EnergyTrust of Oregon, Inc.

# Staff Report

February 13, 2008

This report from Margie Harris is on behalf of all staff and spans the period November 26, 2007, through January 25, 2008. Items not otherwise addressed in this board packet are described here.

## General

- Renewable programs added 46.9 aMW in new generation in 2007.
- Preliminary 2007 year-end results show 33.8 average megawatts of electricity saved, exceeding our best case goal of 32.8 average megawatts.
- Preliminary year-end gas savings of 2.2 million annual therms are well above the conservative case goal of 1.8 million annual therms and short of the 2.4 million annual therm best case goal.
- Electric spending for the year was ~19% below budget, again demonstrating our ability to acquire more electric savings at lower cost.
- Gas spending was under budget by only 3.2%, suggesting gas savings cost slightly more to acquire than anticipated.
- NW Natural has approached the Washington Utilities and Transportation Commission (WUTC) with a proposal to decouple their rates from profits. NW Natural is interested in potentially engaging a contractor to deliver gas efficiency services in Vancouver, Washington and has approached Energy Trust to complete a preliminary analysis of this opportunity. Energy Trust plans to enter into a contract with NW Natural to analyze the feasibility of providing services in southwest Washington. This opportunity is different from what was previously considered for Cascade Natural Gas in Washington.
- We started 2008 with an all-staff work session focused on strategic themes and issues related to growth and transition. Four topics were identified for further discussion in 2008, we expect to feed these into the board strategic planning session in June 2008 and ultimately the new strategic plan for 2009-2014:
    1. How to balance innovation and risk, especially in regard to emerging technologies and utility integrated resource planning
    2. How do we define and measure success
    3. Whether to expand or diversify services, including for other utilities or in other locales
    4. How to strengthen stakeholder relationships and attract new partners to work with us on achieving desired results
- Staff continues to work with the OPUC and WUTC regarding potential opportunities to collaborate with California on aggressive new energy efficiency initiatives. The two most likely topics to be explored include appliance efficiency standards and zero net energy commercial buildings.
- The Corvallis Energy Challenge will launch March 3 and is the topic of a special presentation at the February board meeting. A representative from the Corvallis Sustainability Coalition will undergo Home Energy Reviews during the kick-off week.
- Transition of the Production Efficiency program in house has been completed. Two new staff are on board and the contract with Lockheed Martin has ended.
- The IT team has reorganized, and several positions have transitioned from contractor or intern to Energy Trust staff. Recruitment for several other vacant or newly approved positions is underway.

- Following the adoption of a new and smaller structure, Margie Harris is now a member of the NW Energy Efficiency Alliance board of directors and a member of the strategic planning committee.
- Along with Mike Grainey, Margie spoke about new Oregon energy legislation at the BASE Summit.
- Tom Foley and Margie Harris presented the 3rd Quarter report to the OPUC.
- The annual performance review process was initiated for all employees.

## Program Planning and Evaluation

- We are close to agreement with the OPUC and others on a new, higher discount rate for cost-effectiveness calculations and avoided costs that approximate rates used by utilities when developing their integrated resource plans. Impacts of changes were shared with the board policy committee and Conservation Advisory Committee, where they received support.
- Changes to the cost-effectiveness policy will be proposed to incorporate a 5.2% discount rate, resulting in an improved benefit/cost ratio for all programs and measures with the exception of the benefit/cost ratio for gas-saving measures with lives of 45 and 70 years, which declines.
- Attended a BPA-sponsored regional forum to brainstorm options for accelerating efficiency in the Northwest, focusing on four prospectuses (net zero energy homes, net zero energy commercial buildings, high efficiency appliances, and LED lighting) and related to possible collaboration by Oregon and Washington with California's initiatives in these areas. Opportunities to collaborate on regional research and development, coordinated incentives and marketing, longer term partnerships with contractors, trade allies and customers were also discussed. A series of regional meetings will follow this spring to generate common actions.
- Debbie Kitchin represented Energy Trust at a regional collaboration discussion convened by Puget Sound Energy (PSE), where similar topics and opportunities were discussed. A matrix describing key areas for coordination will be prepared by PSE and will address marketing coordination, staffing/recruitment, demand response and fuel choice issues.

