New Homes & Products 2011

New Homes Kendall Youngblood | Phil Damiano

Goal: Move the new construction market toward production of energy efficiency homes that perform beyond code requirements. Remove market barriers for home builders and buyers, increasing the ease of construction and desire for purchase of homes built to higher energy efficiency standards.

- Achieve 682,000 kWh savings and 103,000 therms savings, up from 596,000 kWh and 81,000 therms savings in 2010.
- Deliver 810 new single family homes through the New Homes program, up from a goal of 725, and forecasted actual of 628 in 2010
- Increase market penetration to 17% in 2011, up from 12% YTD actual for 2010.

Strategies:

- Work upstream to remove market barriers to support future code cycle changes through manufacturer equipment bulk buy-downs.
- Work midstream with energy performance scores (EPS), stand alone measures, training and incentives for builders to create market push and desire for program participation.
- Work downstream with consumers to create market demand for EPS and improve consumer knowledge and behavior when purchasing and living in a new construction home.
- Work along the banks to create a support infrastructure including realtors, mortgage companies, insurance providers and appraisers.
- Widen the net on EPS capture by targeting the previously untapped owner/builder segment of single family new construction.

Objectives:

- Encourage builders of 225 homes to reach 2011 code early through Oregon stand alone measures.
- Increase number of Builder/Developer trade allies by 20 percent, and grow all other trade ally groups by 10-15 percent.
- Offer at least 1 insurance product that provides a preferred insurance rate for EPS homes and 1 mortgage product that is tied to energy-efficient measures in the home.
- Achieve 14 percent market share of program homes that include solar PV, solar thermal or are solar ready (up from 12 percent in 2010).
- Provide a limited but targeted outreach to Owner/Builders who represent 35 percent of single family new construction market, seeking a goal of 50 program homes from this market segment.

Tactics:

- Utilize the EPS and corresponding incentives to encourage more efficient building (moving towards net zero) and renewable generation (focusing on solar PV and solar thermal) to continue to move the market.
- Offer Oregon Stand Alone incentives to builders through July 2011 (2011 ORSC code change) to encourage early code adoption and improve code compliance rates.
- Continue to provide outstanding field support to the builders through program builder outreach specialists, subcontractor outreach specialist, the red tag rover, and through builders striving for LEED Certification.
- Provide free energy modeling of all “whole homes” striving for program incentives and an energy performance score to encourage improvement of scores before homes are built.
- Maintain quality assurance in the field by randomly inspecting 5-10 percent of all homes and quality assurance in modeling through 100 percent review of all final scores.
- Expand on-demand training programs available on our website and promote and provide scholarships for builders to attend national training

conferences happening locally, such as ACI and the Energy Solutions Consortium.

- Contribute technical support and market knowledge to future building, energy and reach codes as they get re-developed within each code cycle.
- Conduct a builder survey identifying current market barriers to energy-efficient construction and implementing a response plan to responsibly address the barriers as a way to pave the road for the 2014 code change.
- Develop and strengthen relationships with those that fill supporting roles to the new home industry, including mortgage lenders, insurance companies, appraisers, and realtors, helping to further lower barriers of builder and buyer adoption.
- Deliver technical training and design assistance to residential architectural and design communities as an upstream approach to removing EPS adoption barriers.
- Support state and local home builder associations (HBAs) through volunteer, financial and leadership support as a way to expand our geographic reach and standing within the builder community.
- Deepen collaboration with industry stakeholders and other new construction market actors, such as supporting the OR Residential Building Alliance's (ORRBA) online search tool.
- Further develop working relationship with EWEB as a provider of EPS. Develop similar collaborative relationships with other statewide utility stakeholders including Avista, BPA or select PUD's to have a uniform EPS delivered across the state.
- Encourage cooperative support of AARA funds flowing into county jurisdictions to enhance value of EPS program, such as our collaboration with Clackamas County.
- Update EPS calculator and score sheet to better reflect solar and expand BOS solar education.
- Expand new home tour support to enhance consumer awareness and create market demand for EPS.

- Update new homes pages on Energy Trust's website for both consumers and builders by enhancing content and adding interactive features such as training webinars and informational videos.
- Launch consumer facing marketing campaign, such as "Questions to Ask Your Builder," and coordinate with existing homes on consumer EPS marketing when ready.
- Deliver a marketing touch-point to100% of owner/builders with a screening tool that will steer this segment into the program through a newly developed owner/builder offering.

Savings:

- 682,000 kWh (15% increase)
- 103,000 therms (27% increase)
- Market transformation is expected to bring in another 439,734 therms, a 45% increase from 2010.

Key Assumptions:

- Housing completes within ETO territory of 4,766 in 2011.
- Oregon code change happens in July 2011.
- ENERGY STAR Builder Option Package (BOP) requirement change ready and announced in early 2011 to allow sufficient notification for builders.
- Oregon's residential and business tax credits remain intact and serve as added incentives for builders, particularly for solar, or if they sunset the program has the latitude to compensate.

Risks:

- Code change makes participation more difficult for builders
- Slower than predicted economic recovery
- Double dip in the housing market
- Delays and additional implementation time resulting from Energy Trust ISP transition
- Legislative drive toward statewide EPS that uses a different model

- Legislative influence on RETC/BETC

Budget Considerations: Budget increases for 2011 are the result of a number of newly proposed initiatives and activities, many of which are identified above.

- 810 new single family homes, up from a goal of 725, and forecasted actual of 628 in 2010.
- 2012 goal of 824 homes assumes positive impact of a 23.5% increase in permit activity and an offsetting negative influence of the new energy code taking effect, giving the program an estimated market share of 14%.
- Oregon Stand Alone program including contractor SPIF, continues until the code change.
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- Increased owner/builder outreach.

Products Kendall Youngblood | Julie Van Dyne

Goal: Drive awareness of and interest in energy-efficient home products through providing cost effective incentives and educational support to Energy Trust customers.

- Achieve 51,235,000 kWh and 230,000 therms, up from 42,000,000 kWh and 50,000 therms budgeted in 2010
    - Up from 48,000,000 kWh and 111,000 therms expected by the end of 2010

Strategies:

- Deepen market share of ENERGY STAR qualified clothes washers, refrigerators, freezers and dishwashers.
- Strengthen retailer relationships.
- Increase the harvest rate for recycling.
- Increase opportunities to bring in new ideas/ products into the pipeline.

- Improve ease of applying for incentives.
- Collaborate with other efforts that promote products.

Objectives:

- Coordinate with NEEA's Top 10 efforts to promote the 10 most efficient appliance products on Energy Trust website.
- Sign 2 MOUs with either big box and/or independent retailers.
- Increase market share on clothes washers from 55% (2009) to 60%, on refrigerators and freezers from 34% to 39%, and maintain a 75% or better market share for dishwashers from 80% in 2009.[1]
- Increase harvest rate to 2% (from 1.48%) in 2011 for refrigerator recycling.
- Deepen relationship with customers, increasing the percentage of customers who participate in more than one measure from 10% to 20%.
- Explore opportunities for new products such as set-top boxes and Multi-Functional Devices and develop at least one product pilot initiative plan in 2011 for launch in 2012.
- Increase number of customers using the web form in 2011 to 50 percent of all appliance incentives processed.
- Coordinate efforts at retailers by developing, and signing MOU's with the existing homes program, NEEA and BPA by the end of Q2.
- Continue to participate in BPA's "Simple Steps, Smart Savings" campaign for specialty lighting and showerheads at retail.
    - Showerheads - achieve a 66% increase (25,000 units) over the 2010 sales (15,000 expected) at retail.
    - Specialty Lighing - achieve a 1.37% increase (691,114 units) over the 2010 sales (681,713 expected) at retail.
- Expand the Low Income Lighting initiative beyond Food Bank to 2 other organizations serving this population.

[1] (*Revised ENERGY STAR criteria for dishwashers became effective August 11, 2009. Market share for dishwashers may be affected as previously qualified products were delisted and new products added*.)

- Continue to offer the Change a Light Change the World (CLCW) CFL bulb fundraiser with inclusion of LED holiday lights in fall.
- Evolve efficiency tiers on incented products to ensure incentives are promoting the highest efficiency levels.

Tactics:

- Fridge Recycling
    - Continue $50 incentive.
    - Use utility bill inserts, advertising, newsletters, websites and other utility channels to leverage utility reach and reputation.
    - Utilize consumer advertising throughout the year.
    - Leverage new TV creative on air and on web.
    - Use fridge drives to build stronger awareness, buy-in and participation in targeted communities, explore collaboration with community groups and continue the cross promotion of efforts with other ETO programs.
    - Launch a statewide campaign with a strong PR component (such as a contest to recycle the oldest fridge) to create new interest in Portland and around the state.
    - Add fridge pickup relationship with additional retailers.
- Lighting
    - Continue to work with BPA on specialty CFL buy-down.
        - Leverage utility channel opportunities, events, PR and social media opportunities.
        - Promote to past participants.
        - Use Google AdWords. Promote through radio, web and print advertising, as needed.
        - Develop video tutorial on specialty bulb placement for website, events, media outreach, etc.

        - Programmatic oversight of the POP development and field services that Fluid administers for BPA to participating retailers.
    - Continue to offer CLCW fundraiser to schools and community groups
        - Continue fall contest and add spring event.
        - Explore adding a fridge recycling component to the fundraiser and add showerheads.
- Strong retailer presence
    - Continue to support and grow "Efficient Appliance Experts" initiative.
    - Leverage MOU's with retailers to gain additional data, increase store presence and create co-marketing opportunities.
    - Annual update of in-store collateral.
    - Support retailers through regular visits and training from field staff.
- Simplify application process
    - Promote online application over paper application in all POP and other marketing materials and on ETO website.
    - Promote entirely paperless option and work on providing a no receipt option.
    - Leverage 2011 strategic agreement/MOU with Sears or another retailer to pilot instant incentive (gift card) or instant incentive (coupon) at register.
- Leverage Low Cost No Cost campaign, as appropriate.
- Promote showerheads
    - Leverage utility channel opportunities, events, PR and social media opportunities.
    - Promote to past participants.
    - Use Google AdWords. Promote through radio, web and print, as needed.
- Explore bundled incentives to increase uptake of certain measures throughout the year.

- Explore what's currently being done with various new products and what program opportunities there are. Include investigation of emerging technologies, with the intent to scope and offer pilots depending on findings and funding.
- Distribute CFL room kits to low-income populations through low-income service providers.
- Participate in cross-program marketing and collaboration efforts to follow up with past participants to drive multiple-measure uptake.

Budget:

- 51,235,000 kWh (21% increase compared to 2010 budget)
  - Increase in kWh 7% when compared to expected achievement at the end of 2010.
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- 230,000 therms (358% increase compared to 2010 budget)
  - Increase in therms 107% when compared to expected achievement at the end of 2010.
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Key Assumptions:

- Two clothes washer tiers in 2011
  - 2.2 MEF with a $50 incentive (dropped from $75 in 2010)
  - 2.46 MEF with a $100 incentive (**new**!)
- Two refrigerator tiers in 2011
  - ENERGY STAR (20% above code) with a $50 incentive
  - CEE Tier III (30% above code) with a $100 incentive (**new**!)
- 2010 appliance applications will be accepted through the middle of April.
- A high level of appliance and lighting retailer participation and engagement in the program.
- Two field representatives supporting appliance retailers.

- Second year of the dishwasher incentive with an efficiency requirement of 278 kWh/ year and we except a 10 percent increase from 2009 actual.
- Consistent $50 incentive on new ENERGY STAR freezers.
- Consistent $50 incentive for the recycling of refrigerator and freezers.
- Participation in the 2010 BPA “Simple Steps, Smart Savings” Specialty Lighting and Showerhead retail and online promotion as well as continued donation of showerheads to the Water Bureau.
- The Change a Light fundraiser continues with specialty CFLs and LED holiday lights.
- The 2010 Low Income Lighting Pilot is approved and is expanded in scale and scope in 2011.
- A 2 percent harvest rate for fridge recycling.
- Seasonality of recycling program volumes peak from early summer through fall and drop off during the winter.

Risks:

- Economy will continue to languish and we see market fluctuation for CFL lighting and decline in sales of energy-efficient appliances
- Lack of responsiveness or unwillingness to sign MOUs from retailers and others that promote efficient products here in the Northwest
- Transition of the management of ENERGY STAR at a national level from DOE to EPA can create confusion in the market with manufacturers as well has the potential to weaken consumer confidence in the ENERGY STAR brand. Consumers may begin to feel that the brand has no value and choose not to buy those products with the ENERGY STAR label as a result, thereby hurting sales of efficient products incented by our program.
- Any Energy Trust or utility decisions to not support marketing at any point during the year
- Delays and additional implementation time resulting from Energy Trust ISP transition

- Evaluations reduce demonstrable savings on a particular product or products
- Technical processing constraints for online and paper applications through Energy Trust systems
- Large swings in the CFL market affect how retailers and manufacturers stock their lighting aisles causing availability and saturation risks for the program

Budget Considerations:

- Total appliance savings up by 16% compared to 2010, but that amount is significantly lower than would be anticipated for a 73% increase in expected quantities. This discrepancy is due to changes in savings for specific appliances:
    - Clothes washers quantities up by 136% with savings down by 13%
    - New refrigerators up by 11% with savings down by 56%
- Fridge recycling savings down by 25% compared to 2010 despite an increase in expected quantities by 35%. The savings per fridge recycled dropped by 45%.
- BPA Specialty Program 750,000 units (1.75% increase)
    - A-lamps removed from the qualified products list for 2011 which results in a smaller than expected increase in units. Savings increase 10% from 2010 due to an expected increase of 35% on sales of the remaining existing specialty products.
- Low-income Lighting pilot with Oregon Food Bank - 30,000 CFLs for 990,000 kWh
- Fundraiser - added showerheads to the measure mix increasing savings (359,308 kWh) by 25% from 2010 (287,258 kWh) and incentives 5%.
- Enhanced showerheads at retail, online and Portland Water Bureau (PWB) and Tualatin Valley Water District (TVWD).

- Retail - 25,000 (full-year) units (60% increase) from 2010 of 15,000 (half-year)
- Online - 10,000 (full-year) units (150% increase) from 2010 of 4,000 (half-year)
- PWB and TVWD – 6,000 (full-year) units (20% increase) from 2010 of 5,000 (half-year)

Manufactured Homes

Kendall Youngblood | Julie VanDyne

Goal: Deeper savings into the manufactured homes market through an increased focus on eco-rated and Earth Advantage certified manufactured homes.

- Achieve 990,000 kWh and 1,870 therms, up from 596,420 kWh and down 3,269 therms savings in 2010

Strategies:

- Provide training for retailers
- Make program participation easier for the retailer
- Help more manufacturers build to beyond ENERGY STAR requirements

Objectives:

- Add co-op advertising to manufacturers, in addition to what currently offered to retailers, to help them promote eco-rated/Earth Advantage or additional technologies to their options.
- Add one modular home manufacturer to the program.
- Update both consumer and trade ally pages on Energy Trust's website for Q2.
- Launch online application submission for retailers and consumers and process 25 online applications throughout the year.

- Develop MOU with Northwest Energy Works and BPA in 2011 that outlines what activities/efforts are needed in collaborations with retailers to meet goals.
- Increase rate of manufactured homes using mini-split heat pumps and provide incentives for 27 homes.

Tactics:

- Distribute co-op forms through field staff to all participating manufacturers outlining co-op funding opportunities that assist with consumer awareness and education.
- Peform outreach and build relationships with modular home manufacturers to help more manufacturers build in energy efficiency beyond ENERGY STAR requirements.
- Revise web content on the manufactured homes pages and include a searchable field for manufacturers of eco-rated and Earth Advantage homes.
- Develop and implement an online application for consumers and retailers with assistance from Energy Trust web team.
- Form relationships with mini-split heat pump manufacturers/retailers to understanding how to help them into the manufactured homes market.
- Finalize saving and cost effectiveness for mini-split heat pumps then outreach to manufacturers outlining this mid-stream incentive
- Explore PR or consumer awareness campaign explaining benefits, possibly to include billboards, radio and newspaper advertising. Partner with existing manufactured homes, if appropriate.

Savings:

- 991,000 kWh (66% increase)
- 1870 therms (42% decrease)

Key Assumptions:

- The model homes program is active and in place for 2011.

- 2010 appliance applications will be accepted through the mid of April.
- Offer a higher incentives to retailers/salespeople on ENERGY STAR homes and eco-rated homes sold into ETO territory.
- Offer an upgrade incentive from ENERGY STAR certification to Eco-rated/EA certification to consumers.
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- Offer an incentive to retailers/manufacturers on the sale of Mini-Split Heat Pumps in ENERGY STAR and Eco-rated/EA homes.
- Manufactured Home Sales Data (Shipped to Oregon) continues to hold steady.
- The number of manufacturers making Earth Advantage and eco-rated homes continues to increase from 5 (ER), 1 (EA) at mid-July 2010.

Risks:

- Slower than predicted economic recovery
- Lack of attention from manufacturers
- Unresponsiveness from NEEM to program inquiry/requests for data related to homes sales and market share
- ENERGY STAR becomes baseline
- Delays and additional implementation time resulting from Energy Trust ISP transition

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Business Sector Overview

Oliver Kesting

OVERVIEW

Energy Trust's Business Sector programs and offerings provide energy efficiency services and incentives to Commercial customers, Institutional customers and Multifamily properties. Primary Sector activity is accomplished through three program efforts; Existing Buildings, New Buildings, and Multifamily. In addition, the sector supports the regional 80 Plus Program in PGE and PAC territory.

Sector staff also manages relationships with stakeholders, coordinates marketing and outreach activities, and oversees program strategy design and implementation.

OBJECTIVES

Guiding principles for the Business Sector Program budgets in 2011-2012 are aligned with the Business Sector's Strategic Plan:

- Meet IRP goals by providing measures and services that allow customers to invest in energy efficiency projects that meet their cost constraints.
- Lay the foundation for program success in future years by working with customers to develop long-term portfolio plans that enable deeper savings.
- Coordinate with NEEA to: 1) ensure market transformation savings in the new construction market through 2010 Oregon Energy Code and 2) develop technical solutions and a training regimen to evolve lighting program offerings beyond the heavy emphasis on T12 to T8 conversions per the pending 2012 federal lighting standards.

STRATEGIES

Changing baselines brought on by 2010 Oregon Energy Code and 2012 Federal Lighting Standards will begin to erode existing resource acquisition opportunities towards the end of 2011. In order to prepare for this shift, the Sector will engage in long-term program enhancements while at the same time continuing its focus on meeting aggressive goals and cost effectiveness criteria.

- Long-term objectives will be met by developing deeper relationships with key customers and piloting program models that support customer's strategic energy planning efforts. The Sector will seek to support customers by developing tools to assist customers with decision-making, and developing the business case for engaging in deep energy efficiency investments.
- To balance the emphasis on longer term efforts, the Sector will enhance activity supporting low/no cost measures. Enhanced activity in measures such as operations and maintenance changes can enable savings that meet customer's stringent cost requirements in the current economic environment.

