Energy Trust Board of Directors Meeting

December 14, 2012

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117th Board Meeting

Friday, December 14, 2012, 12:15–3:00pm
421 SW Oak Street, Suite 300
Portland, Oregon

Agenda		Tab	Purpose
12:15pm	**Call to Order** *(John Reynolds)* • Approve agenda		
12:20pm	**General Public Comment** *The president may defer specific public comment to the appropriate agenda topic.*		
12:25pm	**Consent Agenda** *The consent agenda may be approved by a single motion, second and vote of the board. Any item on the consent agenda will be moved to the regular agenda upon the request from any member of the board.* • November 7 Board meeting minutes • November 7 Utility Strategic Roundtable notes • Amendment of FastTrack Development Contract (R652)	**1**	*Action*
12:30pm	**President's Report** *(John Reynolds)*		*Information*
12:40pm	**Energy Programs** • Amendment of Opower Contract (R655) *(Kate Scott and Phil Degens)*	**2**	*Action*
1:00pm	**Proposed 2013 Budget and Proposed 2013-2014 Action Plan** *(Margie Harris and Sue Meyer Sample)* • General overview • Public comment and discussion • Resolution to adopt 2013 Budget (R653) • Resolution to adopt 2013-2014 Action Plan (R654)	**Separate Document** **3** **3**	 *Action* *Action*
2:00pm	**Committee Reports** • Evaluation Committee *(Debbie Kitchin)* • Finance and Compensation Committees *(Dan Enloe)* • Policy Committee *(Roger Hamilton)*	 **4** **5** 	 *Information* *Information* *Information*
3:00pm	**Adjourn**		

The Annual Meeting of the Energy Trust Board of Directors will be held
Wednesday, February 20, 2013 at 12:15pm
at Energy Trust of Oregon, 421 SW Oak Street, Suite 300, Portland

Tab 1 Consent Agenda
- November 7 meeting minutes
- November 7 Utility Strategic Roundtable notes
- Amendment of FastTrack Development Contract Contract (R652)

Tab 2 Energy Programs
- Amendment of Opower Contract (R655)

Separate Document Proposed 2013 Budget and Proposed 2013-2014 Action Plan

Tab 3
- Resolution to adopt 2013 Budget (R653)
- Resolution to adopt 2013-2014 Action Plan (R654)

Tab 4 Evaluation Committee
- October 30 meeting notes
- New Buildings Process Evaluation Report 1

Tab 5 Finance and Compensation Committees
- Finance Committee December 3 meeting notes
- Briefing paper on reserves
- October financials and contract summary report
- Financial glossary

Tab 6 Advisory Council Notes
- October 24 RAC meeting notes
- October 24 CAC meeting notes
- November 28 RAC meeting notes—*if notes are available, they will be e-mailed prior to board meeting*
- November 28 CAC meeting notes—*if notes are available, they will be e-mailed prior to board meeting*

Tab 7 Ad Report & Earned Media Report

Board Meeting Minutes—116th Meeting

November 7, 2012

Board members present: Rick Applegate (*by phone*), Joe Benetti (*by phone*), Julie Brandis, Ken Canon, Dan Enloe, Roger Hamilton, Mark Kendall, Jeff King, Debbie Kitchin, Alan Meyer, John Reynolds, Anne Root, Dave Slavensky, Bob Repine (ODOE special advisor), John Savage (OPUC ex officio, *by phone*)

Board members absent: none

Staff attending: Margie Harris, Ana Morel, Hannah Hacker, Amber Cole, Steve Lacey, Scott Clark, Sue Meyer Sample, Fred Gordon, John Volkman, Peter West, Cheryle Easton, Thad Roth, Matt Braman, Adam Bartini, Marshall Johnson, Pati Presnail, Alison Ebbott, Kim Crossman, Sarah Castor, Erika Kociolek, Dan Rubado, Phil Degens

Others attending: Jim Abrahamson (Cascade Natural Gas), Alison Spector (Cascade Natural Gas, *by phone*), Juliet Johnson (OPUC), Kendall Youngblood (PECI), Mike Parvinen (Cascade Natural Gas, *by phone*), Lauren Shapton (PGE)

Business Meeting

President John Reynolds called the meeting to order at 12:15 p.m.

General Public Comments

There were none.

Consent Agenda

The Oregon Preference Policy (R649) was removed from the consent agenda at the request of Debbie Kitchin.

The consent agenda may be approved by a single motion, second and vote of the board. Any item on the consent agenda will be moved to the regular agenda upon the request from any member of the board.

MOTION: Approve consent agenda

Consent agenda included:
1) September 19 meeting minutes
2) Amending Policy on Information Regarding Program Participants, Contractors and Bidders (R648)

RESOLUTION 648

AMENDING POLICY ON INFORMATION SUBMITTED BY UTILITIES, PROGRAM PARTICIPANTS, CONTRACTORS AND BIDDERS

WHEREAS:

1. **Since, 2004, Energy Trust has had a policy governing how it will protect the confidentiality of energy consumer information.**
2. **This information includes data provided by utilities about customers and their energy use, and information that Energy Trust gathers directly from program participants to plan, administer, evaluate and report on programs.**
3. **The information is governed by Oregon Public Utility Commission (OPUC) rules, data-sharing agreements with utilities, and Energy Trust board policy.**
4. **In August, 2012 the OPUC revised the data-sharing rules, Oregon Administrative Rules 860-086-0000 through 860-086-0040,** http://arcweb.sos.state.or.us/pages/rules/oars_800/oar_860/860_tofc.html.**The rules:**
    - **Extend data-sharing requirements to gas utilities;**
    - **Eliminate the requirement that utilities ask customers if they want to opt out of data-sharing;**
    - **Maintain the requirement that information about large customers not be provided unless they opt into information-sharing, except customer name, address and certain other information;**
    - **Require Energy Trust to share program participation information with utilities;**
    - **Allow Energy Trust to use utility customer information to contact customers to inform them of Energy Trust incentives and services, provided that any customer may direct Energy Trust not to make contact.**
5. **The new rules require limited changes in Energy Trust policy, primarily to allow Energy Trust to share information with utilities.**
6. **The board policy committee reviewed the policy changes and endorses them.**

It is therefore RESOLVED:

1. **The board policy on Information Submitted by Program Participants, Contractors and Bidders is amended as shown in the attached, contingent on appropriate changes in the Energy Trust-utility data transfer agreements.**

Moved by: Debbie Kitchin Seconded by: Ken Canon

Vote: In favor: 13 Abstained: 0

Opposed: 0

Oregon Preference Policy (R649)

This item was removed from the consent agenda at the request of Debbie. She requested that the Resolved statement be modified to remove the words "above-market costs of new renewable resources" and replace them with "Oregon preference." The board agreed to the recommendation.

RESOLUTION 649

POLICY ON OREGON PREFERENCE

WHEREAS:

1. **Since 2003, Energy Trust has had a policy providing that if price, fitness, availability and quality are equal, Energy Trust will give preference to goods or services produced, acquired, or available in Oregon.**
2. **The Board finds that the policy continues to be an important statement of Energy Trust policy, and that the policy requires only minor editorial adjustments.**

It is therefore RESOLVED that the Energy Trust policy on ~~above-market costs of new renewable resources~~Oregon preference is amended as shown in the Attachment.

Attachment: 4.14.000-P, Policy on Oregon Preference

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	October 1, 2003	Approved (R207)	October 2006
Policy Committee	September 21, 2006	No changes	October 2009
Policy Committee	November 4, 2009	No change	October 2012

Purpose

To adopt a policy on giving preference to Oregon contractors for major Energy Trust contracts.

Background and Relation to Strategic Plan/Action Plan

~~Goal 4 of t~~The Energy Trust strategic plan speaks to promoting a healthy business climate for Oregon's renewable energy and energy efficiency businesses. Having enlisted nearly 2000 trade allies to date, the Energy Trust clearly is making progress toward this goal. In 2003, in response to inquiries about our policy on giving preference to Oregon contractors, ~~we~~ Energy Trust conducted a legal review and engaged ~~our~~ its advisory councils in discussion of the matter.

The pertinent provisions of Oregon Revised Statutes (ORS) cover public contracting. They provide:

> (1) In all public contracts, the public contracting agency shall prefer goods or services that have been manufactured or produced in this state if price, fitness, availability and quality are otherwise equal. ~~(emphasis added).~~
>
> ORS 279.021
>
> (1) After the bids are opened . . . and after a determination is made that a contract is to be awarded, the public contracting agency shall award the contract to the lowest responsible bidder.
>
> (2) In determining the lowest responsible bidder, a public contracting agency shall: . . .

(b) For the purpose of awarding the contract, add a percent increase on the bid of the nonresident bidder equal to the percent, if any, of preference given to that bidder in the state in which that bidder resides.

ORS 279.029

Since the Energy Trust is not subject to Oregon public contracts law, Energy Trust is not bound to the above provisions.

~~Committee/Public Review~~

~~As a starting point for discussion, staff made reference to the above provisions in meetings of the Renewable Energy Advisory Council and Conservation Advisory Council September 17, 2003, and the Policy Committee meeting September 22, 2003.~~

~~In examining the above provisions of ORS, it was clear that m~~Most participants in these advisory council meetings d~~o~~id not support provisions of ORS 279.029 that could penalize out-of-state bidders. There was general support for the concept expressed in ORS 279.021 to give preference to an Oregon contractor if competing bidders score equally on other selection criteria. There was no consensus however, on the wording of such a policy. Participants expressed concern that the terms "manufactured" or "produced" may be too restrictive.

~~Recommendation~~

Given the general support for giving preference to Oregon bidders if competitors are equal in other respects, staff recommend~~sed~~ the Energy Trust board endorse a policy to grant such a preference if price, fitness, availability and quality are otherwise equal, to bidders whose goods or services are produced, acquired, or available in the State of Oregon. ~~For administrative efficiency, we propose applying the policy to contracts valued in excess of $500,000.~~.

~~Resolution~~Policy

~~**BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors adopts as Energy Trust policy that, i**~~**If price, fitness, availability and quality are otherwise equal, Energy Trust will give preference to a bidder whose goods or services are produced, acquired, or available in the State of Oregon.**

~~The board approved the resolution on the Oregon Preference policy at its October 1, 2003 board meeting with the changes noted above.~~

Moved by: Debbie Kitchin Seconded by: Alan Meyer

Vote: In favor: 13 Abstained: 0

Opposed: 0

President's Report

John Reynolds presented on the American Council for an Energy-Efficient Economy's annual state scorecard. Oregon ranked fourth. There were only two perfect scores out of all the categories: Massachusetts in the government initiatives category and California in the appliance efficiency category. Oregon received 37.5 points out of 50 possible points, the same score as last year and the highest score Oregon has ever received. The other states in the top five had reduced scores compared to last year. John indicated this means Oregon is closing the gap.

John said Oregon's combined heat and power, CHP, score took a hit because many of the on-the-ground realities weren't captured in the scoring. Less weight was given to interconnection standards, net metering, standby rates and emissions treatment of the technology, and more weight given to CHP treatment in a Renewable Portfolio Standard or Energy Efficiency Resource Standard, the latter of which Oregon does not have in place.

John thanked Elaine Prause for her analysis on why Oregon did not receive a perfect score in the various categories. Ken Canon mentioned it would be interesting if ACEEE did a weighting across states based on electric retail rates. Elaine also pointed out that Oregon's lack of an Energy Efficiency Resource Standard is a knock against the state. Alan Meyer mentioned that though Oregon does not have a specific mandate, the state is very supportive of CHP. John said it was interesting how much of a hit the other states took compared to last year.

In the *Business Journal*, there was a brief mention of a ranking of the 10 states with the greenest workforce per capita. Oregon ranked fifth. John said the 10 worst states included Nevada and Arizona, which seemed interesting considering their ample solar resources.

John showed the U.S. Bureau of Labor Statistics' definition of green jobs as "jobs in businesses that produce goods or services that benefit the environment or conserve natural resources or jobs in which workers' duties involve making their establishment's production processes more environmentally friendly or use fewer natural resources." He was unable to verify if the *Business Journal* used the same definition.

The board discussed the complexities of defining and then measuring a green job. Debbie mentioned that she receives a survey for her business and self-reports how many of her employees have a green job. Mark Kendall mentioned the survey was based on a sample. Margie mentioned it may be interesting to have this conversation in a year or two as the industry and interest around green jobs continues to evolve.

Cascade Natural Gas Funding Temporary Adjustment Using Reserves (R650)

Margie mentioned the resolution was discussed by the Policy Committee, which endorsed it.

Steve Lacey, and Jim Abrahamson representing Cascade Natural Gas, brought the revised resolution to the board. Steve described the resolution in full. Resolution 650 is asking the board to give authorization for staff to use funds in the Energy Trust interest reserve account to meet an anticipated shortfall in Cascade Natural Gas revenue.

Historically, Cascade Natural Gas' public purpose charge was not adequate to fund all cost-effective energy efficiency identified in its integrated resource plan. In response, the OPUC authorized the utility in 2008 to use a deferral account as part of a decoupling mechanism in its tariff. This allowed the utility to accommodate budget requirements to meet Energy Trust savings goals and IRP targets for Cascade. As indicated in the resolution's amended text, located under the background section of the board decision handout, the deferral account expired July 31, 2012, and the decoupling mechanism expired on September 30, 2012.

In October, the OPUC required Cascade Natural Gas to consolidate all energy-efficiency funding into a single public purpose charge. That has been achieved and Energy Trust is anticipating an increase from a 1.69 percent to a 3.16 percent public purpose charge from Cascade Natural Gas as of November 1, 2012. The difference is essentially the deferral account.

Steve described that when access to the deferral account expired, the account held $335,000 in funds that were anticipated to be transferred to Energy Trust. However, due to complications of the rate filing and the timing of these accounts closing, the deferral funds were not transferred to Energy Trust.

Two other changes were made to the resolution to clarify a potential, not an additional, growth in project demand over revenue projected, and to indicate the understanding that Cascade Natural Gas will repay the fund transfer with the Oregon Public Utility Commission's approval.

