



Energy Trust Board of Directors Staff Report April 2, 2014

Recap of Initial Year-End Observations

- Strong annual results
- Affordable energy delivered for utilities and ratepayers
- Cost of savings substantially lower than anticipated in commercial and industrial sectors
 - Several large projects—data centers and mega project
 - Substantial behavior savings at low cost
 - NEEA savings much higher than budgeted
- Lower than budgeted activity in residential sector
- Lower operational costs



High Volume, Low Cost Savings in 2013

Savings distribution more pronounced across sectors than in prior years:

- Considerably higher savings from very large industrial and commercial projects acquired at a record-breaking lower cost
- Comparatively lower savings from Existing Homes
- Do *not* expect this same pattern will repeat at this scale in the future

Savings from the following programs contributed:

- New Buildings, especially new data center construction
- Production Efficiency “mega project”—half-a-cent savings
- Behavioral savings from industrial Strategic Energy Management (SEM) and Opower
- Market transformation, including NEEA and building remodels



Lower Expenditures, Savings, Generation

Existing Homes

Electric and gas savings considerably < predicted

Existing Buildings

Overall electric savings under plan

Slower than anticipated start for commercial Strategic Energy Management (SEM)

Challenging renewable energy market

Post Business Energy Tax Credit environment

Projects carried forward into 2014

Payments delayed until 2014



Process Improvements

Enhance annual revenue and expenditure forecasting capability:

- Update staff on revised revenue forecasts and adjustments, including mid-year
- Share monthly expenditure history and trend data by program and combine with project pipeline status
- Revise budget assumptions used to determine expenditure rates to achieve goals
- Rely more on access to new program reserves



Noteworthy Activity

- New Buildings program supports growth in multifamily construction
- National report shows cheapest energy resource is efficiency
- Energy Trust contractors ranked among 100 Best Companies to Work For in Oregon
- Oregon Legislature wraps up



Category	2014 OPUC Performance Measure	2014 Annual Budget
Electric Efficiency	PGE: 32 aMW; 3.2 cents/kWh* Pacific Power: 17.1 aMW; 3.7/kWh*	57.7 aMW 2.9 cents/kWh*
Natural Gas Efficiency	NW Natural: 4.53 mil therms; 45.3 cents/therm* Cascade: 400,000 therms; 52 cents/therm*	6.1 mil therms 40 cents/therm*
Renewable Energy	Project development assistance 0.7 aMW of net-metered projects (solar, wind) Custom non-solar cost maximum \$29/MWh (3-yr rolling average) Report criteria for custom solar/ innovative projects	4.5 aMW 3.5 cents/kWh
Financial Integrity	Unmodified financial opinion	Accounting conforms with GAAP
Program Delivery Efficiency	Administrative and program support costs below 9% of revenue	6%
Customer Satisfaction	At least 85% for overall and interactions with representatives	Via Fast Feedback
Benefit/Cost Ratios	Report both utility system and societal perspective	Report as required

*Levelized costs



Thank you