*Residential*

- A pilot study of Home Energy Monitors was launched to install a limited number of monitors during Home Energy Reviews with another limited number to be made available for purchase at a reduced price through the Energy Trust website. The pilot project follows the now-completed field test of the reliability and potential usefulness of the monitors.

*Commercial and Industrial*

- A cost-effective analyses for new lighting measures and revised lighting measures for existing businesses was completed and included reduced wattage T8's as well as 2', 3', U-shaped lamps, and various control measures and exit signs at higher incentive levels.
- Merged multifamily and commercial lighting benefit/cost tools used for screening individual opportunities in the field.

*NW Alliance Evaluations*

- Commenced work with the Northwest Energy Efficiency Alliance, the region's utilities, and the Power Planning Council on an update of the regional survey of commercial buildings.

## Efficiency Programs

*Home Energy Solutions—ENERGY STAR® New Homes*

- Signed five new builders in December, four of whom have committed to building 100% ENERGY STAR homes. A total of 25 new builders signed up in the last quarter of 2007.
- Launched new tools for the manufactured homes program that led to a 32% increase in the number of incentives received over third quarter.

*Home Energy Solutions—ENERGY STAR® Products*

- Wrapped up the Solar 4R Schools contest, which resulted in sales of 2,963 CFL bulbs, earning $3,735.50 for the participants.
- Randomly selected Gladstone High School as the Solar 4R School contest winner, resulting in a 1 kilowatt solar electric system and live data kiosk will be installed at the school in early 2008.
- Finalized the fall Change a Light, Change the World twister and specialty CFL promotions, resulting in savings of almost 27,000,000 kilowatts (3aMW).

*Home Energy Solutions—Existing Homes*

- Single family project volume hit a record high of 3,777 in December. In addition, 3,606 Energy Saver Kit requests and 483 Home Energy Reviews resulted from a Pacific Power mailing.
- 964 single family participants used fall promotion or package bonus opportunities to install multiple measures in their homes.
- The multifamily program completed 70 projects, resulting in over 3.5 million kWh and over 6,000 therms saved. Administration was successfully transitioned from the City of Portland's Office of Sustainable Development to CSG.
- Completed the refrigerator pilot with Community Action Program of East Central Oregon, the Pendleton area low-income weatherization agency, resulting in the replacement of 183 inefficient refrigerators and installation of 1,073 CFLs, saving 288,053 kWh/year.

*Business Energy Solutions—New Buildings*

- Updated forms and marketing materials for 2008 program changes, including incentive cap increases and project streamlining.
- Contracted with Evergreen Consulting LLC for outreach to lighting contractors in the commercial new construction market.
- Worked with ECONorthwest to develop a financial calculator tool for energy efficiency.

*Business Energy Solutions—Existing Buildings*

- Received a 2008 ENERGY STAR Award for excellence in energy efficiency program delivery in the commercial foodservice equipment category.
- The fifth largest foodservice equipment dealer in the country invited Energy Trust to their 2008 national sales rally to train their entire sales staff on energy efficient commercial foodservice equipment.

- Continued to coordinate closely with Bonneville Power Administration on efforts in the hospitality and foodservice markets.
- Hosted lighting trade ally seminars the week of January 14 in Portland, Coos Bay, Medford and Bend, co-sponsored with the Production Efficiency, New Buildings and Multifamily programs, Bonneville Power Administration, local public utility districts, co-ops and municipal utilities. Attendance at all locations set new records.

*Business Energy Solutions—Production Efficiency*

- The 2008 program incentive budget is 60% committed, with the program pipeline on target.
- Accepted the first of many new trade allies for the small industrial initiative's compressed air measures. Irrigation and dairy equipment vendors will be added as trade allies this winter.