Juliet: It's helpful to think of a deferral account as a line of credit. It's money the utility could use, not money that's just sitting there.

Steve explained Energy Trust now projects a shortfall in Cascade Natural Gas revenue of about $600,000 by year-end 2012 because of the loss of the $335,000 plus a mild winter, both resulting in lower than expected revenues. In addition, staff anticipates $100,000 may be needed to meet demand in Cascade Natural Gas territory in 2013, leaving an overall shortfall of $700,000.

Roger: How does NW Natural compare in the public purpose charge?
Steve: It's about 4 percent.

Jim: The 3.16 percent is the public purpose charge that is charged to customers. There is an additional 0.7 percent of residential and commercial revenues that flows into the public purpose charge and brings the total to 3.86 percent. Public purpose funds are used to support both Energy Trust and low-income assistance programs. Energy Trust receives 93 percent of the total fund and 7 percent is made available to low-income programs.

Steve said the board approved a $2.69 million 2012 budget for Cascade Natural Gas. Staff expects to spend 95 percent of that. This is not an over-expenditure issue; Energy Trust will come in under budget with savings around 94 percent of stretch goal. Energy Trust is on target with levelized costs. In staff's judgment, if Energy Trust were not to have these funds, there would be a significant impact on the delivery and momentum generated in Cascade Natural Gas territory over the past three years. Staff has worked diligently with Cascade Natural Gas to penetrate that market and is now starting to see good progress. If Energy Trust did not receive these funds immediate cessation of activities would be required.

The Energy Trust interest reserve account has sufficient funds to cover the temporary Cascade Natural Gas shortfall. Energy Trust is asking Cascade Natural Gas to replenish this account by up to $700,000 by December 31, 2013. Once approved by the OPUC, the process will take place after Energy Trust closes the books for 2012 and understands the actual carryover of funds from 2012 to 2013.

Ken: Jim, has there been any thought as to how the funds will be replenished by year end 2013?

Jim: We are proposing a phased approach to provide the funds over three-quarters of the year.

Steve: Once we determine what the 2012 carryover is and look at 2014 IRP goals, we will try to design a single rate adjustment that accommodates this as well as what we anticipate requirements will be in 2014. Whether multiple adjustments will be needed is between Cascade Natural Gas and the OPUC.

Alan: I understand the notion not to throttle back on activities. I'm concerned that under the "Resolved" section there is no mention of charging interest. By moving the Energy Trust funds, there is risk. And the dollars in the interest income reserve account also come from the other three utilities. I would want to see interest added so Energy Trust can at least recover interest we would otherwise receive.

Steve: We did discuss this, and Management Team members thought that we would not charge interest, largely because interest rates are very low.

Alan: There is the principle though.

Sue Meyer Sample: We did this in the past with other utilities, including Pacific Power where we didn't charge interest. There is precedent of no interest charges.

Steve: We would also run into an endless circle that if you charge interest on the ratepayer funds, the utilities will recover that interest through rates.

Mike Parvinen, Cascade Natural Gas, by phone: Cascade Natural Gas' balance will be pretty flush by March or April. And we will take a look at revenue requirements for 2013 as well as what's needed for 2014, since we won't have a deferral account.

Alan: What about the money in the deferral account?
Mike: There wasn't money in the account. We had the *ability* to put money into it if we needed to.
Alan: If money had been in the deferral account would you have gotten interest?
Mike: Yes.
Margie: When we close our books next year, we will learn the actual amount we need replenished.
Dan: What if Cascade does not pay up?
Mike: That wouldn't be the intent. There's a lot that could happen but basically the way the mechanism is designed is it's been a pass-through of costs, namely funds collected by ratepayers and passed on to Energy Trust.

Dan: My view on this from a financial perspective is that the deal should be we get paid back the amount that we spend by December 31, 2013, no matter what and the risk falls on Cascade Natural Gas.
Mike: My intent is that it wouldn't fall on Cascade Natural Gas, and we are working with the OPUC and Energy Trust on this so everyone is apprised. I don't anticipate a problem.
Dan: My point is the risk is in Cascade Natural Gas' control not Energy Trust's so they should take it, not us.

Steve: We used interest income to the tune of $1 million for Pacific Power and we had no agreement on when they were going to repay it. Through our process of negotiations and setting the subsequent year's funding, we built that in and Pacific accommodated that through a percentage increase. I view this the same way. Having assurance that repayment will get done by year-end 2013 brings a level of comfort.

Juliet: We had a phone call with Cascade Natural Gas earlier in the week. Cascade Natural Gas was the only utility using the deferral account methodology. The other three are using a straight public purpose charge. We prefer to avoid a deferral account. This is a tricky transition period but we have a good plan to work this out and the OPUC would not allow Cascade Natural Gas to just walk away from this obligation. I don't see that much risk.

Jim: Energy Trust's program delivery in our territory has grown over time since 2006. Energy Trust would traditionally underspend its annual budget in the early years, which is why the deferral account was created. It allowed us to fund Energy Trust and then accommodate the growth. This year, Energy Trust's expenditure levels finally grew to at or near the annual budget, and the OPUC doesn't want us to have the deferral account. Both of these are coming at the same time.

Alan: Who requested to add the OPUC qualification to the resolution?
Steve: Cascade Natural Gas; they didn't want to presume that they would get an OPUC order.

Juliet: To show how this will get resolved, the OPUC will draft a letter for an Energy Trust representative and a Cascade Natural Gas representative to sign to make sure the monies get paid back.

Ken: I understand Dan and Alan's concern, and understand Cascade Natural Gas's position and have faith in the OPUC. This is indicative of perhaps needing the Finance Committee to give some thought around the policy on how we use this account over time so it's not as ad hoc and we don't have to worry about precedent.
John R: This is something the Policy and Finance committees could look at.

Roger: There's a mention of the mild winter, is that an anomaly? How do you anticipate weather? Is it a statistical average?
Jim: We're using historical average. The challenge is the change we get in the revenues from the change in the purchased gas adjustment. This can also impact the public purpose charge.
Roger: If these weather changes become more frequent, and there's an indication of potential of demand for funds greater than revenue, what's driving that anticipation of increasing demand?

Steve: Energy-efficiency projects that are on the cusp, and these are anticipated in 2013.

REVISED RESOLUTION 650

CASCADE NATURAL GAS FUNDING TEMPORARY ADJUSTMENT USING RESERVES

WHEREAS:

1. **The recent Energy Trust 4th quarter expenses and revenue forecast shows program expenditures to come in at $2.54 million or 95% of budget.**
2. **Revenue projections for 2012 show Energy Trust will receive approximately $600,000 less than anticipated at year-end, due in part to weather and in part to a complication in**

CNG's rate case, which has resulted in CNG under-collecting funds for energy efficiency programs, causing a shortfall in the 2012 Energy Trust operating budget.

3. **Energy Trust is on track to hit 94% of its stretch goal if funded to the budgeted level and feel any cessation of activity will have a negative impact on the momentum built in CNG territory.**
4. **Budgets for 2013 indicate ~~additional~~ a potential for demand over revenue projected of approximately $100,000.**
5. **Energy Trust's interest income reserve is adequate to temporarily fund the shortfall, provided CNG repays Energy Trust by the end of 2013.**

It is therefore RESOLVED that:

1. **The Executive Director is authorized to transfer up to $700,000 of interest income to the CNG operations account to be used for program services for CNG ratepayers in 2012 and 2013.**

2. **This transfer is authorized with the express understanding that Cascade Natural Gas, with OPUC approval, will repay the fund transfer (after accounting for any carryover of 2012 CNG funds) by December 31, 2013.**

Moved by: Debbie Kitchin Seconded by: Roger Hamilton

Vote: In favor: 11 Abstained: 0

Opposed: 2—Alan Meyer because of the risk and not charging interest on the funds; Dan Enloe because of the risk not being allotted appropriately

Draft 2013-2014 Action Plan & Draft 2013 Budget

Margie presented the 2013-2014 proposed action plan and budget. When staff prepares the budget it starts in the summer. It's an all-hands-on-deck effort and the entire organization is engaged. Margie thanked Sue, Pati and other staff for their parts in developing the draft budget and action plan.

The framework for the budget and action plan starts with the four utility integrated resource plans and the 2010-2014 Energy Trust strategic plan. The strategic plan is a five-year document that Energy Trust is currently midway through. The action plan and budget is developed with extensive involvement and feedback from stakeholders. The board then reviews the plan at the December board meeting where action is taken. Each utility IRP is on individual two-year cycles, and the plans include a 20-year outlook.

Margie described stakeholders as those at the advisory council meetings, those in the field, contractors, Northwest Energy Efficiency Alliance, Bonneville Power Administration, all the utilities, people Energy Trust is connected to through its work, the Oregon Department of Energy such as the Building Owners and Management Association, the Industrial Customers of Northwest Utilities and many others.

Margie showed a graph of electric savings from the past five years and the savings each sector acquired. The graph compared progress toward Strategic Plan goals for each year with actual savings

for 2010-2011 and forecasted savings for 2012-2014. The projection for 2013 is 55.7 average megawatts, meaning Energy Trust is growing its savings significantly and acquiring savings ahead of what the Northwest Power and Conservation Council projected. At some point savings are expected to level off, as discussed at the Board Strategic Retreat in June. She showed a similar slide for gas efficiency. The graph shows forecasted savings dipping modestly in 2013.

Alan: Has our funding increased in proportion to savings?
Margie: Savings have grown faster than funds received, and levelized costs in electric have stayed low.

Anne Root: Is there not as much potential in the industrial sector?
Margie: For gas, we are newer in that space. Industrial gas programs started as a pilot program a few years ago and were made a permanent program as we found good opportunity. We are growing our presence there. Note there are some customers we cannot serve, namely those transport only customers and those who buy gas directly from a supplier.

Roger Hamilton: Can these numbers be translated into percent of load?
Fred: We haven't done this for the 2013 budget, but on the electric side, 1.5 percent of load. Probably 1.6 percent or 1.7 percent in 2013. Gas side is around 0.8 percent annually.
Margie: We'll follow up with the exact percentage.

Dave Slavensky: The line for gas savings is still going up, but we are also having warmer weather?
Steve: If you look at the curve, savings are growing in the commercial sector, which incorporates small industrial and is less reliant on the weather, unlike the residential sector.

Roger: Why the leveling off in 2010 and 2011?

Ken: On the electric side, we've been at this a lot longer and there's a lot more potential left on the industrial side.

Margie continued the presentation and showed a slide of installed renewable energy projects. She noted that in 2008 Energy Trust transitioned from large-scale projects under legislative direction given in SB 838. Thirty aMW of wind is not shown on the graph and was achieved in earlier, larger utility scale wind system installation involving utilities and Energy Trust. The Strategic Plan does include that generation as progress toward our renewable energy goals. The transition of Energy Trust's focus to projects 20 MW or less is clearly shown on the graph. For renewables there is no steady or predictable growth pattern. Instead, there is a mix of projects that come through the door, with the exception of solar electric, especially starting in 2010. The Solar program is expected to have achieved 50 MW of capacity by year end. The drop in 2014 generation is a point where demand is expected to be greater than available funding. Unlike the efficiency side, where Energy Trust works with the utilities to acquire more available cost-effective efficiency, there is no such mechanism on the renewable energy side. The funding level is fixed as a percentage in our enabling SB 1149 legislation.

Dave: Do you anticipate the Governor's plan to change anything?
Margie: I don't know, that remains to be seen.

Peter: There's also the bounce around you see starting in 2011 because of the effect of the state Business Energy Tax Credit changes. 2012 is the last year where applicants could receive a state energy tax credit for commercial scale renewable energy projects. That is why 2011 has such low generation. The market stagnated as project owners waited for the tax credit changes to shake out. You can see a direct link between the amount of renewable energy activity and the availability of subsidies.

Ken: Related to the Business Energy Tax Credit, how long will it take to know the impact?
Margie: We may never really know this impact and Fred has made similar comments. We do know that people chose to work with us because we are a known entity. As the Oregon Department of Energy created the new rules, people waited. Plus there are considerably less tax credit dollars available. It's a very different reality today. In 2011 and in the first part of 2012 we did put a Kick-Start Bonus incentive in place for energy-efficiency projects most impacted by the changes. Now we are back to where we need to be on incentive levels and everyone is adjusting to this new reality. There are no more bonuses in 2013.

Margie described Energy Trust's role in the utility IRP process, a process that largely did not include Energy Trust until SB 838 allowed additional funding to be acquired for additional cost-effective energy efficiency above what the SB 1149 public purpose charge could buy. Energy Trust is now contractually bound to reach the utility IRP targets. The process begins by looking at a 20-year efficiency supply estimate and assessing what is both technically achievable and realistically achievable efficiency. Then the plan is adjusted for a mid- to long-term efficiency strategy and staff models the achievable level. Agreement between Energy Trust and the individual utility is reached on how much savings Energy Trust is targeting to acquire and at what projected cost. That cost is then rolled into the utility's tariff filing.

Working together with utilities, we rotate and update their IRP approximately every two years. When setting goals a year ago, it was agreed upon to set the high confidence/lower savings "conservative goal" to approximate the same level as the IRP goal. The low confidence/high savings "stretch goal" was established to be 15 percent greater than the conservative goal. Before 2011, the range between stretch and conservative goals was 25 percent. By funding to stretch goal, Energy Trust assured it would meet conservative/IRP goal, and deliver the highest volume, lowest cost savings. Funding to stretch goal also provides for changes in customer demand and market changes while minimizing overall risk.

Alan: You use stretch goals when measuring progress?
Margie: Yes.

Alan: We fund to stretch and measure to stretch?
Margie: Yes, we aspire to reach stretch goals and we have also aligned conservative goals to the IRP goals so at a minimum, we meet IRP.

Margie mentioned that any unspent carryover funds also roll forward into the next year funding cycle negotiations and tariff filings. She showed a chart visualizing the goals plotted against confidence and savings levels.

Margie gave an update on the status of each utility filing. NW Natural and Cascade Natural Gas have both filed and the OPUC has approved the increases, which were effective November 1st. Portland General Electric and Pacific Power are both expected to file in mid-November and therefore the presentation is showing projections. Staff is still in negotiations with the electric utilities, and electric budgets may or may not change before the December board meeting and presentation of the proposed final budget and action plan.

