to retail locations in Energy Trust territory. Promotions with major distributors will increase awareness and adoption of HPWHs in Energy Trust territory.

Ductless Heat Pumps (DHP) – Accelerated the market adoption of DHP technology with Energy Trust contractors by providing training opportunities and best practices education. These

trainings will help remove barriers to adoption through increased consumer awareness. In Q2, NEEA and Energy Trust conducted six Northwest Ductless Heat Pump Project orientations and five Best Practices installation webinars for DHP installers serving Energy Trust customers. Opportunities for continued training and education strengthen the DHP market by delivering up-to-date information and lead to quality installation and improved customer satisfaction. As a result of these and other efforts, there were 64 DHP installations in Energy Trust's service territory in Q2.

Second Quarter Commercial/Industrial Highlights

Commercial Real Estate – In Q1, NEEA conducted final ENERGY STAR certifications and savings evaluations for qualifying buildings participating in the 2013 “Kilowatt Crackdown” competition. In Q2, NEEA coordinated an awards event to recognize and celebrate the market leadership of the 64 property teams, representing 15 million square feet of office space, in the Portland/Vancouver area.

Office efficiency competitions raise awareness of the value of Strategic Energy Management in the commercial real estate industry and help building managers and operators identify and implement best practices. NEEA is coordinating with Energy Trust to refer qualified Kilowatt Crackdown participants to the Energy Trust's commercial Strategic Energy Management (SEM) program for the fall 2014 cohort, which will provide the ability to achieve sustained energy savings.

Healthcare – Coordinated with the Healthcare Utility Working Group (with representation from Energy Trust) in order to advise NEEA on the transfer of tools and materials to utility programs, and facilitate NEEA's exit from its Healthcare initiative in 2014. Repackaged tools are now available on [NEEA's BetterBricks Healthcare webpage](#).

Reduced Wattage Lamp Replacement – Engaged with five of the region's leading electrical distributors to test a midstream market shift strategy that aims to increase the market share of low-wattage lamps for the commercial lighting maintenance market. By providing sales' staff training and incentives NEEA is motivating these distributors to stock and promote low-wattage lamps to commercial consumers purchasing replacements.

Results are promising with two distributors consistently demonstrating a monthly market share shift toward low-wattage lamps. The learnings from this pilot will help inform NEEA's possible expansion to more distributors in 2015, and add additional products and categories of lighting equipment. NEEA is planning a pilot expansion through the end of 2014 into the Portland market and is coordinating closely with Energy Trust's C&I lighting group to limit overlap and explore opportunities for complementary program activities.

Building Operator Certification (BOC) – Registered 71 operators serving Energy Trust territory in one BOC course and conducted two BOC Technical Webinars serving 162 operators with continuing education in energy efficiency. NEEA also conducted one free informational BOC webcast for 25 Energy Trust commercial building customers. Through the BOC Expansion initiative NEEA provides skill enhancement training in Energy Trust territory to improve building energy performance through operation and maintenance best practices for HVAC, lighting, and controls systems.

Existing Building Renewal (EBR) – Continued to provide support for a retrofit demonstration project in Energy Trust territory. The EBR program is developing tools to overcome market barriers associated with implementing deep energy retrofits, such as cost and financing, perceived lack of economic value and market capability. By providing building owners and investors with a comprehensive business case for deep energy retrofits, NEEA and its partners

are creating a pathway to comprehensive deep energy retrofits in Energy Trust territory and around the Northwest.

Food Processing – Completed direct facility engagement and hand-off to local programs for four food processing facilities in Energy Trust territory. In Q2, NEEA published Market Progress Evaluation Report #8 for the NEEA Food Processors initiative. The report found that NEEA has made considerable progress in getting the food processing industry to adopt Strategic Energy Management (SEM), with about one-third of food processors exhibiting some evidence of SEM practices. NEEA is transitioning the Food Processor initiative into long-term monitoring and tracking throughout 2014.

Strategic Energy Management (SEM) – Began the development of a regional SEM knowledge base of tools and training to support the implementation of both commercial and industrial SEM programs. NEEA has previously conducted SEM initiatives separately for the commercial and industrial sectors, but with direction from its funders, NEEA is now developing a consolidated SEM savings measurement methodology for assessing SEM tools and training that can be applied across the sectors to cut costs and increase savings. Energy Trust is coordinating with NEEA on the Request for Proposals for an SEM curriculum development and will support NEEA in the selection of an implementation contractor.

