

This Energy Trust quarterly report covers the period January 1, 2008, through March 31, 2008, the first quarter of the year (Q1). The report addresses progress toward 2008 and 2012 energy saving and renewable energy generation goals and includes corresponding revenue and expenditure information. The number of completed projects and incentives paid during the quarter are included, along with other quarterly activity highlights.

I. QUARTERLY HIGHLIGHTS

I. General

- Electric efficiency projects completed during the quarter are expected to save 4.3 average megawatts — about 44% higher than savings in the first quarter of 2007. Overall electric efficiency expenditures for the quarter were 12% below budget, a variance that falls within normal expectations.
- Electric energy savings in the quarter represent 13% of the 2008 year-end best case goal of 33 average megawatts and 17% of the conservative case goal of 25 average megawatts.
- Since March 1, 2002, these electric efficiency programs have cumulatively saved 160 average megawatts. When savings from self-directed industrial projects are added, the total represents 60% of Energy Trust's 2012 goal. This is equivalent to the annual electric consumption of about 130,000 average Oregon homes.
- Gas efficiency projects completed during the quarter are expected to save 400,000 annual therms — nearly double the gas savings in the first quarter of 2007. Gas expenditures for the first quarter were 1% below budget.
- Gas efficiency programs in the quarter represent 24% of the conservative goal 2008 goal of 1.7 million annual therms and 17% of the best case goal of 2.3 million annual therms.
- Since gas programs began in 2003, cumulative savings of 7.1 million annual therms have been realized, accounting for 34% of the current 2012 goal. This is equivalent to providing gas to almost 11,000 homes.
- Including completed projects, the 31 average megawatt Goodnoe Hills wind project and other project commitments through 2010, Energy Trust is supporting approximately 110 average megawatts of renewable energy generation, representing about 75% of the current 2012 goal.
- Cumulative renewable energy savings are equivalent to serving the electric needs of about 50,000 homes per year.
- Public purpose revenues were \$21 million for the quarter, \$433,114 (2%) more than budgeted. Total quarterly expenditures were \$11.5 million, 39% below budget.

2. Commercial efficiency programs

- During the first quarter, energy efficiency measures were installed in 179 commercial buildings, reflecting a strong emphasis on this sector and an increase in project activity. The average incentive payment per site was \$2,618. Of the total, 137 buildings received electric efficiency measures, 29 buildings received gas efficiency measures, and 13 buildings saved both gas and electricity.
- The foodservice initiative received an ENERGY STAR® Promotion Award from US EPA.
- Energy Trust and BPA coordinated initiatives to serve the foodservice and lodging markets. Statewide lighting trade ally trainings attracted record numbers.

- New initiatives were developed for automobile services, commercial laundries and congregations.
- A total of 78 highly efficient new commercial buildings were completed this quarter. The average incentive payment per site was \$5,990.
- New Buildings is renewing and expanding the program's Trade Ally Network, with the goal to increase penetration in the "design-build" market and work with contractors to specify equipment for these project types.
- With support from the Northwest Energy Efficiency Alliance (NEEA), Oregon Department of Energy began planning the development a non-residential code change proposal to reduce commercial building use by 30% relative to the current code.

3. Industrial efficiency programs

- Electric energy-saving projects were completed at 50 manufacturing firms. The average incentive payment per site was approximately \$9,730.
- The small industrial compressed air incentive calculation tool is now available, supported by seven new compressed air trade allies.
- Through NEEA's industrial initiative, Sabroso Medford designated energy teams for each of its energy systems, including lighting, cold storage, pumps and motors, compressed air, water, and boilers. An Energy Trust representative worked closely with the lighting team to provide plant tours of firms implementing best practices in the area.
- At Blue Heron Paper Company, Energy Trust and NEEA staff coordinated a re-engagement overview of services available through Energy Trust, PGE, and NEEA.

4. Residential efficiency programs

- Energy Trust was the title sponsor of the first Better Living Home, Garden & Lifestyle Show from March 28-30 at the Portland Expo Center. More than 22,500 people attended the free show. Energy Trust's main feature was a 1,100 square-foot *Good Energy House* built in the center of the show to highlight energy-efficient improvements and products and solar electric and solar water heating systems.
- Nearly 900 Oregonians signed up for free Home Energy Reviews at the Better Living Show and 1,993 entered to win Energy Trust's drawing for an ENERGY STAR[®] appliance package.
- Energy Trust completed 1,039 Home Energy Reviews during the first quarter. Through Home Energy Reviews, SHOW self-audit fulfillments, retail sales, fundraiser promotions and other activities, 259,348 packages of compact fluorescent light bulbs were provided during the quarter.
- Energy-efficient measures were installed in 2,814 single-family homes, 1,315 multifamily units and 220 manufactured homes. Of these, 1,989 homes received electric efficiency measures and 2,240 received gas efficiency measures, with 120 sites saving both gas and electricity.
- Energy Trust incentives helped fund the construction of over 255 efficient new homes. Of these, 22 have electricity-saving measures, 24 have gas-saving measures (plus CFLs installed at the time of the Home Energy Review), and 209 have both other electricity- and gas-saving measures. Incentives helped purchase 44 electrically-heated and 1 gas-heated new efficient manufactured homes.
- During the first quarter Energy Trust incentives helped fund the purchase of 2,457 energy efficient clothes washers. The washers were installed in 1,132 homes with electric hot water and 1,325 homes with gas hot water.
- Solar water heating systems were installed in 20 homes with electric hot water and 12 homes with gas hot water.
- The Existing Homes program renewed trade ally agreements with 130 trade allies. Forty-five trade ally contractors participated in cooperative marketing promotions during the first quarter.

