EnergyTrust of Oregon, Inc.

Finance Report

March 31, 2008

Review March 2008 year-to-date financial statements

Balance Sheet and Cash Flow Statements

The most significant change on March's balance sheet appears in the increase in cash, as a result of the excess of revenues over expenditures, combined with the pay-down of payables including the Q2 advance payment to NEEA. Related changes included 1) a return to a more typical month-end balance in payables, and 2) an advance payment of $800k to NEEA for Q2'08 less a full month's expense of $280k.

Income Statements

- Budget to actual variances are based on the budget approved by the Board on April 9, 2008.
- Public purpose revenues year to date varied only 2% from budgeted amounts. In the analysis that follows, PacifiCorp funds resulting from SB 838 are included with the balance of the PacifiCorp energy efficiency revenues.
- March year to date expenses were approximately 61% of budget. The major variances are described below.

Revenue

Public Purpose Revenue

Public Purpose Revenue	Over Budget	Under Budget	Total Over/ (Under)	% over/(under) budget
PGE				
Energy Efficiency	55,251	-	$ 55,251	1%
Renewable Energy	-	(54,879)	(54,879)	(2%)
PacifiCorp				
Energy Efficiency	228,261	-	228,261	5%
Renewable Energy	56,691	-	56,691	4%
NW Natural	116,543	-	116,543	3%
Cascade	31,247	-	31,247	8%
Total	$ 487,993	$ (54,879)	**$ 433,114**	**2%**

Interest income tracked fairly close to budget (4% difference) and is below budget reflecting the decline in interest rates experienced in the past few months.

Expenses

Overall Expenses: below budget by $7.4 million (39% under budget)

Program Management, Delivery & Marketing (5% of expense variance)

Prog Mgmt, Deliv & Mktng	Over Budget	Under Budget	Total Over/ (Under)	% over/(under) budget
Energy Efficiency				
Commercial	-	(33,756)	(33,756)	(2%)
Industrial	-	(69,793)	(69,793)	(7%)
Residential	$ -	$ (253,234)	$ (253,234)	(9%)
Renewable Energy				
Biopower	-	-	-	0%
Open Solicitation	-	(15,000)	(15,000)	(100%)
Solar	-	(316)	(316)	(3%)
Utility Scale	-	-	-	0%
Wind	2,039	-	2,039	45%
Total	$ 2,039	$ (372,099)	**$ (370,060)**	**(7%)**

Incentives (81% of expense variance)

Incentives	Over Budget	Under Budget	Total Over/ (Under)	% over/(under) budget
Energy Efficiency				
Commercial	-	(141)	(141)	(0%)
Industrial	-	(27,393)	(27,393)	(5%)
Residential	$ -	$ (114,095)	$ (114,095)	(5%)
Renewable Energy				
Biopower	-	(211,140)	(211,140)	(82%)
Open Solicitation	-	(23,461)	(23,461)	100%
Solar	-	(0)	(0)	(0%)
Utility Scale	-	(1,093,250)	(1,093,250)	(100%)
Wind	-	(4,584,150)	(4,584,150)	(100%)
Total	$ -	$ (6,053,630)	$ (6,053,630)	**(60%)**

- **Biopower** – Rough & Ready project has run into delays. The project is now operational and payments are expected to begin soon and should catch up with the budgeted amounts.
- **Utility Scale** – Pacific Power's GoodNoe Hills wind project has also run into delays. Incentive payments will not begin until mid-year, with variances increasing between now and June. Payments are expected to be completed by year end.
- **Wind** – For community wind, three projects with payments expected in Q1 have been withdrawn and will not go forward. The small wind program is beginning to pick up but it funds projects of a much smaller dollar value.

Professional Services (9% of expense variance)

Professional Services	Over Budget	Under Budget	Total Over/ (Under)	% of total
Evaluation & Planning	$ -	$ (174,971)	$ (174,971)	27%
Marketing	-	(175,393)	(175,393)	27%
Energy Efficiency	-	(131,054)	(131,054)	20%
Renewables	-	(99,034)	(99,034)	15%
Other	-	(66,079)	(66,079)	10%
Total	$ -	$ (646,531)	**$ (646,531)**	**100%**

- **Evaluation & Planning** – Due to the nature of evaluation and planning activities, it is most meaningful to evaluate the budget variances on a cumulative basis after several months. Some projects are accelerating later than expected and others are still being considered or refined as circumstances change and needs become more clearly defined.
- **Marketing** – The largest variance is related to Media Ads for which the timing cannot be accurately predicted at the point the budget is created. Budgeted amounts for the year as a whole are still expected to be on target.
- **Energy Efficiency** – The variances are scattered throughout the programs and continue to reflect timing differences.
- **Renewables** – The delays in project activity has decreased the current need for some anticipated professional services. The precise timing of the individual payments is very difficult to predict, but most work is still expected to be completed.

By Division -Total Expenses

By Division	Over Budget	Under Budget	Total Over/ (Under)	% of total
Energy Efficiency				
Electric	$ -	$ (1,055,587)	$ (1,055,587)	14%
Gas	-	(28,227)	(28,227)	0%
Renewable Energy				
Biopower	-	(311,275)	(311,275)	4%
Open Solicitation	-	(69,041)	(69,041)	1%
Solar	-	(52,015)	(52,015)	1%
Utility Scale	-	(1,131,278)	(1,131,278)	15%
Wind	-	(4,800,329)	(4,800,329)	64%
Total	$ -	$ (7,447,752)	**$ (7,447,752)**	**100%**

Program delivery efficiency (administrative costs plus program support costs)

- 4.9%, budgeted at 7.1%; performance measure is 11.0%
- Last year March was 4.7%. Last month's rate was 4.9%.