Both of these strategies will drive down overall cost effectiveness of the programs compared to recent years, but are expected to lead to success in the current economy and improved program effectiveness over the long run.

Some strategic relationships with key customer groups will be managed in-house. This will ensure an overarching strategy that addresses all retrofit, new-construction, and renewable opportunities and ensures a more direct customer relationship with Energy Trust. The sector will also diversify the group of contractors providing services within markets. This will begin in 2011 with an RFP that will recruit a contractor to provide strategic energy management planning services for key customers. These strategies will ensure continuity in case the PMC contracts are awarded to other contractors in the future.

Planned long-term activities includes:

- Public Sector Account Management
- Public Sector Strategic Planning Technical Services
- Institutional Strategic Planning Technical Services
- Commercial Strategic Planning/Operations Pilots
- Enhanced Lighting Design Pilot

Savings for the Business Sector are targeted to be 14.48 aMw and 1,685,364 annual Therms.

Existing Buildings — Spencer Moersfelder | Murali Varahasamy

OVERVIEW

The program design for 2011 will build upon past successes and focus on aligning the program with Energy Trust's strategic long term plan. The 2011 program will incorporate efforts to provide operational improvements, quick turnaround offerings, and initiatives to achieve "deeper" savings per project.

The budget includes initiative development, program improvements that will enhance attention to customer service and maintaining high standards of quality. The savings reflect the new factors used to adjust for net savings (SRAFs) due to free riders and other factors. The new, netting factors lower recorded savings by an average of 14% per electric measure and an average of 4% for each gas measure. .

Existing Buildings 2011 plans are built upon the following major strategic themes:

1. Streamline and enhance customer service and achieve high rate of customer satisfaction by simplifying the participation process, decreasing the processing time for projects, and increasing communication with customers.
2. Implement innovative and cost-effective program offerings that appeal to a wide range of customers including operational enhancements and low-cost and no-cost measures.
3. Continue to bolster relationships and work with market actors.
4. Expand depth and breadth of program savings by helping customers to shape their long-term energy and cost saving goals and contributing actively to their annual budgeting process related to energy efficiency projects.

BASE PROGRAM

Existing Buildings program 2011 program design is built on the historical foundation of program activity. Additional program emphases include operations based savings, implementing solutions to prepare for the pending 2012 federal lighting standards and expansion of the Direct Digital Controls Tune-up Initiative.

Objectives:

- Increase overall savings and savings per project.
- Increase number of completed projects by 25%.
- Increase the number of studies that become projects from 20% to 30% realization rates
- Implement pilots, review results and expand pilot efforts that realize substantial cost-effective savings.
- Expand focus on renewables by achieving 20 solar thermal installations in 2011

Strategies:

- Provide offerings and services that appeal to a wide-range of participants.
- Deliver program to commercial entities through Program Management Contractor (Lockheed Martin) and a statewide comprehensive network of trade allies.
- Develop specialized program teams to focus on specific customer groups in order to provide more efficient customer service..
- Leverage long-term relationships (e.g. municipal sector relationships) established by Energy Trust to achieve deeper and sustained pipeline of savings.
- Work with Energy Trust to increase the focus on budget activities for key customers to ensure energy efficiency investments are in the budget planning processes.
- Leverage alliances with contractors and service providers to develop program leads and transform the market.
- Increase awareness and visibility around the state by expanding geographic presence of program throughout Oregon.
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- Acquire more operations based savings.
- Increase number of projects and savings per project achieved by program.
- Streamline cross-program efficiencies.
- Reduce cost and complexity of participating in program.
- Flatten the annual savings curve to realize savings more evenly throughout the year..
- Achieve more savings for each project that the program touches.

Tactics:

- Lockheed Martin (LM) will enhance the current delivery model by a ‘triple teaming’ strategy where the business development, operations, and engineering will be teamed together to achieve an efficient process cycle enabling quicker delivery and improving participant satisfaction.

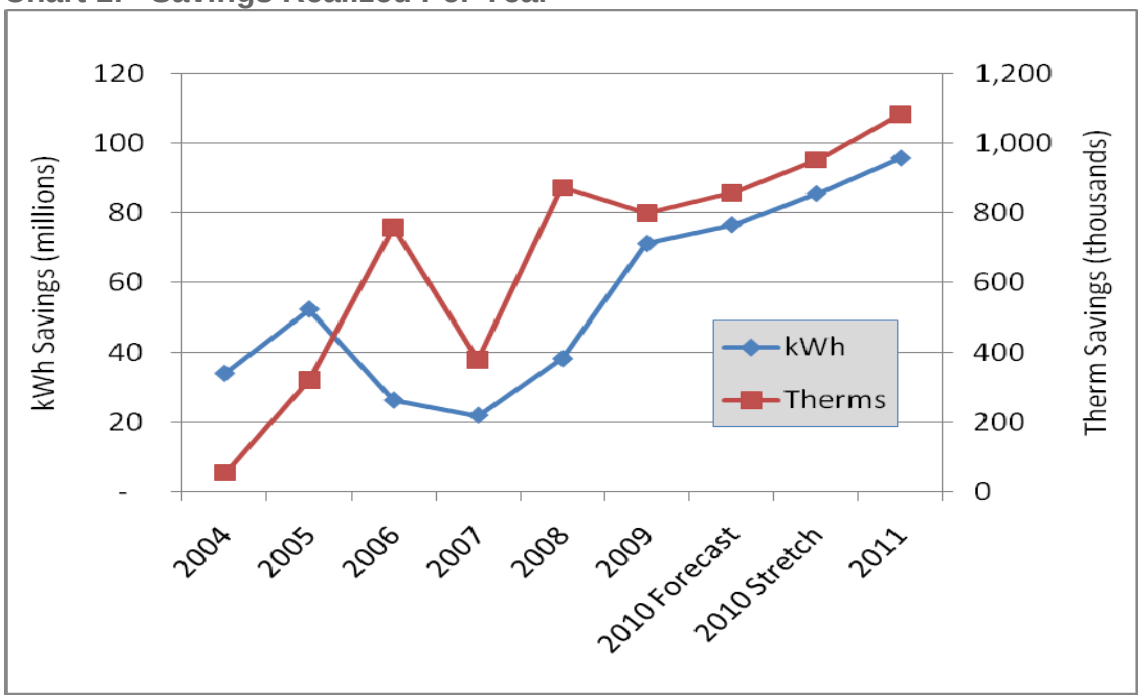
- LM will assign a specialized “Account Management/Trusted Energy Advisor” to key stakeholders and property owners/managers.
- Leverage Energy Trust customer relationships to deliver comprehensive long—term strategies enabling deeper energy savings.
- Provide incentives for Allied Technical Assistance Contractors that conduct studies that then result in more installed projects, more often.
- Provide additional contracted outreach in Eastern, Central and Southern Oregon.
- Implement a comprehensive education effort and provide additional incentives for T12 to T8 conversions in advance and in support of pending 2012 federal lighting standards.
- Leverage NEEA and regional effort to increase capacity for lighting contractors to provide comprehensive lighting design services.
- Implement pilot that will use Energy Information Systems to benchmark and then work with operators to implement operational procedures that will be evaluated and incented through measured performance gains.
- Continue to deliver services to the entire value chain of target markets from business owners, property owners, tenants, property management companies, service providers, electrical/mechanical contractors, distributors, manufacturer representatives and manufacturers..
- Maintain and expand successful state-wide Trade Ally Network of installation and technical assistance contractors.
- Expand the DDC Tune-up pilot.
- Provide sales training to educate contractors, ATACs and program staff to better sell energy efficiency.
- Collaborate with -organizations such as BOMA, IFMA, NEEA, etc.
- Use direct outreach, collateral and web to address markets
- Coordinate with electric utility field and outreach representatives and marketing efforts

- Keep custom mechanical incentive at $0.25/kWh up to 50% of project cost in an effort to overcome overall reduction in availability of capital and to align with Production Efficiency offering.
- Provide annually recurring seasonal incentives to bring in given project types during a certain time of the year to help flatten the annual savings realization curve somewhat.
- LM to bring walk-through audits in-house in an effort to realize savings from direct installs.
- Implement a ductless heat pump pilot to test efficacy of this HVAC measure.

Program Situation:

The market that the Existing Buildings program serves has matured with the presence of Energy Trust and its services and offerings. The following trends can be observed for the program:

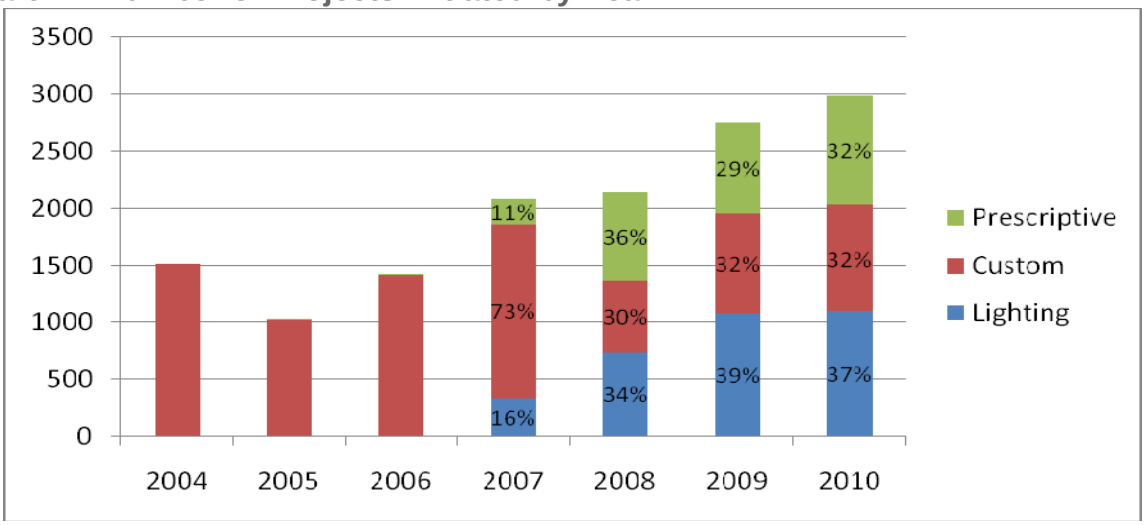
Chart 1: Savings Realized Per Year



*2010 numbers based on 2010 forecast taken the week of September 20, 2010

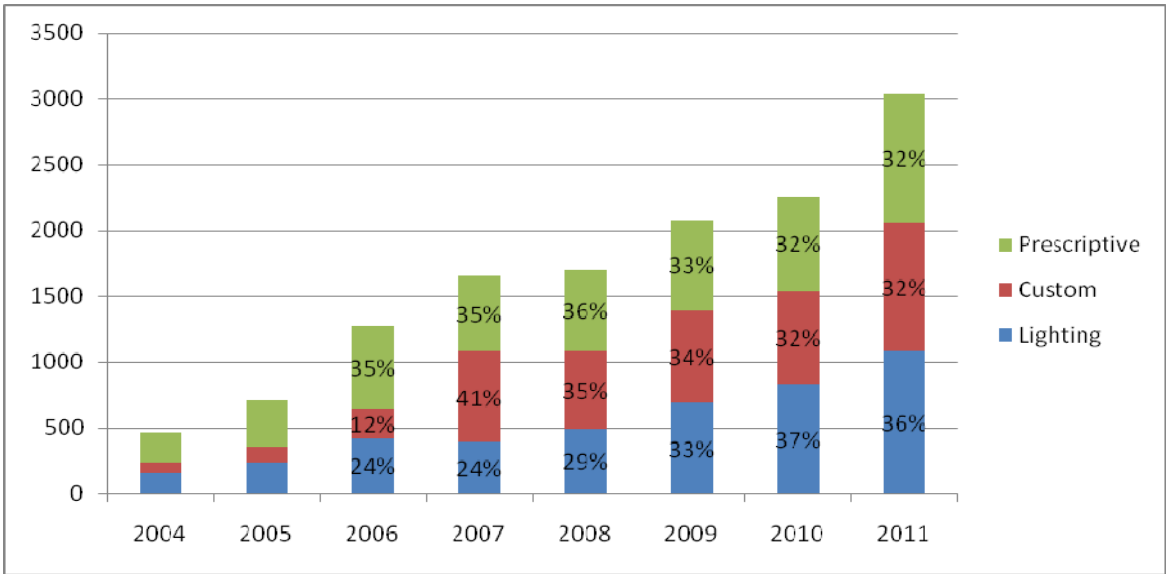
*2011 numbers have been adjusted to 2010 SRAF

Chart 2: Number of Projects Initiated by Year



*2010 numbers based on 2010 forecast taken the week of September 20, 2010

Chart 3: Number of Projects Completed by Year

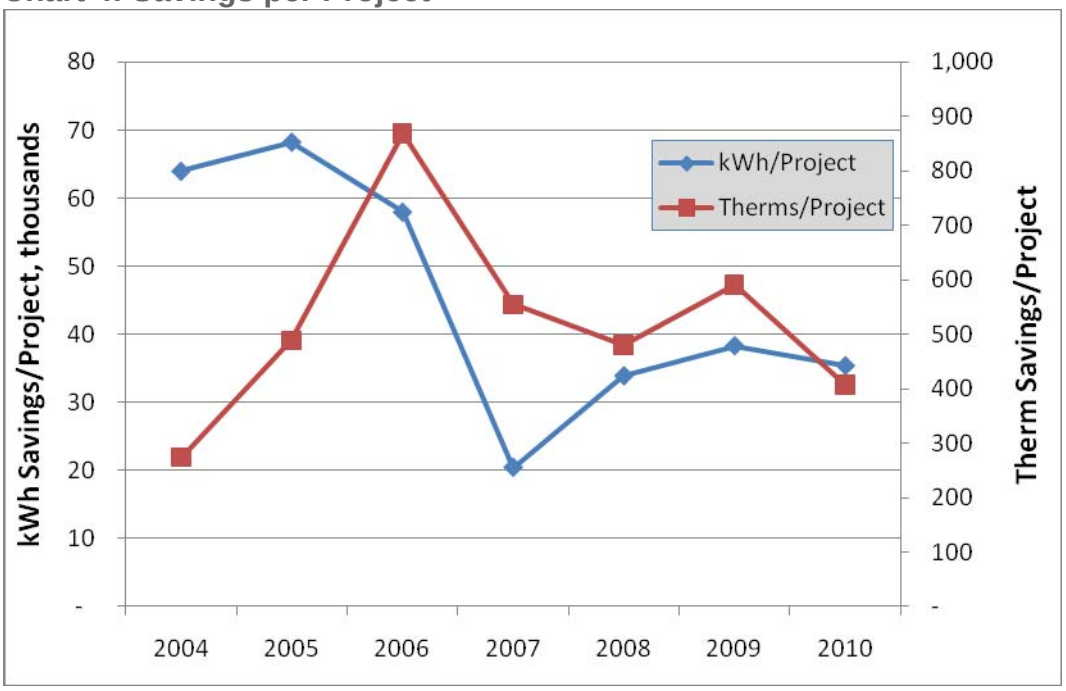


*2010 numbers based on 2010 forecast taken the week of September 20, 2010

*2011 projects are extrapolated from 2010 forecast

Savings and projects have increased steadily over time with projects initiative and closed increasing proportionally in the prescriptive track, custom track and lighting track. (*Ref: Charts 1 to 3*).

Chart 4: Savings per Project



*2010 numbers based on 2010 forecast taken the week of September 20, 2010

As the savings goals increase more projects need to be recruited and processed by program staff. Savings per project appears to have leveled from 2008 -2010 with a downward trend in 2010 (*Ref: Chart 4*).

In order to achieve greater savings goals the program will have to evolve outreach and marketing methods and develop new implementation methodologies to expand its depth and breadth. Depth means doing more with each customer that the program touches. Economies are achieved by having existing relationships that can be leveraged to influence the customer. These projects may yield substantial savings over time once relationships are

established and the range of offerings has been expanded to appeal to the needs deep customer. Breadth is a matter of recruiting additional customers; it is projected that in 2011 the program needs to complete > 25% more projects to meet goals. Small projects on the margins tend to yield more expensive savings due to fixed costs associated with project development.

In 2011 the marginal project cost per project will increase due to a need to develop and implement new initiatives, build new relationships and recruit additional customers. These expenses will be offset somewhat by the economies achieved from the deeper projects and the decreased need to address "tire-kicking" customers because these customers will be screened by Utility 838 representatives.

The commercial building market spans many sectors, building occupancy types and sizes. The program perceives three general customer types that must be addressed to achieve more depth and breadth in the marketplace:

1. The program can achieve more depth with existing customers. These customers tend to have more building area, can pay attention to the program and have more money to spend on energy efficiency. These customers can yield substantial savings by implementing new approaches including:
    a. Tiered incentives for projects that implement more measures.
    b. Operations based solutions including kaizen blitz, an EIS pilot and an expanded DDC pilot.
    c. Working with the C-suite to develop energy efficiency solutions into budgeting cycles.

2. New customers with significant building area and resources provide opportunities for the program to expand its breadth and go deep by implementing the following new approaches:
    a. Establish and reinforce relationships with consultants that assist national chains in pursuit of energy efficiency.
    b. Working with executive-level decision makers to develop energy efficiency solutions into budgeting cycles.
    c. Activating outreach and TA participation in the outlying regions of the state.
    d. Deploy field staff to impelement direct installations for measures such as floating head control for refrigeration in convenience stores.
3. The program will enhance the breadth of its impact with new customers that will install a few measures with the following new approaches.
    a. Building relationships in new market sectors including:
        i. Convenience stores
        ii. National chains/big box stores
        iii. The tribal community
    b. Activating outreach and TA participation in the outlying regions of the state.
    c. Providing bonuses for ATACs that convert studies into real projects.

Budget & Levelized Cost by utility:

Savings and Levelized Cost forecast as of October 6, 2010				
Utility	**Savings Goals (kWh or**		**Levelized Cost of**	
	Stretch	Forecast	Budget	Forecast
PGE	58,983,449	54,395,612	$0.0223	$0.0268
PAC	26,461,494	23,841,132	$0.0189	$0.0230
NWN	834,843	781,433	$0.2544	$0.2717
CNG	116,200	80,198	$0.2686	$0.3208

2011 Savings and Levelized Cost at 2010 SRAF

Utility	Savings Goals (kWh or Therm)	Levelized Cost of Savings
PGE	67,827,391	$0.0250
PAC	28,979,623	$0.0226
NWN	901,983	$0.2781
CNG	113,686	$0.2872

2011 Savings and Levelized Cost at revised SRAF

Utility	Savings Goals (kWh or Therm)	Levelized Cost of Savings
PGE	58,030,101	$0.0293
PAC	24,793,678	$0.0264
NWN	865,416	$0.2899
CNG	109,077	$0.2994

Key Assumptions:

- Electric SRAF changed from .9 to .77. This has a profound impact on the electric savings that Energy Trust will claim for this program.
- Gas SRAF changed from .74 to .71.