Ken: What is the total percentage funding for the electric utilities?
Margie: Pacific Power is 4.8 percent and PGE is 4.76 percent for total electric energy efficiency funds. This does not capture renewables, low-income weatherization or schools, which approximate 6 percent.
Steve: Oregon is one of the leading states for funding efficiency, and we're doing it without an Energy Efficiency Resource Standard.

Margie listed the top 10 takeaways of the 2013-2014 budget and action plan:

1. Growing electric energy savings by almost 12 percent from 50.3 in 2012 to 56.1 aMW in 2013

2. Cost of electric savings is stable at 3 cents per kWh levelized

   Margie: This ensures delivery of the cheapest power possible for consumers and utilities.
   Dave: What is new generation at?
   Margie: New generation is between 8-10 cents per kWh.

3. Electric efficiency revenues projected to rise by 8.9 percent to $123.8 million

   Ken: What's the breakdown on what's load growth versus 838 dollars?
   Sue: $77.4 million for SB 838 and $46.3 million for SB 1149.
   Margie: That's a trend that ties back to utility IRPs.

4. 2013 gas savings adjusted down by 11 percent from 2012

5. Cost of gas savings increased to 46.3 cents per annual therm levelized due to low avoided costs and the loss of some low-cost measures

   Margie: Gas is a different story. There are a number of challenges identified, including savings going down for some measures and costing more than anticipated. We are still within the range of the levelized cost cap of 60 cents per therm, coming in at 46.3 cents per therm. Evaluations are showing deemed savings for certain gas measures are less than we had hoped. In addition, the cost of delivery is higher than predicted. And, we have very low avoided costs.

   All this relates to cost effectiveness. These challenges resulted in our request to the OPUC for an exception under UM 551 for number of gas measures. The OPUC granted the exception for two years starting in 2013, allowing us time to revisit our delivery of gas programs, especially gas weatherization measures, where the current benefit/cost ratio is less than one. We cannot

burden ratepayers with something that is not cost effective and the OPUC exception gives us time to analyze cost saving opportunities and explore options regarding the societal cost effectiveness test.

6. Available renewable energy budget is constrained due to high demand

   Margie: We are reaching the plateau of not having sufficient dollars to pay for and meet demand for renewable energy projects. We do adjust incentives down as the market changes for some technologies, such as solar.
   Jeff King: It's not funding that's constraining your budget.
   Margie: As project demand has grown, that reduces the amount of money relative to demand.
   Roger: The irony is the more successful we are in efficiency in lowering electricity demand we have less money to spend on renewables or efficiency.
   Alan: We now have a targeted mandate and we are constrained to small renewable projects.

7. Incentives increased 1 percent over 2012 forecast for entire organization

   Margie: On the energy-efficiency side, incentives increased over 10 percent.

8. Delivery and management costs decreased 1 percent from the 2012 budget

   Margie: We are managing costs through a shift in how we deliver services, relying more on trade allies to deliver services in the field. We are looking across the whole organization to increase efficiencies and lower costs.

9. New efficiency opportunities, targeted strategies, and operational efficiencies included

10. Improved business systems capabilities added

Margie highlighted different aspects of the 2013 budget, which is proposed at $170.2 million for the year, electric efficiency representing $122.6 million or 72 percent of the budget, followed by gas efficiency at $26.9 million or 16 percent, renewables at $15 million or 9 percent, management and general at $3.5 million or 2 percent and Communications & Customer Service at $2.3 million or 1 percent. The budget for the last two categories has held fairly constant as a percent of the budget over time. Revenues increased by 10.7 percent, expenses increased 2.7 percent, electric savings are up by 11.5 percent, gas savings down by 11 percent and generation decreased by 24 percent.

Ken: How much of the electric efficiency budget is incentives versus delivery?
Margie: Incentives are between 50-70 percent of the total budget, depending on the program.
Sue: 58 percent of the budget is for incentives.

Margie highlighted where electric savings are coming from, listed in order of highest savings first: Production Efficiency, Existing Buildings, New Homes and Products, Existing Homes, New Buildings and then NEEA. New Homes and Products is a market transformation type of program, meaning it locks in lost opportunities over many years to come by building above and to a certain efficiency

standard. The New Buildings goal is dropping some and not as much as in past. NEEA budget and savings cut across all programs.

Dave: Production Efficiency is lower cost, how so?
Margie: The program has higher volume.

Dave: Is there a challenge that each customer is unique and needs custom solutions?
Ken: But there are a lot of savings that come in per customer.
Margie: We made a decision five to six years ago to bring the program in-house, emphasizing the importance of building and retaining relationships, and helping customers make investments that range from operations and maintenance improvements to capital projects. It is a very successful program.

Jeff: What is the penetration rate for New Buildings?
Peter: It's 70 to 80 percent of all square feet of new construction, dominated by large buildings. There is less participation among small commercial buildings with standard design, like those in strip malls. We did a pilot this year with targeted packages for that market, which was very successful. In this budget, there's a series of packages, or tiers, for that market as well as data centers.

Dan: I know the new home construction rate is low. Is that why the levelized cost is higher?
Peter: That's the market, less savings because of the high efficiency level of code and they are also small buildings.

Dan: Why the large difference in levelized cost between New Homes and Existing Homes?
Peter: There are not as many electric savings in new homes, where more savings come from the gas side. New Homes and Products also includes products, with much shorter measure lives.

Margie described where the gas savings are coming from, again in order of highest savings first: Existing Buildings, Existing Homes, Production Efficiency, New Homes and Products, and New Buildings. Production Efficiency has less opportunity and good levelized cost results. The gas savings chart reflects all the challenges listed earlier about lower avoided costs, higher costs of delivery and lower savings per measure.

Alan: Existing Homes is 70 cents per therm?
Margie: There are four measures below the benefit/cost ratio, duct and air sealing and floor and wall insulation. These measures are below on the societal test side only, not the utility test side.

Alan: If gas costs don't go back up, will we have to reconsider some of our programs?
Margie: Yes.

Margie described expected 2013 renewable generation from the Biopower program, Other Renewables program, which includes hydropower, small wind and geothermal, and the Solar program. Staff is working with the OPUC on how best to capture the value Energy Trust adds to this market. A generation volume metric only does not capture Energy Trust's influence in early stage development and technology development, as examples.

Margie reviewed key audiences, strategies and initiatives for the residential sector, which includes a variety of services. Also, about half of the Trade Ally contractors work within this sector.

Dave: Does your strategy include any financing efforts?
Margie: Clean Energy Works Oregon is a separate nonprofit we work with and support through our incentives. They provide 5.99 percent interest loans to those who own a single-family home. Customers are installing more than one measure at a time, financing it and repaying the loan through their utility bill or through a credit union or bank. Clean Energy Works Oregon has a loan target of 6,000 homes. There's also Umpqua Bank's GreenStreet Lending product. Some customers want no upfront capital and others want to do projects piecemeal. Our homes sector strategy is designed to serve each customer in the manner that matches how they are ready to act.
Dan: And the default rate is very low, which is a great sign.

Ken: CEWO grant funds run out mid next year. What are their plans going forward and does it affect our projected results for 2013?
Margie: They are looking at ways to secure other funding, including either state lottery dollars, expanding to Seattle and other potential options.

Bob Repine: They are aiming for a 5-1 ratio on funds, where are they?
Margie: At approximately $40 million, with the target $100 million in leverage. This includes Energy Trust funds. Nationwide, Clean Energy Works Oregon is seen as highly successful. Part of that success is from leveraging the infrastructure we had in place, which gave them a jumpstart.

Dave: Are there other banks?
Margie: The primary source of loans is Craft3. Clean Energy Works Oregon is expanding to work with two to three credit unions across the state.

Debbie: What are the alternatives proposed for testing air and duct sealing?
Peter: We have a pilot to see if sealing can be done more effectively and cheaper to see if we can do this in a way that trade allies are trained and can install the measures to these specs. The test is to see if the delivery can ultimately be cheaper.
Fred: We are using one good technical contractor to see if he can decrease the costs and come up with an ideal method for these two measures. If successful, we'll add more contractors to do this. And we are looking at using utility data to target high users to see if we can increase savings per home.
Peter: It's also about lowering costs on our side. Current offering is at a benefit/cost ratio of 0.2–0.4 for these two gas measures.

Margie reviewed key audiences, strategies and initiatives for the commercial buildings sector, including serving commercial customers of all sizes and types, all multifamily properties, and public and private institutions.

Dave: The Communications & Customer Service group (CCS) is at 1 percent of the budget, but as we expand marketing, isn't customer service demand higher?
Margie: There is some increase in the budget for CCS. Overall as revenue goes up, the group's percentage share of the budget is staying the same.

Debbie: And there is program marketing and customer service within the program delivery budgets, too.
Margie: To clarify, the CCS portion of the budget is organization-wide communications and reporting. Program specific marketing and outreach budgets are a part of program budgets.

Margie reviewed key audiences, strategies and initiatives for the industrial and agricultural sector, including increasing attention to small industrial and agricultural customers.

Dave: Where do grocery stores come in?
Margie: They are served through the commercial sector.
Dave: LEAN manufacturing is also a cultural change strategy and you need a driver at the facility to keep it going.

Ken: Can you describe more about Program Delivery Contractors (PDCs) as account managers and how that differs in how they are used today?
Peter: It isn't that much different, it's more of a continuum. Some customers like the regularity of contacting the same individual for anything. It's more resetting what we do with PDCs for customer service accountability. This also refers to working more directly with utility account managers to improve sharing of information both ways.
Kim: PDCs as account managers are also about broadening their sales and management skills as they serve customers. Their ability to influence customers to act is as important as their engineering skills. The strategy reflects seeking a slight shift toward their "softer" marketing skills.

Margie reviewed key audiences, strategies and initiatives for the renewable energy sector, including integrating hydropower, geothermal and non-standard wind into a custom renewable energy offering.

Dave: If there's a higher demand for the budget, do you reserve money for new technologies or ideas?
Margie: We have competitive requests for proposals for renewable projects.
Peter: Part of the budget is for open solicitation, which tends to accommodate smaller projects.
Ken: On solar, is Energy Trust doing any analysis on where we have gaps in our coverage geographically and if so, what can we do to help that? For instance, looking at the proximity of rural trade allies to interested rural customers? Much like my recent experience finding a solar contractor in Southern Oregon.
Peter: We do have to address that, and there is some balance. Where we are missing opportunities is the commercial sector because of all the Business Energy Tax Credit changes. The 2013 budget includes an RFP for commercial solar projects 75 kW or greater.

Roger: Energize Oregon, which Energy Trust is a part of through Chris Dearth, reaches out to rural landowners.

Alan: Approximately 45 percent of the RE budget is solar, but there is a large demand. How do you propose to parcel the incentives?
Margie: We step down our incentives to send a signal to the market. This year, we also came to the board to use reserve funds to help meet demand.

Margie: To Ken's question, we also look at solar ready for new home construction, where the builder constructs a home ready to easily accommodate a solar system.

Break

The board took a break at 2:38 p.m. and reconvened at 2:50 p.m.

Draft 2013-2014 Action Plan & Draft 2013 Budget (Continued)

Margie continued the budget presentation. She reviewed initiatives to be undertaken in 2013 within the four Energy Trust support groups: Communications and Customer Service (CCS), Information Technology (IT), Planning & Evaluation and Management & General. For CCS, emphasis includes Customer Relationship Management (CRM) system support and utilization to provide greater visibility to customer engagement and results. For Planning & Evaluation, a few of its several activities include seven major evaluations and more emphasis on how staff analyzes and keeps the board updated on a quarterly basis regarding our revenue and savings.

Ken: For the building stock survey, is that different than load shape?
Phil: Yes. The Residential and Commercial Building Stock Assessments provide a wide range of data on the existing stock of buildings that is useful to assess future efficiency potential.

For IT initiatives, the group will be moving into Phase 2 of the Integrated Solutions Implementation Project. The cost for the second phase is approximately $1.7 million, and of the total, $1.1 million is for capital costs. $800,000 of unspent Phase 1 budget will be rolled over into Phase 2.

For Management & General, the group is poised to assist with outcomes from Governor Kitzhaber's 10-Year Energy Plan and any questions during the 2013 legislative session, exploring grants for workforce training and other opportunities for enhancing mission effectiveness.

Margie gave an overview of the staffing requests for 2013, including one new position and converting one temporary position and three contractor positions to full-time employment as proposed by and to be in compliance with the 2011 employment audit. The converted contractor positions do not necessarily result in dollar savings. Three temporary staff positions remain and the positions will be assessed in 2013 as to whether they are needed full time in the future.

Alan: Any thought to bringing any elements of the commercial programs in-house, as was done with the Production Efficiency program?
Margie: We are drafting the PMC scope of work right now for Existing Buildings. We do keep certain initiatives in-house, like behavioral and program pilots. We're not planning to explore bringing a full commercial program in-house and the staffing challenges that represents. It's more nuanced than that.

Margie gave a brief overview of the 2014 budget. Staff is limited in projecting too far into 2014 until the 2013 budget is settled. One item to call out is the target to hold levelized costs steady even as savings go up.

Dan: On the gas side for homes, some measures are bumping against the boundaries of cost-effectiveness, is that what you've been referencing today?

Margie: Yes, that is one of the challenges. The other challenges are actual savings per measure being less than projected.
Peter: Also installed costs per measure are increasing.

Prior to this budget presentation, staff presented the draft budget to the Conservation Advisory Council, Renewable Energy Advisory Council and the OPUC. Next steps include utility outreach this week and next, a final OPUC public hearing on November 20, final Conservation Advisory Council and Renewable Energy Advisory Council meetings on November 28, deadline for public comment on November 28, and submitting the budget and action plan for final board consideration on December 14, 2012.

Bob Repine left the meeting at 3:17 p.m.

Committee Reports

Audit Committee (Ken Canon)
Ken said the committee had a conference call in October, and approved the financial audit engagement letter.