*NW Energy Efficiency Alliance*

- Awaiting April 1 start for Oregon's new residential building code, which will require new Oregon homes to achieve roughly the same energy savings as homes with the current Northwest ENERGY STAR® label. The progress of the ENERGY STAR Homes program was a key factor leading to adoption of the Oregon Residential code change.
- Recorded 519,342 CFLs sold in Energy Trust territory through the Fall Change A Light CFL buy-down program.
- Supported NORPAC Foods, Inc, one of the region's major food processing plants, in implementing a Continuous Energy Improvement strategy, one of several models the Alliance uses to encourage development of energy saving strategies in industrial operations.
- Supported the Legacy Health System in finalizing its Strategic Resource Management Plan in November; with expectations to achieve a 30% reduction in energy use over three years.
- Through the Oregon Integrated Design Lab, supported design teams planning the new State Psychiatric Hospital campus and the OHSU South Waterfront campus.

## Renewable Energy

*Open Solicitation*

- Completed analysis of Central Oregon Irrigation District's Juniper Ridge hydropower project, endorsed by the Renewable Energy Advisory Council at its January meeting.
- Started planning a March 5 workshop for municipalities in the PGE service territory on solar installations and purchasing green power.
- Completed hydropower scoping studies for Gresham and Sheridan.
- Initiated solar scoping studies for Lincoln City and Portland Community College.
- Made presentation to Oregon Tilth conference on organic agriculture.
- Met with Oregon Department of Corrections to discuss its solar Request for Information and offer assistance.

*Utility Scale*

- Bigelow project on line at full capacity of 125.4 MW; $6 million paid to PGE as required by the Master Agreement.
- PacifiCorp Goodnoe Hills project was delayed until 2008; completion by June of this year is expected.

*Wind*

- Completed wind resource reports for the tall towers in Morrow and Umatilla counties.
- Completed transmission feasibility study in Gilliam County.

*Biopower*

- Launched Dairy Power website, including standard incentive calculator.
- Received application for 14-megawatt wood cogeneration project.
- Inspected and approved Rough & Ready wood cogeneration project.
- Completed six feasibility studies: Stahlbush Island Farms and Oregon Cherry Growers (food waste biogas); Applegate Partnership and Hood River County (wood waste and forest thinnings); Boise White Paper (wood waste and various); and City of Woodburn (sewage treatment biogas).

*Solar*

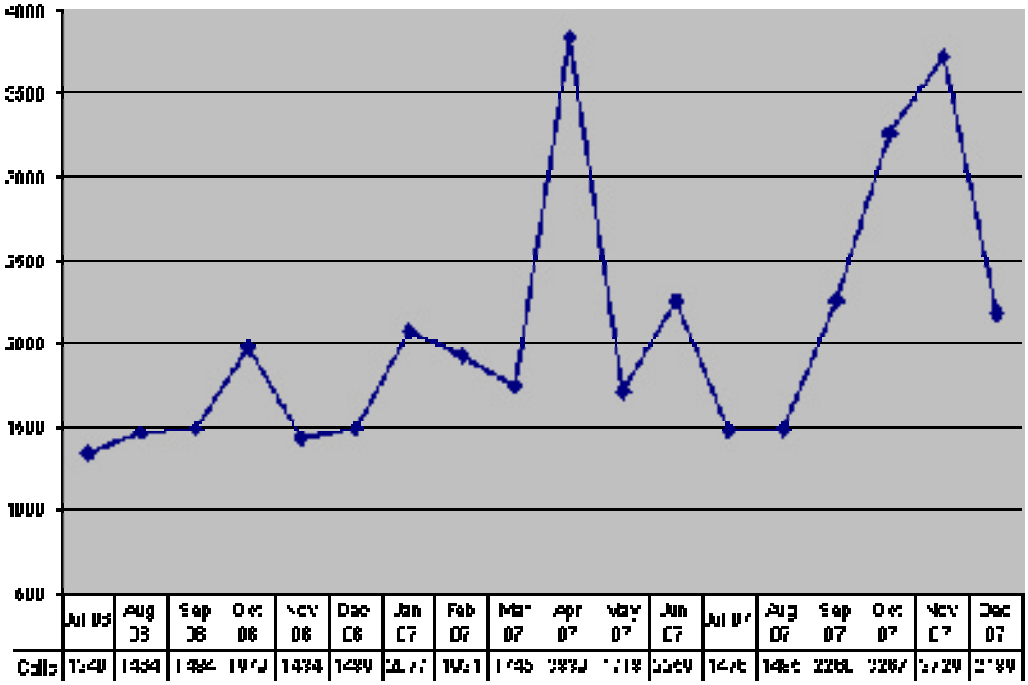
- With Oregon Department of Energy, delivered a joint update to the solar industry, explaining 2008 incentive, tax credit and legislative changes for solar in Oregon.
- Conducted our solar electric trade ally training via new webinar format with 26 contractors in attendance.
- Presented Energy Trust solar installation standards to International Brotherhood of Electrical Workers (IBEW) solar electric training class.
- Received recommendations from market research consultant Smart Power to work with banks and offer solar loans and to revise collateral messaging.
- Participated in a panel discussion about third party ownership models for solar electric systems hosted by nwcurrent.com.
- Established a contract with a new Portland-area solar inspector, Jerry Henderson, to perform quality assurance inspections on solar installations.
- Participated in the City of Portland Office of Sustainable Development interviews for its new Solar Program Manager position.