- Electric weighted average measure life changed from 11.5 to 13 years and gas weighted average measure life changed from 16.7 to 22 years.
- Additional program staff will allow the program to spend more time per customer resulting in higher customer satisfaction and more savings per project.
- The economy is still in a downturn, capital is scarce and customers remain reluctant to invest in energy efficiency projects.
- The energy efficiency resource in the commercial retrofit market is vast and worth investing in. The 2011 program impact can only constitute a small proportion of total potential.
- Trade allies will continue to be instrumental in project development.
- Cost and effort per project will go up as the program attempts to recruit and close additional projects.
- The program has not budgeted to serve NWN interruptible customers. If this effort is resurrected then we will need to establish new goals and budget specific to this effort.

Risks:

- Maturing lighting market translates to more projects, fewer savings per project and increased cost per unit savings.
- Underestimating the real cost of recruiting and completing additional projects on the margin.
- Overestimating markets appetite to invest in energy efficiency in a recession.
- Implementing new activities in the midst of a potential rebid process.

Enhanced Activities

The program will include a number of new initiatives, in addition to the core efforts described above

KAIZEN BLITZ

Savings:

Utility	Savings
PGE	900,000
PAC	-
NWN	1,800
CNG	-

Overview:

- The program will pilot a Kaizen Blitz effort modeled on the Production Efficiency program effort. A Kaizen Blitz is a one-day event where operational measures are identified throughout a facility. A check-list of to-dos is developed during the event. Some items are adjusted on the spot and others are adjusted in the future with the program providing support for more comprehensive changes.

Tactics:

- Implement events in commercial buildings that will identify operational measures that can be implemented immediately.

Key Assumptions:

- There are significant savings to be had from quick no-cost/low-cost measure implementation in commercial buildings.
- Quick wins achieved through the Kaizen Blitz will help decision-makers to quickly realize the financial value of energy efficiency.

Risks

- It may take multiple years for these investments to result in significant energy savings.

TIERED INCENTIVES

Savings:

Utility	Savings
PGE	1,766,454
PAC	620,812
NWN	10,520
CNG	3,237

Overview:

- Technical Assistance Studies identify many measures that have potential application at participant's facility. The program will provide tiered incentives which are bonuses designed to encourage participants who receive Technical Assistance Studies to implement a high proportion of the total measure potential identified by their level 1 or level 2 study. For example, a participant may currently choose two out of five proposed EEMs based on their less than two year ROI. By offering tiered incentives, the Program believes that the participant can be encouraged to install four or five instead.

Tactics:

- Provide higher incentives for projects that choose to implement more energy savings by going deeper per measure and/or implementing more measures.
- Work with participants to plan capital budgeting to implement more measures in a given budgeting cycle.

Key Assumptions:

- Participants will be more interested in implementing additional energy efficiency measures if tiered incentives are available.

Risks:

- There may be a potential for high free-ridership for projects that would have done a lot anyway and this may not motivate other projects to move.

INCREASE FOCUS ON SOLAR WATER AND SOLAR POOL HEATING SYSTEMS

Savings:

Utility	Savings
PGE	6,600
PAC	9,900
NWN	8,250
CNG	2,000

***These numbers do not include Energy Trust solar program delivery. Savings, incentives and the design still needs to be vetted with the solar program. Furthermore the incentives and savings have not been built into the 2011 budget and goals.**

Overview:

- Existing Buildings will add capability to provide outreach and engineering support for design of solar water heating and solar pool heating systems. Inspect these systems when they are installed.

Tactics:

- Increase number of engineering FTE to provide engineering support for design review of solar systems.
- Educate outreach staff on this technology and the Energy Trust program offerings.

Key Assumptions:

- There are significant savings to be gleaned from the installation of more solar hot water and solar pool heating systems.
- The solar program will be glad to have PMC assistance in pursuit of more projects.

Risks

- Dilutes focus on the core projects that bring in the majority of energy efficiency savings.

Portfolio Manager Pilot

Savings:

Utility	Savings
PGE	390,000
PAC	97,500
NWN	10,500
CNG	2,625

Overview:

- Run a pilot to evaluate the efficacy of using EPA's ENERGY STAR Portfolio Manager (PM) tool to establish a baseline and then encourage operational enhancements that will be reevaluated using PM to claim savings and make an incentive reward.

Tactics:

- Align this pilot with NEEA's and BOMA's collaborative effort to run a contest to maximize building performance.
- Provide an incentive that will cover the cost of operator time to implement operational improvements and the cost of the engineering review of the inputs in pursuit of an ENERGY STAR rating as output by PM.

Key Assumptions:

- There is enough resolution in PM to actually benchmark performance that we can base valid energy savings claims on.
- A nominal incentive will be enough to spark participant's interest.
- Has the potential to provide a deeper foundation for low-cost savings.

Risks

- Savings realization through this effort may be nebulous.

New Buildings — Jessica Rose | Allie Robbins

Summary:

The new construction market is slow moving, however the environment has changed with accelerated, policy-driven code improvements. The market needs change to meet the more stringent code and tight investment requirements. Now is the time to embrace a market hard-hit, engage the market actors, and train them on new code while building up strong relationships and promoting measures that go beyond code. Throughout 2011 into 2012, we will build support for energy efficiency and drive market transformation by infusing expertise into the market through trainings and regional collaboration.

Near term focus will be on bringing projects in the pipeline to fruition. Leading into 2011 these savings will carry the levelized cost. The 2010 pipeline of projects under the old code is:

- 73% of electric savings
- 74% of gas savings

Innovation will continue as two pilots push results throughout the course of 2011 and serve our market. Two distinct groups in the market: early adopters that take risk and/or have higher ROI thresholds, take a buy-hold approach, maintain a longer outlook and the risk averse want quick, easy and are focused on first costs. The remaining document focuses on the Redesigned program, two pilots geared to serve our unique

market and Reach code that will push the next code advancement, each is followed with specific goals, strategies, objectives, tactics, assumptions risks and anticipated outcomes.

Redesign:

New Buildings program will be well positioned as the market picks up and will have positioned New Building Allies (our savings leaders that model and set aggressive targets) and Trade Allies (our volume leaders that apply single-systems) to charge ahead with:

- Incentives retooled to be more market-based, rewarding early adopters to go far
    - Tiered custom modeling incentives to motivate higher levels of efficiency; this is a change from
        1. $0.10/kwh and $0.08/therm to
        2. $0.15/kwh and for every percent beyond 15% energy saved, we add a cent/kwh
- Robust project lifecycle approach, from early design through commissioning and post-occupancy with behavioral support (Energy STAR)
    - Enhanced design assistance and energy goal-setting
    - Provide technical assistance and measure selection in engineering level project scoping meetings
    - Commissioning support to incorporate agents
    - Post-occupancy reward to operate at designed load
- Processes that allow quick deployment, embracing volume with
    - simple tools and simplified forms that reduce costly iteration and coordination
    - savings calculators that trade allies can deploy

Reach code:

Reach code (an outcome of SB79) is in development. Basically, the market will not embrace the Reach code if it is too difficult so they are eager set a feasible bar that pushes the market and allows for incentives in the interim, which is anticipated to become code in 2013. Reach committee began meeting March 31, 2010.

Goals and outcomes of SB79 are:

1. *"Development of the Reach Code is mandated by the 2009 Senate Bill 79. SB 79 requires the Department of Consumer and Business Services' Building Codes Division (BCD or division) to adopt an optional set of construction standards for achieving greater energy efficiency than if a building were constructed under the statewide mandatory codes. Energy Efficiency is defined in the bill as "the use of construction and design standards, construction methods, products, equipment and devices to increase efficient use of, and reduce consumption of, electricity, natural gas and fossil fuels."*

    - *http://www.cbs.state.or.us/bcd/committees/11reachcode/20100331/2010_Goals_Outcomes.pdf*

SCEP Pilot:

Small Commercial Efficiency Pilot (SCEP) provides a prescriptive, whole-building approach to energy efficiency in buildings 10,000 – 70,000 square feet. It is limited to schools, offices, retail, and public assembly buildings. At the center of the SCEP is Core Performance – Oregon Edition, a guide that, if implemented correctly, guides a project to achieve up to 30% savings beyond 2007 Oregon Energy code. Core Performance implementation is required of projects pursuing the EAC certification.

Early process evaluation results have been very positive:

2. comprehensive approach that recognizes an efficient overall design rather than the use of individual efficient components

3. availability of certification from a respected regional brand at much lower cost than LEED

To-date, 8 projects have enrolled in the SCEP. The goal is to enroll 4-6 additional projects before 2010 year-end. The SCEP approach has had significant traction in the community college community. The first SCEP project is anticipated to successfully complete and open its doors in October. Throughout implementation, the program has

been continually adapting its approach and processes as it learned the approaches and strategies that work best for the small buildings and small firm community.

PTNZ Pilot:

Path to Net Zero (PTNZ) pilot launched in mid-2009 and quickly reached its maximum enrollment. 15 projects are enrolled and active in the pilot, although three of those projects are on hold pending additional funding. One project has completed installation and received its incentives. Two additional projects are anticipated to complete in fall 2011. The pilot provides four incentives throughout the life of the project: early design assistance, technical assistance, installation (commissioning required) and monitoring and reporting.

Participation in the pilot requires that projects achieve 60% savings beyond 2007 code (45% beyond 2010 code), with a minimum of 50% savings (35% for 2010 code) from efficiency and the remainder from renewables. To-date, this requirement has been very challenging for projects, even those with the most experienced and innovative design teams. In addition to providing an attractive path for projects pursuing net zero, the pilot has provided an opportunity for strong coordination between the commercial solar program and New Buildings as nearly all participating projects integrate solar into their designs.

Goal:

- Transition the new construction market to build beyond 2010 Oregon Code by offering tiered incentives that reward aggressive savings;
- Through this transition, set the stage for a significant code improvement in 2013.
- Achieve all cost-effective savings in New Buildings projects, getting 30,239,282 kWh and 840,343 therms in 2011.

Strategies:

- Collaborate with NEEA to develop emerging Oregon Reach Code that will feed ongoing market transformation and, develop incentives to support market adoption of cost-effective elements of the anticipated code.

- Develop and support New Buildings Ally network to broaden the program reach to capture new customers and build market expertise to (a) understand the 2010 energy code and (b) achieve savings beyond the code. Use this critical link to the market to understand their needs, feed back market intelligence and reach new customers.
- Structure incentives to reward whole-building improvements and cost-effective efficiency beyond code. Design these incentives for the segment of the market that uses innovative design techniques, models complex building systems and is well positioned to drive a large portion of savings.
- Offer deemed and calculated measures for single system measures that exceed code to reach the segments of the market that are more risk-averse and respond well to simplified, quick-to-deploy approaches. This approach will reach the largest volume of projects.
- Emphasize project support and efficient project processing to complete and close projects in the program pipeline to deliver savings.
- Expand the program reach to influence energy savings after completion of the building through commissioning, monitoring & reporting, and post-occupancy operator behavior.
- Continue to implement the Path to Net Zero pilot and integrate the lessons learned to address the growing market demand for extremely high efficiency in buildings.
- Continue sector- and firm-specific focused outreach approaches to deepen market penetration in 2011 and beyond.
- Expand program and measure offerings to maximize cost-effective savings from all projects.
- Pilot and integrate cost-effective emerging technologies and design strategies.

Objectives:

- Achieve increased market penetration of 70%, based on annual Dodge estimates of construction starts.
- Incent a portion of the market to achieve at least 5% savings over 2010 Oregon Energy Code.
- Achieve 40% of program savings (excluding data centers) from buildings 70,000 SF and smaller (a 14% increase over 2009 savings from small buildings).
- Capture full potential of savings from data centers, achieving over 2,500,000 kWh from data center projects in 2011.
- Achieve 30,239,282 kWh and 840,343 therms in 2011.
- By end of year, close and claim 85% of the savings in the pipeline on January 1, 2011.
- Maintain the 2009 average savings per square foot of 2.3 kWh and 0.062 therms.
- Expand the New Buildings Ally network to 60 firms by the end of 2011
- Provide at least 4 trainings on 2010 code, designing beyond code, and program incentives.
- Identify new measure opportunities in targeted building systems, focusing on plug load, lighting design strategies, lighting and building controls strategies, and new HVAC strategies.

Tactics:

- **Market Transformation**
  - Partner with NEEA to provide code training to New Buildings Allies and other market players.

- Participate in the Reach Code development process to ensure market acceptance and begin to set the stage for synergies between Reach Code and Core Performance, influencing small commercial customers. Work with New Buildings Allies to build program incentives into their financial models and proposals to drive enrollments of new customers and existing customers.
- Work closely with projects throughout all phases of development, starting at the early design stage when the opportunity to influence decision making and capture savings and renewables generation is greatest, and staying with the project through commissioning and post-occupancy operations.
- Launch tiered incentives to increase the value of maintaining good energy efficiency decisions through design and construction. Test the market response to tiered incentives and make adjustments as needed.
- Enhance engineering support for modeled projects early in the design process with project scoping meetings that identify opportunities to design beyond code and influence project decisions. Leverage engineering support to deepen program involvement to influence project teams to design and construct buildings that achieve higher energy savings per square foot.
- Work closely with projects as they emerge from the construction phase, complete commissioning (or acceptance testing) and occupy the building. Develop behavioral strategies and incentives to ensure the buildings is operated and occupied as it was designed.
- Develop updated commissioning guidelines and requirements to increase the market acceptance of commissioning and increase reliability of energy savings.

- Collaborate with Existing Buildings to pilot approaches to support operations and maintenance and persistence of savings from construction through occupancy.
- Develop updated cost effectiveness guidelines to push innovative technology forward in the market and simplify the customer experience.

o **Resource Acquisition**

- Implement the program redesign to motivate deeper savings and simplify participation for small projects.
- Develop additional prescriptive measures and packages that drive projects to increase efficiency across systems.
- Launch calculator tools to provide semi-prescriptive approaches for all markets with a targeted launch to small, less complex projects.
- Develop and promote program trainings and case studies that encourage a whole-building approach to energy efficiency.
- Continue to provide hands-on assistance to project teams to complete and close projects throughout the year. Support the completion of the existing pipeline including projects under both the 2007 and 2010 codes.
- Continue to focus on market sectors to communicate the value of energy efficiency and ensure all eligible projects are identified and encouraged to enroll.
- Coordinate closely with Existing Buildings, Production Efficiency and Solar to ensure every participant is well-served by the appropriate programs and transfers between programs are seamless.

- Collaborate across programs through Joint Measure Development Meetings to identify and prioritize new and innovative measures or approaches to emerging building types, such as data centers. Create feedback loops between programs for continuous improvement in market approaches.
- Share research, expertise, industry knowledge, and market intelligence across programs to raise the profile of Energy Trust and leverage our expertise.
- Focus on internal efficiencies to maximize the number of projects processed and to provide excellent customer service.
- Maintain high data quality and stringent quality assurance process to ensure accuracy of claimed savings. Balance QA with customer service needs.
- Based on the results of the Small Commercial Efficiency Pilot, develop a full prescriptive offering for small buildings and expand the measure offerings to include greater breadth of measures applicable to small buildings.
- Expand support of small design and engineering firms and target design-build firms through the Trade and New Buildings Ally networks.
- Recruit small firms to New Buildings and Trade Ally networks through direct outreach and outreach through industry associations including AIA, AGC, Society for Marketing Professional Services, Building Simulation Users Group, Oregon Society for Healthcare Engineering, and International Council of Shopping Centers (ICSC).
- PMC budget includes additional PMC engineering and operations support for enhanced support of projects throughout the design and construction process and increased responsiveness to customer needs in project reviews.

2011 Forecast by Code and Forecast Type

	PGE	%	PAC	%	NWN	%	CNG	%
2007 Code	7,776,758	61%	14,300,497	81%	551,063	73%	67,997	75%
2010 Code	1,478,172	12%	781,677	4%	127,558	17%	431	0.5%
Other	3,399,811	27%	2,502,367	14%	71,486	10%	21,808	24%
TOTAL	12,654,741	100%	17,584,541	100%	750,107	100%	90,236	100%

Assumptions:

- Construction in Oregon continues at its present rate estimated at 8.3 million square feet/year[1].
- Oregon Reach Code includes cost-effective measures.
- 2010 Oregon Energy Code actually results in 10-15% average improvement in efficiency, which provides the platform for the modeling path.
- Same-year enrollments occur at same level as in 2010.
- Projects in the pipeline achieve forecasted savings, close on-schedule.

Risks

- 2010 Oregon Energy Code is much more difficult to reach than anticipated.
- 2010 Oregon Energy Code reduces the availability of cost-effective measures for all projects more than anticipated.
- Additional changes to the BETC reduce incentives to design beyond code.
- Recession and lack of financing cause additional declines in new construction starts or push out timelines.

[1] Source: Dodge MarketLook 2nd Quarter 2010. McGraw Hill Construction.

Pilots: Small Commercial Efficiency Pilot

Goal:

- Deliver Small Commercial Efficiency Pilot (SCEP) to complete 8 projects in 2011.
- Evaluate pilot achievements to incorporate lessons into regular program offerings.
- Define a prescriptive, whole-building approach for small buildings to integrate into regular program offerings.

Strategies: *(approaches, match to 2 year strategic planning doc)*

- Evaluate the SCEP continuously to identify opportunities to continuously improve and integrate strategies into regular program offerings.
- Identify and leverage the drivers for the small commercial market to better reach small commercial projects and project teams throughout the program.
- Evaluate the scalability of the pilot by testing project results of projects receiving a very high-touch approach and those receiving less resource-intensive program support.

Objectives:

- Complete 8 SCEP projects in 2011.

Tactics:

- Support SCEP projects through construction and acceptance testing.
- Evaluate pilot outcomes to develop recommendation to convert it into a regular program offering.

- Continually adapt the SCEP to lessons learned throughout implementation.
- Participate in the NBI Advanced Buildings Sponsor group to learn and leverage best practices in implementing Core Performance across North America.
- Based on results of Small Commercial Efficiency Pilot (SCEP), offer Core Performance program to all eligible projects.
- Through Reach code process, identify opportunities to integrate Reach code measures into prescriptive approach.

Savings:

- Achieve 276,635 kWh, representing 1% of the program goal.
- Achieve 7,729 therms, representing 1% of the program goal.

Key Assumptions:

- SCEP successfully completes projects in time to launch a new Core Performance offering in 2011.
- 7 SCEP projects (currently enrolled) continue on their current project schedule. An additional 5 SCEP projects are recruited before the end of 2010.
- Resources are available to develop a SCEP package that goes farther beyond the 2010 code.

Risks:

- SCEP does not produce conclusive results early enough in 2011 to launch steady state offering.
- Updated Core Performance cannot be developed in 2011 due to financial or other constraints (NBI staffing resources).

- Small system measures and packages are not cost-effective given code requirements.

Pilot: Path To Net Zero

Goal:

- Implement the Path to Net Zero to achieve desired savings goals in participating buildings
- Evaluate pilot achievements to incorporate lessons into regular program offerings.