Evaluation Committee (Debbie Kitchin)
Debbie said the committee met on September 28, and reviewed the Clean Energy Works Oregon process evaluation, residential awareness and perception survey and New Buildings program impact evaluation. The committee also had a meeting on October 30, and those notes will be in the December board packet.

Debbie highlighted the Clean Energy Works Oregon process evaluation. It looked at how customer experiences are going, and interviewed staff and trade allies. Some issues identified include how to improve the rate of participants fully completing the program. Clean Energy Works Oregon is modifying its program on a very real-time basis both through this evaluation and their evaluations.

Phil clarified contractors do not get paid for providing a bid, they get paid for test-ins if a test-out is completed, and said another issue is the customers feel the process takes too long from test-in to test-out. That is the step in the process with the biggest drop off.

Debbie: Are higher costs with Clean Energy Works Oregon also because they are required to recruit minority contractors and pay slightly higher wages?
Phil: Yes. And they are also replacing equipment we don't provide an incentive for (e.g., furnaces) or are financing improvements that are not energy related.

Debbie: We're also getting good information on how people are feeling about on-bill financing, which is the Energy Efficiency and Sustainable Technology Act, or EEAST, legislation to conduct on-bill financing pilots. And interestingly, there is a substantial percentage of folks paying off the loans early.

Debbie gave a brief overview of the residential awareness survey. This year, there was a different contractor, On Target Consulting and Research. The survey is a study about residential awareness of Energy Trust and its programs and services. Awareness is increasing in all regions and with three of the four utilities. The survey is also used to see what consumer messages motivate people to act.

Debbie described the New Buildings impact evaluations, which measures energy savings and gave a number of recommendations. Overall, the program is seeing a high realization rate for both electric and gas savings, with not too much fall off.

Ken: Can you give some feedback around the unease with the SB 838 evaluation?
Debbie: This was discussed in last week's meeting and the full notes will be in the December packet. This evaluation was a process evaluation for SB 838 funds and was focused on the portion that Portland General Electric and Pacific Power retain for their own marketing and outreach. We will have additional discussions on this in our next Evaluation Committee meeting as the committee had not heard there was tension between the utilities and the contractor completing the evaluation. The two utilities felt they made repeated attempts to submit new and additional information that the evaluation contractor was not including. I think we came to some conclusions on how to approach this in the future, which is largely to not evaluate utility-funded marketing activities separately from the Energy Trust programs that they support. Like Energy Trust, we do not evaluate customers based on whether they received SB 1149 funds or SB 838 funds. The idea is to do the same here, and keep the Energy Trust SB 838 and utility SB 838 funds together for purposes of evaluation.

Margie: PGE had proposed some ways on how to evaluate and assess this going forward, and they also proposed some metrics. I think we'll get there. There is some misunderstanding around what is a true metric and what is just information. And some misunderstanding with the contractor on how to apply some of the information from the utilities. I think the utilities felt singled out, as they receive such a small percentage of the overall SB 838 funds. Now it's about looking ahead and identifying how to best approach this.

Ken: From a board member standpoint, this is the type of thing that I'd like to be made aware of. When there is a potential controversy with our utility partners, board members should know about it. We are truly in a partnership with the utilities and it's incumbent on me as a board member to know about these things.
Debbie: Several people on the committee also asked why they didn't know about it sooner.

Julie Brandis: Why was this unusual?
Debbie: Usually, when an evaluation is in the draft stage, the committee reviews it. In this case, it had been almost a year in the making.
Phil: There were also many drafts and we were trying to get to a stage in the draft where it would be ready for the Evaluation Committee.
Margie: In hindsight, an update to the committee should have been given earlier.

Finance Committee (Dan Enloe)
Dan gave an overview of 2012 status. Energy Trust is doing well on IRP and conservative targets and getting very close on stretch goals. Energy Trust should exceed IRP by good amounts. We're doing well on administration costs. In the last meeting the committee discussed the Cascade Natural Gas resolution talked about today. Craft3 is having good results on loans for Savings Within Reach, a program track of the Existing Homes program. This is improving staff and committee confidence in this product. Other key highlights include being 80 percent committed at this point, and expenses actual are lower than those budgeted in all of Q3. This year actuals came in lower than this time last

year, and that's something to watch for in this year's last quarter. Revenues are exceeding expenditures.

Alan: The balance forecast on the one page quarterly dashboard show balances at or near zero for most of the 2013 year. Can this be correct?
Sue: We do forecasting through FastTrack. The cash reserve is what the board has said they want us to keep on hand, and it does not include the program reserve. This item shows that we do not have additional cash on hand; it's either dedicated or committed.
Alan: That's a good thing to do. It's remarkable it comes to zero.
Sue: That's the first time that has happened so consistently for us.

Policy Committee (Roger Hamilton)
Roger said many of the items from the latest October Policy Committee meeting were covered in the agenda today. The meeting covered the strategic utility roundtable agenda. Board members agreed the utility roundtable held prior to the board today meeting was very helpful; it included an informational presentation by the utilities on utility regulation and structure.

Julie: How do you set roundtable agendas?
Margie: We have agreed to a process as a board. John Volkman solicits topics from the utilities and from the board and that is how the agenda is set. In addition, a recommendation for the roundtables is to hold them twice a year, and we look to the utilities to help drive that process. If board members have topic suggestions, they are more than welcome.

Roger said the committee also discussed the confidentiality policy, which governs how Energy Trust handles information. The board approved this policy amendment in the consent agenda today.

The meeting covered SB 838 funding to conform to or exceed IRP filings, use of SB 838 retained funds for utilities to use in their marketing and outreach, and gas avoided cost issues. Roger clarified Energy Trust received approval from the OPUC for a two-year exception for certain gas measures in years 2013 and 2014. In addition, the meeting covered proposed 2013 budget and action plan themes, and members heard from Margie on her outreach to Pendleton and Medford, and possible outreach in 2013.

Finally, the committee conducted its regular review of policies including the review of the self-direct policy, Oregon preference policy, setting consent agendas, waiving program caps and waste-to-energy.

Staff Report

Margie gave a brief recap of recent 10-year anniversary activities and outreach. Staff had always planned to link Energy Trust's 10-year anniversary with outreach during the heating season as customers start to think about energy use. The Portland reception on October 10 had more than 325 people attend and included plenty of networking time. The event included program displays, speakers such as the OPUC Chair Susan Ackerman, customers, a trade ally, John Reynolds and Margie. It was a highly successful event. Margie noted that sponsorships from utilities, PMCs and others covered the full cost of the event and no ratepayer dollars were used.

In addition to the Portland event, regional outreach included visits to Pendleton, Medford and Astoria with project site visits, media interviews and briefings. Each visit also included a reception or luncheon at a location that had participated in Energy Trust programs. Utility and government representatives, customers and trade allies in attendance heard from a variety of speakers, including local utility contacts, the mayor in Pendleton and Ken Canon in Medford. The regional events were great opportunities to emphasize and communicate local results, and highlight customers and trade allies working with Energy Trust programs.

Margie listed top takeaways from the events, including the importance of connecting Energy Trust's larger overall results to local tangible results. She also described culture changes occurring among customers of all kinds who start with a simple project and then commit to making longer term strategic decisions and investments around energy. This was a testament to the importance of Energy Trust building and maintaining effective customer relationships over time.

Margie mentioned that the annual Energy Trust staff and board holiday party will be held after the December 14th board meeting at the Embassy Suites in downtown Portland. More information will be sent by email.

She called out the market indicators report and true-up memo at the end of the board packet.

Julie: On engagement with local communities, I feel it's very important the board be involved and to develop a presence in the community. I encourage the rest of the board to consider how we carry the message into our communities after leaving each board meeting.
Margie: I encourage and welcome everyone's presence. As we conduct more outreach in 2013 we will make a concerted effort to make sure you are invited.
Amber: We are also at a place where we can provide data by county or other geographic regions. If it would be helpful to have incentives distributed or savings by region, we can get that to you as you go out and about in your communities.

Ken: Are there times where you don't want us to go out?
Margie: If you're trying to attract customers, advance notice to us is appreciated so we can be aware, can coordinate and can circle back to the customer later.
Dan: I'm also active on LinkedIn with facility managers. Let me know if there's any information that I can give.

Mark: Please thank your staff for us. The Portland event was tastefully done and attracted the right kind of attention. And I appreciate you, Margie, for taking the extra effort to meet, greet and engage in these other communities, which isn't always the case for someone in your role.

Debbie, John and Roger also expressed their positive thoughts on the Portland event.

Julie: The CEO of my organization recently came back from a conference of the Association of Governing Boards with a list of the core things volunteers on boards say they are looking for. I thought it would be interesting to reflect on this here, especially with the upcoming legislative session, summer board strategic session and the Governor's 10-Year Energy Plan. The four items are:

1. To be part of the sausage making—don't just report to us that you have completed a complex task.
2. Tell us and remind us of our job—don't just tell us what you know, what do you want us to do.
3. Give us bad news—for a lot of us that's our day job.
4. How are we helping—how do we best help you; where are we making the big difference?

Adjourn

The meeting adjourned at 4:20 p.m.

***Next meeting*.** The next regular meeting of the Energy Trust Board of Directors will be held Friday, December 14, 2012, at 12:15 p.m. at Energy Trust of Oregon, Inc., 421 SW Oak Street, 3rd Floor, Portland, Oregon.

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Rick Applegate, Secretary

Utility Strategic Roundtable

November 7, 2012

Energy Trust board members present: Julie Brandis, Ken Canon, Dan Enloe, Roger Hamilton, Mark Kendall, Debbie Kitchin, Alan Meyer, John Reynolds, Anne Root, Dave Slavensky

Energy Trust board members absent: Rick Applegate, Joe Benetti, Jeff King, Bob Repine (ODOE special advisor), John Savage (OPUC ex officio)

Utility roundtable participants: Jim Abrahamson (Cascade Natural Gas), Pat Egan (Pacific Power)

Utility roundtable participants absent: Bill Edmonds (NW Natural), Bob Jenks (CUB), Dave Robertson (PGE)

Energy Trust staff attending: Amber Cole, Fred Gordon, Hannah Hacker, Margie Harris, Steve Lacey, Debbie Menashe, Ana Morel, Sue Meyer Sample, John Volkman

Others attending: Kari Greer (Pacific Power), Jennifer Gross (NW Natural), Juliet Johnson (OPUC), Holly Meyer (NW Natural), Lauren Shapton (PGE), Jay Tinker (PGE)

Welcome

John Reynolds called the roundtable to order at 10:08 a.m. John reviewed the agenda; no changes were made.

Presentation: Utilities 101 on "Rates and Regulatory Affairs"

The presentation was largely delivered by Jay Tinker (PGE), and was co-delivered by Lauren Shapton (PGE), Jennifer Gross (NW Natural), Kari Greer (Pacific Power) and Jim Abrahamson (Cascade Natural Gas).

The presentation covered the utility regulation foundation, rate cases and how utility rates are set, decoupling, the role of energy efficiency in utility IRPs, and the role energy efficiency and renewable energy have in customer perception of utilities. Copies of the presentation were distributed to all attendees.

Jay described the foundation of electric utility regulation, starting with the natural monopoly structure and the objective of economic regulation to move the monopolist closer to a competitive environment. He listed various players in the regulatory structure, including the Oregon Public Utility Commission, interveners and administrative law judges. Interveners were defined as parties who file testimony and cross-examine witnesses usually in an effort to represent a specific class of customers or focus in on a narrow set of issues. Examples of interveners include the Citizens' Utility Board of Oregon, Industrial Customers of Northwest Utilities, low-income advocates and city governments.

Dave: What is the role of interveners in the regulatory structure?
Jay: There are various types of interveners, from those with narrow interests to those with broader interests. And for example, in a rate case they may have divergent interests, like CUB interests differing from ICNU interests.

It was clarified that OPUC commissioners are appointed by the Oregon governor, and no more than two commissioners can be from the same political party.

The regulatory affairs division in each utility was described. PGE's territory is one state. Pacific Power differs from PGE in that its regulatory affairs division serves the utility's six territory states. NW Natural and Cascade Natural Gas both have service territories in Oregon and Washington.

Jay described the reason for rate cases and how they are filed.

John: What is the approximate ratio between the number of customers and the number of shareholders, recognizing that some customers are shareholders?
Jay: In PGE's case, about half a dozen mutual funds are the biggest holders of stock.

Dave: How long do rate cases last?
Jay: It varies; in general, it is a long time.

Jay described how a utility determines if it needs a rate case, including assessing the utility's revenue requirement and the risk of filing.

Mark: To what extent are shareholders showing more interest in rate cases?
Jay: I haven't seen them participate directly in a rate case proceeding but our investor relations will get a lot of questions.

Roger: Do you ever get pressure from shareholders to build or buy?
Jay: That's a good question. Sometimes there's a perception that utilities have a natural inclination to build or buy and put those costs into rates to receive a return. I haven't seen shareholders apply any particular pressure.

Jim: Our corporate structure is different, as all of the utilities are. Cascade Natural Gas is a subsidiary of MDU Resources, a North Dakota-based company. MDU Resources shareholders won't pay attention to a rate case in Oregon.

Jay described return on equity.

Dan: Do you have to do all rate schedules in each rate case?
Jay: A rate case starts off with a broad scope. Utilities have to file all their tariffs for review. That doesn't mean they will all change but there is the potential.

Mark: How do you forecast for rates, do you use econometrics by sector?
Jay: We do the demand forecast by sector, and use econometrics. We have a form of a true up mechanism if loads are different than expected, because most utilities recover fixed costs on a

volumetric basis. So if loads are lower than expected when the rates are set, than the utility's margins are small.

Pat: Pacific Power has a different model because we don't have direct decoupling. We own and operate the bulk of our generation resources; we really look at efficiency as a generation resource. So the IRP really helps us select the amount of efficiency we go after, and what Energy Trust delivers as part of that. It is to our customers' benefit and our business model's benefit to ensure efficiency is aggressively pursued.