Second Quarter Codes and Standards Highlights

On behalf of the region, NEEA works at state and national levels to influence the adoption of increasingly stringent building energy codes and federal appliance and equipment standards. Working with its partners, NEEA gives the Northwest an independent regional voice in codes and standards processes and is often the only efficiency organization directly representing local energy efficiency programs in these forums. NEEA also conducts and shares critical research in support of codes and standards work.

Codes Highlights – Collaborated with Energy Trust, the Oregon State Building Codes Division and Oregon Department of Energy to build a set of above-code measures that would be available for implementation outside the current full package of code measures in Oregon. The four measures, which include above-code efficiencies in exterior and interior lighting, HVAC and water heaters, will be presented to the Oregon Building Code Board for consideration in Q3 of 2014 and have the potential to enable Energy Trust and Oregon utilities to provide incentives to designers and builders to design/install measures that will have an above-code energy savings attribution.

Standards Highlights – Participated in a broad range of national standards rulemakings in Q2 to advance more stringent federal appliance and equipment standards in support of the region's energy efficiency goals. Rulemakings include Final Rules for: Electric Motor Standards (1-500 hp), Walk-in Cooler and Freezer Standards, Furnace Fan Standards, and Water Heater Test Procedures. The energy savings from several of these rulemakings will be substantial for the region, with the potential for savings in the near future.

DELIVERING ON REGIONAL ADVANTAGE WITH ENERGY TRUST

NEEA is an alliance of public benefits administrators, and public and private electric utilities with national and global upstream market partners that represents the entire four-state region in the Northwest. NEEA uses its unique role as a regional organization to leverage resources across the Northwest to accelerate energy efficiency. On behalf of the region, NEEA also conducts market research, and facilitates regional collaboration and information sharing.

Second Quarter Highlights

Top Tier Trade Ally (TTTA) – Gained full support from funders at the Commercial Advisory Committee and Regional Portfolio Advisory Committee meetings to move forward with the Top Tier Trade Ally program. TTTA aims to increase the capacity of commercial lighting contractors through a regional advanced training effort, leading to more advanced projects with deeper energy savings for Energy Trust and utility programs across the Northwest.

Efficiency Exchange 2014 – Co-hosted the Efficiency Exchange conference with BPA in Kennewick, WA, May 6-8, with over 450 registered attendees, including 12 attendees from Energy Trust. The regional event provides a forum for energy efficiency professional to share knowledge, explore emerging innovations in technology and program design, and discuss the future direction of utility efficiency programs.

NEEA 2015-2019 Business Planning – Achieved unanimous NEEA Board approval of its 2015-2019 Strategic and Business Plans.

Market Research and Evaluation – Published 14 independent market research and evaluation reports to validate and evaluate its market transformation work, including:

- [Oregon Residential Energy Code Compliance](#)
- [NEEA Industrial Initiatives- Market Progress Evaluation Report #8](#)
- [Residential Building Stock Assessment – Metering Study](#)

To view all of NEEA's Market Research and Evaluation reports visit neea.org/resource-center.

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

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

Appendix 5: Q2 2014 REPORT ON ACTIVITIES FOR NW NATURAL IN WASHINGTON

April 1 through June 30, 2014

This Energy Trust of Oregon quarterly report covers the period April 1, 2014, through June 30, 2014. This report addresses progress toward 2014 goals for the NW Natural energy-efficiency program in Washington. It includes information on expenditures, therm savings, projects completed and incentives paid during the quarter and year to date.

I. PROGRAM SUMMARY

A. General

- **Energy Trust saved 31,534 annual therms in Q2 2014**—including 11,711 annual therms in Existing Homes, 9,329 annual therms in New Homes and Products and 10,494 annual therms in Existing Buildings.
- **Savings in Q2 2014 are 23 percent lower than savings in Q2 2013**, largely attributed to a shift to custom path projects comprising a greater percentage of commercial savings. While few custom path projects were completed early in the year, the pipeline of custom projects (including projects in the process of installing measures and projects that received an incentive offer after completing a technical study) is strong and savings are expected to increase by year-end. The Existing Buildings pipeline includes multiple custom projects at school district facilities, where construction activities are typically scheduled during the summer recess.