Strategies:

- Monitor and track ongoing lessons learned from PTNZ to continuously adapt pilot to integrate lessons into program design.
- Work with project teams to identify and overcome barriers to achieving efficiency and renewables goals.

Objectives:

- Complete early design for 3 PTNZ projects, complete technical assistance for 6 (PTNZ) projects; complete installation for 7 PTNZ projects.

Tactics:

- Continue to support PTNZ projects with project scoping meetings and additional engineering support from early design through monitoring and reporting.
- Integrate “designing for meterability” section into Monitoring & Reporting Applications Guide.
- In coordination with evaluation team, evaluate the process and impacts of PTNZ.

- Develop regular program pilot of monitoring & reporting approach for projects not participating in the pilot.

Savings:

- Achieve 1,345,395 kWh, representing 4% of the program goal.
- Achieve 13,742 therms, representing 2 % of the program goal.

Key Assumptions:

- 13 PTNZ projects (currently enrolled and active) move forward on their current project schedules.
- Early results from the PTNZ evaluation are available in 2011.
- Incentive budget and PMC resources are available to implement additional monitoring and reporting pilot.

Risks:

- Project timelines shift.

PTNZ projects permitting under 2010 code are not able to achieve required energy savings and renewables installations because of increase in code.

Home Energy Solutions

Marshall Johnson | Terry Miller

2011 Goal

The Home Energy Solutions Existing Homes (HES) program will increase the breadth and depth of participation in energy efficiency and renewable energy in existing homes. Supply chain integration and strategic partnerships will yield economies of scale; alignment of Trade Ally and incentive standards will drive best practices; and, strategic customer engagement will deliver higher participation and deeper per-customer savings. Through these core strategies, HES will deliver relevant, high-value solutions with superior customer service to meet or exceed its savings goals.

- Achieve 42,556,000 kWh and 1,321,000 therms in savings from 22,433,000 kWh and 1,147,000 therms in 2010.[1]
- Increase number of participating homes by 10% over 2010[2] levels.

Strategies:

- Integrate into the customer lifestyle (live, work, play) through events, social media, challenges and other engaging means to create awareness and interest in energy efficiency and renewable energy.
- Use customer awareness, motives and savings potential to channel participants to the most appropriate program option and facilitate next steps in participation.
- Create contractor incentives and refine trade ally program to increase contractor participation, promote best practices and improve work quality.
- Deliver consumer and contractor training and education to build awareness and technical capabilities that promote high-quality program participation.

[1] Numbers do not include savings associated with OPower.

[2] 2010 baseline will be calculated upon completion of 2010 program.

- Offer Instant Savings Measures as a universally-relevant, immediate-term program option that can be calibrated as needed to provide predictable savings.
- For prescriptive projects, emphasize (through incentives and education) high savings potential measures installed in the proper measure loading sequence[3].
- Identify and integrate new, viable energy efficiency measures to continue to advance the market.
- Improve messaging and adjust incentive approach to Home Performance with Energy Star track to create greater awareness, interest and participation.
- Leverage non-ETO incentive-based initiatives to further reduce cost of participation for moderate income customers.
- Aggressively pursue growth in existing mobile home ("Mobes") participation in high-potential and rural markets.
- Deliver a remodel-focused campaign that emphasizes best practices and qualifying measures typical of remodels.
- Develop and integrate a multi-faceted solar thermal strategy into the HES program to cross-promote efficiency and solar thermal.
- In coordination with the multifamily program, promote HES participation by small multifamily property owners, managers and tenants in the Interstate 5 corridor.
- Integrate Clean Energy Works Oregon into HES to provide an alternative financial tool that promotes participation, creates a seamless customer experience and increases program delivery efficiency.
- Increase breadth of awareness and depth of capacity in rural communities

[3] Measure loading sequence is the order in which measures are installed.

to promote and participate in the HES program.

- Coordinate with other ETO programs to cross-promote related offerings.
- Create economies of scale in program promotion and delivery by working upstream in supply and demand chains.

Objectives:

- Deepen relationships with customers, increasing percentage of cross program customers who participate in more than one measure from 10% to 20%.
- Increase number of participants that receive ISMs by 25% over 2010 levels.
- Twenty-five percent of families that receiving a Living Wise Kit through their child's school participate in one or more measures within six months.
- Seventy-five percent of customers that are assigned to an energy consultant through the new HES customer engagement process participate in the program within three months of initial contact.
- Fifteen percent of participants in individual, non-shell measure (i.e. HVAC, hot water, etc.) participate in at least one shell measure (i.e. insulation, air sealing, etc.) within six months of system installation.
- Decrease in-person home energy audits and single measure participation savings while increasing overall program savings.
- Improve Trade Ally QC rates by at least 5% over 2010 levels.
- Increase number of Home Performance with Energy Star contractors by 10%.
- Increase Building Performance Institute (BPI)-certified technicians in the Home Performance with Energy Star contractor base by 20%.
- Increase Home Performance with Energy Star test-ins by 20% while

achieving at least the 2010 follow-through rate.

- Increase measures per Home Performance project by 10% over 2010 levels and number of projects by 15%.
- Increase moderate income measure uptake by 75% over 2010 levels.
- All Mobes engagements include at least 3 projects or 10% of homes in a single park.
- Increase solar pool and solar water heater participation by 25% as compared to 2010.
- Twenty-five percent of solar participants participate in an energy efficiency measure within six months of solar installation.
- Increase small multifamily market penetration from 3% to 10% influencing approximately 13,000 units.
- Increase non-Metro participation in HES by 25%.
- Increase participation by customer whose primary language is not English by 100%.

Tactics:

- Deliver Home Energy IQ (HEIQ) throughout ETO territory to grow customer awareness and interest in energy efficiency and the HES program.
- Engage at least two major businesses to sponsor an energy challenge that promotes staff participation in home energy retrofits.
- In coordination with New Homes, complete development of the Energy Performance Score (EPS) and integrate into all screening and audit activities.
- Contract with Energy Savvy to maintain a user-friendly, online self audit tool that channels users to the HES program and supplies preliminary audit information to HES energy consultants.
- Provide Community Action Programs (CAP), neighborhood associations and other community agencies materials and information to promote the HES

program to their constituents.

- Create referral incentives for CAP agencies and other relevant organizations that refer moderate income and existing mobile home customers.
- In addition to general HES marketing, deliver segmented marketing and targeted outreach for discrete participant groups such as solar, small multi-family, moderate income and Mobes (see HES Marketing Plan).
- Develop customer engagement and management process that screens and facilitates customer progression to one of several HES options based on their readiness to invest and home potential. Channels will address the spectrum of customers and include ISMs, efficiency/solar audit with EPS and custom recommendations, Home Performance audit and contractor referrals.
- Create a simple, hard-copy self audit tool to be mailed to prospective participants with an incentive to follow through and contact the HES program.
- Provide Trade Ally contractors with Home Performance with Energy Star, limited-time bonus coupons to encourage customers to participate in this program track. Provide a contractor incentive for each coupon used.
- Provide Trade Ally plumbing and HVAC contractors with limited-time bonus coupons to encourage customers to install shell measures. Provide a contractor incentive for each coupon used.
- Implement a Trade Ally Development Fund to augment Trade Ally benefits beyond (but including) co-op marketing to also include training, equipment and memberships.
- Provide technical training on weatherization, prescriptive duct sealing, heat pump advanced controls, ductless heat pumps and Energy Performance Score to support Trade Ally (include Real Estate Professionals), Home Performance, Mobes, moderate income and other participating contractors.
- Provide sales training to Trade Allies and Home Performance Contractors.
- Provide Building Performance Institute (BPI) training to support Building

Analyst, Envelope, Heating and Heat Pump accreditation.

- Offer in-project QA/QC mentoring to assist contractors during project, meet QC needs and increase overall work quality. Evaluate and increase QC resources if results show consistent improvement in QC rates.
- Maintain on-demand, web and non-web fulfillment capacity for Energy Saver Kits (ESK).
- Work with utilities to support demand for ESKs.
- Deliver two rounds (Spring and Fall) of Living Wise Kits to schools to be determined in coordination with the supplier (Resource Action Program). Include limited time offer promotion in the kit. Pair with high school curriculum presentations to teachers.
- Conduct one neighborhood "ISM blitz" community event in each quadrant of Portland and at least one each in Pendleton, Bend, Medford and Klamath Falls.
- Execute at least three water utility agreements for distribution of water-related ISMs.
- Execute at least two agreements with plumbing contractors to install high-efficiency showerheads during water heater installs.
- Identify organizations in three rural locations without an ETO qualifying heat source through which to deliver ISMs.
- Expand the Light Bulb Change Out initiative to rural regions where populations have a large number of Pacific Power or PGE electric customers but a non-qualifying heat source.
- Create tiered, prescriptive measure loading sequence incentive that rewards customers for bundling multiple measures installed in the preferred order.
    - Develop 'most-likely' loading sequences for more prevalent housing types to support education and communication about incentive.
    - Customize loading sequence for customers that participate in a

home review.

- Offer a stocking incentive to distributors for each .67 water heater in their inventory.
- Conduct a Spring promotion of the new high-efficient windows (<0.22).
- Work with USDOE to deliver promotions and trainings focusing on 0.22 windows and the USDOE bulk purchasing program.
- Establish a contractual agreement for bulk purchasing of energy efficiency measures with a local distributor. Coordinate measure list with new homes and products programs.
- Execute low-cost .67 water heater provision and installation through at least one drop shipped (bulk purchased) and single-sourced contractor (Request for Qualifications) initiative.
- Create contractor-direct incentives, in lieu of post-installation incentives to customers, to mitigate the out-of-pocket cost barrier for consumers.
- Develop and brand a remodel-specific incentive package.
- Implement market research study of former and non-Home Performance participants to inform demand-creation efforts and messaging.
- Develop and distribute Home Performance case studies on high-profile homes and Home Energy Makeover outcomes.
- Coordinate with the New Homes program, Home Builders Association and Oregon Remodelers Association to create networking opportunities between Home Performance and non-Home Performance contractors.
- Work with Home Performance trade allies to make the test-in free for direct, pre-screened referrals from the program.
- Deliver BPI-approved continuing education opportunities to cover best practices, business development, software modeling and other relevant topics to Home Performance contractors.

- Work with Home Performance contractors to develop best practices business model for in-home and post-work follow-up.
- Offer fee-for-service software modeling option to Home Performance contractors.
- Expand work with Community Action Programs (CAP) and community groups to promote moderate income incentives.
- Provide incentive to CAPs that refer customers that participate in moderate income incentives.
- Pursue solar thermal cost reduction for moderate income participants through efforts such as matching contribution and bulk purchase.
- Create an online incentive application for moderate income participants and continue to work towards replacing hard copy with online forms in other tracks.
- Integrate solar into all relevant HES assessment activities (e.g. HER, HP, Energy Savvy) and education/training events.
- Create a solar thermal referral incentive for related trades such as pool maintenance companies and plumbers.
- Expand geographic promotion of solar beyond the Willamette Valley.
- Leverage water utility contracts to identify and pursue high hot water users for solar hot water incentives.
- Coordinate program strategy and delivery efforts with New Homes and Photovoltaic program.
- Create incentives for solar trade allies to encourage energy efficiency measures for solar customers.
- Coordinate with ETO to ensure efficient QA/QC inspection requirements for solar thermal.
- In coordination with the Multifamily program, deliver in-person outreach to

the top three to five property management firms that manage small multifamily properties.

- In coordination with the Multifamily program, create a small multifamily-specific incentive bundle.
- Distribute small multifamily marketing materials in the core metro regions along the Interstate 5 corridor (Portland, Salem, Corvallis, Eugene and Medford), which represent 85% of the market potential.
- Design small multi-family specific ISM offering to market direct to tenants.
- Work with owners and/or property managers (as relevant) to offer free, full-building, in-unit and common area ISM direct install.
- Design owner/property manager and resident follow-up to notify tenant participation (i.e. tenant receives ISMs, property owner/manager then notified and made aware of how they too can participate).
- For all qualifying product purchases, coordinate with Products program to offer customers a limited time bonus coupon for home performance and envelope measures.
- Clean Energy Works Oregon Advocates continue to support Portland-metro area projects and capacity building efforts in non-metro areas as necessary.
- Clean Energy Works Oregon Advocates are repurposed to support the HES program during Q1 before the statewide program launches in Q2.
- Coordinate with ETO to revise the format of the monthly report.
- Maintain regional representative in Bend, Medford, Klamath Falls and Pendleton to build partnerships and promote and deliver the HES program.

Assumptions

- Economy remains weak, thus making low/no cost options attractive.

- ISMs are a viable means to re/engage new and previous participants.
- Training is in high demand, particularly during a down economy.
- The value of increasing customer awareness leading to participation is strong enough to not be negated by a down economy.
- The EPS is compelling and well-understood by consumers and contractors.
- The online and hard copy do-it-yourself audit tools will capture participants that would not have otherwise been captured by other promotional efforts.
- Contractor referral incentives coupled with sales training will create an effective sales force for the HES program.
- Working through kids is an effective way to reach families to participate in HES.
- Prescribed sequence helps customer understand value, thus encouraging deeper participation.
- Awareness of Home Performance in the marketplace is lacking and greater awareness will lead to more participation.
- Expanding Home Performance program with current resources in absence of financing vehicles is reliant on increased and innovative incentives.
- Business models of only the most effective HP contractors will drive other HP contractors to implement similar best practices.
- An acceptable distributor will be available to support bulk buying initiatives
- Customer feedback and surveys lead to customers requesting hand-holding, thus increasing administrative burden.
- Market is on the verge of being ready for heat pump advanced controls.
- A heat pump water heater appropriate for northern climates will be available in 2011.
- USDOE will remain engaged with Energy Trust and CSG for promotion of

0.22 window incentives.

- Water audits continue to be an attractive offering for water utilities, and they will be willing to work with Energy Trust on mutually beneficial projects.
- Regional economic recovery will continue to be slow; many participants will continue to be eligible for moderate income incentives.
- Online incentive capabilities will be available outside of the pilot structure for 2011.
- CAPs have the desire to work with Savings Within Reach.
- The existing mobile homes market is ready for an increase in scale of uptake.
- Prospective partner organizations see value in promoting Mobes to their stakeholders.
- Demand by mobile home owners remains consistent or increases in 2011.
- Customers purchasing solar PV have additional funds available – in cash or credit – to also purchase weatherization.
- Feed-in tariff does not detrimentally impact interest in solar and ETO incentives.
- Small multifamily owners, managers and tenants will be responsive to small multifamily-specific incentive bundle and ISM offerings.

Risks

- New customer engagement process proves to be more burdensome without any increase in breadth or depth of participation.
- Coordination with Resource Action Program/teachers precludes Living Wise Kit strategy.
- Web development for ESKs is slow.
- Fulfillment house adapting to multiple kit options.
- Working through various entities to distribute ISMs may become

administratively burdensome.

- Prescribed sequence helps customer understand value, thus encouraging deeper participation.
- The number of housing types/conditions and measure loading sequences necessary to be universally-relevant does not compromise technical credibility, and vice versa.
- Measure loading sequence incentive creates confusion.
- There will not be enough customer demand to support bulk-buys of products and equipment.
- Community Action Programs see Savings Within Reach as an encroachment on their turf.
- Down economy causes moderate income owners to de-prioritize energy efficiency.
- Changes to the Oregon Residential Energy Tax Credit substantially impact the financial benefits for residential solar participation.

Appendix A- 2011 HES track-level savings goals

Track	kWh	Therms
Instant Savings Measures	23,880,000	463,250
Single Family Incentives (Prescriptive)	7,296,000	464,600
Single Family Incentives (Home Performance with Energy Star)	278,000	61,000
Clean Energy Works*	4,545,000	260,000
Moderate Income	623,000	8,500
Existing Mobile Homes	4,860,000	9,750
Solar Thermal	472,000	25,000
Small Multifamily (2-4 units)	600,000	30,000
TOTAL	**42,556,000**	**1,322,100**

*Estimate subject to change based on final program design and incentive levels, which are under discussion with ETO and CEW. A small proportion of savings come from the Clean Energy Works Portland pilot with the remainder from Clean Energy Works Oregon.

Production Efficiency Kim Crossman

Goal:

- Achieve cost-effective energy savings of 11.6 – 13.6 aMW and 616,998 – 725,880 therms.
- Industrial and Agricultural businesses in Oregon invest in and manage their energy use, improving profitability, productivity and sustainability.

Strategies:

- Promote innovative technological and behavioral approaches to industrial energy efficiency; provide technical expertise, training and project funding to help companies plan, manage and improve their energy efficiency.
- Continue to utilize PDCs as energy efficiency "account managers" for industrial customers. Ongoing relationships between participants and trustworthy, knowledgeable PDC engineers provide the basis for repeated success at sites, from scoping of opportunities to verification of savings.
- Enable investment decision-making and reduce risk of poor project performance by providing 3rd party technical experts (ATACs and ITSPs.)
- Drive implementation of projects with well-designed cash incentives.
- Provide centralized Program management and direction of effort. Develop communications strategy, customer recognition tools and program collateral; use program data analysis and market and technical research to support program and incentive design; identify and transfer best practices between PDC teams, ATACs; and provide detailed guidance for PDC action plans/ strategies.
- Coordinate with the actions of existing and emerging market players that provide industrial and agricultural energy outreach, technical assistance

and public recognition to increase volume and decrease development and engineering cycle of industrial efficiency projects.

Objectives:

- Meet or exceed savings and cost-effectiveness goals
- Achieve high technical realization of savings for projects
- Maintain a high level of customer service and participant satisfaction
- Maintain high quality, accurate and secure project data and program files
- Increase participation by smaller industrial and agricultural businesses

Tactics:

- Industrial gas efficiency will be fully integrated into the delivery of both the Custom track for larger projects and the prescriptive track for small industrial and agricultural participants.
    - Evaluate custom gas incentive level and revise as needed. Develop custom gas O&M measure/ incentive level to allow for boiler and steam system tune-ups in 2011.
    - NWN Industrial DSM pilot ends in Feb 2011 – Firm only planned/ included in budget for 2011, reduces resource potential, small reduction in goal. Interruptible may be addressed in early 2011 after pilot end, could require budget and goal modification.
    - Program identifies, analyzes and incents industrial solar thermal opportunities as gas efficiency projects

- Custom track allows for a comprehensive approach to one of a kind process efficiency projects, retrofits, O&M
    - Regional PDC delivery funds dedicated industrial engineers to work with medium to large industrial sites across Energy Trust territory, facilitates program participation. Custom track approach is entirely geared to participant needs. Geographically assigned by utility territory with exception of some strategic markets.

- PDCs identify opportunities for renewables at industry and ag sites, make referrals, provide tech support.
- Increased focus on industrial efficiency success stories and other marketing/ PR approaches to spread best practices.
- Developing and deploying project history tool in 2011 to better communicate the economic value of participants' ongoing investment in efficiency within their own organizations.