- NEEA worked closely with the Energy Trust to develop a regional training platform for all trades that work on ENERGY STAR Homes. These trainings are designed to recruit and educate new builders, and realtors about the value of ENERGY STAR homes.
- NEEA, Energy Trust, Earth Advantage and the Oregon Department of Energy finalized the 2009 Northwest ENERGY STAR Homes requirement in response to the Oregon code change in April 2008. In March, Oregon Department of Energy staff, funded by NEEA, began giving trainings around the state on the new code.

5. Renewable energy programs

- More than 150 city officials attended a workshop for municipalities in PGE's service territory addressing the 1.5% state mandate for solar on public buildings, third party ownership models for solar, and green power purchase options. Energy Trust organized the event in collaboration with the League of Oregon Cities, Oregon Department of Energy, PGE, and Renewable Northwest Project.
- Thirteen commercial solar electric systems were installed in the first quarter. In addition, solar electric systems were installed on 20 homes during the quarter.
- The Renewable Energy Advisory Council and Energy Trust board approved \$1 million in incentive funding for the Central Oregon Irrigation District's Juniper Ridge hydropower project, a 3.2 MW project scheduled for completion in 2010.
- Hydropower scoping studies were completed for the cities of Gresham and Sheridan.
- A hydropower feasibility study was completed for Hood River County and a geothermal feasibility study was completed for the town of Lakeview.
- Energy Trust provided assistance to the Oregon Institute of Technology in Klamath Falls, helping develop more detailed design, permitting, interconnection and financial elements for the campus' plan for a 1 MW geothermal electric project.
- Energy Trust launched a statewide outreach campaign called Solar Now! (visit www.solarnoworegon.org) in collaboration with Oregon Department of Energy, Solar Oregon and City of Portland Office of Sustainable Development.
- Two 10kW small wind projects were approved for funding.
- The Letter of Intent for the Sherman County Wind Farmers 10 MW community wind project was withdrawn due to the project's failure to meet milestones.
- Three new tall towers for wind resource assessments were approved. One anemometer is a cost share with a USDA Value-added Production Grant (Umatilla County); one is a cost share with an Oregon Economic Community Development Depart feasibility grant (Hood River County); and one is a cost share with a land owner (Hood River County).
- Hood River School District unanimously approved the High School's Science Club proposal to install a 1.8 KW wind turbine at the school's football field as a demonstration project with Energy Trust.
- A preliminary application for a proposed 10-15 MW biomass co-gen project in Lakeview was accepted. Approval hinges on results of an updated biomass supply study and whether the project can obtain a power sales agreement with Pacific Power or PGE.

6. Revenues and expenditures

- \$21.2 million in public purpose funds were received during the quarter, with expenditures at \$11.54 million.
- A total of \$4.05 million in incentives was paid.

7. OPUC performance measures

- Following are the most recent performance measures established by the Oregon Public Utility Commission for Energy Trust. Performance against the established measures will be reported in the 2008 annual report.

Category	Measures
Energy Efficiency	At least 20 aMW computed on 3-year rolling average Levelized cost of not more than two cents per kWh
Natural Gas	700,000 therms computed on 3-year rolling average Levelized cost of not more than 40 cents per annual therm
Renewable Energy	At least 15aMW At least 9 aMW from projects in utility Integrated Resource Plans At least 3 aMW from a variety of small-scale projects Both computed on 3-year rolling average
Financial Integrity	Unqualified financial audit
Administrative & Program Support Costs	Keep below 11% of revenues
Customer Satisfaction	Demonstrate reasonable customer satisfaction rates through program evaluation customer surveys; report complaint statistics
Benefit/Cost Ratios	Compare to ratios from 2006 reported in #8 below

8. Benefit-cost ratios for 2007 (year-end data)

Program	Utility system benefit-cost ratio	Societal benefit-cost ratio
1. Existing Homes	2.7	1.5
2. New Homes and Products	2.8	2.6
3. Existing Buildings	4.3	1.4
4. New Buildings	6.4	2.8
5. Production Efficiency	7.7	3.0
6. NW Energy Efficiency Alliance	12	4.0

II. TABLES

I. Revenues

Source	Actual revenues received Q I	Budgeted revenues Q I
Portland General Electric	\$9,871,187	\$9,870,815
Pacific Power	\$6,695,554	\$6,410,602
NW Natural	\$4,184,843	\$4,068,300
Cascade Natural Gas	\$439,748	\$408,501
Avista	\$0	\$0
Total	\$21,191,331	\$20,758,217