## Communication, Marketing and Outreach

*Center/Customer Service*

- Reviewed and updated RFP for call center services for release in February.
- Trained call center staff on new promotions.
- Provided outbound calling support for trade ally renewal for CSG.
- Participated in two tribal energy events, and began planning for 2008 outreach.
- Began using Web Trends for web reporting.
- Contracted with northeast Oregon outreach consultant.

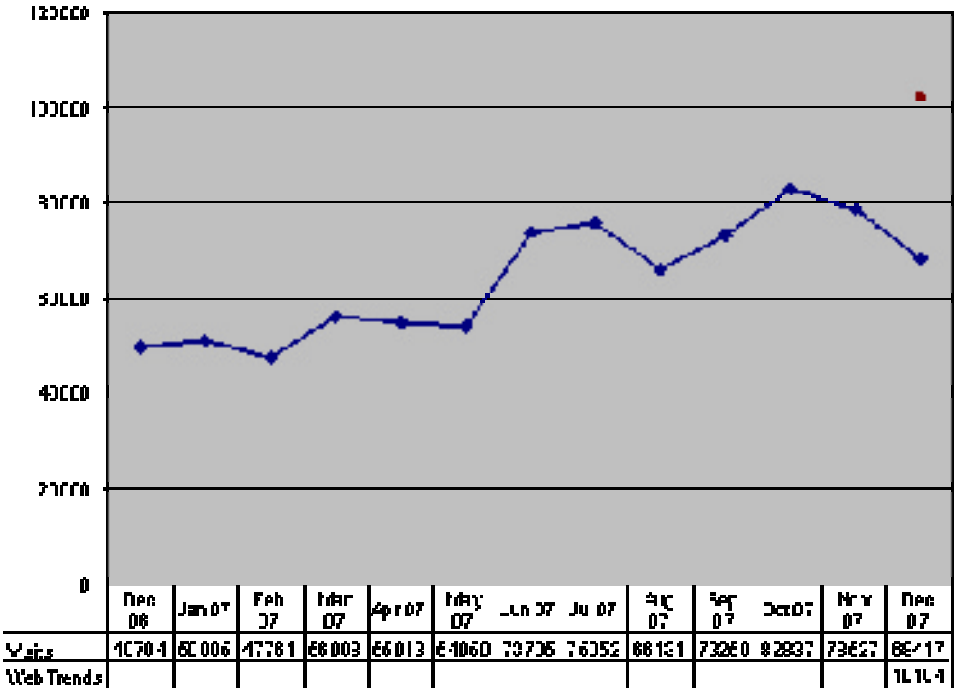
*Call Volume through December 2007*




*Website*

- Posted new and changed incentives for 2008 for various programs.
- Posted updated Spanish pages for the clothes washer promotion and new Spanish pages for the refrigerator promotion.
- Created an online solar comment form to be posted at the bottom of each solar web page.
- Posted pages for the new dairy initiative.
- Posted the 2008 U.S. Department of Agriculture web pages.
- Put up the new refrigerator promotion including pages on choosing an ENERGY STAR qualified refrigerator and how to recycle your old one.

