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

ENERGY TRUST OF OREGON

NOVEMBER 14, 2014

This report covers activity between July 1 and September 30, 2014

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Energy Trust of Oregon

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I. Q3 2014 ACTIVITY AT A GLANCE

Residential activity in Q3 2014

New homes and major remodels	**479**
New homes constructed	454
New manufactured homes	25
Weatherization retrofits	**1,757**
Single-family site-built	1,411
Existing manufactured homes	346
Home Energy Reviews*	**267**
Total Sites	**2,961**
Heating systems	**871**
Water heaters	**135**
Solar	7
High-efficiency products	**3,712**
Washing machines	2,972
Refrigerators & freezers	740
High-efficiency lighting**	**672,463**
Refrigerators, freezers recycled	**3,715**
Energy Saver Kits sent	**7,928**
Total Other Activity	**16,361**

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

Commercial activity in Q3 2014

New Buildings sites served[1]	**93**
Whole building approaches	13
Packaged solutions for market segments	14
Standard/system-based approaches	66
Existing Buildings sites served[1]	**587**
Building Operator Certification	0
Custom[2]	106
Lighting	283
Prescriptive/standard[3]	198
SEM projects in progress	**21**
Existing multifamily sites served	**661**
Solar water heating sites served	**3**
Sites receiving technical assistance	**161**

[1]New Buildings and Existing Buildings total sites served may include sites that participated in more than one program track
[2]The most common custom improvements are building controls and HVAC
[3]The most common prescriptive/standard improvements are foodservice and grocery equipment

Industrial/agricultural activity in Q3 2014

Projects	**246**
Streamlined industrial[1]	162
Lighting	62
Custom[2]	22
Strategic Energy Management[3]	0
SEM projects in progress	**39**
Incentive offers made[4]	**229**

[1]The streamlined track delivers savings from irrigation measures, small compressed air, variable frequency drives and other prescriptive and calculated measures
[2]The most common custom improvements are compressed air system and process upgrades
[3]Savings from no-cost or low-cost operational steps (i.e., turning off equipment when not in use) identified through trainings in SEM approaches
[4]Incentive offers made to and accepted by customers in the quarter, giving customers two years to install upgrades and receive incentives

Renewable energy activity in Q3 2014

Solar electric installations	**270**
Residential	250
Commercial	20
Other renewable projects	**2**
Biopower projects	0
Wind projects	1
Hydropower projects	1
Geothermal projects	0
Total	**272**

Trade ally activity in Q3 2014

Regional trade ally roundtable meetings	**5**
Attendance	100
Trainings provided	**25**
Trade allies added to network	**44**
Trade allies accessing business development funds	**95**

Operations activity in Q3 2014

Project transactions completed in IT systems	**19,335**
Calls received	**6,434**
Website visits	**190,727**
info@energytrust.org inquiries	**487**
Complaints	**1**
News stories in print, broadcast	**131**

II. HIGHLIGHTS OF Q3 ACTIVITIES

A. Savings[1,2], generation and general highlights

Summary

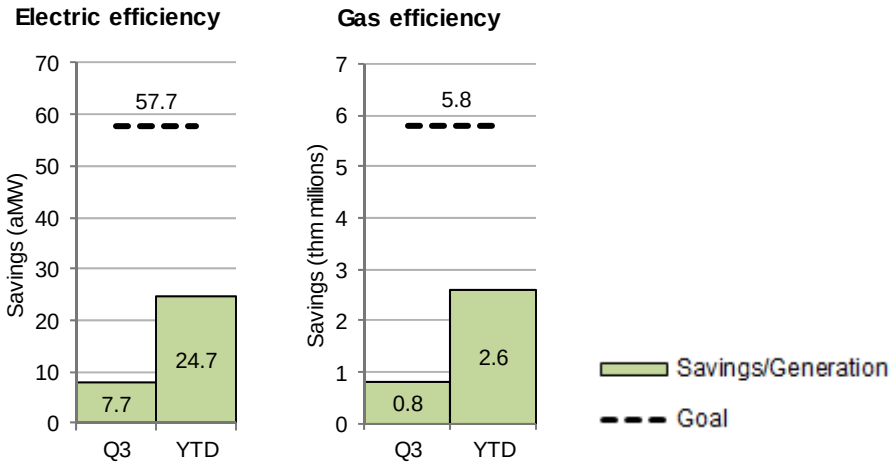
- **At the close of quarter three, Energy Trust is on track to exceed goal in Cascade Natural Gas territory and meet or nearly meet goals in all other utility territories in 2014**. Savings were much higher for all utility territories compared to this time last year.
- **Energy Trust is projected to achieve 97 percent of electric goal and 99 percent of gas goal** in 2014. With electric and gas savings goals slightly higher than 2013 goals, respectively, 2014 is forecast to be one of Energy Trust's highest energy-saving years on record.
- **The renewable energy sector expects to meet its generation goal in Portland General Electric territory** and fall short of its generation goal in Pacific Power territory in 2014 due to cancellation of two biomass projects and delay of one large-scale solar project in Q3, and delay of one large-scale project in Q2. Staff are confident in meeting or exceeding the annual OPUC performance measure for standard, net-metered generation.
- **Year-end efforts are underway to complete projects and achieve annual goals** in all territories, including bonus incentives for qualifying Existing Buildings, multifamily, Production Efficiency and Existing Homes projects. Historically, the majority of annual savings occurs in Q4, and that trend is expected to continue in 2014.
- **Noteworthy savings and generation activity occurred across programs in Q3**. Accomplishments detailed in this report include:
    - **Residential lighting sales were strong, supported by in-store promotions** at major retailers for compact fluorescent light bulbs and LEDs.
    - **Existing Buildings savings from lighting projects exceeded expectations** as LED prices continued to decline.
    - **New Buildings closed 204 projects through Q3, the most ever at this point** in the year. The program also enrolled 429 projects year-to-date—more than all projects enrolled in 2013.
    - **Production Efficiency saw record high Strategic Energy Management enrollments**, including for new cohorts in the Willamette Valley and Central and Southern Oregon.
    - **Existing Homes received 9 new customer applications for on-bill financing repayment under the Savings Within Reach initiative,** and trained 22 new trade allies to provide the offering. Through Savings Within Reach, Energy Trust provides enhanced incentives for moderate-income residents. In 2014, Energy Trust began to market on-bill repayment for Savings Within Reach customers after establishing voluntary agreements with PGE, Pacific Power and NW Natural.
    - **Three multifamily affordable housing projects completed upgrades to energy-efficiency features through MPower Oregon**, an on-bill financing repayment pilot providing Energy Trust incentives to owners of affordable housing and benefiting renters through lower energy costs.

[1]This document reports net savings, which are adjusted gross savings based on results of current and past evaluations.
[2]This report includes the best available energy savings data as of the date of submission. Energy savings reported here for periods prior to January 1, 2014, 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 2014 Report will be available online at www.energytrust.org/reports.

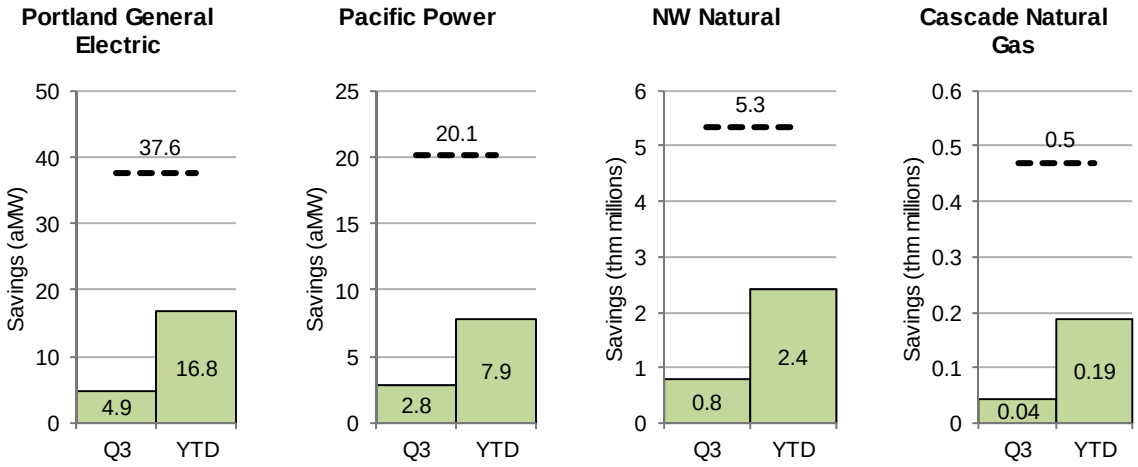
    - **Commercial solar installations doubled in Q3 compared to Q3 2013**, and new residential and commercial solar incentive reservations continued at a strong pace.
- **Energy Trust submitted a report on cost-effectiveness exceptions for gas programs** and measures to the OPUC on July 1 in response to OPUC Docket UM 1622, Order 13-256, and presented this proposal at OPUC public workshops. After the commission decision on the docket, staff developed a plan for implementation of the ruling, including modification and removal of several measures. In addition, Energy Trust expanded education on cost-effectiveness and program implications with trade ally contractors and stakeholders.
- **Efforts to reach and serve customers and engage trade allies in all regions were strengthened by hiring a new Southern Oregon outreach manager**. In addition, increased outreach to customers in rural and remote areas continued, with targeted events designed in cooperation with area utilities to engage commercial and industrial customers in Ontario, Enterprise and Hermiston.
- **Energy Trust implemented new strategies to improve operational systems and processes.** A few examples include:
    - **Evaluated incentive applications to make them easier and faster for customers and trade allies to complete**, including removing serial numbers from residential products applications. In 2013, serial numbers were missing in 28 percent of incomplete products applications; the modified form improves the efficiency of delivering incentive checks and maintains appropriate controls to protect ratepayer dollars.
    - **Enhanced systems for Existing Homes incentive application processing**, including automated notification for trade allies when a form is missing information, new instant incentives functionality and new web forms that speed data entry and reduce processing times.
    - **Transitioned to paperless Production Efficiency project files**, reducing waste and improving project processing times.
- **Staff began developing a draft 2015 Annual Budget and 2015-2016 Action Plan,** sharing early program concepts with utilities, the Renewable Energy Advisory Council and the Conservation Advisory Council in July, improving Energy Trust's approach to forecasting and tighter budgeting, and exploring options to redesign the Existing Homes program in response to the OPUC gas cost-effectiveness ruling.
- **The board of directors approved Energy Trust's 2015-2019 Strategic Plan** on October 1, following extensive outreach and promotion of the document in a variety of public forums held in July and August. Staff presented the draft plan to advisory councils and affiliated utilities, and promoted the draft plan to utility customers, community and business leaders and the general public during 13 presentations throughout the state. Pacific Power was instrumental in co-hosting events that also served to generate business customer leads for programs. More than two dozen written comments were received on the draft plan goals and strategies.
- **The board of directors reviewed throughout the summer and approved on October 1 an independent Management Review** report completed by Coraggio Group. Management Reviews provide evaluation of the efficiency and effectiveness of Energy Trust operations, and are completed every five years as required by Energy Trust's grant agreement with the OPUC. Staff will submit the review to the OPUC in Q4, and will report proposed follow-up actions on all recommendations to the board and OPUC.
- **This report addresses an OPUC request for quarterly updates on** 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 2G.