B. Commercial sector highlights

Existing Buildings

- **Existing Buildings saved 10,494 annual therms in Q2.**
- **Six custom projects, which are expected to save 27,071 therms** in 2014, moved to installation phase. Four additional custom path projects received studies or study offers.
- **Existing Buildings launched an insulation bonus** of 30 cents per square foot in addition to the standard incentive. The bonus is expected to further motivate customers to install insulation by year-end.
- **The program launched a marketing campaign** promoting the Existing Buildings program as a technical support resource for large and small businesses. The “Bring Us In” campaign promotes the availability of support resources through various channels including walk-through audits, website content and Trade Ally Network expertise.
- **Energy Trust hosted a networking and information-sharing event in Vancouver**, attended by 18 trade allies, Clark Public Utilities and Bonneville Power Administration.
- **Energy Trust met with Clark Public Utilities** to coordinate outreach strategies.

C. Residential sector highlights

Existing Homes

- **Existing Homes saved 11,711 annual therms in Q2**, primarily through furnace and hearth installations and weatherization projects.

- **Nearly twice as many gas furnaces were installed** in the first half of 2014 compared to the first half of 2013. Installations of gas hearths and insulation also increased over this time last year, following a spring insulation bonus.
- **Staff connected with 100 customers at the Clark Public Utilities Homes and Garden Idea Fair**, where 15 of customers signed up for in-home energy reviews.
- **Energy Trust offered trainings for managers and staff at regional GENSCO outlets**, a wholesale distributor of HVAC equipment with locations throughout the Pacific Northwest.

New Homes and Products

- **New Homes and Products saved 9,329 annual therms in Q2**, primarily through Builder Option Packages.
- **Energy Trust assessed the impact of the 2012 Washington State Energy Code** on the Northwest ENERGY STAR® Homes program in collaboration with the Northwest Energy Efficiency Alliance and the Regional Technical Forum. Permits pulled after July 1, 2013, are subject to the updated code, while permits issued prior to July 1, 2013, are subject to the 2008 energy code. Building permits are valid for up to one year, suggesting that homes completed after July 1, 2014, will be subject to the 2012 code. Northwest ENERGY STAR Homes, as of the close of Q2, had not updated the ENERGY STAR performance standards relative to the 2012 code as a baseline. As a consequence, Energy Trust adjusted its deemed savings associated with all ENERGY STAR homes certified after July 1, 2014. Energy Trust analysis indicates that the ENERGY STAR designation yields roughly 30 percent less savings when adjusted to the 2012 code as baseline. Northwest ENERGY STAR Homes is expected to release a specification in Q3 updated with associated savings potential.

D. Washington Utilities and Transportation Commission performance metrics

The table below compares quarterly results to 2014 program goals, as established in NW Natural's Energy Efficiency Plan for Washington (updated December 2013).

Metrics	Goal	2014 total YTD	Q1 results	Q2 results	Q3 results	Q4 results
Therms saved	220,868 – 259,845	66,320	34,786	31,534		
Total program costs	\$1,298,699 – \$1,527,881	\$444,465	\$214,349	\$230,116		
Average levelized cost per measure	Less than \$0.65	\$0.551	\$0.527	\$0.577		
Dollars spent per therm saved	Less than \$6.50	\$6.70	\$6.16	\$7.30		
Total resource cost and utility costs at portfolio level	Greater than 1.0	n/a	Reported annually	Reported annually	Reported annually	Reported annually

II. QUARTERLY RESULTS

A. Expenditures¹⁸

		Actual expenditures Q2	Budgeted expenditures Q2	Variance
Commercial programs	Existing Buildings	\$ 63,536	\$ 131,681	\$ 68,146
	Subtotal	\$ 63,536	\$ 131,681	\$ 68,146
Residential programs	Existing Homes	\$ 73,736	\$ 98,760	\$ 25,024
	New Homes	\$ 83,763	\$ 92,346	\$ 8,582
	Subtotal	\$ 157,500	\$ 191,106	\$ 33,606
Administration		\$ 9,080	\$ 14,916	\$ 5,836
Total		\$ 230,116	\$ 337,703	\$ 107,587

- Programs fell short of budget due to fewer projects closing than expected in Q2. Existing Buildings has a strong pipeline of projects anticipated to achieve savings by year-end.
- Custom-path incentives in the Existing Buildings program are subject to a cap of 50 percent of total project cost, resulting in a variable cost per therm saved which may be less than the current incentive of \$1.50 per therm. Many projects reached the 50 percent incentive cap in Q2, enabling Existing Buildings to achieve lower-cost savings than budgeted.