2. Expenditures

Type	Actual Expenditures Q1	Budgeted Expenditures Q1
Energy Efficiency programs	\$10,121,794	\$11,212,884
Renewable Energy programs	\$777,350	\$6,965,617
Administration	\$641,803	\$810,200
Total	\$11,540,947	\$18,988,701

3. Incentives Paid

Quarter	Energy Efficiency				Renewable Energy			Total
	PGE	Pacific Power	NW Natural	Cascade Natural Gas	Avista	PGE	Pacific Power	
Q1	\$1,451,477	\$1,024,918	\$1,190,165	\$52,291	\$7,253	\$177,071	\$150,094	\$4,053,269
Q2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Q3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Q4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$1,451,477	\$1,024,918	\$1,190,165	\$52,291	\$7,253	\$177,071	\$150,094	\$4,053,269

4. Savings and Generation

Electric efficiency savings. In the first quarter of 2008, energy efficiency programs saved 4.3 average megawatts, representing 13% of the 2008 year-end best case goal of 33 average megawatts and 17% of the conservative case goal of 25 average megawatts. Since March 1, 2002, these programs have cumulatively saved 160 average megawatts. When savings from self-directed industrial projects are added, the total represents 60% of Energy Trust's 2012 goal.

Electric Efficiency Savings Q1 2008	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses	mil \$ / aMW	Levelized Cost/kWh
Commercial	0.56	0.28	0.84	2,434,026	\$2.9	3.8 ¢
Industrial	0.49	0.61	1.1	1,759,804	\$1.6	2.3 ¢
Residential	1.4	0.98	2.4	3,782,175	\$1.6	2.5 ¢
Total Energy Efficiency programs	2.5	1.9	4.3	7,976,005	\$1.9	2.7 ¢

Gas efficiency savings. In the first quarter of 2008, efficiency programs saved 400,000 annual therms of natural gas, representing 24% of the conservative goal 2008 goal of 1.7 million annual therms and 17% of the best case goal of 2.3 million annual therms. Since gas programs began in 2003, cumulative savings of 7.1 million annual therms have been realized, accounting for 34% of the current 2012 goal.

Gas Efficiency Savings Q1 2008	NWN Therms	Cascade Natural Gas	Avista	Total Savings Therms	Expenses	\$ / Therm	Levelized Cost/ Therm
Commercial	120,000	0	13,000	130,000	596,496	\$4.6	37 ¢
Industrial	640	0	0	640	21,658	\$34	290 ¢
Residential	250,000	20,000	2,100	270,000	2,102,509	\$7.8	53 ¢
Total Energy Efficiency Programs	370,000	20,000	15,000	405,000	2,720,663	\$6.7	48 ¢

Renewable energy generation. Including the 31 average megawatt Goodnoe Hills wind project and other project commitments through 2010, Energy Trust is supporting approximately 50 average megawatts of renewable energy generation, representing 75% of the current 2012 goal.

Renewable Energy Generation Q1 2008	PGE aMW	Pacific Power aMW	Total Generation aMW	Q1 2008 Expenses	mil \$ / aMW	Levelized Cost/kWh
Biopower	0.00	0.00	0.00	126,569	n/a	n/a
Open Solicitation	0.00	0.00	0.00	142,617	n/a	n/a
Solar Electric Program	0.01	0.01	0.02	460,559	\$23	23 ¢
Utility Scale	0.00	0.00	0.00	19,450	n/a	n/a
Wind Program	0.00	0.00	0.00	95,084	n/a	n/a
Total Renewable Programs	0.01	0.01	0.02	844,279	\$42	31 ¢

5. Projects completed this quarter

	Total	Electric-only	Gas-only	Both
ENERGY EFFICIENCY				
Commercial projects				
Existing buildings retrofitted	179	137	29	13
Efficient new buildings constructed	78	24	1	53
Solar water heating commercial installations	1	0	1	0
Industrial projects	50	49	0	1
Residential projects				
ENERGY STAR new homes constructed	255	22	24	209
ENERGY STAR new homes enhanced	233	5	214	14
Efficient new manufactured homes purchased	45	44	0	1
Home energy reviews conducted	1,039	577	55	407
Single family homes retrofitted	2,814	577	2,173	64
Manufactured homes retrofitted	220	191	24	5
Multifamily units retrofitted	1,281	1,221	9	51
New multifamily units enhanced	34	0	34	0
Residential solar water heating installations	32	20	12	0
ENERGY STAR clothes washer rebates	2,457	1,132	174	1,151
Refrigerator exchange pilot	2	2	0	0
CFL packages sold/provided	259,348	259,348	0	0
RENEWABLE ENERGY INSTALLATIONS				
Biopower project installations	0	0	0	0
Open solicitation project installations	0	0	0	0
Solar electric residential installations	20	20	0	0
Solar electric commercial installations	13	13	0	0
Utility scale project installations	0	0	0	0
Wind project installations	0	0	0	0
TOTAL RENEWABLES	33	33	0	0

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 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.
- Measures installed in separate facilities within a large industrial complex count as separate projects.