Quarterly progress to energy-efficiency goals

- **Electric efficiency improvements completed during Q3** will save 7.7 average megawatts of electricity, about 13 percent of the 2014 goal of 57.7 aMW. Q3 2014 electric savings were approximately 3 percent less than savings in Q3 2013.
- **Gas efficiency improvements completed during Q3** will save 819,260 annual therms of natural gas[3], about 14 percent of the 2014 goal of 5.8 million annual therms. Q3 2014 gas savings were approximately 15 percent greater than savings in Q3 2013.



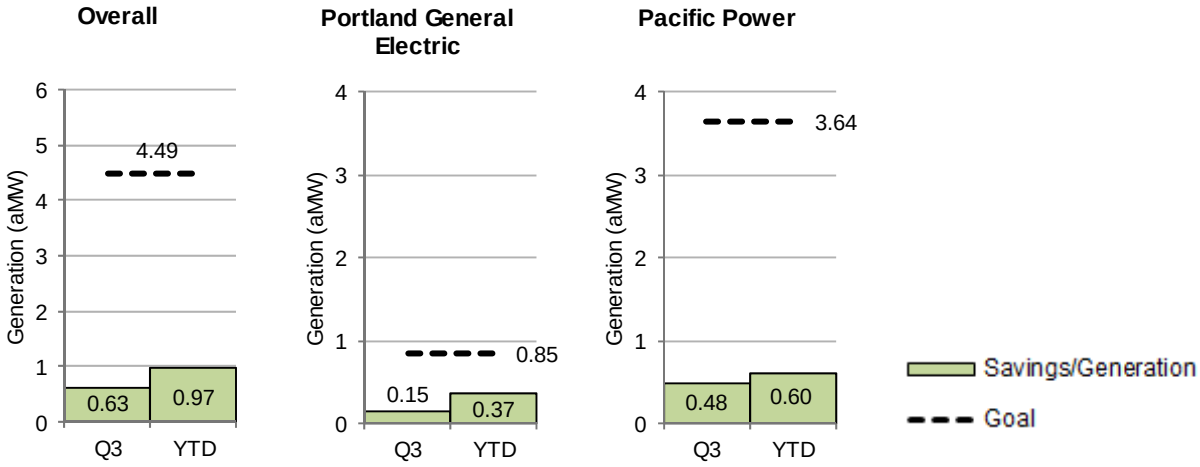
Quarterly progress to energy-efficiency goals by utility



[3]Gas savings do not include NW Natural results in Washington. These results are reported in Appendix 5.

Quarterly progress to renewable energy generation goals

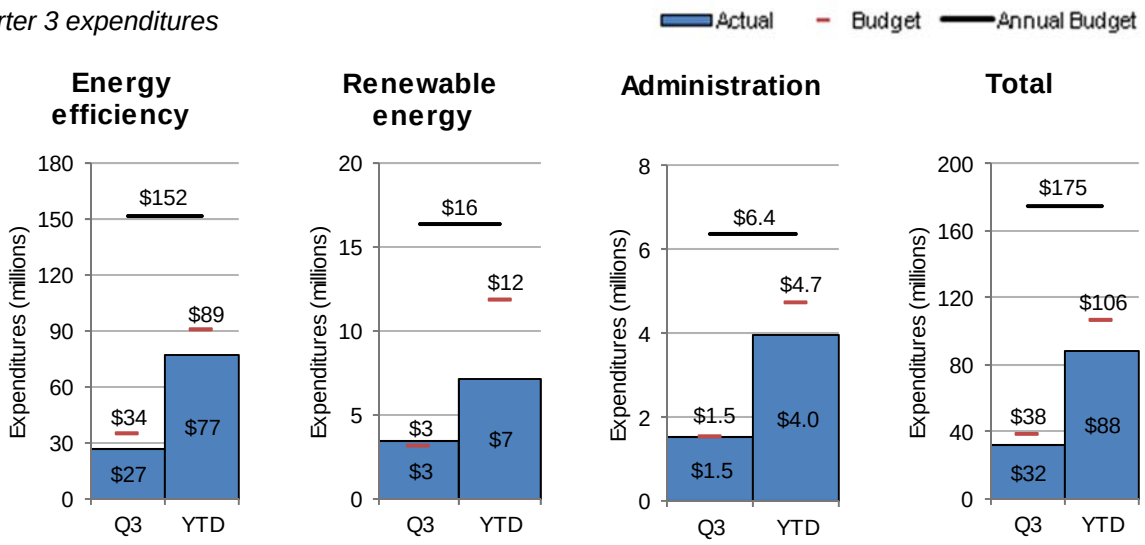
- **Renewable energy systems installed during Q3** will generate 0.63 aMW of electricity, 14 percent of the 2014 goal of 4.49 aMW. Renewable generation in Q3 2014 was more than double the generation in Q3 2013. Renewable generation is influenced by completion of large projects and can fluctuate significantly by quarter.



B. Revenues and expenditures

- **Overall revenue totaled $35.8 million for Q3 2014,** approximately on target with what was budgeted.
- **Q3 expenditures totaled $31.5 million**, of which $14.9 million or 47 percent was for incentives, compared to 46 percent at this time last year.
- **Q3 electric efficiency expenditures** were 19 percent below budget.
- **Q3 gas efficiency expenditures** were 27 percent below budget. Gas expenditures were largely impacted by fewer Clean Energy Works and Existing Buildings projects completed in Q3, and Existing Buildings savings acquired at lower-than-budgeted cost.
- **Q3 renewable energy expenditures** were 13 percent over budget.

Quarter 3 expenditures



C. Commercial sector highlights

- **The commercial sector, comprising the Existing Buildings program, New Buildings program and multifamily initiative**, expects to exceed goals in Pacific Power, NW Natural and Cascade Natural Gas territories and to approach its goal in PGE territory.
- **The sector completed five commercial deep retrofit[4] projects** out of 27 identified as renovations in Q3.
- **Contracts were negotiated for the first building to participate in the Pay for Performance** pilot, with measure installation and ongoing performance measurement expected to begin in Q4. This pilot will 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.
- **Savings from Energy Trust investment in Northwest Energy Efficiency Alliance activities comprised approximately 5 percent and 8 percent** of the sector's results in PGE and Pacific Power territories, respectively. NEEA anticipates savings from efficient computer equipment and building code initiatives to exceed expectations in 2014. These and the Building Operator Certification initiative are expected to be the primary sources of NEEA savings.