*Website Visits through December 2007*




*Trade Ally Initiative*

- Oriented and trained the new trade ally coordinator.
- Finalized new trade ally agreements.
- Worked with CSG to establish meeting dates for trade ally renewal training.
- Held meetings with sector managers and PMC staff to review trade ally processing.
- Developed and sent out trade ally renewal packets.

*Community Energy*

- Met twice with Corvallis Sustainability Coalition's subcommittee for the community energy project. Brought representatives of solar, biopower and existing buildings programs to meet with Corvallis public works staff; reviewed nine areas of potential collaboration and identified next steps. Further refined elements of the program and a kick-off week plan.
- Named the community energy effort the "Corvallis Energy Challenge."
- Attended quarterly meeting of the Sustainability Coalition; signed up 60 homes for Home Energy Reviews during kick-off week March 3-8; rewarded these leaders with a *Kill-a-Watt* meter to start saving electricity at home.
- Hired writer to refine and write a communications plan and materials for the Corvallis Energy Challenge.

*Events, Speaking Engagements and Sponsorships*

- Participated in 27 energy/conservation-related events and trainings.
- Hosted a booth at the Build, Remodel & Landscape Show.
- Sponsored Green Building Week in association with the Homebuilders Association.

*Creative Products*

- Created 12 new and resized advertisements: 8 commercial, 2 residential, 1 renewable, 1 general.
- Produced and released 3 newsletters: Synergy (general, monthly), Insider (for trade allies, bimonthly) and Pit Stop (internal, monthly).
- Created 3 new case studies representing the Production Efficiency and New Buildings programs.
- Created 1 new fact sheet representing the wind program.
- Developed a new suite of materials to present 2008 ENERGY STAR Products incentives for refrigerators and clothes washers.

*News Releases and Media Events*

- Distributed 3 press releases: $6 million incentive to Biglow Wind project, launch of dairy power initiative, and 2008 incentive changes for residential and commercial programs.
- Responded to media inquiries on energy issues.
- Continued to build a pipeline of stories and press releases for 2007 and 2008.
- Continued to garner news coverage about Energy Trust programs in local newspapers around the state, including Clackamas Review (Multnomah County solar plans, Gladstone High Change A Light award), The Oregonian (Lucky Labrador brewing beer with help from solar water heating system), KPIC/Roseburg (Energy Trust participating in UCAN Energy Extravaganza), Gresham Outlook (high efficiency clothes washer, mention of Energy Trust incentive).

*Utility Co-promotions*

- *Cascade Natural Gas*: December bill insert on Home Energy Analyzer; December Warm Neighbor News article on Bend Rinnai tankless water heating sweepstakes winner; January bill insert on energy efficiency opportunities in the new year.
- *Pacific Power*: Energy Star clothes washer and dryer sweepstakes with story in Nov/Dec Voices newsletter; Coos Bay customer selected as winner in December .
- *PGE*: December residential e-newsletter story on Home Energy Analyzer; January Marathon electric water promotion with cover story in January Update newsletter; collaboration on press releases about Biglow Canyon and new incentives (electric water heaters).
- *All utilities:* Completed planning for 2008 collaborative communications and promotions.

## Operations, Contracts, Human Resources, Finance and Information Technology

*Finance*

- Completed the budget for 2008 and the projection for 2009.
- Prepared November and December financial statements with preliminary results for 2007.
- Completed the end of year incentive process, with an additional $3.3 million paid out in the ten days following December 31st.
- Processed over 2000 incentives at year end.
- Researched and facilitated early compliance plan for new Oregon Identity Theft Protection Act.