- Utilize strategic market delivery for select sectors
  - Walt Mintkeski, Water and Wastewater Technical Manager (contractor), will continue outreach to the municipal utilities and partnering with the water and wastewater professional organizations concerning efficiency measures and incentive offerings. Provides technical expertise and management of W/WW efficiency projects and manages specialized water/ wastewater ATACs.
  - Food Processors and Pulp and Paper will continue to be served by dedicated field staff at Cascade PDC.
  - Nexant will continue to serve a small group of 10 high tech manufacturers.

- Lighting Trade Ally Network, delivered by Evergreen, remains the most cost-effective element of the PE program and will continue to accelerate savings.

- Small Industrial Initiative invests in increasing offerings and channels to market for smaller industry and farmers, many in rural areas
  - Develop additional prescriptive and semi-prescriptive path measures that rely on Trade Ally/vendor delivery and require less intensive forms and administration than the custom track.
  - Increase awareness of the benefits of efficiency and services for small industry and ag by investing in strategic market research and outreach to 1 – 2 new targeted sectors

- Increase depth and persistence of savings by providing training, tools and technical support to create or improve an energy management culture in the workplace

- Deliver on industrial strategic energy management, including using energy information systems and other O&M strategies to gain 5 – 15% energy intensity savings from low cost actions/ measures at medium and large industrial sites.
- Build a pool of qualified Industrial Technical Service Providers (ITSPs) with expertise in these types of emerging solutions. ITSP services are paid for as service incentives to participating sites.
- Production Efficiency will continue to test approaches to monitoring, data visualization and control.

- Increase PE program capacity to maintain quality while handling increasing project volume and complexity
  - Compete Professional Services contract to provide Technical Management services for Compressed Air projects under the supervision of Ray Hawksley
  - Add Operations Analyst role to manage program data systems and analysis, IT interface, ISP integration
  - Convert former intern position to .5 FTE Program Assistant for project file management and Fasttrack data entry.

- Collaborators for market transformation and project leads include the IOUs, NEEA, BPA, Business Oregon, ODOE, Oregon Manufacturing Extension Partnership (OMEP), the High Performance Enterprise Consortium (HPEC), ACWA, and federal actors such as US DOE and US EPA ENERGY STAR.

Key Assumptions:

- Similar economic conditions in 2011 as in 2010 – results in a similar mix of low/ no cost and capital projects. Even in a tight economy, with Energy Trust incentives, many of these projects are excellent investments of

money or time. Goal and custom track electric incentive budget based on 70% savings from capital and 30% from O&M/ SEM.

- Mix of Capital and O&M measures creates reduced $/first yr kWh incentive budget, but also reduces WAML significantly. Net effect is almost no change to electric levelized cost of stretch - went up one mil from $.0296 in 2010 (without management, staff & support depts.) to $.0306 proposed in 2011. So, because of measure life, O&M/ SEM savings have the same levelized cost as Capital, so although cost effective, these offerings will not drive levelized costs down as hoped for until we find a way to bring persistence past 3 years.
- Bottom up savings goal assumes no megaprojects in 2011 or 2012, but large capital projects will remain a key source of program savings (~50%.)
- It appears as though the current custom gas incentive of $1.00/ therm may be too low to drive the investment in gas savings that we need. While savings potential and interest is very high, committed projects have had sluggish progress. Consideration of gas incentive levels will be taken up in Q4 of 2010. The 2011 budget assumes $1.50/ therm for Custom incentive, putting it more in line with electric incentive levels and still well within cost effectiveness.
- Line items in the “Options” section are actually needed but longer term investments in program development, including measure and market analyses and studies, tool development and deployment, and targeted outreach initiatives. These are activities typically done by PMCs in other programs. In the Industry and Ag sector, these are usually contracted and project managed by the program staff.

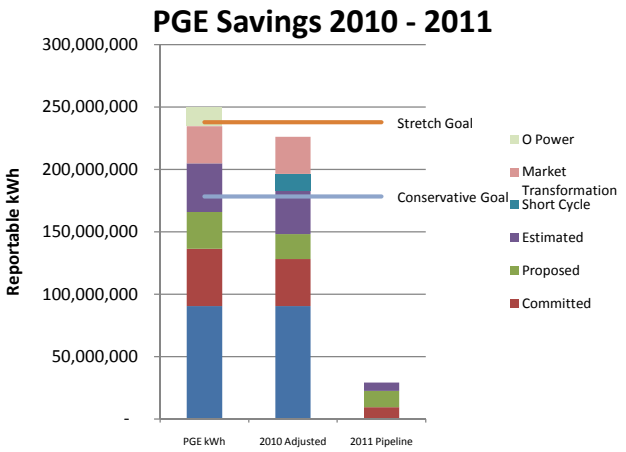
Risks:

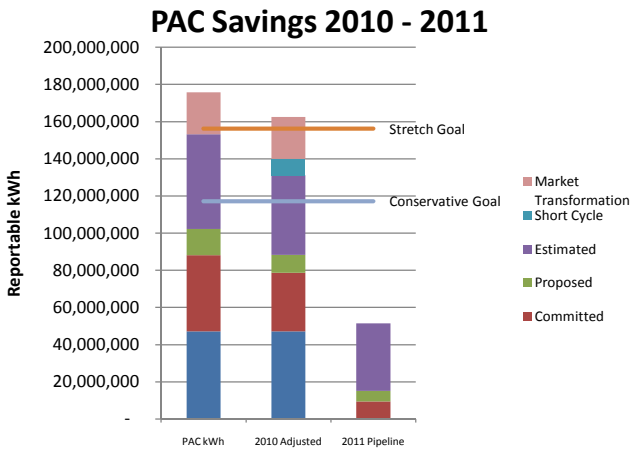
- Double dip recession, no or limited financing available.
- Slower than predicted economic recovery.
- Faster than predicted economic recovery

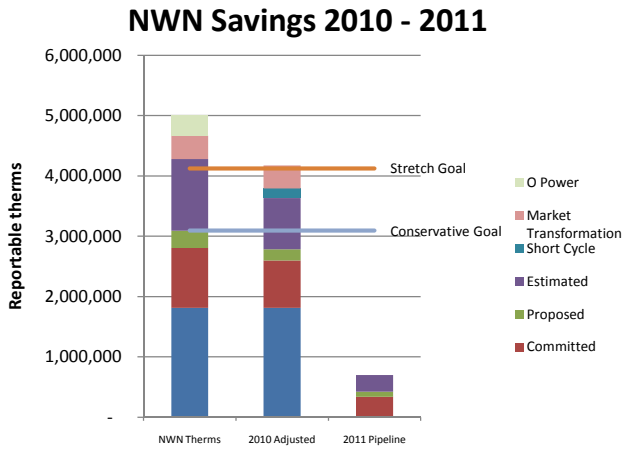
    - Electric incentive budget assumes lots of low and no cost, if much larger % or more capital projects came in we would be short funding.
- BETC impact
- Potential limitations on spending > 1 aMW, esp. in PAC territory – no megaprojects assumed
- Technical realization of savings
- Growing pains (ie, errors) from integration of innovations and reaching towards very aggressive goals

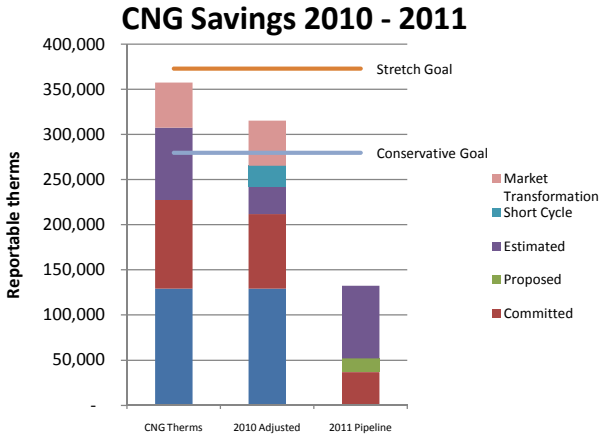
Efficiency Summary October 1st, 2010

	Combined Efficiency	PGE	PAC	NWN	CNG
Achievement	2010 Achievement to Date (kWh/therm)	120,248,481	69,619,480	2,200,060	179,072
	To date % of conservative goal	67%	59%	71%	64%
	To date % of stretch goal	51%	45%	53%	48%
Context	Expected % to goal	51%	50%	61%	57%
	Historical % of actual	44%	48%	39%	53%
Budget	To date % of budget spent (through 7/31/2010)	48%	48%	50%	36%







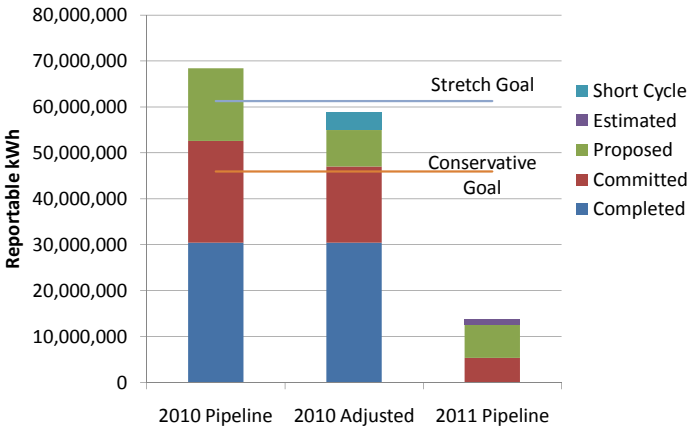


Adjusted 2010 Pipeline Percent of Stretch Goal:			
PGE	95%	NWN	101%
PAC	104%	CNG	84%

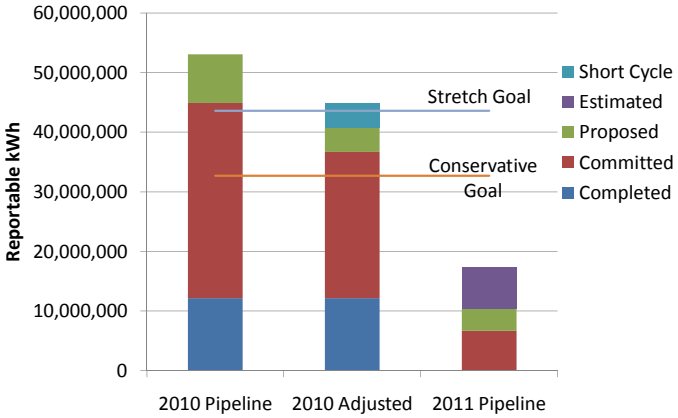
Industry & Agriculture Summary October 1, 2010

		PGE	PAC	NWN	CNG
Achievement	2010 Achievement to Date (Rpt kWh or therm)	30,461,326	12,130,135	130,824	891
	2010 Stretch Goal (kwh or therm)	61,268,016	43,580,401	749,034	140,166
	To date % of conservative goal	58%	33%	21%	1%
	To date % of stretch goal	50%	28%	17%	1%
Context	Expected % to goal	49%	49%	49%	49%
	Historical % of actual	35%	35%	----	----
Budget	% of budget spent (as of 9/1)	41%	39%	22%	12%

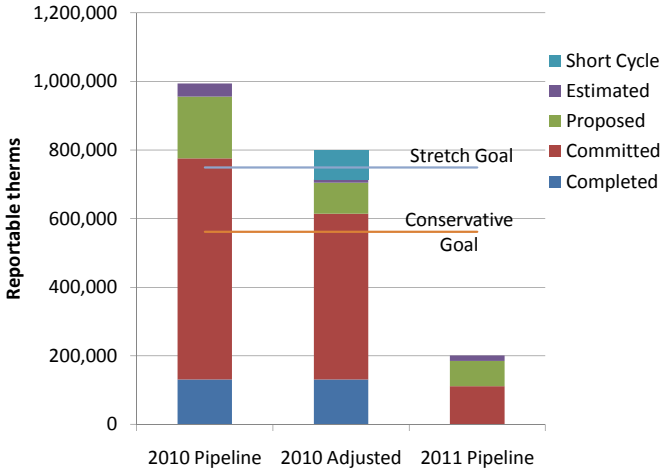
PGE Pipeline 2010 - 2011



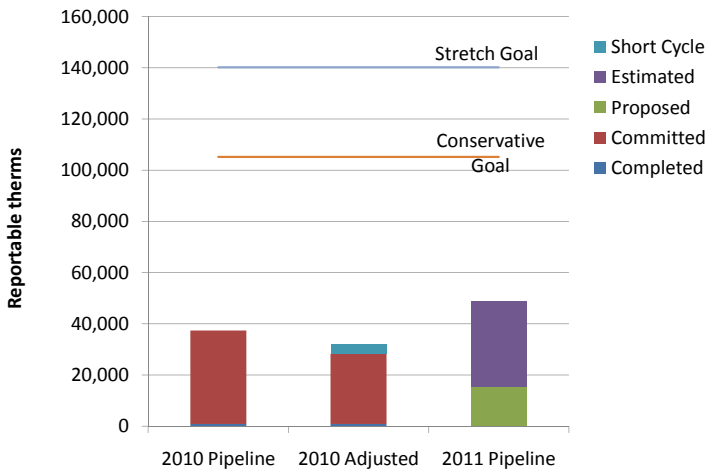
PAC Pipeline 2010 - 2011



NWN Pipeline 2010 - 2011



CNG Pipeline 2010 - 2011



2010 Adjusted Pipeline percent of Stretch Goal			
PGE:	96%	NWN:	107%
PAC:	103%	CNG:	23%

Program Activity

Activity	2010 To Date	2009 To Date
Studies Assigned	*116*	*84*
Studies Approved	*119*	*78*
Offers Signed	*266*	*218*
Offers counter-signed	*216*	*190*
Projects Completed	*478*	*369*

Market Indicators

Indicator	Q3 2010	Q3 2009
US Mfg Production Index	+6.3%	from Aug '09
OR Mfg Employment	-0.20%	from Aug '09
OR Mfg New Orders ($M)	$36,834	$33,063

Special Considerations:

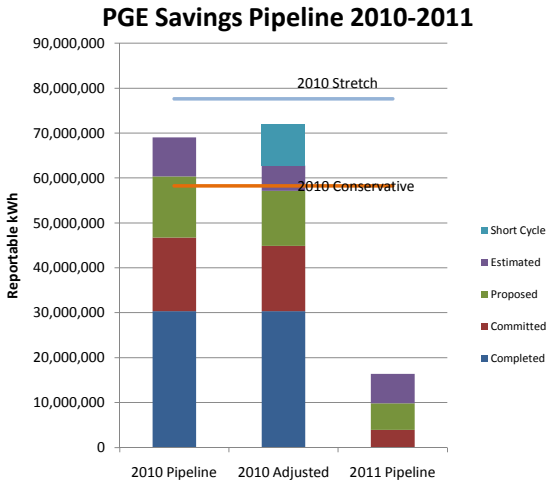
Electric savings to date The program is on track to meet electric savings goals, with adjusted savings at 96% of stretch in PGE and 103% of stretch in Pacific Power territory.

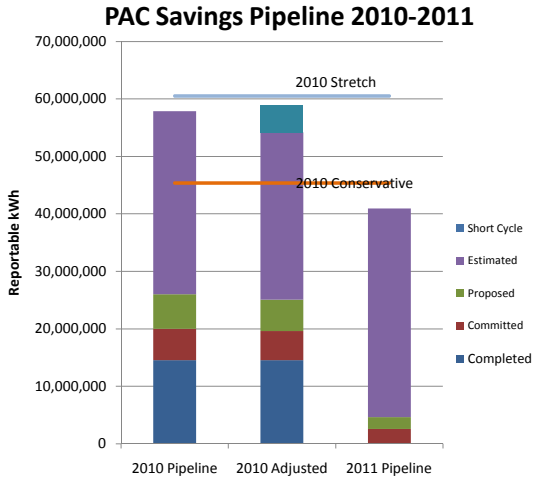
Gas savings to date Although project completions have been slower than expected, the pipeline in NWN is robust and end of year savings in NWN territory are on track to meet goal, with adjusted savings estimates of 108% of goal. Progress in CNG territory has been sluggish this year, as PDCs have struggled to find eligible sites. At least 1 new, additional project expected in close in 2010 is not reflected in this pipeline. Expectations are for final 2010 savings in CNG territory of approximately 50,000 therms.

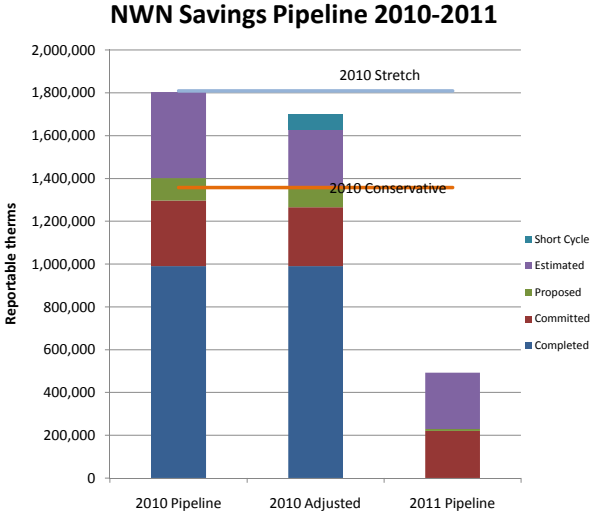
Program Interventions towards Goal There has been a strong push to find eligible sites for incentives, primarily using cold calling in CNG territory, with a result of 6 projects entering the pipeline with expected completion dates in 2011. At this point in the year , it is unlikely that new projects will complete in 2010 given long project development cycles in industry sector.

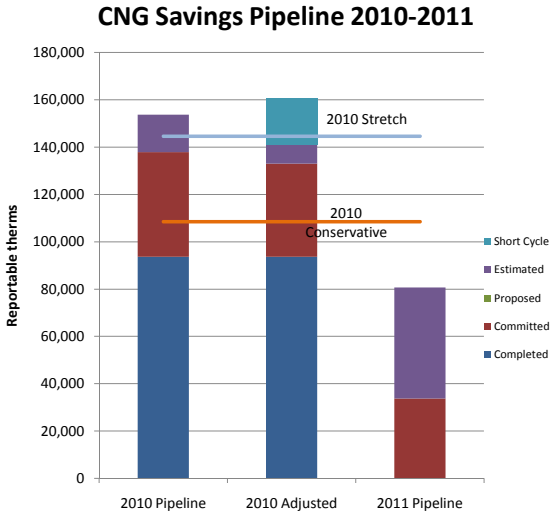
Commercial Summary as of October 1, 2010

Commercial Sector		PGE	PAC	NWN	CNG
Achievement	2010 Achievement to Date (Rpt kWh or therm)	30,317,570	14,544,820	990,947	93,655
	To date % to conservative goal	52%	32%	73%	86%
	To date % to stretch goal	39%	24%	55%	65%
Context	Expected % to goal	50%	50%	50%	50%
	Historical % of actual goal	45%	43%	46%	54%
Budget	To date % of budget spent	45%	40%	63%	80%









Charts include Solar Hot Water projects. The NWN chart includes NWN DSM projects, but does not include NWN Washington projects.

Estimated Savings include the gross extended pipeline (Projects for which studies are being performed but scope of work and specific measures have yet to be identified).