Existing Buildings

- **Savings from lighting projects exceeded expectations**, and LEDs increased as a portion of overall electric savings as prices continued to decline. The program developed a new direct-installation lighting offer for small commercial businesses—including lighting audits, installation and financing—to launch in Q4.
- **To further drive participation, the program increased its custom incentive offering** for projects that complete by year-end.
- **A large Strategic Energy Management pipeline is expected to deliver savings in Q4**, and the program recruited additional commercial SEM participants for 2015. In Q3, Existing Buildings selected two Program Delivery Contractors through a competitive request for proposals to deliver the commercial SEM initiative in 2015. In addition to supporting ongoing delivery of the commercial SEM offer for customers, the PDCs will enhance regional customer outreach and provide an educational curriculum designed to meet customer needs.
- **Existing Buildings hosted a first annual event for non-lighting trade ally contractors** to promote sales of energy-efficient equipment to small and medium-size businesses.
- **Staff continued collaboration with the Oregon Department of Energy to serve schools**, and completed several energy studies for schools that are expected to proceed with energy-efficiency installations by year-end. Rural outreach resulted in participation of several Eastern Oregon schools.
- **Installation of in-unit CFLs and efficient faucet aerators and showerheads** contributed nearly two-thirds of multifamily electric savings in Q3, followed by common-area lighting and prescriptive projects. This mix of savings is expected to continue through the remainder of 2014.

[4]Based on a working definition of commercial deep retrofits developed for the purpose of OPUC reporting, deep retrofit projects typically achieve approximate savings of 40 percent beyond market average by following a number of pathways. A project must be a major renovation of an existing commercial building and receive incentives for one of the following: market solutions package, 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.

- **Installation of energy-saving products provided 84 percent of multifamily gas savings**, with prescriptive projects contributing the remaining savings. Prescriptive and custom capital projects are expected to increase as a portion of multifamily gas savings as projects close in Q4.
- **To increase electric savings by year-end, multifamily will increase promotion of energy-saving products in electric utility territories and launched a bonus for custom projects** completed in 2014. The custom bonus will complement the prescriptive incentive bonuses launched in Q2 for foodservice and HVAC equipment (specifically boilers) and will be available through year-end. Multifamily also plans to begin installing LED bulbs in Q4, which are expected to achieve 12 percent higher savings per bulb compared to CFLs.
- **Three projects completed construction through MPower Oregon**, an on-bill financing repayment pilot developed to serve owners of affordable housing and benefit renters through lower energy costs. An additional 50 projects signed up, and another eight are expected to complete in Q4.

New Buildings

- **The program closed 204 projects through Q3, the most ever at this point in the year**.
- **The program enrolled 108 new commercial construction projects in Q3 for a total of 429 year to date**—more than all projects enrolled in 2013. Enrollments were especially strong in Cascade Natural Gas territory.
- **A thriving multifamily new construction market drove savings in Q3**. Retail projects contributed to electric savings, and gas savings came from restaurants and a large warehouse project. Activity was high in the Portland Metro area, Willamette Valley and Central and Eastern Oregon. Staff expects continued growth in multifamily and lodging projects in these areas.
- **New construction activity in the office sector continued to grow in the Portland Metro area**, where office vacancy rates are the lowest in the nation**.** Retail and restaurant sectors are showing related growth due to ground floor renovation projects.
- **New Buildings enrolled the 100th project for its market solutions offering**, launched in late 2012 to serve customers with pre-packaged incentives to achieve deeper energy savings in construction of small restaurant, grocery, multifamily, office, school and retail buildings.
- **Rural outreach efforts resulted in project enrollments in Hermiston, Central Point** and Powell Butte.
- **The program co-hosted an Allies for Efficiency training on passive building design** for commercial and multifamily buildings, attracting more than 130 attendees to remote training locations in Medford, Eugene and Bend.

D. Industry and agriculture sector highlights

Production Efficiency

- **As of Q3, the industry and agriculture sector may fall short of 2014 goals**, nearly reaching goal in PGE territory. Several Production Efficiency gas projects were canceled or delayed until 2015, impacting expected year-end gas savings.
- **Lighting comprised nearly one-half of all electric savings in Q3**, with the remaining savings from custom projects and trade ally-delivered streamlined projects. Continued growth in lighting projects followed lighting incentive increases launched in Q1. Gas savings consisted equally of custom and streamlined projects in Q3.

- **To boost year-end savings, the program will implement a 20 percent incentive bonus** for custom projects that complete from mid-October to mid-December 2014. This bonus aims to increase completion rates for projects currently in the pipeline.
- **The program saw record high Strategic Energy Management enrollments from customers around the state**, with 40 companies enrolled in Q3. Production Efficiency launched the first Willamette Valley SEM cohort with 15 participating businesses, seven of which are eligible for gas savings. The program also launched the first Central and Southern Oregon SEM cohorts, with five and 12 participating companies, respectively. More than 50 companies are expected to participate in SEM offerings in 2015, the most ever in a single year.
- **To promote a bonus for Cascade Natural Gas customers** completing projects in 2014, Production Efficiency used utility customer data to send direct mail marketing to 350 customers. This effort included follow-up calls and resulted in five meetings with prospective customers.
- **Outreach efforts in Q3 contributed to a strong pipeline of new projects expected in 2015**. Extensive outreach efforts in Wallowa County, Ontario and Hermiston helped build the pipeline of potential projects in rural areas.
- **Analysis of Q2 outreach indicated that program-sponsored outreach events in Salem and Medford resulted in 34 leads** from 19 companies, accounting for 2.5 million kilowatt hours of anticipated potential savings.
- **Staff presented at a Master Brewers Association course on energy-efficiency upgrades** at Oregon breweries, and presented a video produced in collaboration with Climate Solutions about Oregon's sustainable brewing supply chain. The video features an Oregon hops grower, brewer and distributor, each of which accessed Energy Trust incentives to help manage energy costs.
- **Savings from NEEA activities comprised approximately 1 percent and 3 percent** of the sector's results in PGE and Pacific Power territories, respectively. Improved motor standards are expected to provide slightly higher than expected savings in 2014.

E. Residential sector highlights

- **Savings in the residential sector, comprising Existing Homes and New Homes and Products programs**, are expected to exceed goal in Cascade Natural Gas and approach goals for all other utilities in 2014. Savings are notably higher in all utility territories than last year at this time.
- **Factors negatively impacting the sector's savings included** fewer Clean Energy Works projects completed than anticipated and lower savings expected from Opower efforts than forecasted. Existing Homes savings were also impacted by fewer and more restrictive measures due to low natural gas costs.
- **Savings from NEEA activities comprised approximately 15 percent** of the sector's savings in PGE and Pacific Power territories. As of Q3, NEEA efforts are expected to result in fewer savings than forecast for 2014 due to a drop in sales of efficient TVs. Specialty lighting and residential code improvements are expected to contribute savings.
- **Following a competitive request for proposals, Energy Trust selected two Program Management Contractors** to administer the New Homes and Products program in 2015. The incumbent, PECI (now CLEAResult), will manage New Homes and a new PMC, Ecova, will manage Products.
- **Staff provided technical information to the Oregon Department of Energy on House Bill 2801**. The legislation went into effect on July 1 and established a voluntary home energy performance score, recognizing Energy Trust's EPS™ as a qualified scoring tool. Energy Trust

also worked with stakeholders including Existing Homes trade ally contractors and the Home Performance Guild of Oregon to inform and advise on implementation strategies for the new law.

Existing Homes

- **Energy-saving light bulbs, faucet aerators and showerheads contributed 62 percent of electric savings and 60 percent of gas savings**, respectively. While these energy-saving products decreased as a portion of Existing Homes savings compared to Q2—indicating a gradual and planned diversification of savings sources to equipment and weatherization upgrades—further diversification of the program's savings portfolio is needed to meet year-end goals.
- **In 2014, Energy Trust invested in two Opower efforts, which generated fewer savings** than expected: a study to determine how long savings persist after a portion of PGE and NW Natural customers received reports for two years and a new effort targeting high energy users in Pacific Power territory. Overall savings related to Opower efforts were low due to fewer Pacific Power customers receiving reports than scheduled and preliminary results showing 1 percent average savings, compared to typical average Opower savings of 1.5 to 2 percent. In addition, analysis indicated that a portion of Opower persistence savings were attributable to participation in other Energy Trust programs, reducing estimated Opower savings. Representing 2 and 7 percent of the program's gas and electric savings, respectively, this shortfall significantly impacts Existing Homes savings for the year.
- **Early-year efforts including bonuses and outreach to trade allies and distributors**—and the start of heating season—are expected to boost savings from weatherization and HVAC upgrades in Q4. Weatherization and HVAC upgrades increased as a portion of savings in Q3 compared to Q2.
- **To further drive savings in Q4, the program launched fall bonuses** for windows, gas fireplaces, heat pumps, heat pump water heaters and ductless heat pumps.
- **In Q3, LivingWise Kits provided to sixth-grade students in Oregon schools included LEDs** for the first time, promoting public awareness about this new energy-saving technology. Energy Trust provides this free LivingWise science curriculum to teachers, and provides energy-saving products installed in student homes.
- **Though fewer than expected, Energy Trust completed 178 residential deep retrofits**[5], including Home Performance and Clean Energy Works projects. Clean Energy Works, representing the largest share of deep retrofit projects, indicates its results for the year will be significantly below expectations. Clean Energy Works offers access to financing for whole-home energy-efficiency improvement projects using standard Energy Trust incentives, with measures installed by Home Performance with ENERGY STAR® trade allies.
- **Existing Homes completed 11 projects for a ceiling insulation and prescriptive air sealing** pilot program to examine the combined effects of installing both measures together. Targeting results in mid-2015, the approach aims to increase cost-effectiveness of both measures given historically low natural gas prices.
- **The program began allowing select 3-star trade allies to offer instant incentives** for HVAC and water heating equipment, enabling customers to receive discounted equipment at time of purchase. This change shifts the responsibility for submitting incentive applications from

[5]Energy Trust defines residential 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.

customers to trade allies, with the intent to increase the number of completed applications, speed incentive processing and lower program delivery costs per unit.