- Continued work on the accounting system replacement needs analysis and the option to retain Great Plains software.
- Began preparation of materials for the 2007 financial statement audit, with field work to begin February 19, 2008.
- Developed method for accounting of Renewables project specific costs within the existing accounting framework. Included revised chart of accounts for new "project-specific" expenses related to the Renewable Act.
- Researched time and attendance software options.
- Updated energy efficiency reporting.
- Developed validation tools for processing 2007 1099 forms for mailing January 31st.
- Continued review of vendor listings and W-9 information for 1099 preparation.
- Completed recipient portion of Form 1099 preparation for 2007.
- Monitored weekly incentive imports.
- Checked on the accuracy of submitted incentive reversals and corrections from PMC.
- Followed up with participants whose checks are over 6 months old and were not yet cashed; began reissuing replacement checks related to this process
- Prepared new templates including timesheets and other tracking spreadsheets for 2008
- Set up all new payroll and benefit tracking worksheets for 2008.
- Implemented new I-9 form.
- Implemented new fee structure with COBRA vendor.
- Prepared for implementation of new benefit contract for January 5, 2008 payroll.
- Began Q4 2007 FastTrack audit.
- Reconciled 401(k) uploads with Invesmart for Q4 2007.
- Participated in insurance requirements workshop.

*Human Resources*

- Concluded benefit renewal process and oriented staff to changes. Maintained level of service and lowered costs by switching to new dental provider and offering new life and disability coverage.
- Accepted the resignation of Adam Serchuk, senior program manager on the renewables team. Adam will begin a new position with wind turbine manufacturer Vestas Americas in February, here in Portland.
- Promoted Aaron Zahler to FastTrack lead position and Karl Whinnery to infrastructure lead position in the IT department, with both actions consistent with the Moss Adams report and the draft IT strategic plan.
- Hired Ryan Eubanks from intern to network technician and Steven Jonas from intern to help desk technician, again consistent with the Moss Adams report and the draft IT strategic plan.
- Hired Teresa Scott as lead business systems analyst in IT; Teresa's last position was as a senior business systems analyst at Kroger/Fred Meyer, Inc.
- Hired Bethany Atkins as office assistant/receptionist; Bethany is a recent graduate from Pacific Lutheran University with a major in political science and global studies.
- Hired Lakin Garth as an intern in Planning & Evaluation; Lakin received his bachelor's degree from University of Georgia in business administration and is currently enrolled at Portland State University in the masters program studying Economics.
- Engaged Joe Kraus as part of the University of Oregon Law School's in-house counsel externship program; while in law school Joe co-founded Law Students for Sustainable Business, a group devoted to renewable energy and energy efficiency law. Joe spent last

summer in Wisconsin interning at Great Lakes Biofuels, a small research and development start-up.
- Recruiting in Planning & Evaluation for a planning engineer and a market research and evaluation analyst.
- Recruiting in Marketing for a communications and marketing coordinator.
- Recruiting in Renewables for a renewable energy project manager and a renewable energy program manager.

*Legal and Contracts*
- Addressed in other department reports.

*Information Technology*
- As described above, completed reorganization of IT department, creating sub-groups for business systems, FastTrack, and infrastructure, each with its own lead. Conversion of the database administrator position from contract to employee is pending.
- Held web forms/application process simplification brainstorming session with representatives from all Energy Trust departments and PMCs, leading to designation of Aaron Zahler as project manager for the web forms/application process simplification project.
- Prepared draft IT strategic plan, which is currently undergoing internal review and editing.
- Installed and began utilization of Track-it Helpdesk software to automatically create help desk tickets from e-mails and route the tickets to the support staff.
- Conducted annual physical inventory of capital items, computer equipment, and furniture.
- Completed 2008 re-definition of FastTrack measures including updates to contract savings realization factors, deployment of new measures for 2008, and closing of obsolete 2007 measures.