

## Quarter Two 2005 Report to the Oregon Public Utility Commission

April 1, 2005, to June 30, 2005 (*\*updated 8/18/05*)

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This Energy Trust quarterly report is for the period April through June 2005, the second quarter of the year (Q2). The report addresses progress toward 2005 and 2012 energy saving and generation goals and includes corresponding costs. The report also includes the number of completed projects, the amount of incentives paid and activity highlights from the quarter. For the first time, cost-benefit ratios for the three largest Energy Trust programs are also provided. Q2 financial reports are attached.

### I. QUARTERLY HIGHLIGHTS

#### I. General

- As Energy Trust electricity and gas efficiency programs mature in the marketplace, participation rates continue to grow and savings results are being achieved at rates higher than during any previous year.
- Electricity efficiency projects completed during the quarter are expected to save 5.13 average megawatts at an estimated cost of \$2.50 million per average megawatt. These year-to-date savings represent approximately 32 percent of the 2005 savings target, a positive indicator toward achievement of conservative case annual goal.
- Gas efficiency projects completed during the quarter are expected to save 311,374 therms at a cost of \$4.44 per therm. These year-to-date savings represent approximately 58 percent of the target for 2005, indicating the potential to exceed the conservative case annual goal.
- Solar systems installed by Energy Trust now exceed 1 MW in generating capacity. More solar electric systems have been installed in Oregon over the past two and one-half years than in the previous 20 years combined. (*\*updated 8/18/05*)
- The Biopower program request for proposals attracted 25 projects, double the number expected, representing 91 MW of capacity, triple the output anticipated. Applicants represented 17 Oregon counties.
- Joint marketing and co-branding efforts with all three utilities are working very effectively and are well-established and collaboration with the Oregon Department of Energy is very positive.
- Actual revenues received were \$12.8 million for the quarter and total expenditures were \$14.8 million, reflecting an interim payment of approximately \$3 million to Blue Heron Paper Company. Overall program expenditures are closely tracking with the annual budget.
- A total of \$10.4 million in incentive payments were made during the quarter, up from \$6.3 million in Q1.

## 2. Residential programs

- Conducted 577 energy reviews and installed 6,573 compact fluorescent light bulbs in 1,332 homes. Internet users completed 1,006 level-1, 753 level-2, and 77 level-3 online Home Energy Analyses.
- Helped fund the purchase of 4,024 energy-efficient clothes washers. These were installed in 1,692 homes with electric hot water and 2,331 homes with gas hot water.
- Installed energy-efficient measures such as sealed ducts, insulation, high-efficiency space heating equipment and energy-efficient windows in 2,556 single-family homes, 3,924 multifamily units, and 260 manufactured homes. Of these, 4,506 homes received electric efficiency measures, 1,265 received gas efficiency measures, and 969 received measures that saved both gas and electricity.
- Installed solar water heating systems in 25 homes with electric hot water and 22 homes with gas hot water.

## 3. Commercial programs

- Installed high-efficiency measures such as energy-efficient lights and HVAC equipment in 223 commercial buildings, with an average incentive payment of \$7,322. Of this total, 157 buildings received electric efficiency measures, 14 buildings received gas efficiency measures, and 52 buildings received measures that saved both electricity and gas.
- Completed 8 highly efficient new commercial buildings, with an average incentive payment of \$4,358

## 4. Industrial programs

- Completed electric energy-saving projects at 70 manufacturing firms, with an average incentive payment of \$88,715

## 5. Renewable energy programs

- Completed installation of solar electric systems in 16 homes and 5 commercial buildings.
- Three new anemometers were installed for a total of 11 in Oregon since 2003.
- The City of Portland's Sunderland Yard wind project, which came in under the Open Solicitation Program, went on line in June.

## 6. Revenues and expenditures

- Received \$12.8 million in Public Purpose Funds during the quarter.
- Spent \$14.8 million.
- Provided \$10.4 million in incentives to end users.

**7. OPUC performance measures**

- Performance against the following 2005 Performance Measures agreed upon in September 2004 will be reported in the 2005 annual report.

Category	Measures
Energy Efficiency	At least 20aMW computed on 3-year rolling avg. Levelized savings at \$0.02/kWh
Natural Gas	700,000 therms computed on 3-year rolling avg. Levelized cost not to exceed \$0.30/therm
Renewable Resources	At least 15aMW
Financial Integrity	Unqualified financial audit
Administrative and Program Support Costs	Keep below 11% of revenues
Customer Satisfaction	Achieve reasonable rates
Benefit/Cost Ratios	Compare to ratios from 2004 reported in #8 below

**8. Benefit-cost ratios for 2004 (year-end data)**

Program	Utility system benefit-cost ratio	Societal benefit-cost ratio
1. Home Energy Savings	2.8	1.7
2. Production Efficiency	2.7	2.8
3. Building Efficiency	3.5	1.6

**II. TABLES**

**I. Revenues**

Source	Actual revenues received Q2	Budgeted revenues Q2
Portland General Electric	\$6,692,059	\$6,654,785
PacifiCorp	\$4,095,565	\$4,337,769
NW Natural	\$2,012,571	\$1,314,519
<b>Total</b>	<b>\$12,800,195</b>	<b>\$12,307,073</b>

**2. Expenditures**

Type	Actual Expenditures Q2	Budgeted Expenditures Q2
Energy Efficiency programs	\$13,689,917	\$12,732,140
Renewable Resources programs	\$503,816	\$1,465,125
Administration	\$581,442	\$783,107
<b>Total</b>	<b>\$14,775,175</b>	<b>\$14,980,372</b>