- **Existing Homes received 9 new customer applications for on-bill financing repayment under the Savings Within Reach initiative,** and trained 22 new trade allies to provide the offering, which includes enhanced incentives for moderate-income residents.
- **The program provided an orientation on Savings Within Reach incentives** for contractors participating in the Cully Weatherization Project 2.0, a collaborative effort to weatherize and perform repairs for 100 low- to moderate-income homeowners led by Native American Youth and Family Center, Clean Energy Works and other community groups.

New Homes and Products

- **General purpose CFLs accounted for 38 percent of electric savings in Q3**, followed by LEDs at 19 percent, specialty CFLs at 17 percent and refrigerator recycling at about 8 percent. Various in-store promotions supported lighting sales in Q3, including premium placement for CFLs and LEDs at The Home Depot and LED promotions at Costco and Fred Meyer.
- **Market transformation contributed nearly one-half of gas savings during Q3**, followed by EPS-rated homes and efficient showerheads at 22 percent each. Market transformation includes Energy Trust's influence on state building codes, guiding builders who do not work directly with Energy Trust to incorporate energy-efficient building techniques for the benefit of customers.
- **New home sales were strong in Q3, especially in Central Oregon**. More electrically heated homes were built in the market than staff predicted.
- **A high-volume home builder, DR Horton, announced it will build to meet EPS targets** and plans to leverage EPS as a marketing tool. In continued efforts to expand EPS statewide, staff met with three high-volume builders in Bend to promote building homes to EPS criteria.
- **The program launched an incentive to encourage real estate brokers to include EPS** information in RMLS listings, helping educate homebuyers about the value of energy-efficient homes. Staff also presented on EPS to real estate professionals and promoted Energy Trust's real estate agent and appraiser trainings at home tour events.
- **Staff provided training for students participating in the Columbia Basin Student** Homebuilder program, a career and technical program offered by the Hermiston School District. Students also travelled to Portland to tour energy-efficient new homes and learn about EPS.
- **The program recycled its 100,000th unit since the refrigerator and freezer** recycling initiative launched in 2008.
- **Staff hosted a September media event at Oregon Food Bank for Hunger Action Month** promoting refrigerator and freezer recycling incentive donations, resulting in evening news stories on three TV stations.
- **The program launched new instant incentives for efficient appliances at five Sears locations**, enhancing customer experience by providing incentives at point-of-sale and streamlining incentive processing. Preliminary results exceeded expectations.
- **For the first time, customers can buy Energy Trust discounted lighting products online**, through collaboration with www.costco.com and Ecotone. Targeted email promotion to Costco customers is planned for Q4.
- **Due to ENERGY STAR® refrigerator specification changes leading to a supply shortage** and a trend of flat appliance sales nationwide since 2013, the program saw fewer qualifying refrigerators purchased in Q3.

F. Renewable energy sector highlights

- **The renewable energy sector, comprising Solar and Other Renewables** programs, expects to meet its generation goal for PGE and fall short of its generation goal for Pacific Power in 2014. Staff are confident in meeting or exceeding the annual Oregon Public Utility Commission performance measure for standard, net-metered generation.
- **Q3 generation in Pacific Power territory was impacted by cancelation** of one biomass project earlier in the year and the delay of a large-scale solar project to 2015 or 2016.

Solar

- **Residential solar installations exceeded expectations statewide** through Q3.
- **Commercial solar installations doubled in Q3 compared to Q3 2013**, representing 40 percent of the program's new generation for the quarter. Commercial solar installations are on track to meet generation goals in Pacific Power territory and continue to gain momentum in PGE territory.
- **New residential and commercial solar incentive reservations continued at a strong pace**. With 520 reservations representing 1.0 aMW of new generation, the Solar program has the largest pipeline since the discontinuation of Oregon's Business Energy Tax Credit.
- **Residential solar installations were evenly split between customer-owned and third party-owned systems**. Demand for third-party owned systems is still strong, and demand for customer-owned systems grew following incentive structure changes designed to encourage them in early 2014.
- **Costs for most solar installations continued to decline in Q3**, with residential customer-owned installation prices down 15 percent and commercial installation prices down 24 percent from 2013. In the last five years, commercial and residential solar costs decreased by 56 and 46 percent, respectively.
- **Energy Trust selected the 6.2-megawatt$_{dc}$ Old Mill Solar project in Pacific Power territory** to replace the 5.88-MW$_{dc}$ Stone House solar project that was canceled in Q2. Energy Trust reserved $490,000 for the Old Mill Solar project to be developed in Bly, Oregon. With completion anticipated in 2016, Old Mill Solar will help Pacific Power meet its requirements under the Oregon Solar Capacity Standard.
- **Completion of the Bevans Point project was delayed to 2016**. The project will also help Pacific Power meet its requirements under the Oregon Solar Capacity Standard.
- **The program launched an online solar assessment tool** for Washington County customers. Mapdwell Solar System estimates the solar potential of commercial and residential rooftops based on advanced modeling and weather simulation data, providing customers estimated energy generation of installing a solar system. If Mapdwell is successful in generating customer interest and installations, staff will consider expanding the tool to additional areas of Oregon.
- **Solar provided funding to organizations promoting Solarize projects** in Wallowa County, Rogue Valley and the Columbia Gorge.
- **Staff provided technical assistance to the Klamath Tribes in support of a federal grant** application to install solar on a number of their facilities.

Other Renewables

- **Two projects completed in Q3 for a total of 750 kW of new capacity**: the Three Sisters Irrigation District hydropower project and the Confederated Tribes of the Umatilla wind project.
- **The 700-kW Three Sisters Irrigation District hydropower project features multiple benefits for the irrigation sector**. The project's achievements include a new fish screen and fish passage

facility, stream restoration to improve habitat, installation of nearly four miles of pressurized pipe and a new hydroelectric powerhouse. The hydropower system is estimated to generate more than 3.1 million kWh annually for delivery to Pacific Power.

- **Cancellation of one biopower project negatively impacted generation** in Q3. Market conditions remain challenging for non-solar projects that cannot net-meter, as the value of energy generated by net-metered projects is higher than the wholesale rates received by qualifying facilities.
- **The program approved Project Development Assistance for one wind project and three hydropower projects** in Q3, for a total of 11 projects signed for Project Development Assistance in 2014.
- **Wastewater treatment plants in both PGE and Pacific Power territories** expressed interest in biogas projects, and feasibility studies are expected in 2015.
- **Staff conducted outreach at eight sites considering hydropower, biogas and geothermal** projects, including municipal wastewater treatment plants in Salem, Roseburg, Hood River and Oregon City, a food processor in Stayton, potential hydropower and geothermal projects in Klamath Falls and Medford and a potential combined heat and power project in Lebanon.
- **Staff presented at the Northwest Hydroelectric Association Small Hydroelectric** Conference, Oregon Wave Energy Conference and a statewide meeting of U.S. Department of Agriculture employees.

G. Highlights of program support and internal operations

General Outreach, Communications, Customer Service and Trade Ally Network

- **Received 6,434 calls to the main hotline in Q3**, compared to 6,627 in Q3 2013 and 5,889 in Q2 2014. Calls increased compared to last quarter largely due to fall direct mail marketing promotions of Existing Homes windows and equipment bonuses.
- **Received and responded to 487 inquiries via info@energytrust.org in Q3**, compared to 329 in Q3 2013 and 375 in Q2 2014. The most common requests were for information about Existing Homes offerings, including Energy Saver Kits and residential bonuses.
- **Launched a statewide media campaign to promote awareness of Energy Trust offerings** through billboards in rural and remote areas and through TV, radio, online and print media advertising reaching the majority of Energy Trust service territory.
- **Received 190,727 website visits in Q3 2014**, a 29 percent increase over the 147,936 received in Q3 2013. Energy Trust's general program awareness media campaign drove the most website visits, with 21,660 views on the campaign's landing web page. Marketing promotions for refrigerator and freezer recycling and Energy Saver Kits led to 166 percent and 143 percent increases in visits on each web page, respectively.
- **Garnered 131 news stories about Energy Trust in print and broadcast** with a media value of $95,000—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.
- **Completed 11 press releases in Q3**, featuring 2013 annual results, residential solar installation benefits, home tours, summertime energy-saving tips, energy-efficiency upgrades at Morrow County School District and a South Klamath Falls wastewater district, donating refrigerator and freezer recycling incentives to Oregon Food Bank, a solar electric installation at a veteran care facility in Lebanon, the launch of Mapdwell Solar System in Washington County and Energy Trust's light bulb switch-out event at The Home Depot.