Roger: How do you approach distributed generation, given that it lowers the volume of energy you sell?
Jay: Net metering and the feed-in tariff pilot help develop small scale distributed generation, largely solar. It does pose a risk to a utility, because we are compensated with a volumetric rate, and lower sales make it harder to recover fixed costs.

Mark: How will you start to look at time-of-use rates in the future?
Jay: We have some experience. Our load forecasting staff are working on this and using end-use load data to get there. Econometric models don't work that well here until we have more data.

Dan: How did the pilot of the first feed-in tariff (FIT) have such a high rate?
Jay: For more background, the FIT was legislatively driven. The concept of FIT is an alternative to net metering. In net metering, the customer benefits from the volumetric rate avoided. They also qualify for state tax credits and Energy Trust incentives. For the FIT pilot, the idea was to measure the effectiveness of FIT compared to the standard approach by allowing the customer to receive a benefit solely from the utility, and not those other sources. When the first rate was set, there was a lot of debate and it was settled on at 60 cents/kWh. It has since come down as the OPUC resets the rate throughout the pilot. For PGE we are at roughly 41 cents/kWh.

Dan: And that is comparable to peak load schedules?
Jay: Yes. The bigger policy question is if it's appropriate for the customer to be fully responsible for the cost of distributed generation through the FIT approach or if the responsibility should be shared across society like the standard approach.

Alan: Why don't you allocate fixed costs to fixed charges? And therefore not need decoupling?
Jennifer: We did file for straight fixed variable, to recover all our fixed costs through the customer charge. The filing was rejected. The biggest argument is it is a disincentive to pursuing energy efficiency.
Jay: And there is a concern for low-income customers.

Jay described the rate case process and showed a diagram of the steps. For PGE the full process takes about 15 months. NW Natural takes longer.

Dave: What's the difference from what you originally file and what you end up getting?
Jay: It varies quite a bit, from utility to utility or from one rate case to the next for the same utility or from state to state. There's a service called the Regulatory Research Association, and by its data, the end decision varies from 15-20 percent of the initial ask, up to 80-90 percent. On average, maybe half.

Mark: So do you ask for more?
Jay: Some staff at PGE ask me that. The challenge is that through the process of discovery the utility needs to be able to justify and maintain its credibility.
Pat: If you look at any other industry, there probably isn't one that has as much scrutiny as utilities are given. We ask for what we need.

Anne: How do you measure the timing?
Jay: It is a challenge. What PGE does, and most likely other utilities, is we go through the motions of filing all the critical pieces in a rate case so you can buy time.

Anne: Isn't it becoming more complex, too?
Jay: Yes, and it results in the case taking more time. Back to the time question, utilities around the country face this, and some states take as short as 10 months or up to two years.

Pat: The frequency is also a consideration, and sometimes legislatively set on how often you can file a rate case. For Pacific Power, we utilize other recovery mechanisms outside a formal general rate case.

Dan: What happens in a situation like Hurricane Sandy, where a lot of infrastructure goes down?
Jay: There are some preparedness plans, like for earthquakes. In this example, you hope to have a relationship with the commission to say we have a crisis on our hands.

Julie: Would catastrophic insurance cover it?
Jay: If it's a catastrophic event, the costs will probably exceed insurance limits.

Jay gave an overview of the revenue requirement formula, which is the sum of the recovery rate of expenses and the return on equity, and the subsequent rate design. He then described decoupling and the importance of energy efficiency in PGE's planning.

Pat: Pacific Power has seen over the past four years a massive drop in Oregon in our industrial load. By the traditional view of how a utility might invest in efficiency, the utility would pull back. But in Oregon and all our states, we have maintained our efficiency investments while balancing that with the pressure to reduce rates, as there is a cost for it.

Margie: Have we ever tried to analyze how much of the load reduction is from efficiency and how much is attributable to the economy?
Jay: It would be nice if we could do that. We've made a few attempts but weren't satisfied with how we deciphered it. And there are other factors that drive usage beyond efficiency and the economy, like household makeup.
Pat: An example metric you can look at is average household consumption. And you can see the overall impact. It's a good question.

Ken: An interesting thing you can track is that as social norms change, in this case around efficiency, people start to use energy differently.
All: And different technologies come on the scene that also use different amounts of energy.

Dan: What about storage projects? Why aren't they in your portfolio? I've seen some small projects work in other areas.

Jay: PGE is running a battery storage test in Salem.
Pat: What you see typically is pilot projects. PGE and Pacific Power have both looked at, in our entire IRP, everything from energy storage to gas combustion. The figures don't really work out in this region, especially with the region's large hydropower base. You might see this break in data centers and on the East Coast. Right now, in the Northwest, energy storage adds costs.

Lauren gave an overview of the importance that PGE customers place on energy efficiency. She showed a JD Power survey graph. She said it's something their customers are excited about. She also showed a Market Strategies study they contracted for, which showed 94.7 percent of customers were satisfied with PGE providing information on energy efficiency incentives and programs offered by Energy Trust, giving between a 6 to 10 on a 0 (low) to 10 (high) scale.

Pat shared a similar view that Pacific Power's customers are also looking for more energy-efficiency options, and for Pacific Power in Oregon, Energy Trust and Pacific Power have worked out a good collaborative effort on communicating the options.

Roundtable adjourned at 11:30 a.m.

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John Reynolds, President

Board Decision
Authorization to Amend FastTrack Development Contract

December 14, 2012

Summary

Authorize the executive director to add $55,000 to a contract with the Conservation Services Group (CSG) for continued FastTrack support through March 2013. The amendment will bring the total contract amount to $684,000, which exceeds the executive director's $500,000 signing authority.

Background

- In 2003, Energy Trust contracted with CSG to help develop the FastTrack Program Tracking System. The CSG contract covers database design, application, web and integration service and operational support. The term of the contract has been extended twice since 2003, and the work is ongoing.
- Among other contributions, CSG's work during that period has helped accommodate our increased transaction volume, helped develop a more open, service-oriented architecture to support web forms, and helped integrate a variety of other functions.
- Energy Trust is in the process of evaluating potential alternatives to FastTrack, and we expect to make a determination in the second quarter of 2013. Until we deploy a new solution, we will continue to use FastTrack and need development support.
- Because CSG local staffing is decreasing, we are able to secure staffing support for FastTrack development only through March 2013. Energy Trust has begun a transition of FastTrack development support to internal staff and will complete that transition by March 2013. CSG development staff will be instrumental in assisting Energy Trust in making this transition successful. The 2013 budget anticipates and provides for these changes.

Discussion

- Adding $55,000 to the CSG FastTrack contract will help Energy Trust integrate with Clean Energy Works Oregon, HomeCheck, trade ally web applications and other functions through March 2013.
- Adding $55,000 will bring the total contract amount to $684,000.
- Adequate funds are available to fund work through 2012 and the additional $55,000 is included in the 2013 budget.

Recommendation

Authorize the executive director to add $55,000 to a contract with CSG for FastTrack support, bringing the contract amount to $684,000.

RESOLUTION 652

AUTHORIZING AMENDMENT OF A CONTRACT WITH CONSERVATION SERVICES GROUP FOR SOFTWARE SUPPORT

WHEREAS:

1. **In 2003, Energy Trust contracted with Conservation Services Group (CSG) to help develop the FastTrack program management software. The term of the contract has been extended each year since 2003, and the work is ongoing.**
2. **CSG's work has helped increase transaction volume, developed a more open, service-oriented architecture to support web forms, and integrated other functions.**
3. **Energy Trust is continuing to use FastTrack through this contract period, and FastTrack requires continuing support in order to integrate with Clean Energy Works Oregon, HomeCheck, trade ally web applications and other functions.**
4. **The additional support will add $55,000 to the CSG contract, bringing the total contract amount to $684,000, which exceeds the executive director's signature authority and requires board of directors approval.**
5. **Energy Trust expects to make changes to its program tracking system in 2013, with the possibility that FastTrack will be replaced; it is not expected that this FastTrack development support contract will be extended again.**

It is therefore RESOLVED that the Board of Directors of Energy Trust of Oregon, Inc. authorize the executive director to negotiate and sign an amendment to Energy Trust's contract with the Conservation Services Group adding $55,000 for FastTrack support through March 2013.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]

Board Decision
Amend a Contract with Opower

December 14, 2012

Summary

Authorize up to $367,200 in additional, budgeted funds and extend the term for an amended contract with Opower for a 12-month study to analyze the persistence of behavioral savings.

Background

- The 2009 Strategic Plan calls for Energy Trust to "explore opportunities to accelerate behavioral research and technology through field testing, refining or reinventing program systems." (pp. 15-16). A pilot project run by Opower represents Energy Trust's largest test of behavioral methods.

- Opower delivers Personal Energy Reports to residential customers, which compare home energy usage to similar neighbors' usage and provide targeted recommendations for reducing energy use. Reports are sent bi-monthly. Other efforts nationally average 2% energy savings per household.

- The original pilot, which the board authorized in February 2010, proposed to send Personal Energy Reports to 60,000 customers of PGE and NWN for a year. The pilot would evaluate billing data to determine whether the approach leads to cost-effective energy savings. The cost of the initial year was $977,000. In December 2011, the board added a second year at an additional cost of $748,000.

- The first Personal Energy Reports were sent in January 2011, with the thirteenth and last slated for January 2013. Billing data analysis indicates savings of about 17 million kWh and 580,000 therms, with a cost-effectiveness ratio of 1.09 if startup costs are not counted, and 0.99 if startup costs are counted.

- The cost-effectiveness of these savings may depend on how long savings last after reports are discontinued. Not much is known about this; evaluations of two other efforts suggest 45-54% drop-off in savings after 12 months.

Discussion

- Staff proposes to conduct a persistence test with the current sample. The test would employ a split sample for an additional year: discontinue reports for 30,000 households and continue to send reports to the other 30,000.

- The test will give us better information whether savings persist after customers no longer receive Personal Energy Reports. Do savings go up, down or level off when reports are mailed for another year versus when the Reports are continued?

- The results could affect the cost-effectiveness of continuing the mailing compared to reaping the persistence benefits without further mailings. Current cost-effectiveness calculations assume no savings beyond the period when reports are mailed.

- The persistence test would add $367,200 to the Opower contract. In addition to providing persistence data, the test would save an estimated 5.6 million kWh and 181,000 therms. The cost of a persistence study is included in the 2013 proposed budget.

- Two further matters are not part of the proposed resolution, but are relevant to the Opower program:

    - First, once we have digested the results of the current Opower pilot, we will provide the board with a report and recommendation whether to continue Personal Energy Reports into our residential program on an ongoing basis. Opower is being considered among other competing approaches to behavioral savings.
        - *Next step*: We expect to provide a report and recommendation in the second quarter of 2014.

    - Second, we have an opportunity to reach 15,000 of Pacific Power's electric-only customers in Oregon at an attractive price. Pacific currently pays Opower to deliver reports in Washington and Utah. Expanding into Oregon would save an estimated 8.5 million kWh over two years at a cost of $425,850. We expect the energy savings to be high because the reports would target high-users who can save more per household, and the cost would be low because some startup costs have already been incurred in Idaho and Utah.

        - *Next step:* We plan to enter into a separate contract with Opower this month for these Pacific Power Oregon savings. It is unrelated to the persistence study and not meant to prejudge the board's 2014 decision whether to expand the Opower program more generally.

Recommendation

Authorize the executive director to amend a contract with Opower to extend the term and add up to $367,200 to conduct a persistence study on the current behavioral pilot sample, bringing the total contract amount to $2,092,200.

RESOLUTION 655

AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND A CONTRACT WITH OPOWER

WHEREAS:

1. **Opower provides Personal Energy Reports to consumers comparing their home's energy consumption to that of similar homes, which can help consumers save energy.**
2. **If cost-effective, the Reports would make a significant contribution to achieving Energy Trust's energy savings goals.**
3. **Experience to date suggests that the Reports do help consumers save energy, and the savings are cost-effective or near cost-effective. Cost-effectiveness would be affected by whether and how long savings persist after Personal Energy Reports stop.**
4. **Testing the persistence of these savings would cost $367,200 and save an estimated 5.6 million kWh and 181,000 therms during a one-year test period.**

It is therefore RESOLVED that the Board of Directors of Energy Trust of Oregon, Inc., hereby authorizes the executive director to sign an amendment to the current contract with Opower to (i) extend its term by up to 12 months in order to conduct a persistence study and (ii) increase its contract budget by up to $367,200.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]

Board Decision
Adoption of 2013 Budget and 2014 Projection

December 14, 2012

Summary

To adopt the Energy Trust budget for 2013 and projection for 2014.

Background

- A draft budget for 2013 and projections for 2014 were discussed by the board at their meeting on November 7, 2012.
- The draft 2013 budget and 2014 projections were posted on the Energy Trust website.
- The draft was discussed during the October and November meetings of the Conservation and Renewable Energy Advisory Councils.
- The Finance Committee reviewed the draft budget on October 22, 2012 and discussed updates to the draft on December 3, 2012.
- The Oregon Public Utility Commission was briefed on the draft budget on November 6 and heard public comment on the draft budget on November 20, 2012.
- The draft budget was given to all of the utilities and separate presentations were provided to four of the utilities.
- Additional public outreach was conducted with residential and commercial/industrial audiences on November 26 and 27, 2012.
- The board will hear public comment and discuss the proposed final budget at its meeting on December 14, 2012.

Recommendation

Staff recommends adoption of the Energy Trust budget for 2013 and projection for 2014.

RESOLUTION 653

ADOPTION OF 2013 BUDGET AND PROJECTION FOR 2014

BE IT RESOLVED: That the Energy Trust of Oregon, Inc., Board of Directors approves the 2013 budget and 2014 projection as presented in the board packet.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]

Board Decision
Adoption of 2013-2014 Action Plan

December 14, 2012

Summary
To adopt the Energy Trust two-year Action Plan for 2013-2014.

Background
- The Energy Trust grant agreement with the Oregon Public Utility Commission requires Energy Trust to update its two-year Action Plan annually and describe the activities the organization will undertake to accomplish over the coming two years.
- This updating occurs each year in connection with the preparation and finalization of the following year's budget.
- The 2013-2014 Action Plan outlines activities Energy Trust will undertake in 2013 and 2014 to achieve its strategic goals.