2010 Adjusted Pipeline percent of Stretch Goal			
PGE:	93%	NWN:	94%
PAC:	97%	CNG:	111%

Program Activity

Activity	Q3 2010	Q3 2009

Market Indicators

Indicator	Q3 2010	Q3 2009
**Rental vacancy rates for 5+ units*	*9%*	*8.6%*
OR Unemployment	*10.6%*	*11.6%*
TED Spread(Credit Risk)	*52 bps*	*38 bps*

** for west coast states only*

**TED spread is an indicator of perceived credit risk in the general economy.* The average range is 10-50. The higher, the more risky.

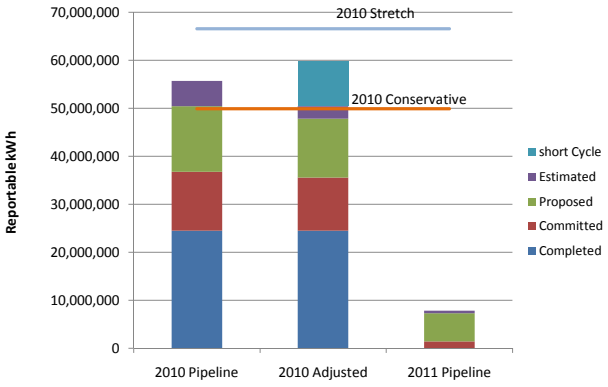
Special Considerations:

Estimated Savings include extended pipeline (Projects for which studies are being performed but scope of work and specific measures have yet to be identified).

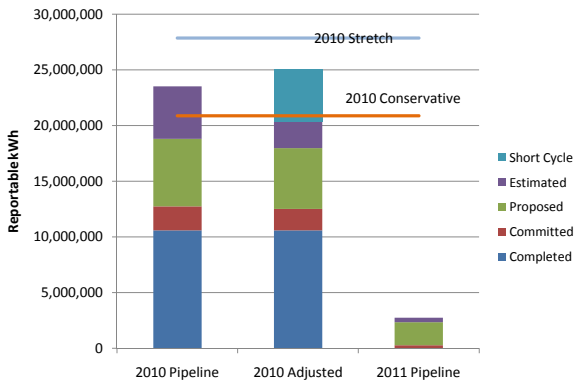
Existing Buildings (BE & BEM) Summary October 1, 2010

Program: Existing Buildings & Multifamily		PGE	PAC	NWN	CNG
Achievement	2010 Achievement to Date (Rpt kWh or therm)	24,475,698	10,588,860	451,432	15,460
	To date % of Conservative goal	49%	51%	56%	16%
	To date % of stretch goal	37%	38%	42%	12%
Context	Expected % to goal	49%	49%	49%	49%
	Historical % of actual goal	49%	55%	39%	41%
Budget	To date % of budget spent	42%	48%	44%	14%

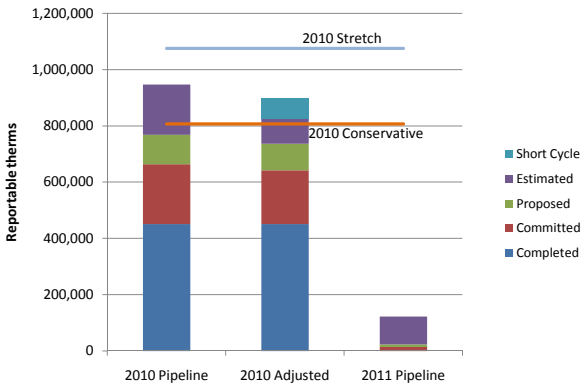
PGE Savings Pipeline 2010-2011



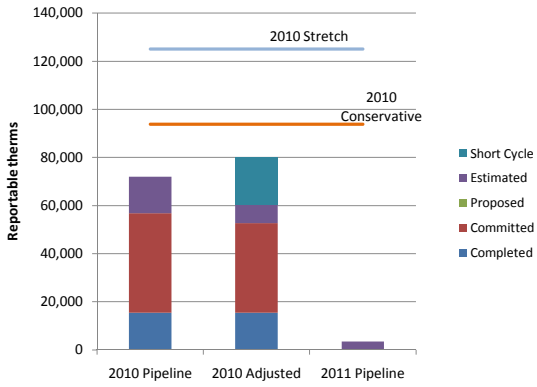
PAC Savings Pipeline 2010-2011



NWN Savings Pipeline 2010-2011



CNG Savings Pipeline 2010-2011



Charts include Solar Hot Water projects. The NWN chart includes NWN DSM projects, but does not include NWN Washington projects.
Estimated Savings include the gross extended pipeline (Projects for which studies are being performed but scope of work and specific measures have yet to be identified-not yet in FastTrack).

2010 Adjusted Pipeline percent of Stretch Goal			
PGE:	90%	NWN:	84%
PAC:	90%	CNG:	64%

Program Activity

Activity	Q3 2010		Q3 2009	
	Quantity	Incentives	Quantity	Incentives
Walk-through surveys	*42*	*$ 6,384.00*	*59*	*$ 32,277.00*
Scoping Studies	*30*	*$ 8,367.00*	*55*	*$ 15,772.00*
level 1 &2 Studies	*57*	*$ 266,285.00*	*102*	*$ 429,922.00*

Market Indicators

Indicator	Q3 2010	Q3 2009
OR Employment	*10.6%*	*11.2%*
TED Spread(Credit Risk, expressed in basis points)	*14 bps*	*17 bps*

**TED spread is an indicator of perceived credit risk in the general economy. The average range is 10-50, the higher, the more risky.*

Special Considerations:

Existing Buildings program-

General:

The average electric savings per lighting project are down. Overall lighting project volume is up but more projects are needed to meet electric goals.

Impact of economy:

Larger custom projects that we are seeing are the result of capital planning cycles that predated the recession.
New projects are primarily prescriptive because they are on a different scale that doesn't require the same capital planning.
Market appears to be rebounding more quickly in Portland and I-5 cooridor.
Central part of the state rebounding more slowly.

Thus far in 2010 the program is tracking about the same as 2009 in terms of realized electric and gas savings.

Big kWh producers include Offices, Warehouses, Groceries, College/universities and Retail/
Big Therm producers include College/university, Schools k-12, Office, and Lodging/hotel/motel.

What we are doing to close the gap:

- Overall:

We previously increased the mechanical incentive to $0.25/kWh up to 50% of total project cost.
Aggressively pushing lighting projects.
Preliminary results of T12 to T8 Conversion Pilot are positive with some big projects choosing to move forward based on the extra $5/fixture.
Increased focus on O&M acitivities.

- CNG:

Increase Custom Focus in central part of state. There are some large projects considering custom gas applications.
Promote Roof-top Tune Pilot.
Increased focus on foodservice equipment. Conducted a food service promotion in September.
Working on more direct marketing.

- NWN:

Pushing regular program activity and working with participants to close projects before the close of the year.
Working to close some large custom projects.
Operations program is working well. DDC Controls and Roof-top Tune-up pilot are getting traction.

- PAC:

Increase Custom Focus in central part of state. There are some large projects considering custom electric applications.
Promote Roof-top Tune Pilot.
T12 to T8 conversion pilot is taking off because of a backstock of T12s.

- PGE:

Pushing regular program activity and working with participants to close projects before the close of the year.
Working to close some large custom projects.
Operations program is working well. DDC Controls and Roof-top Tune-up pilot are getting traction.

Existing Multifamily program-

Program Activity

Activity	Q3 2010		Q3 2009	
	kWh	therms	kWh	therms
Appliances	*61,922*	*970*	*37,734*	*0*
Lighting	*751,894*	*0*	*520,582*	*0*
Insulation & Windows	*109,554*	*2,054*	*125,361*	*2,610*

Market Indicators

Indicator	Q2 2010	Q2 2009
Rental vacancy rates for 5+ units (west coast)	*9%*	*8.6%*

Special Considerations:

- The program is in a transition year since the realization rate for shell measures such as windows and insulation, which were historically major pieces of the program, down considerably. This has led the program to shift its focus to find more cost effective strategies that are an easier sell to property managers in this down economy.
- The program is in the midst of a competitive RFP process which will lead to considerable restructuring and a transition period starting in Quarter 4 of 2010.

What they are doing to close the gap:

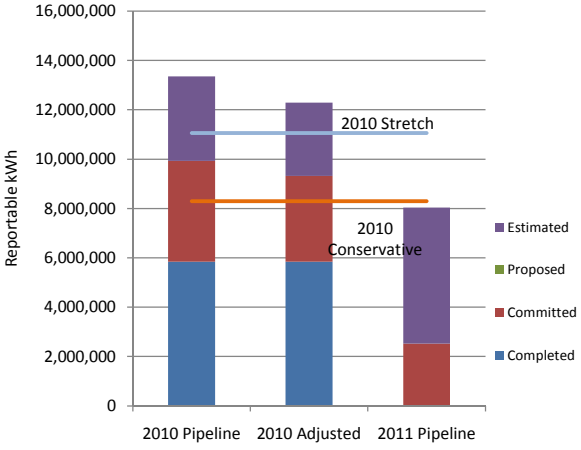
- PGE Territory - The program has continued to transition to a portfolio management approach in which they have developed and nurtured relationships with the largest property management firms in the metro area. By cultivating these relationships they hope to generate multiple projects out of sites. Already this strategy has led to many additional ISM installs scheduled for Q4.

- ISM – These consist of direct install's that are performed during building audits, or other site visits. Examples include CFL's, and hot water saving devices such as showerheads and aerators. The program is also teaming up with Community Action Partnership of Oregon to install these devices to their current projects in order to fill a need in the low income segment, while avoiding double dipping. This strategy is being used to bring the program closer to stretch savings goals in NWN and PGE territory.
- T12 to T8 Lighting Bonus – An additional $5 per fixture to help uptake in T12 to T8 lighting conversions in the multifamily program.
- Lighting Promotion – This is a tiered bonus lighting incentive structure in which the participant receives a certain incentive based on the kWh savings associated. This promotion was run last year from September through December and started this year in August. See below for details.
  - 10,000-24,999 kWh savings: $150
  - 25,000-49,999 kWh savings: $250
  - 50,000-74,999 kWh savings: $500
  - 75,000-99,999 kWh savings: $750
  - 100,000+ kWh savings: $1,000
- Custom Project Capacity – Through the transition of the Multifamily program from HES to BES the ability to perform scoping studies and custom energy analysis has been developed. This allows us to serve customers with large multi-unit heating systems, for example, a large boiler project. This strategy is being used to build future projects in NWN territory.

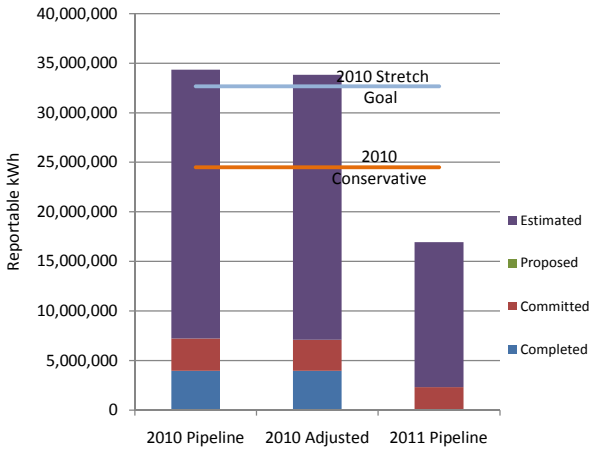
New Buildings (NBE/NBM) Summary October 1, 2010

Program: New Buildings		PGE	PAC	NWN	CNG
Achievement	2010 Achievement to Date (Rpt kWh or therm)	5,841,872	3,955,960	459,734	78,195
	To date % of Conservative goal	70%	16%	84%	534%
	To date % of stretch goal	53%	12%	63%	401%
Context	Expected % to goal	49%	49%	49%	49%
	Historical % of actual goal	41%	30%	52%	66%
Budget	To Date % of Budget Spent	47%	31%	82%	145%

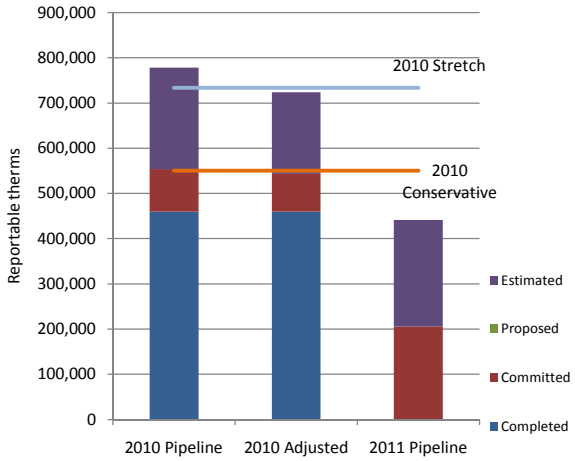
PGE Savings Pipeline 2010-2011



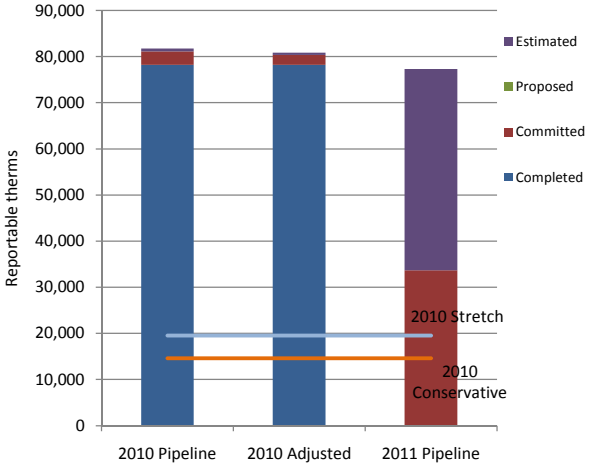
PAC Savings Pipeline 2010-2011



NWN Savings Pipeline 2010-2011



CNG Savings Pipeline 2010-2011



2010 Adjusted Pipeline percent of Stretch Goal			
PGE:	111%	NWN:	99%
PAC:	104%	CNG:	414%

Program Activity

Year to date Project Enrollments	564 projects
* The average number of projects enrolled each month is 25	

Market Indicators

Indicator	Q3 2010	Q3 2009
	Sq ft (in thousands)	
Area of new construction	*6,147*	*8,872*
Indicator	**Q3 2010**	**Q3 2009**
**Com Bldg Permits Issued*	*1,497*	*1,644*

* Number of permits issued in Portland area, Eugene, Bend & Medford

Special Considerations:

schools, and hospitality. Market penetration is very hard to capture because the market itself is a moving target. Projects enroll with the program at

• LEED Track savings are now higher than Custom Track savings, without commissioning this is an area of concern and is being addressed

economy. Projects are driving more quick-turn opportunity to the program as a result.

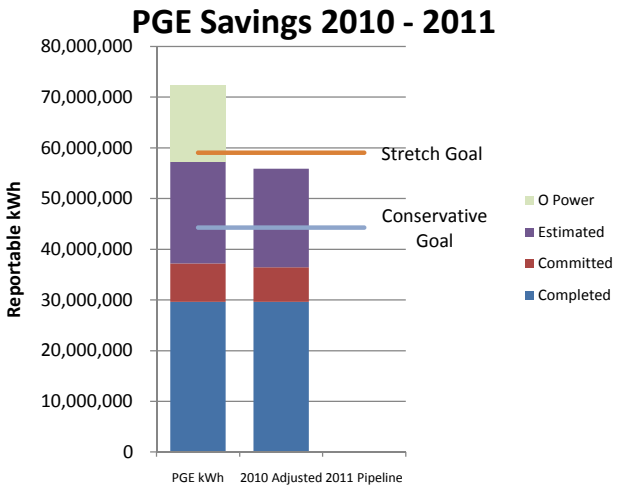
• Enrollments are strong – more of a volume impact than just turning large projects. Strengthened outreach to work more closely with more participants.

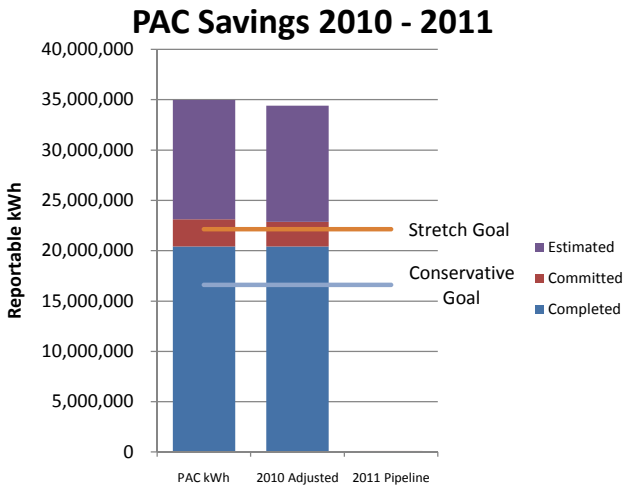
IOU Summaries

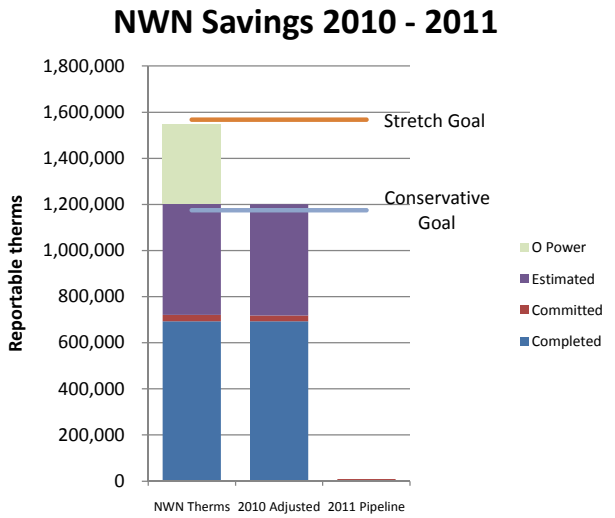
PGE:
• Savings are strong with over 13 million in the pipeline overall and 53% of savings goal achieved. To close the year, the combined outlook of completed and committed projects brings the program to 90% of goal. A portion of estimated projects are anticipated to close out the year on the high side of stretch.
PAC:
• Anticipate reaching goal with over 12% complete and a large project that will drive remainder of savings over stretch goal to approximately 35 million kWh, exceeding stretch.
NWN:
• In July a $536,128 incentive increase shifted up the savings goal to 733,675 therms from the original stretch of 338,093 therms. With 63% of the new goal complete and another 100,000 therms committed, the program is on track to achieve the new goal.
CNG:
• Invested an additional $76,107 in Cascade Natural Gas incentives to bring the savings up to 78,000 therms. Anticipate another 3,000 therms to come from committed projects. Savings delivered are estimated to be ~480% beyond stretch goal (from 19,513 therms to 94,161 therms).