- **In Q3, one complaint was escalated and resolved** in the quarter. This compares to two complaints received in Q3 2013.
- **Met with 100 trade allies at roundtables in Portland, Medford, Bend, Hermiston and Ontario.** Presentations included program updates, fall bonuses, a preview of the Existing Homes Trade Ally Portal tool, information on impacts of House Bill 2801 and guidance on business development.
- **Met with MBank, a local lender interested in financing commercial energy-efficiency** and renewable energy projects.
- **Enhanced outreach to customers and stakeholders in all regions of state** through efforts including:
    - **Hired a Southern Oregon outreach manager based in Grants Pass**, Karen Chase, who will serve as a resource to customers in Jackson, Josephine, Lake, Klamath, Coos and Douglas counties. Chase will connect customers to Energy Trust programs and represent Energy Trust in regional and local efforts that show potential for energy savings and generation.
    - **Developed and strengthened relationships with Strategic Economic Development Corporation, SEDCOR, and Business Oregon**. Staff presented at a luncheon of Salem-area SEDCOR members and guests, worked with Business Oregon to expand information about Energy Trust incentives available to businesses on the Business Oregon website, and provided incentives information for two business recruitment efforts.
    - **Attended the Oregon Coastal Caucus Conference in Florence** to expand awareness of Energy Trust programs that may be leveraged for projects in coastal communities.
    - **Held initial meeting with Rogue Climate and associated Rogue Energy Alliance**, a new initiative in Southern Oregon to address climate change at the community level, including energy conservation, efficiency and renewable options.
    - **Trained Eastern Oregon builders, contractors, real estate agents and appraisers** on energy-efficient new construction.

IT

- **Provided critical and ongoing foundational support for all Energy Trust program delivery**, including Business Intelligence services for reporting and evaluation data; Customer Relationship Management, CRM, systems; energy and incentive project tracking and accounting; and secure remote connectivity and functionality for Energy Trust and Program Management Contractor staff.
- **Continued investment in foundational IT system improvements** to help anticipate program needs and reduce future costs, including:
    - **Continued replacement of FastTrack with CRM**—Energy Trust's measure and project tracking functionality will be provided through expansion of the current CRM system and additional components developed by IT.
    - **Enhanced CRM system capability** to track new information about customers and trade allies.
    - **Upgraded Microsoft Dynamics Great Plains software,** Energy Trust's financial system.
    - **Upgraded all staff to Microsoft Office 2013** to improve work efficiencies.
- **Maintained protocol for accurate, appropriate use and tracking of utility customer data** to support Energy Trust and PMC direct marketing efforts.
- **Automated transfer of project forecast information from Program Delivery Contractor** systems to Energy Trust's tracking system, facilitating and expediting transfer of essential data.

- **Processed 19,335 completed and recognized projects in Energy Trust systems**, including 11,471 submitted through web applications.
- **Responded to 1,364 help desk tickets** submitted to IT by Energy Trust and PMC staff.

Planning and Evaluation

- **Created 81 new energy-efficiency measures** and revised 183 measures.
- **Completed 2014 True Up of savings reflected in 2013 and prior years.**
- **Completed one evaluation and market study:** The Cost-Effectiveness Review for Specific Gas Measures and Programs.
- **Collaborated with PGE to explore incorporating emerging technologies** in future Integrated Resource Plan energy-efficiency acquisition plans.
- **Analyzed new and updated measures for the 2015 budget process**, including residential and commercial lighting measure changes to accommodate changing federal standards.
- **Provided technical support for OPUC staff comments** on the U.S. Environmental Protection Agency's Clean Air Act 111(d) proposal on behalf of the state.

III. TABLES[6]

A. Revenues

Source	Q3 actual revenues received	Q3 budgeted revenues
Portland General Electric	$ 8,855,693	$ 7,946,652
PGE Incremental	$ 11,320,759	$ 11,622,293
Pacific Power	$ 6,645,123	$ 6,352,542
Pacific Power Incremental	$ 6,123,798	$ 6,246,428
Cascade Natural Gas	$ 139,028	$ 172,234
NW Natural	$ 1,660,925	$ 1,864,307
NW Natural Industrial DSM	$ 1,024,350	$ 1,257,878
Total	**$ 35,769,675**	**$ 35,462,333**

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	Q3 actual expenditures	Q3 budgeted expenditures
Energy efficiency programs	$ 26,619,942	$ 33,820,229
Renewable energy programs	$ 3,368,422	$ 3,015,502
Administration	$ 1,539,284	$ 1,534,730
Total	**$ 31,527,648**	**$ 38,370,461**

Source	Q3 actual expenditures	Q3 budgeted expenditures
Portland General Electric	$ 15,816,910	$ 20,438,848
Pacific Power	$ 11,096,915	$ 11,644,247
Cascade Natural Gas	$ 447,280	$ 597,564
NW Natural	$ 3,715,709	$ 4,912,746
NW Natural Industrial DSM	$ 450,834	$ 777,055
Total	**$ 31,527,648**	**$ 38,370,461**

C. Incentives paid

	Energy Efficiency				Renewable Energy		Total
Quarter	PGE	Pacific Power	NW Natural	Cascade Natural Gas	PGE	Pacific Power	
Q1	$ 3,333,343	$ 1,744,478	$ 1,076,423	$ 85,089	$ 664,033	$ 261,721	$ 7,165,087
Q2	$ 8,016,188	$ 4,361,563	$ 2,353,929	$ 229,014	$ 1,112,130	$ 731,143	$16,803,966
Q3	$ 6,258,657	$ 3,923,119	$ 1,763,692	$ 189,920	$ 1,026,857	$ 1,711,530	$14,873,774
Total	**$17,608,187**	**$10,029,160**	**$ 5,194,043**	**$ 504,023**	**$ 2,803,020**	**$ 2,704,394**	**$38,842,827**

[6]Columns may not total due to rounding.

D. Savings and generation

Q3 electric efficiency savings	PGE (aMW)	Pacific Power (aMW)	Total savings (aMW)	Expenses
Commercial	2.1	0.8	2.9	$ 9,726,677
Industrial	0.8	0.8	1.6	$ 5,335,319
Residential	2.0	1.2	3.2	$ 8,316,093
Total electric efficiency programs	**4.9**	**2.8**	**7.7**	**$ 23,378,089**

Q3 gas efficiency savings	NW Natural (thm)	Cascade Natural Gas (thm)	Total savings (thm)	Expenses
Commercial	272,082	11,137	283,219	$ 1,467,023
Industrial	97,898	0	97,898	$ 503,115
Residential	405,337	32,806	438,143	$ 2,643,685
Total gas efficiency programs	**775,317**	**43,944**	**819,260**	**$ 4,613,823**

Q3 renewable energy generation	PGE (aMW)	Pacific Power (aMW)	Total generation (aMW)	Expenses
Other Renewables program	0.00	0.37	0.37	$ 1,313,396
Solar Electric program	0.15	0.12	0.27	$ 2,222,339
Total renewable programs	**0.15**	**0.48**	**0.63**	**$ 3,535,736**

E. Progress toward annual efficiency and generation goals

	YTD expenditures	YTD savings/ generation	Energy Trust annual goal	Percent achieved
Electric savings	$ 67,320,406	24.7 aMW	57.7 aMW	43%
Natural gas savings	$ 13,417,386	2.6 million therms	5.8 million therms	45%
Renewable generation	$ 7,451,941	1.0 aMW	4.5 aMW	22%

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	$42,228,756	16.8 aMW	37.6 aMW	45%	36.3 aMW	46%
Pacific Power	$25,091,651	7.9 aMW	20.1 aMW	39%	19.0 aMW	42%
NW Natural	$12,129,062	2.4 million therms	5.3 million therms	45%	5.3 million therms	45%
Cascade Natural Gas	$ 1,288,325	188,696 therms	470,561 therms	40%	470,561 therms	40%

G. Incremental utility SB 838 expenditures[7]

Utility	Q3 SB 838 Expenditures	YTD SB 838 Expenditures
Portland General Electric	$203,100	$598,922
Pacific Power	$419,990	$722,726
Total	**$623,090**	**$1,321,648**

H. Energy efficiency programs[8,9]

1. Total energy efficiency Q3 2014 savings and expenditures

	Q3 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	7.7 aMW	24.7 aMW	57.7 aMW	43%
Gas	819,260 therms	2.6 million therms	5.8 million therms	45%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	$ 23,378,089	$ 5,564,480	19.2%	$ 67,320,406	$ 9,035,921	11.8%
Gas	$ 4,613,823	$ 1,673,543	26.6%	$ 13,417,386	$ 3,676,313	21.5%
Total	**$ 27,991,912**	**$ 7,238,023**	**20.5%**	**$ 80,737,793**	**$ 12,712,234**	**13.6%**

2. Existing Buildings Q3 2014 savings and expenditures

	Q3 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	2.0 aMW	5.1 aMW	15.9 aMW	32%
Gas	190,216 therms	506,622 therms	1.8 million therms	28%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	$ 6,888,337	$ 1,848,173	21.2%	$ 18,524,465	$ 4,867,991	20.8%
Gas	$ 1,144,049	$ 514,517	31.0%	$ 2,902,481	$ 1,527,828	34.5%
Total	**$ 8,032,386**	**$ 2,362,690**	**22.7%**	**$ 21,426,946**	**$ 6,395,819**	**23.0%**

- Existing Buildings spent less than budgeted because fewer-than-expected projects were completed in Q3 and gas savings were acquired at a lower cost than budgeted. Spending is expected to better align with budget as more projects close by year-end. Gas incentive spending is expected to come in under budget due to low-cost savings for prescriptive projects and reduced custom study spending.