Discussion
- A draft 2013-2014 action plan was discussed by the board at its meeting on November 7, 2012.
- The draft 2013-2014 action plan was posted on the Energy Trust website.
- The plan was discussed during the October and November meetings of the Conservation and Renewable Energy Advisory Councils.
- The Oregon Public Utility Commission was briefed on the draft action plan on November 6 and heard public comment on the plan on November 20, 2012.
- The draft action plan was given to all of the utilities and separate presentations were provided to four of the utilities.
- Additional public outreach describing the draft action plan was conducted with residential and commercial/industrial audiences on November 26 and 27, 2012.
- The draft action plan has been revised to reflect board and stakeholder comments received by the November 28 and December 3, 2012 deadlines.
- Stakeholder comments received after December 3, 2012 will be considered in subsequent revisions to the action plan.
- The board will hear public comment and discussed the draft final action plan at its meeting on December 14, 2012.

Recommendation
Staff recommends adoption of the Energy Trust Action Plan for 2013-2014.

RESOLUTION 654
ADOPTING 2013-2014 ACTION PLAN

BE IT RESOLVED: That Energy Trust of Oregon, Inc. Board of Directors approves the two-year 2013-2014 Action Plan as presented in the board packet.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]

Evaluation Committee Meeting

October 30, 2012 10:00am-1:00pm

Attendees:

Evaluation Committee Members:
Debbie Kitchin, Board Member – Committee Chair
Alan Meyer, Board Member
Mark Kendall, Board Member
Dave Slavensky, Board Member
Anne Root (phone), Board Member
Tom Eckman, Northwest Power and Conservation Council, Expert Outside Reviewer
Ken Keating, Expert Outside Reviewer

Energy Trust Staff:
Margie Harris, Executive Director
Peter West, Director of Energy Programs
Steve Lacey, Director of Operations
Fred Gordon, Director of Planning and Evaluation
Amber Cole, Director of Communications and Customer Service
Sue Fletcher, Communications and Customer Service Sr. Manager
Diane Ferington, Residential Sector Lead
Marshall Johnson, Residential Sr. Program Manager
Taylor Bixby, Residential Intern
Jessica Rose, Business Sector Manager
Paul Sklar, Planning Engineer
Lakin Garth, Planning Senior Project Manager
Ted Light, Planning Project Manager
Adam Schick, Planning Project Analyst
Phil Degens, Evaluation Manager
Sarah Castor, Evaluation Sr. Project Manager
Erika Kociolek, Evaluation Project Manager
Dan Rubado, Evaluation Project Manager

Outside Attendees:
Jason Eisdorfer, Oregon Public Utility Commission
Juliet Johnson, Oregon Public Utility Commission
Jane Peters, Research Into Action
Robert Scholl, Research Into Action
Pat Egan, Pacific Power
Don Jones, Pacific Power
Kari Greer, Pacific Power
Carol Dillin, Portland General Electric
Lauren Shapton, Portland General Electric
Sheryl Bunn, Fluid Market Strategies
Bruce Manclark (phone), Fluid Market Strategies

Agenda:

1. SB 838 Utility Supplemental Funding Activities Evaluation
2. New Buildings Program 2010-2011 Process Evaluation
3. Existing Homes Program 2010-2011 Process Evaluation

1. SB 838 Utility Supplemental Funding Activities Evaluation

Presented by Phil Degens

The review period for this evaluation was January 2010 through October 2011. It was done by Research into Action and is the second of two reports.

Background: Oregon Senate Bill 838 (SB 838) was signed into law in 2007. It allowed the Oregon Public Utility Commission (OPUC) to authorize electric companies to include additional funding for energy conservation in their rates. A portion of these funds are retained by the utilities for collaborative marketing and outreach activities with Energy Trust. These funds spent by the utilities are included in Energy Trust's total costs and impact the cost effectiveness of its programs.

The first evaluation of SB 838 supplemental funding activities was completed in 2009. Recommendations included developing metrics for future evaluation activities, improving coordination with Energy Trust on marketing and outreach, and specifying one primary contact regarding SB 838 activities at each organization.

Methods: The second evaluation included a review of documents and interviews from August-October of 2011 with staff from Energy Trust, OPUC, Portland General Electric (PGE) and Pacific Power

INTERVIEWED GROUPS	INTERVIEWED
Energy Trust Staff (Includes 3 PMC Staff)	5
PGE Staff	4
Pacific Power Staff	5
OPUC Staff	1
Total	15

Findings: During the period covered by the second evaluation (ending October, 2011) the utilities have used the SB 838 funds to fund staff positions: 3 at PGE and 2 FTE at Pacific Power. They also fund a variety of customer outreach and marketing activities. Energy Trust has leveraged utility-retained funds to increase the effectiveness of outreach for existing programs and expand their marketing budgets. The process for deciding how any unspent 838 utility funds are used is unclear. Overall communication and collaboration have greatly improved since the 2009 report.

During the span of time covered by the evaluation, PGE had monthly and quarterly meetings with Energy Trust to discuss marketing strategy. They also had regular meetings with Program Management Contractors (PMCs) and to collaborate at events. PGE provided leads to Energy

Trust and received reports back on a quarterly basis summarizing project activity from those leads.

Pacific Power met with Energy Trust at least three times per year to discuss marketing and outreach. There was communication between parties on cobranded materials. Some challenges with Pacific Power and Energy Trust collaboration included development of consistent marketing materials and miscommunication regarding of some events and activities in the field.

Both utilities provided activity data they collected by both utilities to the evaluator. Attributing Energy Trust savings results to utility marketing and outreach activities was noted as a challenge. The report noted that metrics could be developed using current data to provide indicators of marketing and outreach effectiveness.

Conclusions: During the period covered by the evaluation, improvements have been made in communication and collaboration on SB 838 activities between Energy Trust and the utilities. There were concerns about the timeliness of communication between Pacific Power and Energy Trust. Energy Trust and utilities lack metrics to measure effectiveness of utility SB 838 activities in generating savings and currently have no consensus of what metrics to use or if they should be used at all. The report concluded that Energy Trust and Pacific Power should improve coordination and communicate in a timelier and more complete manner about their marketing and outreach activities. There also needs to be more clarity in the roles defined in Energy Trust's and the utilities' SB 838 funding agreements. The utilities, commission, and Energy Trust need to jointly develop appropriate metrics that can be used to evaluate marketing efforts in the future.

Energy Trust Observations: The evaluation reflects what was reported to the evaluator at a point in time and collaboration efforts have continued to improve since the period evaluated. Energy Trust and the utilities are currently maintaining regular meetings and discussions that link utility outreach activities to specific Energy Trust programs. The utilities and Energy Trust need to continue current efforts to communicate effectively when coordinating activities. Marketing efforts with utilities need to be coordinated for a variety of reasons. These include matching the timing of activity to coincide with progress toward goals. This is especially important where programs need to either stimulate or manage demand, especially when activity is robust and when program funding may be limited. At all times such coordination helps ensure customer service and satisfaction.

Energy Trust agrees with the importance of developing appropriate metrics and goals for utility SB 838 funds . Where utilities are targeting hard to reach markets, this should be considered in setting goals. Additionally, Energy Trust believes that future evaluations of utility and Energy Trust collaboration should be incorporated into Energy Trust's ongoing program process evaluations and considered as an extension of programmatic outreach efforts.

Discussion: A discussion followed about the metrics presented in the report and how to measure the success and effectiveness of utility retained SB 838 funds. The utility representatives voiced their concerns about using metrics that looked only at the utility efforts. There was further discussion of whether the intended scope of the evaluation was utilities' 838

activities or the results of 838 funding, between utilities and Energy Trust, as a whole. The utilities commented on the lack of follow up communication with the evaluator after they submitted information describing their activities. In addition, the utilities expressed concern about applying metrics that attempt to link utility activities to particular customer projects and savings, arguing that the links between utility marketing and outreach activities and Energy Trust savings are not easy to trace. Utility representatives noted they can only hand over leads; Energy Trust is responsible for assuring that the project is sold and completed. OPUC staff stated that, even so, we need some measures of the impact of the utility retained SB 838 funds to demonstrate to ratepayers that they are being well spent. Everyone agreed that Energy Trust and utilities should work together to develop metrics for the future that make sense in this situation and that would be useful indicators for tracking progress over time.

Discussion continued about the unique nature of this evaluation, its limited scope, and the process that was used to conduct the evaluation and prepare the report. It was also noted that a draft evaluation report was distributed to the OPUC before it came to the evaluation committee for review. This does not align with the standard process for evaluation committee review prior to distribution but does conform with the standard practice of allowing those interviewed the opportunity to review the report for material accuracy.

The group generally agreed that future evaluations need to look at the entire process of marketing and outreach of programs to customers, not just the utility efforts alone. This would include looking at the collaboration between utilities and Energy Trust and the combined impact of their efforts. The utilities supported developing metrics that address their activities. The OPUC and Committee members agreed that metrics of kilowatt-hours per dollar spent would be ideal, but that these might not be very meaningful, given the challenges of attribution, interface with Energy Trust and the timing and scope of the utility activities.

An OPUC representative suggested that we do not necessarily need a formal evaluation in the future but we do need a way for the PUC to review effectiveness of utility 838 expenditures in coordination with Energy Trust activities. One option for future review is to have a public meeting with the Commission where utilities and Energy Trust jointly summarize coordination activities and the way they are influencing success of programs. OPUC representatives also indicated an interest in somehow looking specifically at the value of the utilities' activities in helping the Energy Trust achieve savings.

Resolution: A tentative resolution was reached among all parties. First, there was general agreement that good changes had been made since the evaluation and that collaborative efforts are going well now. Energy Trust and the utilities are meeting regularly and productively on a monthly basis at minimum, with more frequent meetings taking place between marketing staff from all parties to plan and coordinate marketing efforts.

As an immediate next step, Energy Trust and the utilities will write and sign a joint letter to the OPUC responding to the report. The report and response will be submitted to the OPUC who will then circulate both to the parties that received the draft evaluation report. A formal evaluation of stand-alone utility activities will not be done going forward. However, the group identified a need to determine how these activities will be evaluated in the future and decide on

a set of metrics to be used. One part of the evaluation of utility SB 838 activities will be rolled into regular Energy Trust program process evaluations and done on an ongoing basis. The other component may be some type of joint presentation and public meeting at the OPUC. The process will be jointly developed between the utilities, Energy Trust and OPUC staff.

2. New Buildings Program 2010-2011 Process Evaluation

Presented by Sarah Castor

Contractor was Phil Willems, who did the last process evaluation of this program. The purpose is to gather feedback on operations and participant experience. We took a slightly different approach this year: instead of talking to people the year after the project was completed, we talked to them while the project was ongoing, at the design phase, construction and upon completion. This first report covers document and data review and staff interviews. The next piece will be a brief memo toward end of this year containing results from participant and ally interviews, which are going on right now. The evaluator participating in early design meetings and site visits to see what the participant experience is like. The final report will be released early next summer, including additional participant and ally interviews and will tie everything together.

Dave asked, why start with staff rather than participant interviews? Sarah responded that it is a good way to get background on what has been happening with program over the past couple of years. Dave asked if we were concerned that if we interview staff early in the process, we won't get their feedback on program updates. Sarah responded that we will do follow up interviews with staff to feed information learned from participants and see what they have to comment on.

The methodology was document and data review and program staff interviews. The evaluator reviewed monthly and annual reports, Fast Track data on projects and measures done in 2010-2011, Fast Feedback results for the past couple of years, the Data Center Market Assessment done by PECI, and previous evaluations (including the Path to Net Zero (PTNZ) evaluation by Cadmus). Fred noted that Fast Feedback is collected regularly, but is thin. Sarah added that it is broad, but does not have in-depth feedback. Staff interviews were completed with internal and PECI staff (9 folks interviewed).

Findings: The Program met and in most cases exceeded stretch goals in 2011 (only for CNG did it not exceed stretch), despite a struggling economy. Sixty percent of projects completed in 2011 were still subject to the 2007 code. The 2010 code was effective mid-2010 but because of the time it takes for permitting, we are just now starting to see projects fall under 2010 code. The percent of savings by measure type and building type fluctuates across years due to some large projects. For example, infrastructure and data center projects are one-off and are not repeated a lot. Retail and office categories are pretty consistently in there.

For Fast Feedback, we like to talk to owners. What we end up with is a mix of owners, design consultants, contractors, and "other" respondents. Look to this evaluation to get stronger connections to owners. Eighty-three percent of 2011 participants were satisfied overall with experience. Lowest satisfaction was with ease of applying for incentives and the incentive amount. Most common comment was "it's complicated." A lot of projects are custom, and sometimes the time from design to project completion is long, and during that time measures change and incentives are different than what they were in the past. The highest satisfaction

was with the performance of equipment and interaction with program representative. Dave noted that the things they were most satisfied with were the things they controlled.

We are seeing more 2010 code projects and the Program has a solid pipeline for 2013 program activity. Another code update is coming (expected in mid-2013); will likely be based on the current reach code. Not think as ambitious of an increase as the previous 2007 to 2010 code change. The Program is working with some projects to just get them to 2010 code (where think not been able to comply before, providing assistance to comply). Program staff are incorporating learnings from PTNZ and small commercial pilots, and also have new offer for data centers based on market research for program. Data centers are expected to be a large portion of projects in the coming years. Outreach manager (OM) positions were brought in house from Earth Advantage in May of 2012. Jessica noted that a few of the staff transitioned internally, but most remain the same. The Business Energy Tax Credit (BETC) was replaced with the Energy Incentives Program in 2011 (which is just starting to affect NB projects this year). Last year, saw a large effect for EB and PE; this year, more on NB side. The new tax credit is harder to qualify for and more complex to explain. Mark asked if this retains the element of lottery and program qualification-based selection. Fred replied that for larger jobs, it is a competition and RFP process. Mark asked about the criteria for the competition. Fred said that isn't entirely clear.