**3. Incentives Paid**

	Energy Efficiency			Renewable Energy		Total
	PGE	Pacific Power	NW Natural	PGE	Pacific Power	
Q1	\$3,053,615	\$2,051,347	\$926,979	\$73,510	\$157,058	\$6,262,509
Q2	\$6,353,002	\$2,999,634	\$833,628	\$88,543	\$91,274	\$10,366,081
Q3						
Q4						
<b>Total</b>	<b>\$9,406,617</b>	<b>\$5,050,981</b>	<b>\$1,760,607</b>	<b>\$162,053</b>	<b>\$248,332</b>	<b>\$16,628,590</b>

#### 4. Savings and Generation

**Electric efficiency savings.** In the second quarter of 2005, Energy Efficiency programs achieved 16% of the 2005 projection of 32 aMW. Since March 1, 2002, these programs have cumulatively saved 61.82 aMW, or 21% of the Energy Trust's 2012 goal.

<b>Electric Efficiency Savings Q2 2005</b>	<b>PGE aMW</b>	<b>Pacific Power aMW</b>	<b>Total Savings* aMW</b>	<b>Expenses</b>	<b>mil \$ / aMW</b>	<b>Levelized Cost/kWh</b>
Residential	1.21	0.66	1.87	\$3,781,369	\$2.03	\$0.02
Commercial	1.16	0.22	1.38	\$2,452,516	\$1.78	\$0.02
Industrial	0.40	1.49	1.89	\$6,603,133	\$3.49	\$0.03
<b>Total Energy Efficiency Programs</b>	<b>2.77</b>	<b>2.36</b>	<b>5.13</b>	<b>\$12,837,018</b>	<b>\$2.50</b>	<b>\$0.03</b>

**Gas efficiency savings.** In the second quarter of 2005, efficiency programs saved 311,374 annual therms of natural gas, representing 24% of the 2005 projection of 1.3 million annual therms. Since gas programs began in 2003, cumulative savings of 1,649,532 annual therms have been realized, accounting for 9 % of the 2012 goal.

<b>Gas Efficiency Savings Q2 2005</b>	<b>NWN Therms</b>	<b>Expenses</b>	<b>\$ / Therm</b>	<b>Levelized Cost/Therm</b>
Residential	248,664	\$1,178,710	\$4.74	\$0.27
Commercial	62,710	\$203,811	\$3.25	\$0.29
Industrial	0	0	NA	NA
<b>Total Energy Efficiency Programs</b>	<b>311,374</b>	<b>\$1,382,521</b>	<b>\$4.44</b>	<b>\$0.25</b>

**Renewable energy generation.** In the second quarter of 2005, renewable energy generation projects completed account for 0.04% of the annual goal of 26.6 aMW.

<b>Actual</b>	<b>PGE aMW</b>	<b>Pacific Power aMW</b>	<b>Total Generation aMW</b>	<b>2005 Expenses</b>	<b>mil \$ / aMW</b>	<b>Levelized Cost/kWh</b>
Utility Scale	0	0	0	\$29,279	NA	NA
Solar Photovoltaic	0.0037	0.0060	0.0097	\$343,847	\$35.45	\$0.27
Wind	0	0	0	\$60,186	NA	NA
Open Solicitation	0	0	0	\$44,823	NA	NA
Biopower	0	0	0	\$77,501	NA	NA
<b>Total Renewable Programs</b>	<b>0.0037</b>	<b>0.0060</b>	<b>0.0097</b>	<b>\$555,636</b>	<b>\$57.28</b>	<b>0.44</b>

\* Includes transmission & distribution savings

**5. Projects completed this quarter**

Energy Efficiency Installed Projects	Total Sites	Sites by Measures Installed		
		Electric-only	Gas-only	Both
Residential				
Single family homes retrofitted	2,556	634	1,143	779
Multifamily units retrofitted	3,924	3,612	122	190
Efficient Home Products rebates	4,024	1,930	193	1,901
Home Energy Reviews conducted	577	145	62	370
Efficient New Homes constructed	187	40	109	38
Manufactured homes retrofitted	260	260	0	0
SHOW CFL packages mailed	634	634	0	0
HEA CFL packages mailed	214	214	0	0
Residential Solar Hot Water installations	47	25	22	0
Commercial sites treated				
Building Efficiency sites treated	223	157	14	52
New Building Efficiency sites treated	16	16	0	0
Solar Hot Water Commercial installations	0	0	0	0
Industrial sites treated	70	70	0	0
<b>TOTAL EFFICIENCY</b>	<b>12,732</b>	<b>7,737</b>	<b>1,665</b>	<b>3,330</b>
<b>Renewable Energy Installed Projects</b>		Electric	Gas	
Utility-scale projects installed	0	0	0	
Solar Electric residential installations	16	16	0	
Solar Electric commercial installations	5	5	0	
Community wind projects installed	0	0	0	
Open Solicitation projects installed	0	0	0	
<b>TOTAL RENEWABLES</b>	<b>21</b>	<b>21</b>	<b>0</b>	

Table 5 and corresponding information in the narrative refer to numbers of efficiency and renewable energy projects. We define “projects” to be completed installations or services at one location (“site”), with certain exceptions:

- A Home Energy Review, with CFL installation, counts as one project. If that home subsequently installs one or more measures, this installation counts as a separate project.
- Each apartment unit treated counts as one project.
- Each manufactured home counts as one project.
- An industrial process study counts as one project. Subsequent measure installation counts as a separate project.
- Measures installed in separate facilities within a large industrial complex count as separate projects.