[7]Reflects 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.
[8]Levelized 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.
[9]Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

3. New Buildings Q3 2014 savings and expenditures

	Q3 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	0.7 aMW	2.3 aMW	5.0 aMW	46%
Gas	93,004 therms	366,431 therms	560,707 therms	65%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	$ 2,293,763	$ 1,500,284	39.5%	$ 7,144,658	$ 1,742,971	19.6%
Gas	$ 278,005	$ 198,548	41.7%	$ 1,113,133	$ (75,366)	-7.3%
Total	**$ 2,571,769**	**$ 1,698,832**	**39.8%**	**$ 8,257,791**	**$ 1,667,606**	**16.8%**

- New Buildings spent less than budgeted in electric territories because some projects closed in Q2, earlier than anticipated, and closing of other projects was delayed until Q4. New Buildings gas spending was impacted by one project that closed early, in Q2, due to an accelerated construction timeline. The program's spending is expected to better align with budget in Q4.

4. Production Efficiency Q3 2014 savings and expenditures

	Q3 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	1.5 aMW	6.9 aMW	17.5 aMW	40%
Gas	97,898 therms	434,597 therms	1.2 million therms	36%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	$ 5,131,527	$ 1,007,902	16.4%	$ 14,449,776	$ 1,206,501	7.7%
Gas	$ 503,115	$ 204,593	28.9%	$ 1,346,966	$ 406,401	23.2%
Total	**$ 5,634,642**	**$ 1,212,496**	**17.7%**	**$ 15,796,742**	**$ 1,612,902**	**9.3%**

- Production Efficiency gas spending was low in Q3 due to fewer industrial demand-side management project completions in NW Natural territory. The program's year-end bonus aims to increase savings and spending in this territory.

5. Existing Homes Q3 2014 savings and expenditures

	Q3 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	0.9 aMW	3.0 aMW	5.2 aMW	58%
Gas	169,294 therms	604,335 therms	1.2 million therms	49%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	$ 2,991,674	$ 952,859	24.2%	$ 8,905,821	$ 1,389,687	13.5%
Gas	$ 1,480,594	$ 646,972	30.4%	$ 5,012,040	$ 1,114,559	18.2%
Total	**$ 4,472,268**	**$ 1,599,831**	**26.3%**	**$ 13,917,860**	**$ 2,504,247**	**15.2%**

- Existing Homes spending was low due to fewer Clean Energy Works projects completed.

6. New Homes and Products Q3 2014 savings and expenditures

	Q3 savings	YTD savings	Energy Trust annual goal	Percent achieved YTD
Electric	1.8 aMW	5.3 aMW	8.1 aMW	66%
Gas	268,849 therms	694,086 therms	1.0 million therms	67%

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

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	$ 4,433,250	$ (472,305)	-11.9%	$ 12,436,512	$ (459,521)	-3.8%
Gas	$ 1,118,122	$ 166,315	12.9%	$ 2,920,751	$ 726,645	19.9%
Total	**$ 5,551,372**	**$ (305,989)**	**-5.8%**	**$ 15,357,263**	**$ 267,123**	**1.7%**

7. Northwest Energy Efficiency Alliance Q3 2014 savings and expenditures[10]

	Q3 savings	YTD savings	Annual energy target
Commercial	0.3 aMW	0.5 aMW	1.0 aMW
Industrial	0.1 aMW	0.1 aMW	0.2 aMW
Residential	0.5 aMW	1.5 aMW	4.8 aMW
Total	**0.8 aMW**	**2.0 aMW**	**6.0 aMW**

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Commercial	$ 589,545	$ 175,365	22.9%	$ 2,066,970	$ 43,650	2.1%
Industrial	$ 203,792	$ 175,252	46.2%	$ 762,748	$ 259,138	25.4%
Residential	$ 936,137	$ 319,546	25.4%	$ 3,151,473	$ (38,251)	-1.2%
Total	$ 1,729,475	$ 670,163	27.9%	$ 5,981,191	$ 264,537	4.2%

- 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. High NEEA spending in Q3 is due to gas market transformation planning work and a shift in timing of NEEA invoices to Energy Trust.

I. Renewable energy programs[11]

1. Total renewable energy Q3 2014 generation and expenditures

	Q3 generation	YTD generation	Energy Trust annual goal	Percent achieved YTD
Electric	0.6 aMW	1.0 aMW	4.5 aMW	22%

[10]For the first time in 2014, Energy Trust has allocated budget to NEEA for gas market transformation activities. While there were no associated savings in Q3, savings are expected in subsequent quarters.
[11]Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	$ 3,535,736	$ (395,209)	-12.6%	$ 7,451,941	$ 4,816,250	39.3%

2. Solar Q3 2014 generation and expenditures

	Q3 generation	YTD generation	Energy Trust annual goal	Percent achieved YTD
Electric	0.3 aMW	0.6 aMW	2.7 aMW	23%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	$ 2,222,339	$ 256,824	10.4%	$ 5,078,693	$ 2,542,663	33.4%

3. Other Renewables Q3 2014 generation and expenditures

	Q3 generation	YTD generation	Energy Trust annual goal	Percent achieved YTD
Electric	0.4 aMW	0.4 aMW	1.8 aMW	20%

	Q3 expenditures	Variance from Q3 budget		YTD expenditures	Variance from YTD budget	
Electric	$ 1,313,396	$ (652,033)	-98.6%	$ 2,373,248	$ 2,273,587	48.9%

- The Three Sisters Irrigation District hydropower project was budgeted to complete and receive an incentive payment of $700,000 at the end of Q2. Completion of the project and payment of the incentive was delayed by two months into Q3, resulting in the Q3 overspending variance.

Appendix 1: GEOGRAPHIC DISTRIBUTION OF SITES SERVED; CUSTOMER SATISFACTION

1. Energy Trust sites served by region in Q3 2014

	Commercial	Industrial	Renewables	Residential	Total
Central Oregon	64	24	18	710	816
Eastern Oregon	25	13	0	160	198
North Coast	72	3	0	206	281
Portland Metro & Hood River	882	104	176	12,171	13,333
Southern Oregon	83	33	38	1,892	2,046
Willamette Valley	191	88	43	3,574	3,896
Total	**1,317**	**265**	**275**	**18,713**	**20,570**

2. Customer satisfaction

From the middle of June 2014 through the beginning of August 2014, Energy Trust delivered a short telephone survey to 737 randomly selected participants in five programs who completed projects between April and June 2014. Below are results from Fast Feedback surveys of these customers. The survey asked participants about overall satisfaction with Energy Trust. Satisfaction rates for Q2 remained consistent with past quarters. Participants in the Existing Buildings, Production Efficiency and Solar programs were also asked about satisfaction with program representatives.[12]

Q2 2014 Results

Program	Respondent Count	Percent Satisfied Overall	Percent Satisfied with Program Representative
Existing Buildings, including multifamily	64	97%	95%
Production Efficiency	52	96%	96%
New Homes and Products[13]	184	91%	N/A
Existing Homes	410	89%	N/A
Solar[14]	27	96%	N/A[15]

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 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.

[12]Since 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.
[13]Only Products customers were surveyed. Energy Trust does not track purchasers of new homes.
[14]Customers that installed solar using a third party are not surveyed.
[15]Only commercial solar customers are surveyed about satisfaction with program representatives. In Q2 2014, two commercial solar customers were surveyed and both were satisfied with the interaction 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 • Obtain at least 32.0 aMW • Levelized cost not to exceed 3.2 cents/kWh Pacific Power • Obtain at least 17.1 aMW • Levelized cost not to exceed 3.7 cents/kWh
Natural Gas Efficiency	NW Natural • Obtain at least 4.53 million annual therm savings • Levelized cost not to exceed 45.3 cents/therm Cascade Natural Gas • Obtain at least 0.40 million annual therm savings • Levelized cost not to exceed 52.0 cents/therm
Renewable Energy	• 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	• Receive an unmodified financial opinion from an independent auditor on annual financial statements
Administrative/Program Support Costs	• Keep below 9 percent of annual revenues
Customer Satisfaction	• Demonstrate greater than 85 percent satisfaction rates for: - Interaction with program representatives - Overall satisfaction
Benefit/Cost Ratios	• 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[16]

[16]In 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 Q3 2014 results, total annual savings of 459 aMW** have been realized since electric efficiency programs began in 2002, accounting for 96 percent of Energy Trust's 2010-2014 goal of 479 aMW. This is equivalent to the annual electric consumption of approximately 355,670 Oregon homes. This total includes 22 aMW of savings from self-direct customers.
- **Including Q3 2014 results, total annual savings of 36.1 million annual therms** have been realized since gas efficiency programs began in 2003, accounting for 104 percent of the 2010-2014 goal of 34.7 million annual therms. This is equivalent to providing gas heat to approximately 71,172 Oregon homes for a year.
- **Including Q3 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 87,853 Oregon homes for a year.