The Program is working on the development of Program Ally Networks. For NB, focus on design allies, design solar allies, and lending ally network. It is challenging to accommodate and encourage design-based measures and bundles that interact; historical approach has been, each measure needs to be cost-effective. Program is thinking about how to make projects happen even if an individual measure is not cost-effective.

Alan asked, we are working with projects to just get them to 2010 code. Are we unable to claim savings if someone just meets code? Jessica noted that we are not paying incentives, but we are able to claim some portion of savings – gap between NEEA and overall savings. Fred added that as part of market transformation, NEEA has to show it was a critical factor in meeting code. They claim an implementation rate, and what we have been able to claim is a marginal increase in the implementation rate of code. It is a way to recognize the program for doing direct and concrete work to get code implemented. Alan asked, now that the 2010 code is in effect, is there the possibility for savings above that? Jessica responded, that depends on the type of measure install. We see people go 15% beyond code for custom projects. Dave asked, what are the resources dedicated to capture those as a percentage of overall? Jessica responded that we offer technical assistance, probably the majority of projects are small commercial prescriptive measures. Maybe a few tens of thousands of dollars at the most. Ken asked, are you paying incentives to get up to code? Just because a project does not meet code doesn't mean code officials have not passed it. It is an important role to show where folks are not meeting code and how to get there. Improving compliance is becoming a rewarding and reward-able paradigm in New England; designing programs approved by PUC to improve code compliance because savings look cheap. Fred noted that we will continue to help where needed, but will stop measuring it. Mark asked, what kind of evaluation background do we have in code compliance? How are we establishing baseline code compliance rates? Phil responded that the last time we did it was CBSA in 1999, when we visited NC buildings. At that juncture, we looked at codes and looked at compliance on average. Plans for new CBSA are to do one on NC, but let's wait until there are enough buildings built with 2010 code so that we can say something about it. Next year we will identify what buildings we want to visit, identify a sampling frame, and start thinking in fall 2012 what to do and how to get money to do it. Ken noted that 70% of code savings are from renovation and remodel. In code requirements, if you change out more than

10% of lighting, you have to comply with new lighting power density, controls, etc. There could be tremendous amount of savings from that; but whether complying with code or not is not clear, and nobody is counting those savings right now. Phil noted that we are asking NEEA to consider doing something on renovation and remodels, but are waiting for an opportune time and finding budget.

Recommendations: Continue to work on Program Ally Networks as a way to support market and new codes and encourage Early Design Assistance for projects where it is a good fit. We learned from PTNZ learning that Early Design Assistance is low cost but also an important way of influencing the design of a project and a good way to get access to owners and important decision-makers. Other recommendations: continue to strengthen OM and participant connections. Dave asked, is an OM an Energy Trust employee or a PMC employee? Sarah clarified that the OMs were brought on internally to PECI.

Other recommendations: provide better information on the new tax credit program. Sarah had a meeting with DOE to talk about our information from FF on codes, impact of code changes and applications for state tax credits. They were eager to help us provide information to customers on new tax credits. Another suggestion was to develop an innovation incentive for cutting edge measures that may not fit the standard cost-effectiveness test, but promise good savings. Could be bundles of measures, or even new things that we have not had a chance to fully evaluate because not a lot of projects, but look like good opportunity for savings.

Energy Trust Take: The new construction market is recovering and the Program has adjusted well to a changing climate and tax credits. Program is prepping for next code cycle and continuously working to streamline the participation process, and is exploring offering an innovation incentive. Alan asked, when we increased incentive to counteract BETC difficulties, and now this has stabilized. Have we taken incentives back to the original level, kept at the previous level, or something in between? Jessica responded that for EB, we did have a kicker focused on the lighting market. For NB, we wanted to help the market adjust to many challenges, including the economy and technical support, so we kept incentives the same. Alan asked if we are still seeing good uptake. Jessica said yes. Peter added that delivery assistance is the biggest part of getting savings; incentives are not the biggest part. Tom asked if we track what share of NC we are capturing. Jessica responded that as of the last evaluation, it was 70% of floor space. Dave asked about our connection to NB designers and architects. Jessica responded that at this point, we are well known. Our outreach staff members have connection to owners and design firms and are moving the market that way. Dave asked if these connections were state-wide. Jessica replied that we are OMs throughout the state. Debbie noted that design people get involved with NEEA programs for general training and education, but when they are actually designing a building, they work with Energy Trust to get specific assistance on that project. Phil added that there is a lot of outreach to the architectural community through organizations, training, Lighting Design Labs, and centers around the state. Jessica noted that what we hear from owners and teams is, once they have a project, they need assistance to point out the details of efficiency and code. Even though there is a lot of training available, most of it is very general.

We will present more information on this evaluation when the participant interviews are finalized.

3. Existing Homes 2010-2011 Process Evaluation, Part I

Presented by Sarah Castor

Evaluator was Skumatz Economic Research Associates (SERA). The major tasks for evaluation were conducted between July 2011 and March 2012. We originally planned for the evaluation to be out sooner, but wanted to make sure that customer engagement was explored. However, it took some time to get customer engagement up and running, and in the end we decided we would not wait until it was fully developed. Some of what you will see in this report may look a little dated at times; wanted to ensure that we allowed time to capture program elements being finalized in the last year. The goals of the evaluation were to provide feedback to improve Program implementation, focusing on new Program elements, including regional outreach strategies, customer engagement, home energy reviews (HERs), phone based HERs, Energy Savvy (an online audit tool that customers can use to evaluate their own homes), Savings Within Reach (SWR, a moderate income offering), the trade ally rating system and development fund (formerly Cooperative Marketing) and energy saver kits (ESKs) which have been a large part of the program for the last couple of years.

We provided a database and Program documents to review (the database was all measures and projects for the single family track and existing manufactured homes, including ESKs). SERA performed staff interviews with Energy Trust, program management contractor (PMC) and regional outreach staff; participant phone surveys with large number of participants; nonparticipant phone surveys (defined here as folks that had HERs but did not install measures afterward) and trade ally interviews.

Document/database review: SERA reviewed the implementation manual, monthly and quarterly reports produced by the PMC, utility bill inserts and newsletter articles, marketing collateral and webpages, and the customer home energy report provided to HER participants. The database was all measures recognized in 2010-2011 for single family and manufactured homes, including ESKs. Clean Energy Works Oregon (CEWO), Home Performance with Energy Star (HPwES) and any projects in WA were excluded.

The most common measures were ESKs (about 83k over 2 years). HERs were also very popular (over 10,000), then single family (in order of volume): ceiling insulation, floor insulation, windows, heat pumps, gas fireplaces, duct sealing, gas furnaces (note in this: they were discontinued midway through 2010, but we got a large number of gas furnaces before then and some through moderate income track), water heaters. For manufactured homes, most common (in order of volume) were air and duct sealing, and instant savings measures (ISMs) installed by contractor. This track has a direct install model.

In single family, the measures per project are up over the last two years, even though the total number of projects went down. Manufactured homes projects increased significantly from 2010-2011; this is a direct install model, where contractors do air and duct sealing, install CFLs, aerators, and showerheads, similar to HERs. Three star trade allies are doing a substantial portion of projects in the program: about 70% in Q3 2011.

Tom asked, how much of that is self-referential? I.e. they are three star trade allies because they do a lot of work. Sarah responded that the way the star system works is folks get over a threshold (15 projects) – doing more projects over the threshold doesn't further increase your star rating. Tom noted that there is at least some co-linearity. Fred added that there are many hundreds of trade allies, and a lot of them do not do 15 projects.

SERA noted that the number of applications with missing information was high - up to 50% for some programs. This has since been reduced by changing forms, requirements for measures, and introducing webforms. Windows are the best example of this change. Historically, most applications were missing information. The Program had a meeting to decide how to help out with that issue. We changed requirements for documentation for the U-value of windows to make it more straightforward to process incentives. The rate of missing applications is more like 15% now; it has decreased substantially.

HER follow through (conversion) was reported as 5.5% within 90 days, but this does not include what folks may do in other programs (i.e. solar, products). When we include the uptake of solar and home products, the rate is about 15%. The PMC reports 5.5%, but this only counts measures through the existing homes program. The evaluator compared this to couple of other programs, citing 40-60% conversion rates. The timeframe is a bit different for these comparisons – some of them are looking up to two years after a project. For us, 2 years after a project we find 40% follow through. Also, the programs referenced are not the same as HERs – some of them have diagnostic audits similar to HPwES rather than a visual audit, and they have more direct links to projects.

Alan asked where the 90 days is coming from. Sarah responded that there is follow up at 90 days after the HER, then another window to submit paperwork. Marshall added that it is a common metric we track. We look at a 6 month period of time: 90 days post-HER and 90 days for incentive application materials to come in. Dave asked if we look at bills to try to identify a difference in usage. Phil responded that we have not with HERs, but we do billing analysis. The impact of HERs is something we will be looking at in the future.

The evaluator recommends that we expand the role of the energy advisor (EA) and tailor customer engagement more based on characteristics or homeowner requests (i.e. why they are getting an HER – environmental concerns, bills, remodels, etc.). Customer engagement has resulted in more communication between the Program and participants (phone and e-mail follow-ups after the HER at different intervals up to 90 days after HERs) but ultimately we want to get customers to trade allies that can complete projects. The Program has rolled out a contractor referral process – customers get the names of 3 contractors that specialize in the measures the customer is interested in. Another recommendation is to provide sales training to EAs and trade allies. Currently, training is provided to EAs, and we and to work with the market on offering business coaching or sales training for trade allies. SERA also recommended that we better integrate software systems and streamline data tracking. This is something that the Program is doing regularly. We just implemented our new customer relationship management (CRM) system, and think this will help a lot with streamlining. The final recommendation was to reduce the requirements for solar water heating projects, which is something solar staff worked on earlier this year. Alan asked, which requirements specifically? Sarah responded that they are installation and inspection requirements. Marshall added that we have high expectations for installation and inspection, which has an impact on cost. We think there is enough product availability and trained contractors to draw a line between best practices and baseline requirements for the Program. We made it easier for projects to qualify. Sarah added that we surveyed solar trade allies and they provided feedback on the requirements and what they should be. Dave asked whether issues with duplicate forms and information would be addressed with improvements in integration. Sarah responded that in the past, the PMC had a software system and uploaded data to Energy Trust. There was a good link between CoreApp (CSG's tracking system) and Fast Track, but not a good link between their CRM and ours,

which may be where the duplicate entry happened. So far, with the new system, the data integration is much better, and duplicate information is not being entered.

Staff interviews: SERA interviewed 3 Energy Trust staff, 8 CSG staff, and 4 regional staff that work for CSG in outlying areas. Staff members were very pleased with the success of the SWR and existing manufactured homes tracks. Achievements noted by staff include: improved weatherization specs, introduction of BPI (requirement for home performance, takes a whole house approach) to the region, transforming the gas furnace market, rollout of new measures and pilots, and assisting trade allies with marketing and building business.

Suggestions to improve cost effectiveness: leverage Energy Savvy tool to encourage action as opposed to in-home HERs, continue administrative and process efficiency efforts (webforms, integration of data systems), encourage market based training, move more marketing to contractors, and research non-energy benefits (NEBs).

Challenges for program include dealing with multiple tracking systems that are not well-connected, regional outreach staff noted: difficulties reaching customers outside Portland Metro (staff feel out of the loop, there are few contractors in rural areas and the skill-level of these contractors is somewhat below what you can find in Portland), lack of understanding of Program, and lack of ability to sell the program using “green-ness” or other messages that work in Portland Metro. Debbie noted that this matches what we have found in awareness surveys.

Customer engagement did not come together until March 1, and since interviews with staff, customer engagement has been fully developed. It now includes an option for phone HERs and follow-up communication protocol and specialized messaging depending on characteristics of participants. The focus has typically been in middle aged homeowners (primarily women, who make decisions about projects) and the evaluator suggested efforts to expand to renters, small plexes, and moderate income customers.

Remaining barriers (programmatic and market): household budgets and access to financing (this is still limited although there are more options with CEWO and offers through Umpqua and other lender ally participants); fewer qualified contractors in some regions; incomplete information or biased marketing in media around what is most effective thing to do to your home (i.e. windows sell well, but they do not bring huge energy savings relative to other products or changes); coordinating with other utilities (non-Energy Trust utilities such as PUDs and BPA utilities); behavioral measures are still challenging in terms of justifying and evaluating even though there is lot of desire to explore them to achieve savings; and measure cost effectiveness. However, all staff agreed there is great opportunity for savings in residential homes.

Dave noted that at the board retreat, we talked about knowing how many homes have been hit with a measure or multiple measures – has there been any progress on that? How do you know if we’ve hit 20% or 40% of all homes? Phil responded that we are looking at that. Doing billing analysis, we can link bills to people that have participated. Usually we can’t find the USPS barcode for 5% of participants, and then a portion of those remaining sites we can’t match with bills for some reason. We just matched PGE bills to our participants – about 40% of single family residential sites have worked with us since 2002. Often times, the house has participated, but the person inhabiting it may not have participated. The number would increase significantly if we looked at multifamily, but in many cases, the building participated but not individual units. Marshall added that these are measures that qualified – folks could be taking action related to our efforts, but we may not be tracking them. Fred added that NEEA built the market for CFLs

(everyone has them) – it depends on the question you are asking. The RBSA looks at saturation in measures regardless of who is doing them. For example, we've had 30 years of weatherization programs in the region, and saturation is high on average (although this is true more for the electric side than gas).

Program plans for 20102: new measures and pilots including heat pump water heaters, cold water detergent, prescriptive air sealing; expanding the use of Energy Savvy and customer engagement; improving societal cost-effectiveness of measures; coordination with CEWO; financing product for SWR and other measures; revising the trade ally star rating system for rural contractors (this was done earlier this year; we reduced the number of projects required for contractors in areas with few contractors in the market); and create and use webforms for more measures (this is done currently for everything expect HPwES).