B. Incentives paid

		Actual incentives Q2
Commercial programs	Existing Buildings	\$ 21,100
	Subtotal	\$ 21,100
Residential programs	Existing Homes	\$ 31,939
	New Homes	\$ 32,216
	Subtotal	\$ 64,155
Total		\$ 85,255

C. Savings

		Therms Saved Q2	\$/Therm	Levelized Cost/Therm
Commercial Programs	Existing Buildings	10,494	\$ 6.30	\$ 0.567
	Subtotal	10,494	\$ 6.30	\$ 0.567
Residential Programs	Existing Homes	11,711	\$ 6.56	\$ 0.471
	New Homes	9,329	\$ 9.35	\$ 0.754
	Subtotal	21,040	\$ 7.80	\$ 0.586
TOTAL		31,534	\$ 7.30	\$ 0.577

- Through Q2, programs achieved about 30 percent of conservative savings goal, roughly on par with the percent of goal achieved in Q2 2013.

¹⁸ Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

- Consistent with prior years, dollars spent per therm saved and levelized cost are expected to decrease as savings accrue in the latter half of the year.

III. YEAR-TO-DATE RESULTS

A. Activity—sites served

	Q1	Q2	Q3	Q4	Total
Existing Commercial					
School/college retrofits	0	1			1
Other commercial retrofits	4	8			12
Studies	4	1			5
Existing Homes					
Weatherization (insulation, air and duct sealing and windows)	19	32			51
Gas hearths	26	32			58
Gas furnaces	32	67			99
Water heaters	4	5			9
Home Energy Reviews	16	9			25
New Homes					
Builder Option Packages	37	38			75
Clothes washers	83	179			262

B. Revenues

Source	Actual revenue YTD	Budgeted revenue YTD
NW Natural	\$ 527,177	\$ 645,551

C. Expenditures¹⁹

		Actual expenditures YTD	Budgeted expenditures YTD	Variance
Commercial programs	Existing Buildings	\$ 143,216	\$ 246,473	\$ 103,257
	Subtotal	\$ 143,216	\$ 246,473	\$ 103,257
Residential programs	Existing Homes	\$ 133,180	\$ 208,292	\$ 75,112
	New Homes	\$ 149,078	\$ 183,589	\$ 34,511
	Subtotal	\$ 282,258	\$ 391,881	\$ 109,623
Administration		\$ 18,991	\$ 32,957	\$ 13,965
Total		\$ 444,465	\$ 671,311	\$ 226,846

¹⁹ Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

D. Incentives paid

		Actual incentives YTD
Commercial programs	Existing Buildings	\$ 43,027
	Subtotal	\$ 43,027
Residential programs	Existing Homes	\$ 52,165
	New Homes	\$ 61,022
	Subtotal	\$ 113,187
Total		\$ 156,214

- Incentives paid account for approximately 41 percent of year-to-date program expenses, when total program expense is adjusted down 15 percent to account for costs that a utility-delivered program would recover through rates. Incentives, as a percentage of total expenses, will continue to increase in future quarters as more projects close.

E. Savings

		Therms saved YTD	Annual goal (conservative)	Percent achieved YTD	\$/therm	Levelized cost/therm
Commercial programs	Existing Buildings	29,530	127,500	23%	\$ 5.07	\$ 0.469
	Subtotal	29,530	127,500	23%	\$ 5.07	\$ 0.469
Residential programs	Existing Homes	18,494	48,607	38%	\$ 7.52	\$ 0.544
	New Homes	18,296	44,761	41%	\$ 8.51	\$ 0.696
	Subtotal	36,790	93,368	39%	\$ 8.01	\$ 0.612
Total		66,320	220,868	30%	\$ 6.70	\$ 0.551

F. Program evaluations

Energy Trust completed the following evaluations in Q2 2014:

- Process evaluations for the Existing Homes program, including activities in both Oregon and Washington service territories. The report is available at www.energytrust.org/library/reports/EH_Process_Eval_0414.pdf
- A billing impact analysis of the now-discontinued rooftop HVAC unit tune-up offering, available at www.energytrust.org/library/reports/RTU_Tune-up_2010-2011_Billin_Analysis.pdf