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

Third 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 in the Northwest. NEEA scans the market to identify emerging energy-efficient technologies, services and practices and works to create market conditions to accelerate and sustain their market adoption. In 2014, NEEA is forecasting to deliver 118 average megawatts (aMW) of energy savings 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 has invested slightly more than $37 million to support NEEA from 2010-2014. This report summarizes NEEA's 2014 third 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 scans the market for energy efficiency opportunities and conducts rigorous testing to verify product performance and energy savings. By pooling resources to pursue emerging technologies on behalf of the region, NEEA reduces development costs to Energy Trust and mitigates the risk associated with exploring new technologies.

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).

Third Quarter Emerging Technologies Highlights

Heat Pump Clothes Dryers – In Q3, NEEA launched the Super-Efficient Dryer initiative following a full-consensus vote by NEEA's Regional Portfolio Advisory Committee (RPAC). The initiative leverages the collective voice of the region to influence the design and production of increasingly energy-efficient clothes dryers, and conducts testing and analysis of new products before widespread market distribution. In Q3, NEEA worked with two national manufacturers to develop a Northwest-specific market strategy to introduce products. NEEA also convened a work group to develop a tiered specification for energy-efficient dryers. Early coordination on a Northwest strategy allows NEEA, Energy Trust and partners to align supply chain and program offerings, and build market awareness to support the introduction of validated products into market.

Currently, Whirlpool is conducting detailed field testing of their heat pump dryer in Portland. NEEA is providing the data loggers and several Energy Trust staff and NEEA staff volunteered to participate in this testing, which will take about four months. Heat pump dryers have the potential to save Energy Trust residential customers 50 percent more energy over conventional electric dryers.

Combo Space and Water Heat Pump – Continued lab testing three sites with dual purpose ductless heat pump (DHP) and heat pump water heater (HPWH) systems. A dual purpose system may benefit Energy Trust's residential energy consumers through lowered installation costs and improved performance when compared to separate DHP and HWPH units. As of Q3, the test units are delivering

good consumer satisfaction, with feedback and monitoring data delivered to manufacturers. NEEA plans to continue monitoring through the end of December 2014.

Commercial Windows: Interior Secondary Glazing Systems (SGS) – Launched a project with Lawrence Berkeley National Labs developing standardized SGS product tests for the commercial window market to verify performance and analyze costs and energy savings. According to the U.S. Department of Energy, 25-35 percent of energy waste in commercial buildings is due to inefficient windows. SGS offer super-insulating double-glazed interior aluminum window installation without replacing the existing storefront or curtain glass, or altering the exterior appearance of the building. This is a newer product in the market, but has great energy savings and cost-effective potential for Energy Trust's commercial customers when applied to buildings as a stand-alone energy efficiency measure, or as part of an Integrated Measure Package with existing building renewal. Product completion expected December 2014.

Industrial Energy Management Information Systems (EMIS) – Released an inventory of EMIS tools to support industrial facility owners and utility programs implement and measure energy management. EMIS are powerful software tools that store, analyze and display energy consumption data, but they are not readily used in industrial facilities at this time. A wide variety of EMIS have shown promise for supporting industrial utility energy efficiency programs, specifically Strategic Energy Management programs and related behavior/operations and maintenance targeted programs. These systems also simultaneously provide energy savings data back to utility programs as demonstrated evidence of energy savings efforts. NEEA and its partners are promoting the use of these tools and working to address adoption barriers, including lack of availability and lack of public awareness. Click here for the recently released EMIS report.

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 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.

Third Quarter Residential Sector Highlights

Residential New Construction – Continued to promote the market adoption of energy-efficient building practices and technologies to pave the way for future, more stringent residential new construction energy codes. NEEA leverages relationships and training infrastructure originally established through its voluntary Northwest ENERGY STAR Homes program to set the stage for a new, advanced home specification. NEEA is currently working with builders in the region to build pilot homes to this advanced specification, which is 15 percent more efficient than existing building codes, and will be used to identify the most cost-effective methods for achieving energy savings in homes.

In Q3, NEEA continued recruiting builders for the second phase of advanced home specification and received signed participation agreements from eight new projects. To date, the initiative achieved 23 signed agreements with Northwest builders to build and pilot Phase II homes, including nine pilot homes in Energy Trust territory. The 2014 goal is 30 signed agreements for pilot homes. Thirty additional pilot homes will inform builder cost, experience, and best practices to meet the performance target, as well as generate consumer and builder awareness for advanced building practices and new technologies.

Heat Pump Water Heaters (HPWH) – Promoted adoption of energy-efficient HPWHs in Energy Trust territory by offering targeted training and education for local contractors, and coordinating promotions and quality assurance inspections for residential consumers. In Q3, NEEA:

- Delivered four Smart Water Heat orientations to contractors and facilitated two manufacturer trainings to train the contractor network and encourage availability of manufacturer product support
- Provided 24 upstream rebates on Tier 2 (currently the most stringent specification) HPWHs to engage the supply chain and overcome cost barriers to production
- Performed 13 retail visits (70 year-to-date) to place promotional materials and educate retail associates on communicating the benefits of HPWHs to consumers. NEEA also performed quality assurance inspections on Energy Trust and Smart Water Heat rebated sites to verify installation quality, contractor support and customer satisfaction

To further increase consumer awareness of HPWH technology, NEEA facilitated implementation of two HPWH manufacturer promotions, including a first-time partnership with A.O. Smith. The promotion provided customized point-of-purchase materials, including those for contractors serving Portland General Electric. Manufacturer promotions help to increase product availability in the market and overcome upfront cost barriers for consumers in Energy Trust territory and around the region. More than 2000 units are projected to sell during these two promotion periods.

Ductless Heat Pumps (DHP) – Accelerated the market adoption of DHP technology with Energy Trust contractors by providing training opportunities and best practices education and site inspections to verify quality. In Q3, NEEA and Energy Trust conducted three Northwest Ductless Heat Pump Project orientations and two Best Practices installation webinars for DHP installers serving Energy Trust customers. NEEA also partnered with Energy Trust, Portland General Electric, Oregon Department of Energy and Bonneville Power Administration to present information on ductless system opportunities to 82 installers.

As a result of these and other efforts, NEEA and Energy Trust have achieved 537 DHP installations year to date (302 in Pacific Power territory and 235 in PGE territory).

NEEA and Energy Trust further collaborated by working with Energy Trust's Existing Homes Program and the Ductless Heat Pump Project to recommend revisions on the Oregon Department of Energy's Residential Energy Tax Credit for HPWHs and ductless systems, which could simplify the application (?) process for installers and homeowners.

Third Quarter Commercial/Industrial Highlights

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 December 2014. As of Q3, 75 percent of transition activities were complete. Repackaged tools are now available on NEEA's BetterBricks Healthcare webpage.

Reduced Wattage Lamp Replacement – Extended its market test with five of the region's leading electrical distributors until the end of 2015. The market test is testing a midstream market shift strategy that could increase the market share of low-wattage lamps for the commercial lighting maintenance market. Based on what it has learned about the stocking and sales practices of these distributors, NEEA is currently adjusting its incentive structure and marketing bonus and continuing to assess the potential for a future upstream platform for the entire region.

Building Operator Certification (BOC) Expansion – Registered 81 operators serving Energy Trust territory in BOC courses and conducted two BOC Technical Webinars for 206 Northwest operators. These opportunities provide continued education and training in energy efficiency for operators in the Northwest. 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.

In Q3, BOC achieved designation as a General Services Administration-aligned training. This designation provides increased opportunities for government sector building operators to earn the BOC credential, leading to increased market penetration across the region.

Commercial Real Estate – Developed strategy to transition the Commercial Real Estate initiative into an optional infrastructure program beginning in 2015. NEEA and its partners identified Commercial New Construction as a viable strategic market going forward during its fifth funding cycle (2015-2019). This market includes Commercial Real Estate and the community of businesses that develop, plan, design, build and commission new commercial buildings.

Existing Building Renewal (EBR) – Continued engagement with one demonstration project in Energy Trust territory as the building owner finalizes the implementation plan for this project. NEEA and its partners are leveraging work with this demonstration project, as well as others around the region, to create tools and a market-attractive pathway to integrated deep energy retrofits for existing office buildings. NEEA estimates that if 16 percent of commercial office space were renovated for energy efficiency, regional energy savings could reach at least 120 average megawatts (aMW) by 2025. Beginning in 2015, NEEA will transition this initiative into an optional commercial building strategic market

Food Processors – Transitioned the Food Processors initiative into Long-term Monitoring and Tracking having determined that desired market conditions have been met. NEEA will no longer invest in market transformation activities, but will continue to monitor market progress and report the resulting energy savings Legacy initiative tools and resources will become part of NEEA's Strategic Energy management infrastructure.

Commercial and Industrial Strategic Energy Management (SEM) – Developed a strategy with Energy Trust and other NEEA funders to address energy savings through infrastructure using a consolidated SEM savings methodology. The strategy enables savings capture and reporting from regional SEM across commercial and industrial sectors. The plan links transitioning NEEA initiatives in Food Processing, Hospitals & Healthcare, and Commercial Real Estate to strengthen market diffusion savings measurement methodology.

Third 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.