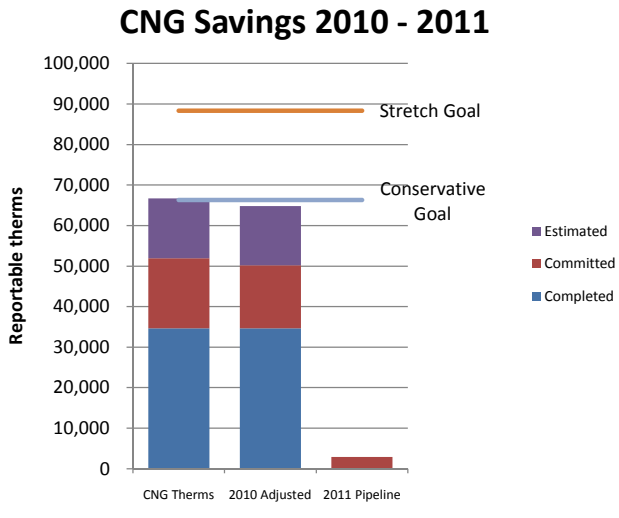
Residential Programs Summary October 1st, 2010

	Combined Residential	PGE	PAC	NWN	CNG
Savings	2010 Achievement to Date (kWh/therm)	29,625,795	20,430,788	693,073	34,629
	To date % of conservative goal	67%	123%	59%	52%
	To date % of stretch goal	50%	92%	44%	39%
Context	Expected % to goal	57%	53%	66%	69%
	Historical % of actual	56%	54%	72%	43%
Budget	To date % of budget spent (through 7/31/2010)	57%	69%	49%	32%





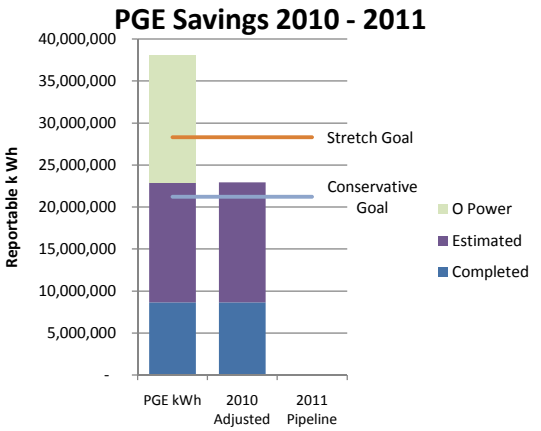


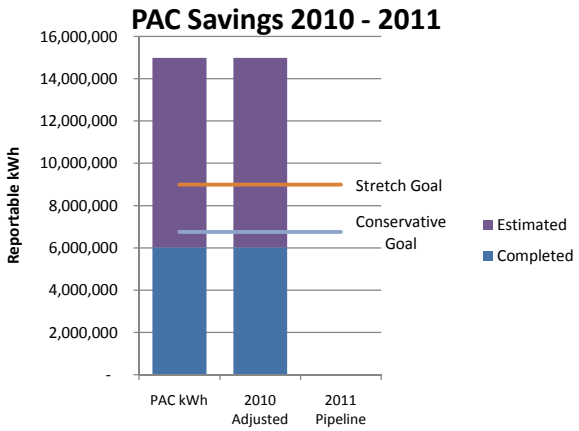


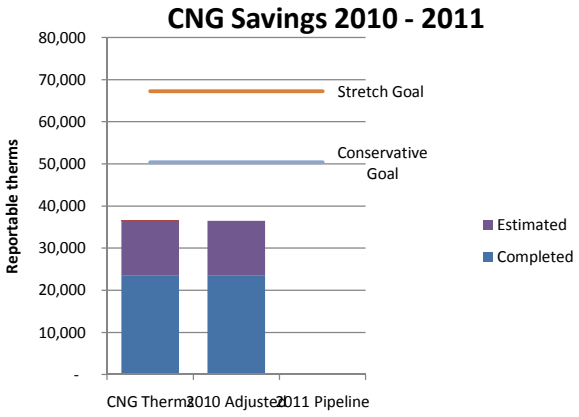
Adjusted 2010 Pipeline Percent of Stretch Goal:			
PGE	95%	NWN	77%
PAC	156%	CNG	73%

Existing Homes Summary October 1st, 2010

	Program: Existing Homes	PGE	PAC	NWN	CNG
Savings	2010 Achievement to Date (kWh/therm)	8,669,430	6,020,129	611,243	23,581
	To date % of conservative goal	41%	89%	57%	47%
	To date % of stretch goal	31%	67%	43%	35%
Context	Expected % to goal	68%	63%	63%	59%
	Historical % of actual	54%	75%	74%	31%
Budget	To date % of budget spent (through 7/31/2010)	54%	66%	46%	27%







Adjusted 2010 Pipeline Percent of Stretch Goal:			
PGE	81%	NWN	75%
PAC	167%	CNG	54%

Activity	YTD 2010	YTD 2009
Instant Savings Measures		
Home Energy Reviews	4,203	6,866
Energy Saver Kits	0*	-
Living Wise Kits	19,666	15,981
Single Family Incentives		
Prescriptive	8,215	11,001
Performance		
HPwES Free Market	185	161
HPwES CEWP	581	16
Moderate Income Incentives	54	-
Existing Mobile Homes	1,586	1,355
Residential Solar	809	261

* 37,000 Energy Saver Kits are ready for import on 10/14/2010

Market Indicators

Indicator	Q3 2010	Q3 2009
HER Waiting List	400	314
Incentive application volume	2,277	4,180
Call Center phone volume	9,319	9,016
Unemployment*	10.6*	10.3
Existing Home Sales**	13,185	11,493

*July, 2010 unemployment most recent available - U.S. Bureau of Labor Statistics

**August, 2010 Portland Metro information is most recent and Oregon-specific available, YTD figures used

Notable highlights:

Incentive application volume down nearly 50% compared to 2009 (gas furnace sunset accounts for approximately 35% of decline application volume)

Weatherization incentives trending 15% below historical tendency and yearly forecast

OPower savings realization expected in January 2011, impacting PGE and NWN forecasts

Approximately 4.5 million kWh and 77,000 therms expected in October from Living Wise Kits

Approximately 65,000 total Energy Saver Kits expected to be realized in 2010

Pacific Power savings are projected to significantly exceed stretch goal, due to Energy Saver Kits

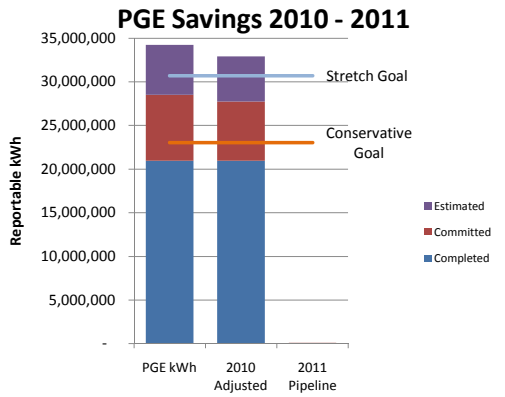
Does not include pipeline projection for sizeable CNGC project in Sunriver

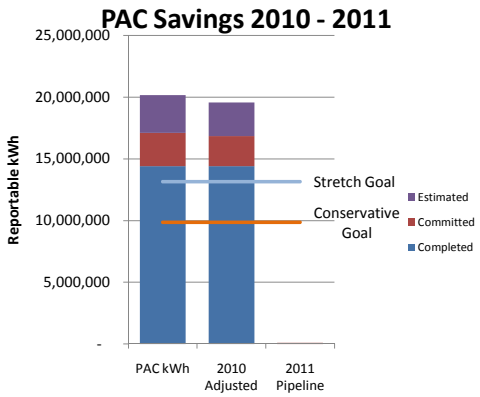
Clean Energy Works Portland continues to drive Home Performance with ENERGY STAR® savings well above stretch goals and establishing a sizeable pipeline for 2011

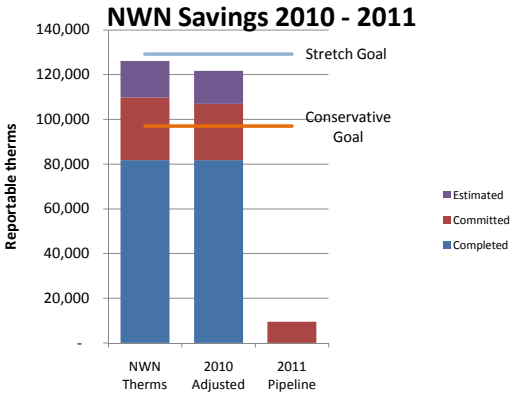
MOBEs Savings and incentives are tracking well above preliminary estimates, beating stretch goals consistently

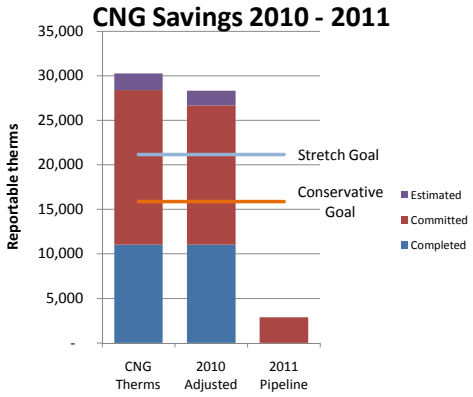
New Homes and Products Summary October 1st, 2010

	Program: New Homes and Products	PGE	PAC	NWN	CNG
Savings	2010 Achievement to Date (kWh/therm)	20,956,365	14,410,659	81,831	11,049
	To date % of conservative goal	91%	146%	84%	70%
	To date % of stretch goal	68%	110%	63%	52%
Context	Expected % to goal	47%	47%	74%	75%
	Historical % of actual	54%	50%	65%	52%
Budget	To date % of budget spent (through 7/31/2010)	59%	72%	69%	44%









Adjusted 2010 Pipeline Percent of Stretch Goal:			
PGE	107%	NWN	94%
PAC	149%	CNG	134%

Activity	YTD 2010	% Goal
# EPS Homes	426	55%
Market Penetration of New Homes in Oregon	12.00%	75%
Permits Called/Leads	1,604	56%
Oregon Stand Alones	0	0%
Washington Stand Alones	43	12%
Overall ally network growth	152	21%
Clothes Washers	16,727	64%
Dishwashers	673	8%
Refrigerators	14,840	106%
Refrigerator Recycling	10,124	58%
Specialty Lighting	638,600	96%
Showerheads	0	0%
E* Manfu Homes	61	26%
EA/Eco-rated Manfu Homes	18	75%
Webforms	7,618	169%
Co-Op Marketing (Manfu Homes)	$3,039	20%

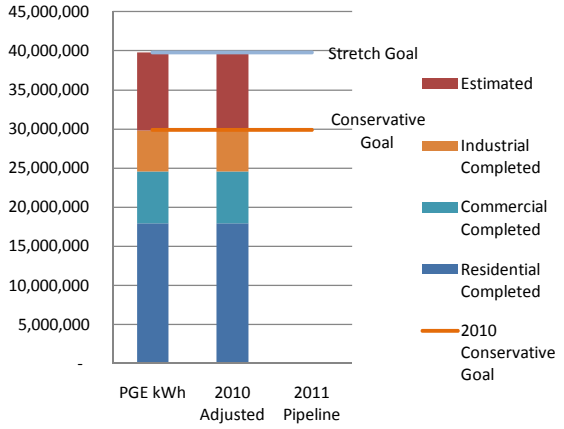
Indicator	Units	As of	Impact
Single Family Permits (OR ETO)	3,459	Jan to Aug 2010	+ 7.4% rolling 12 month Y/Y comparison
Single Family Permits (NWN, WA)	740	Jan to Aug 2010	+ 49.1% rolling 12 month Y/Y comparison
Unemployment (statewide)	10.60%	August 1, 2010	down from 11.2% in July 2009 (.6% drop Y/Y)
Home Price Avg (PDX Metro)	$ 250,000	August 1, 2010	no change = 0% (year-to-date change)
New Listings (PDX Metro)	34,043	Jan to Aug 2010	+ 6.0% (year-to-date change)
Consumer Confidence Index	48.5	eptember 31, 2010	- 4.7 points from August 2010
Cons.Conf. EXPECTATIONS Index	65.4	eptember 31, 2010	- 6.6 points from August 2010
National US Appliance Sales	$8.711 billion	July 2010 data	+ 8.0 from July 2009; flat from June 2010
# Mfrs making EA or Eco-rated	7 (ER), 1 (EA)	October 4, 2010	

- Applied a 90% confidence rate to calculate the adjusted savings estimates. This translates to the following percentages for each utility:
  - PGE- 107% of stretch
  - PAC- 149% of stretch
  - NWN- 94% of stretch
  - CNG- 134% of stretch
- All non-adjusted savings are expected to meet or significantly exceed our stretch case goals for all utilities.
- Exceeding savings in PAC territory due to increased bulb sales and fridge recycling drives outside of Portland metro area

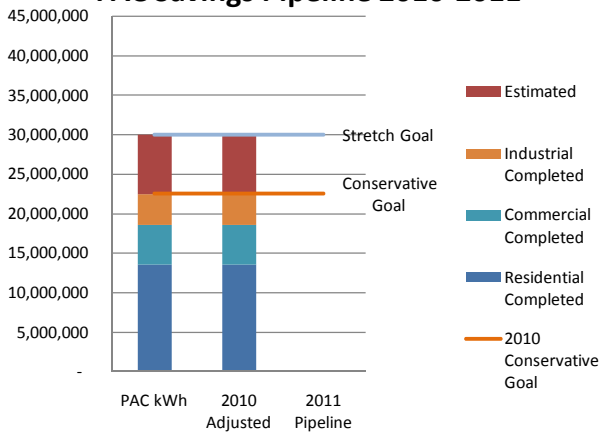
Market Transformation October 1st, 2010

	Program: NEEA and other Market Transformation	PGE	PAC	NWN	CNG
Achievement	2010 Achievement to Date (kWh/therm)	29,843,790	22,513,737	385,216	49,896
	To date % of conservative goal	100%	100%	78%	67%
	To date % of stretch goal	75%	75%	59%	50%
Context	Expected % to goal	50%	50%	50%	50%
	Historical % of actual	50%	50%	50%	50%
Budget	To date % of budget spent (through 7/31/2010)	N/A	N/A	N/A	N/A

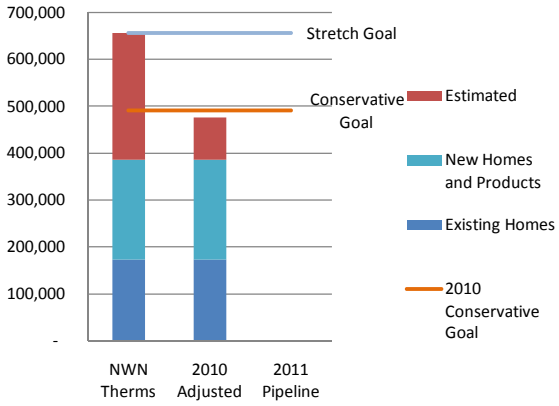
PGE Savings Pipeline 2010-2011



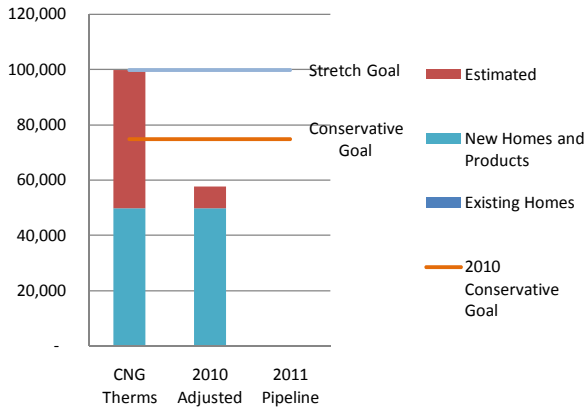
PAC Savings Pipeline 2010-2011



NWN Savings Pipeline 2010-2011



CNG Savings Pipeline 2010-2011



Adjusted 2010 Pipeline Percent of Stretch Goal:			
PGE	100%	NWN	73%
PAC	100%	CNG	58%

Notes

Electrical savings are based on NEEA forecasts for 2010.

NWN includes code changes and transformation of the furnace market. A slow new homes market will reducing expected savings by 41%.

CNG includes only changes from code, and with the slow new home market is now expected to be 50% the forecasted level.

Energy Trust
Draft 2011 Budget

CAC Presentation

October 13, 2010

EnergyTrust of Oregon

ETO Five-Year Strategic Plan Activities

- Accelerate activity
- Increase customer service
- Encourage innovation
- Balance investments in budgets and actions
- Support businesses and industry
- Communicate the value of efficiency and renewables
- Be efficient and transparent

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Program Considerations

- Pace of economic recovery is slow
  - Tight capital spending
  - More emphasis on near-term, low-cost savings
  - Greater need to work with customers
  - Higher incentives needed to motivate
- Efficiency acquisition costs have risen
  - Greater number of projects with fewer savings per project
  - Acquisition of the historically cheapest resources
  - Lower realization rates due to free-rider and other factors
- NEEA savings down 44%
  - Low estimates in process of reviewing
  - Still a good deal at levelized $0.029/kWh
- Meeting Legislative and other mandates
  - EEAST
  - Clean Energy Works, expanded

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Budget Themes

- Meet ratepayer needs in a tough economy
  - Expand low-cost offerings
  - Re-tool services and offerings
  - Engage repeat customers in new ways
- Serve a diverse set of customers
  - Further expand geographic diversity
  - Attract new and different customers
  - Leverage emerging opportunities and partnerships
- Ensure high-quality installations
- Provide strong customer service
  - Simplify participation for all
  - Integrate delivery across and between programs
- Leverage utility-customer relationships and outreach
- Support market transformation efforts

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Residential Program Emphases

- Existing single family, manufactured and mobile homes
    - ephasize customer triage and engagement
    - R-5 windows and energy saver kits
    - testing behavioral change through Opower
    - expansion of Clean Energy Works
- Residential new construction markets
    - work upstream:
        - distributors and infrastructure (insurance, mortgage)
    - work down stream to grow consumer demand
    - support transition to new codes in 2011
- Appliances
    - add new tiers to incent higher efficiency levels
    - increase rate of refrigerators recycled
- Market engagement
    - Realtors
    - Energy Performance Score
    - Trade ally support and promotion

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Commercial Program Emphases

- Overall
  - Streamline application process
  - Better incorporate solar offerings
  - Support market transformation savings through codes and standards
- Existing Buildings
  - Expanded O&M and Strategic Planning pilots
  - Prepare for Federal lighting standards
  - Increase per-project savings rates
  - Targeted incentive changes
- New Buildings
  - Support transition to new code
  - Roll out tiered incentives
  - Expand prescriptive offerings
- Multi-family
  - Expand portfolio management approach (direct install, custom approaches)
  - Expand custom approach
  - Expand partnerships and leverage existing funds (OHCS, ARRA, Financing)

Industrial Program Emphases

- Industrial & agricultural processes, facilities and equipment
  - Technical services and technical studies
    - identify projects and support decision-making
  - Cash incentives drive implementation of electric and gas saving projects

- Key sector, targeted outreach approaches
  - Custom track delivery to industries/ industry segments
  - Dedicated initiative through Trade Ally network for small industrial and agriculture

- Strategic Energy Management offerings
  - Behavior change and low cost savings
    - Continuous Energy Improvement training
    - Energy information systems
    - O&M and employee engagement

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2011 Draft Electric Program Budgets

	2010 Budget aMW	2011 aMW	2011 Electric cost ($ millions)	2011 levelized cost
Existing Buildings	10.8	11.5	$ 30.6	$ .033
New Buildings	5.0	3.0	9.4	.032
Production Efficiency	12.0	13.7	25.4	.032
Existing Homes	4.3	5.8	15.2	.034
New Homes and Products	5.0	6.0	18.0	.047
NEEA - combined	8.0	3.9	8.1	.029
Program	45.0	43.9	$106.8	$ .034

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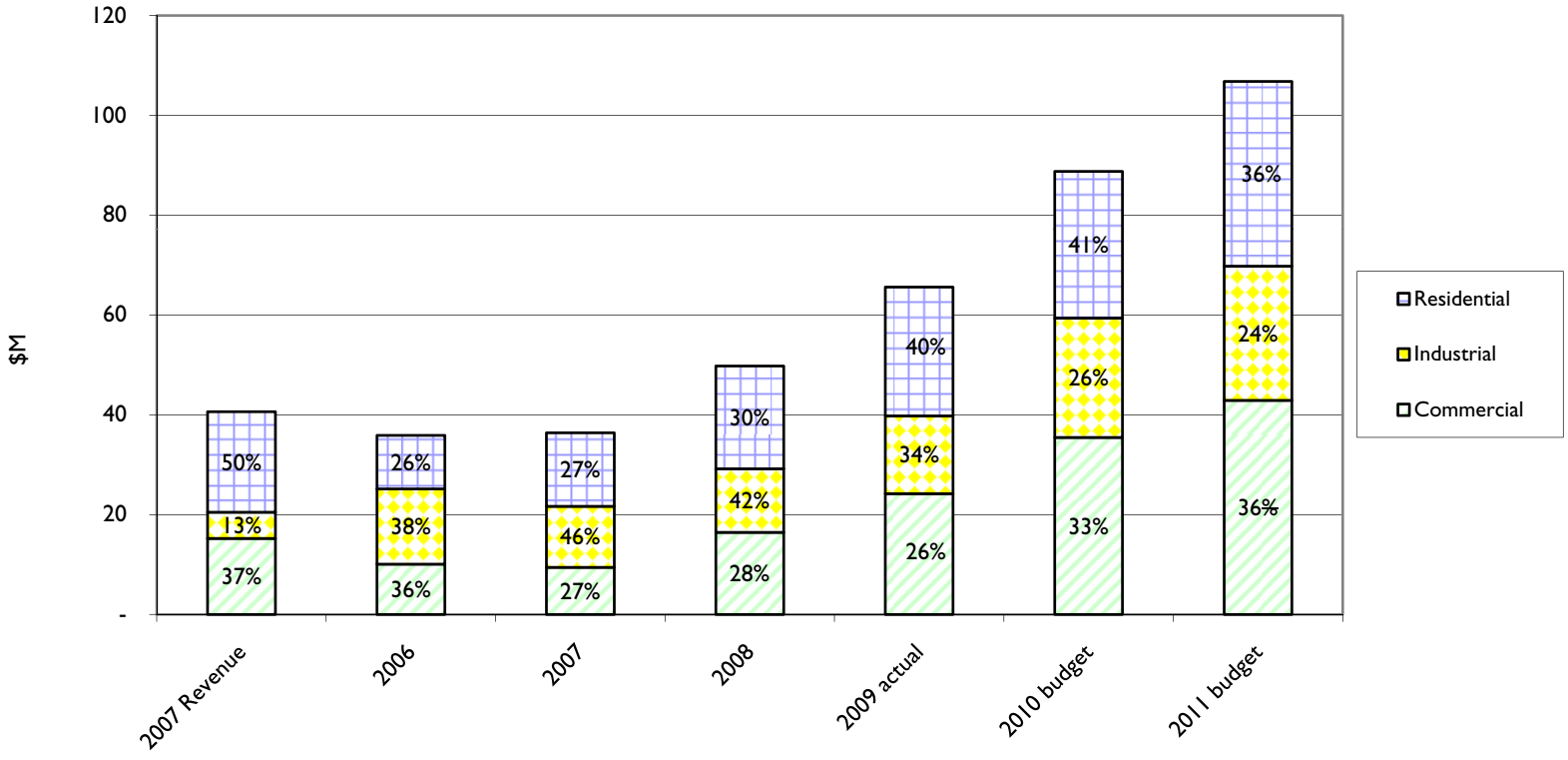
2011 Draft Electric Spending by Sector



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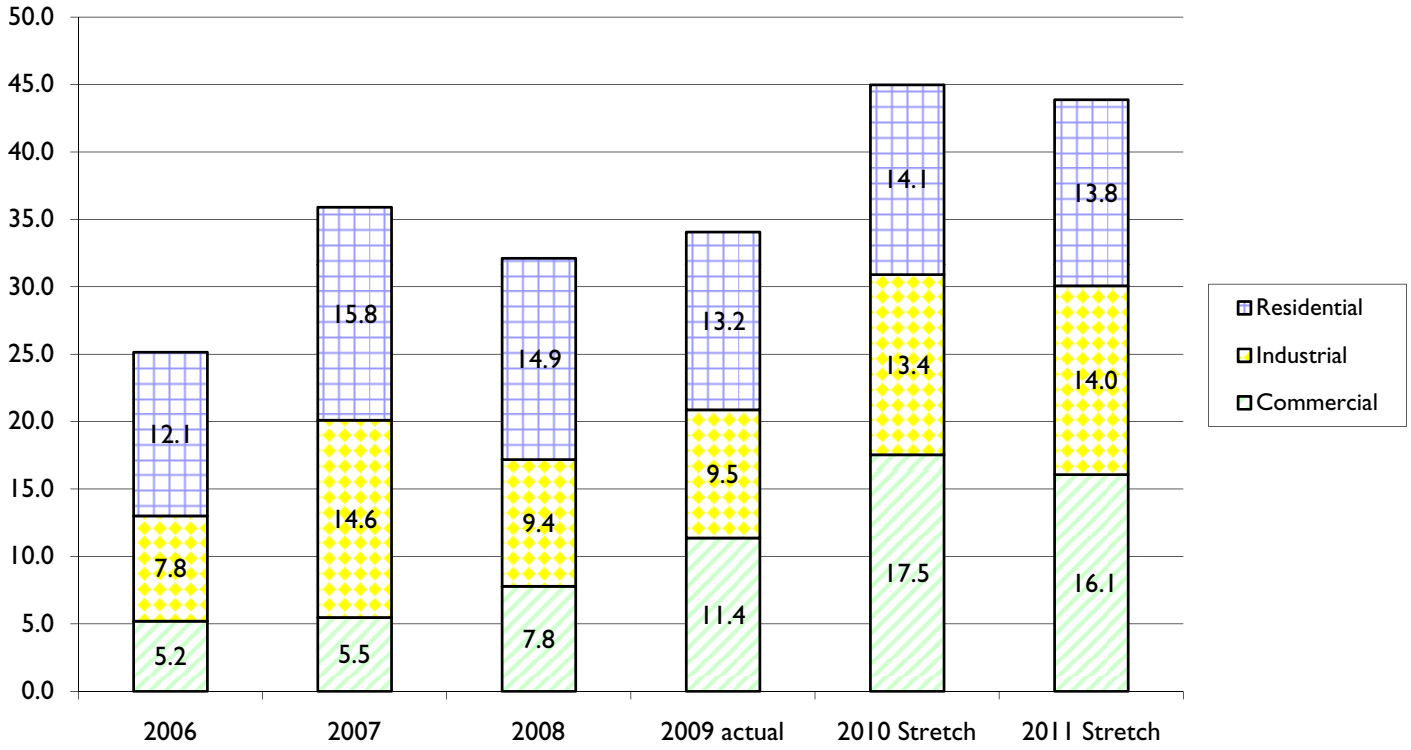
2011 Draft Electric Savings by Sector



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2011 Draft Pacific Program Budgets

	2010 aMW	2011 aMW	2011 Electric cost	2011 levelized cost
Existing Buildings	3.2	3.4	$ 8.2	$ .03
New Buildings	3.7	1.8	5.0	.028
Production Efficiency	5.0	4.8	9.3	.033
Existing Homes	.1.0	1.8	6.3	.046
New Homes and Products	1.5	1.8	5.8	.049
NEEA - combined	3.5	1.6	3.5	.029
Program	17.8	15.2	$ 38.1	$ .034

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2011 Draft PGE Program Budgets

	2010 aMW	2011 aMW	2011 Electric cost	2011 levelized cost
Existing Buildings	7.6	8.2	$ 22.5	$ .034
New Buildings	1.3	1.2	4.5	.038
Production Efficiency	7.0	8.9	16.2	.031
Existing Homes	3.3	4.0	8.8	.029
New Homes and Products	3.5	4.2	12.2	.046
NEEA - combined	4.5	2.2	4.6	.029
Program	27.2	28.6	$ 68.8	$ .034

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2011 Draft Gas Program Budgets

	2010 Therms	2011 Therms	Gas Cost	2011 levelized cost
Existing Buildings	1,176,136	1,058,727	$ 5.1	$ .038
New Buildings	365,472	626,637	2.3	.299
Production Efficiency	889,200	725,880	2.4	.432
Existing Homes	1,476,337	1,697,935	11.1	.558
New Homes and Products	136,825	337,698	2.9	.751
Market transformation	755,225	535,877		
Program	4,881,207	4,982,754	$ 23.9	.447

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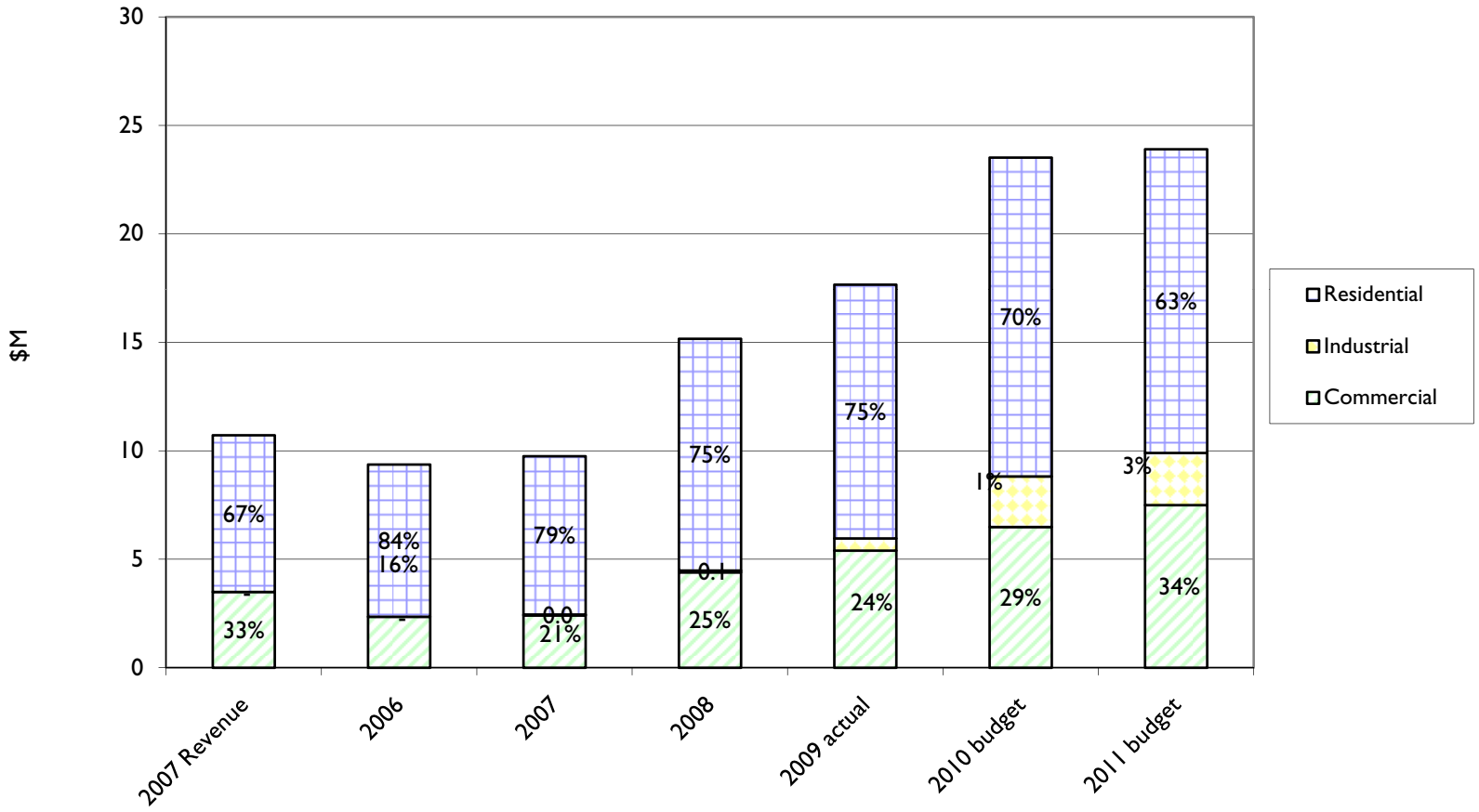
2011 Draft Gas Spending by Sector



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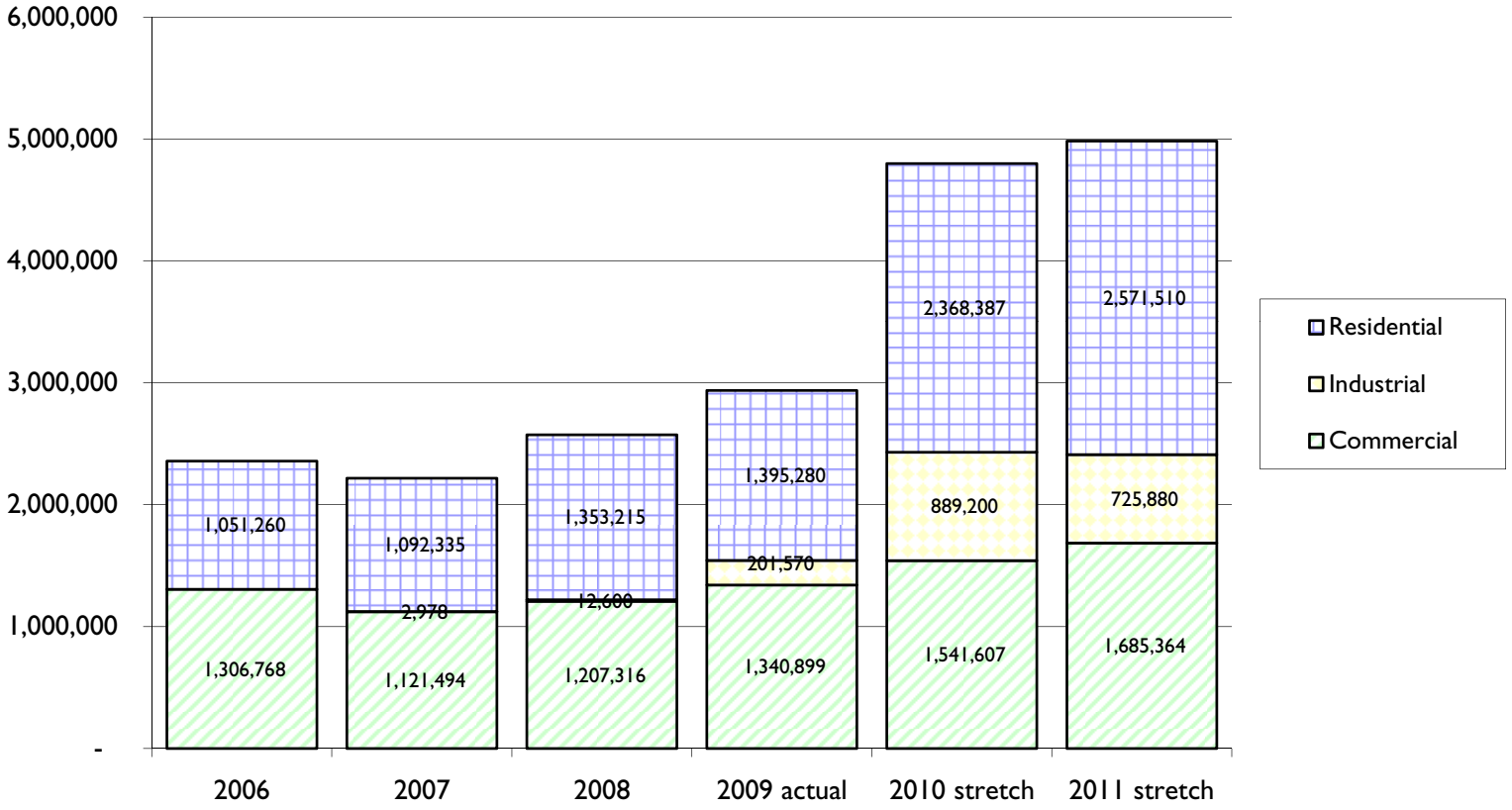
2010 Draft Gas Savings by Sector



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2011 Draft CNG Program Budgets

	2010 Therms	2011 Therms	Gas Cost ($ millions)	2011 levelized cost
Existing Buildings	125,101	114,077	$ .6	$ .376
New Buildings	19,513	63,295	.2	.255
Production Efficiency	140,166	68,250	.2	.456
Existing Homes	67,209	86,301	1.0	.952
New Homes and Products	21,566	41,899	.4	.921
market transformation	99,793	83,549		
Program	473,348	457,371	$ 2.4	$ .516

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2011 Draft NWN Program Budgets

	2010 Therms Forecast	2011 Therms	Gas Cost ($ million)	2011 levelized cost
Existing Buildings	925,235	944,650	$ 4.6	$.381
New Buildings	345,959	563,342	2.1	.304
Production Efficiency	140,634	177,630	.6	.468
Existing Homes	1,409,128	1,611,634	10.1	.537
New Homes and Products	115,259	295,799	2.5	.727
Market Transformation	655,432	452,328		
Program	3,591,647	4,045,838	$ 19.9	$.445

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2011 Draft NWN Industrial, firm and interruptible Program Budgets

	20010 Therms Forecast	2011 Therms	Gas Cost	2011 levelized cost
Existing Buildings	125,800			
New Buildings				
Production Efficiency	608,400	480,000	$ 1.5	.416
Existing Homes				
New Homes and Products				
Program	734,200	480,000	$ 1.5	.416

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Next Steps

- Process same as last year
- This begins the review phase
  - Initial review by 10/22
    - Program-specific data by 10/15
  - Board review on 11/10
  - CAC on 11/17
- Looking for comments and feedback
  - Program plans
  - Budget allocations
  - Savings estimates
- Revised by 11/29
- Final Board approval 12/17

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