Standards Highlights – Influence new proposed federal standard for electric pumps by participating in the Departments of Energy's working group. In June, the DOE announce a test procedure and standard level that will eliminate the bottom 25 percent of least-efficient pumps. Pump systems, which account for the highest share of industrial electricity consumption, have never been federally regulated. The new standard will allow NEEA and its partners to develop future initiatives and incentive programs.

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.

Third Quarter Highlights

Top Tier Trade Ally (TTTA) Advanced Training – Developed draft learning topics and objectives for TTTA Advanced Training and worked with stakeholders, including Energy Trust, to gather feedback for refinement. The learning objectives will be the cornerstone of the TTTA program and used to create the performance standards by which 'Top Tier' allies can be qualified.

Industrial Strategic Energy Management (SEM) – Hosted the 3rd Annual Northwest Industrial Strategic Energy Management (SEM) Collaborative workshop. The SEM collaborative is a region group, led by BPA, Energy Trust, and NEEA, among others, that helps energy efficiency program administrators accelerate the adoption of industrial SEM. Investigating in strategic partnership, such as the SEM collaborative, is a cost-effective way for NEEA to support regional industrial efficiency delivery capability, and is a key element of its 2015-2019 Business Plan.

Commercial and Industrial Stock Assessments – Completed drafts of the Commercial Building Stock Assessment and Industrial Facility Assessment reports and provided to stakeholders for review. NEEA's large-scale building and facility stock assessments provide critical information about energy use in the Northwest and inform energy efficiency planning and programming around the region. Final reports are anticipated for the end of 2014.

Retail Product Portfolio – Solicited and secured The Home Depot's participation in the Retail Product Portfolio pilot. Participation from major retailers outside of the consumer electronics space is critical for the success of the pilot, which seeks a diverse retail product portfolio.

NEEA 2015 Operations Planning – Continued to work with regional and sector advisory committees to gather feedback on NEEA's 2015 Operations Plan. NEEA's 2015 Operations Plan outlines program work and objectives, energy targets and budget for the first year in Cycle 5 (2015-2019). NEEA's Board of Directors will vote on the draft operations plan on December 2, 2014.

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

- RETA CRES Initiative- Market Characterization, Baseline Study and Forecast Report
- NEEA Hospitals and Healthcare Initiative- Market Progress Evaluation Report 6
- Consumer Electronics Television Initiative Market Progress Evaluation Report #3
- NEEA Existing Building Renewal- Process Review Results
- Inventory of Industrial Energy Management Information Systems (EMIS) for M&V Applications

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 Virginia Mersereau, Communications Manager, at vmersereau@neea.org, with any questions or comments.

Appendix 5: Q3 2014 REPORT ON ACTIVITIES FOR NW NATURAL IN WASHINGTON

July 1 through September 30, 2014

This Energy Trust of Oregon quarterly report covers the period July 1, 2014, through September 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 36,600 annual therms in Q3 2014**—including 6,549 annual therms in Existing Homes, 11,109 annual therms in New Homes and Products and 18,941 annual therms in Existing Buildings. Savings in Q3 2014 were 30 percent higher than savings in Q3 2013.
- **Year to date, Energy Trust saved 102,920 annual therms**, approximately 47 percent of the 2014 conservative goal of 220,868 therms.
- **Typically, more than one-half of annual savings are achieved in the fourth quarter**, when the majority of projects complete. By the end of 2014, Energy Trust expects to approach conservative goal.

B. Commercial sector highlights

Existing Buildings

- **Existing Buildings saved 18,941 annual therms in Q3***,* primarily through custom projects and commercial foodservice equipment. Custom path projects accounted for 68 percent of Q3 savings.
- **The commercial program saved approximately 10 percent more energy in Q3 2014** than in Q3 2013.
- **Energy Trust initiated a campaign to expand participation for assisted living facilities** through increased outreach and promotion of energy-efficient showerheads. This market segment has been historically underserved by energy-efficiency programs.
- **Existing Buildings exhibited at the Asian American Hotel Owners Association** Northwest Region Conference.

C. Residential sector highlights

Existing Homes

- **Existing Homes saved 6,549 annual therms in Q3**, primarily through weatherization measures, high-efficiency furnaces and energy-saving faucet aerators and showerheads distributed through Energy Saver Kits and Home Energy Reviews.
- **Existing Homes savings in Q3 2013 were roughly on par with savings at this time last year**.
- **To drive savings in Q4, the residential program launched bonuses** for windows and gas fireplaces
- **Energy Trust promoted energy-saving opportunities for NW Natural customers** by hosting an informational table at the Camas Days event.

New Homes and Products

- **New Homes and Products saved 11,109 annual therms in Q3**, primarily through retail sales of showerheads in the regional Simple Steps program and ENERGY STAR certified homes.
- **New Homes and Products saved more than double the energy saved in Q3 2013**.
- **The program hosted a trade ally breakfast**, presenting updates to the Northwest ENERGY STAR homes program requirements precipitated by Washington state code changes.

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	102,920	34,786	31,534	36,600	
Total program costs	$1,298,699 – $1,527,881	$735,766	$214,349	$230,116	$291,301	
Average levelized cost per measure	Less than $0.65	$0.594	$0.527	$0.577	$0.673	
Dollars spent per therm saved	Less than $6.50	$7.15	$6.16	$7.30	$7.96	
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. Expenditures[17]

		Actual expenditures Q3	Budgeted expenditures Q3	Variance
Commercial programs	Existing Buildings	$ 113,556	$ 159,348	$ 45,792
	Subtotal	$ 113,556	$ 159,348	$ 45,792
Residential programs	Existing Homes	$ 105,555	$ 96,276	$ (9,279)
	New Homes	$ 58,140	$ 91,815	$ 33,675
	Subtotal	$ 163,694	$ 188,090	$ 24,396
Administration		$ 14,050	$ 14,729	$ 679
Total		$ 291,301	$ 362,167	$ 70,867

- 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 Q3, enabling Existing Buildings to achieve lower-cost savings than budgeted.

B. Incentives paid

		Actual incentives Q3
Commercial programs	Existing Buildings	$ 45,007
	Subtotal	$ 45,007
Residential programs	Existing Homes	$ 20,572
	New Homes	$ 25,533
	Subtotal	$ 46,105
Total		$ 91,112

C. Savings

		Therms Saved Q3	$/Therm	Levelized Cost/Therm
Commercial Programs	Existing Buildings	18,941	$ 6.30	$ 0.635
	Subtotal	18,941	$ 6.30	$ 0.635
Residential Programs	Existing Homes	6,549	$ 16.92	$ 1.193
	New Homes	11,109	$ 5.51	$ 0.499
	Subtotal	17,659	$ 9.74	$ 0.787
TOTAL		36,600	$ 7.96	$ 0.711

[17] Variance is expressed in total dollars *below* budget or (total dollars) *above* budget.

III. YEAR-TO-DATE RESULTS

A. Activity—sites served

	Q1	Q2	Q3	Q4	Total
Existing Commercial					
School/college retrofits	4	2	2		**8**
Other commercial retrofits	4	8	7		**19**
Studies	4	1	2		**7**
Existing Homes					
Weatherization (insulation, air and duct sealing and windows)	19	32	35		**86**
Gas hearths	26	32	12		**70**
Gas furnaces	32	67	28		**127**
Water heaters	4	5	10		**19**
Home Energy Reviews	16	9	3		**28**
New Homes					
Builder Option Packages	37	38	23		**98**
Clothes washers	83	179	141		**403**

B. Revenues

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

C. Expenditures[18]

		Actual expenditures YTD	Budgeted expenditures YTD	Variance
Commercial programs	Existing Buildings	$ 256,772	$ 405,821	$ 149,049
	Subtotal	$ 256,772	$ 405,821	$ 149,049
Residential programs	Existing Homes	$ 238,734	$ 304,568	$ 65,834
	New Homes	$ 207,218	$ 275,404	$ 68,186
	Subtotal	$ 445,952	$ 579,971	$ 134,019
Administration		$ 33,041	$ 47,686	$ 14,644
Total		$ 735,766	$ 1,033,478	$ 297,713

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

D. Incentives paid

		Actual incentives YTD
Commercial programs	Existing Buildings	$ 88,034
	Subtotal	$ 88,034
Residential programs	Existing Homes	$ 72,737
	New Homes	$ 86,555
	Subtotal	$ 159,292
Total		$ 247,326

- **Incentives paid account for 39 percent of year-to-date program expenses**. The program expects incentives to represent a greater portion of expenditures in Q4, when project submissions increase.
- **Total program expense is adjusted down by 15 percent** to account for costs that a utility-delivered program would recover through rates.

E. Savings

		Therms saved YTD	Annual goal (conservative)	Percent achieved YTD	$/therm	Levelized cost/therm
Commercial programs	Existing Buildings	48,471	127,500	22%	$ 5.55	$ 0.505
	Subtotal	48,471	127,500	22%	$ 5.55	$ 0.505
Residential programs	Existing Homes	25,043	48,607	11%	$ 9.98	$ 0.717
	New Homes	29,405	44,761	13%	$ 7.38	$ 0.625
	Subtotal	54,449	93,368	25%	$ 8.58	$ 0.666
Total		102,920	220,868	47%	$ 7.15	$ 0.594

F. Program evaluations

No evaluations were completed in Q3 2014.