Mark asked about prescriptive duct sealing and air sealing are going away and what impact that has on the Program. Marshall responded that contractors have gotten good at selling the measure; the cost at which they sell service is high, especially on the gas side. We need to bring down the cost of treatment. Mark asked if the pre- and post-blower door test has driven the cost. Fred responded that we are working on a technical test with one contractor (market based) to provide that can be done. If it succeeds, we may do a small scale market test to see if we can get it at a reasonable price. This is a couple of years of work. We have 8 projects in our technical test right now. Mark asked, what about the Oregon state tax incentive tied to performance tested comfort system (PTCS) certification? The state depends on PTCS content. Marshall responded that this was identified by CAC as a follow up. We have been serving an administrative function for state tax credit process, which may be a distraction for delivery dollars. Air sealing will continue through next year at a reduced level, only through home performance. Duct sealing pilot for developing prescriptive measure. Fred noted that we will keep air sealing through the mid-year impact evaluation and if it does not improve, it will go the same path as duct sealing. Marshall noted that this will have an impact on trade allies. It will likely decrease demand for air sealing and work related to duct sealing. Some businesses have a lot of work around our measures. Diane added that our message to contractors has been to diversify what they can offer in the market. Alan asked if there are any areas of the state not adequately served by trade allies. Marshall responded that Ontario, Wallowa, and Baker City are getting coverage. One of the things that prevents folks from becoming trade allies is the insurance cost for the volume of work they can get. Alan asked if we are looking at changing that. Peter responded that there is risk for us associated with reduced liability on their part. Marshall added that there are challenges in NE Oregon – sparsely populated areas with different business models. Debbie noted that this includes much more than weatherization, also repairs and modeling.

Evaluator recommendations are to refine regional outreach strategy (partner with local organizations and adjust start rating criteria); reduce paperwork for small rebates (align burden to apply for the incentive with the reward), and expand options/marketing for certain kinds of participants (i.e. renters, seniors, and youth, although these groups may have limited potential for savings)

Participant and non-participant surveys: We divided respondents into groups. People that did one or more measures without a prior HER were in the FULL group, and within that, we defined subgroups relating to measures of interest: insulation, heat pumps, water heaters, air sealing and duct sealing. People that got HERs and went on to install a measure were in the HER group. Then we had SWR participants (SWR group) and ESK recipients (ESK). Nonparticipants (NP) were defined as folks that her HERs but did not go on to install measures.

Group	Goal	Completes
Measure without prior HER ("FULL")*	340	344
Insulation (ceiling, wall, floor, or duct)	100	177
Heat pumps (replace, upgrade, or DHP)	60	74
Water heater (tanked or tankless)	60	78
Air sealing	60	75
Duct sealing	60	91
HER that went on to install a measure (HER)	100	109
Savings Within Reach (SWR)	60	63
Energy Saver Kit (KIT)	100	102
HERs that did not go on to install a measure (nonparticipant, NP)	150	151
Total	**750**	**769**

Fred asked what "not installed a measure" means. Sarah noted that folks fell into these categories at the time the dataset was pulled. Dave asked if ESKs were part of the HER visit. Sarah clarified that these are separate. Fred added that as part of the HER, showerheads and light bulbs are installed.

We asked about awareness and perceptions of Energy Trust. In general, folks had a good understanding of what we do (mentions of educating homeowners and providing HERs and incentives). Most heard about us through their utility or mass media. Fair number also heard about us through a contractor or word of mouth. This is all consistent with the Residential Awareness Survey findings. Many respondents recalled receiving more than 1 service.

The most common recommendations for HERs (this is what people recalled was recommended) were insulation, air or duct sealing, and windows, compared with what they recalled being installed. Heating equipment was installed more often than recommended, insulation and sealing less.

Of those who hadn't (yet) received an incentive after their HER, a third were making plans to improve their home. Some were "do-it-yourself" projects; the most commonly done/planned were windows, sealing, insulation, and heating. Respondents reported good communication with EAs during the HER.

Most all ESK participants recalled CFLs and showerheads, about half recalled aerators (one reason for this is that some folks may not heat water through an Energy Trust utility). Installation rate was high for CFLs, 94%, about 55% for showerheads. Some CFLs failed and some showerheads were removed due to performance issues. Aerators were installed 2/3 of the time and were rarely removed or reported to fail. Most kit recipients (68%) were not planning install any other measures.

Marshall noted that during this time period, we did 83k kits. Some of the kits were not coordinated with program engagement strategies; more related to savings to support Energy

Trust overall savings goal. Some of this is less targeted savings that came through this measure. Debbie added that some of the recipients that got a kit may have already done measures and are not planning to do more may already have done more and the kit is a way to reengage them after they have done major work. Sarah noted that this is not a sign the Program failed; a lot of people that get kits may be renter for whom this is what they can do at this point.

Respondents were asked about motivations for energy efficiency. More than half said high bills or wanting to save on bills. Other motivations included comfort, remodeling, and replacing failed/failing equipment. Respondents noted they were motivated by time limitations on incentives and tax credits. Some said incentives allowed them to make more improvements than planned and most (80%) said they achieved their goals with their energy efficiency project.

We asked respondents about barriers or concerns that they expected before doing a project and then what they experienced in doing/after a project. A lot of folks were concerned about affording a project (50% said cost would be an issue). Seven percent reported it was an issue (self-selection is an issue here). Lack of savings was another common concern: 9% reported lack of savings was something they experienced after a project, compared with 35% before. Eighty-two percent reported no delays in the process of making improvements.

Concern	Perceived	Experienced
Ability to afford project	50%	7%
Lack of savings	35%	9%
Cost overruns	22%	4%
Inconvenience	22%	10%
Trouble finding a contractor	20%	4%
Equipment not working as expected	15%	9%
Delays/not finishing on time	15%	7%

We will continue with this presentation at the next evaluation committee meeting.

Logistics: At the next meeting, we will cover the rest of the EH process evaluation, Path to Net Zero, BPTac (EMS pilot), and the production efficiency impact evaluation. Dave asked if there is a list of ongoing evaluations to which he can refer. Erika will send out a list of current and planned evaluations to the group. The next board meeting is December 14. The morning of the 14th should work for the next evaluation committee meeting.

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MEMO

Date: October 31, 2012
To: Board of Directors
From: Sarah Castor, Evaluation Sr. Project Manager
Jessica Rose, Business Sector Manager, New Buildings Program
Subject: Staff Response to the 2010-2011 New Buildings Program Process Evaluation Report 1

The 2011 program year was the first full year of having a new program design in effect for New Buildings (NB) with the goal of helping the market adjust to a significantly different environment than prior years. Namely, faltering economic conditions and an energy code baseline change in 2010, followed by significant tax credit changes in 2011 presented major considerations for the program team to address. The results of the 2010-2011 New Buildings Process Evaluation Report 1 confirm program design decisions are supporting the market, and further indicate market transformation impacts. This first report only covered findings from the review of documents and the database, and staff interviews; the next report, due in mid-2013 will include findings from staff and ally interviews as well.

Program changes of note include:

- More support for early design processes, through incentives for charrettes and technical assistance
- Efforts to simplify participation process, including the enrollment process and program paperwork
- A tiered incentive structure that encourages further investment in energy efficiency
- Enhanced technical assistance to encourage modeling project energy use and savings
- New simplified calculators for HVAC and lighting

In addition to these program changes, the program also continues to innovate by using information from the Path to Net Zero pilot evaluation to inform program design to support high performance building design and construction techniques.

The evaluator noted recommendations to continue making progress. These recommendations and how the program has or will address them follow.

- *The program should **continue the outreach** and networking activities that have been ongoing, with a particular emphasis on working **with trade ally networks** to keep them informed not only about program updates (e.g., new market-specific offerings) but also about relevant code and tax credit developments.*

  The program plans to continue outreach activities. The program also plans to continue building a market position for all allies – program allies (architects and engineers), trade allies (contractors, installers) and lender allies (lending

institutions, including banks and credit unions). In 2013, the program plans to design a training series for our ally networks.

- ***Early design assistance*** *appears to have both direct savings and market transformation effects, and should be pursued whenever possible by engaging projects as early as possible in the design process. This can be accomplished best through the outreach efforts described above.*

  The program has placed an increased emphasis on early design assistance, a key area of focus that also grew out of the Path to Net Zero pilot, and is looking to provide training sessions on how to facilitate early design project meetings as a market transformation strategy. To influence projects as much as possible, the program now has a Technical Outreach Specialist and a Lighting Design Specialist that attend the early design meetings whenever possible.

- *The NB program is already taking steps to* ***prepare the market for the 2013 code*** *through the requirements of the reach code, and should continue these efforts through work with trade ally networks and other organizations such as AIA, Cascadia, and the energy modeling group.*

  The program included cost-effective measures in the new market specific solutions packages for small commercial that were referenced in the Oregon Reach code. To raise awareness of the Reach code, the program and NEEA are collaborating on marketing. Beginning in 2012, the program's Technical Outreach Specialist provides advice on code requirements and strategies for achieving deeper savings.

- *In light of the number of new people in outreach manager (OM) positions, the program should make a special effort to* ***ensure a smooth transition****. While the initial emphasis is naturally on transitioning currently active projects to the new OMs, it would be worth following up with past participants and other market actors in the affected market or geographic territory to establish or re-establish ties with the NB program through the new OM.*

  The program recognizes this and is taking steps to ensure follow through with past projects and will mitigate this with any future changes. For all markets affected by a transitioning OM, transition plans have been enacted that include previous OMs introducing new OMs to key contacts and prioritization of account outreach. This outreach includes ongoing program presentations where new OMs are able to meet accounts in person. In addition, the use of a robust CRM helps us to track and reengage with former program participants and understand historical relationships as the team shifts over time. This creates a visible record of outreach, project involvement, and communications that stay consistent even though staff may not.

- *While the status and complexity of* ***current tax incentives*** *is obviously outside the control of Energy Trust and the NB program, it is important to* ***provide customers with*** *accurate and timely information both on the status and requirements of those incentives and on how to apply for them. This is particularly relevant for those credits that may be awarded using a competitive*

process, which are likely to be inherently more complex. Clearly, NB program participants appear to consider tax credits to be part and parcel of what is offered to them for building efficiency structures, and the fact these credits are wholly separate from the NB offering doesn't mean participants won't look to the NB program for answers.

The program has taken steps to help the market adjust to changing and declining state energy tax credits by offering additional technical support. Given the significant changes to the state's Energy Incentive Program, the added complexity to apply for and receive a tax credit and customer confusion on the difference between an Energy Trust incentive and a tax incentive, Energy Trust decided to place less of an emphasis on providing information and facilitating applications on tax incentives.

- *A number of architects, engineers, owners, developers and others have been motivated to pursue aspirational, highly efficient design through their interaction with the NB program. Offering an* ***Innovation Incentive that rewards these efforts would enhance the NB program's role*** *as a key player in supporting high performance building design in Oregon.*

  Program staff are currently exploring ways to further position the program as a resource to support market adoption of high-performance design. Launching an innovation incentive is one of many ideas that will be considered. Market research currently in process will inform final decisions and guide further market development and transformation activities in early 2013.

- *With the increasing complexity of design tools (e.g. calculators) that must be used to participate in the NB program under the 2010 code requirements, it will continue to be necessary for* ***OMs to provide application assistance****, particularly as product offerings are rolled out that target markets with smaller buildings and perhaps less sophisticated design teams. This should be accounted for in planning OM and support staff workloads.*

  The program recognizes that there will be a continuing need to support projects through the application processes, particularly for lighting and HVAC calculators. While the program will continue to support projects with technical outreach managers, we are focusing on simple and cost-effective means for delivery with tools that are easy for any project to use. For example, the program recently launched market specific solutions packages targeting small commercial for the top six building types under 70,000 square feet. These offers are all presented in a simple format to customers, using a fillable PDF format that doesn't even involve Excel based calculations, just a few check boxes and an incentive that uses auto-fill functionality to total. Internally, the program team will continue to complete the Lighting Calculator to test for measure cost effectiveness if it is 40% or greater savings above code, and if it is for exterior lighting, or if LEDs are used.

Energy Trust New Buildings Program

Process Evaluation Report 1

Final

Prepared by

PWP, Inc.

And

Wirtshafter Associates, Inc.

October 2012

Executive Summary

This report presents the findings of the process evaluation of the Energy Trust of Oregon's New Buildings (NB) program for 2010 and 2011, laying the groundwork for a more focused evaluation of the 2012 program. The NB program provides financial incentives and technical assistance to owners who install energy efficiency measures in new commercial construction and major renovation projects. During the 2011 program year, incentives were paid for about 1,350 different measures installed at 211 sites.

The goal of this process evaluation was to obtain feedback on program design and implementation that can be used to more effectively and efficiently deliver energy efficiency in new buildings and improve customer satisfaction. Evaluation activities included a combination of secondary data and program document review and interviews with Energy Trust and NB program staff. No customer interviews were conducted, but the results of Energy Trust's Fast Feedback data collection effort were incorporated into the current evaluation findings.

Key findings reported in this report are summarized below.

- The program met or exceeded its goals in 2010 and 2011 and has continued its steady enrollment of new projects in 2012 to build a savings pipeline for future years, with 126 of the 168 projects enrolled by mid-year expected to deliver savings in 2013.

- The pivotal event affecting the NB program in 2010-2012 has been the stringent 2010 Oregon commercial building code, which increased required efficiency levels on new buildings by 10-15%.

    - While most program savings through early 2012 have come from projects subject to 2007 code requirements, the NB program has moved to adapt to the requirements of the 2010 code with new tools (e.g., workbook-based calculators, early design assistance) and market segment-specific product offerings.

    - The program is working with the voluntary "reach" code to help prepare the market for the next code upgrade scheduled for 2013.

- Through aggressive outreach, attendance at multiple events and ongoing interaction with architects, engineers and other key players, the implementation team has ensured that a majority of new buildings in Oregon continue to participate in the NB program.

- Outreach to trade allies and creation of formal trade ally networks for Development and Design professionals as well as traditional New Buildings Trade Allies have helped solidify existing relationships between the NB program and the new building community while also bringing in new players and leveraging program outreach activities.

- The NB program has also had to cope with the elimination of the Business Energy Tax Credit (BETC) and its replacement with the ODOE Energy Incentives Program, which appears to have more complicated qualification requirements and is harder to understand.

- There has been significant turnover among the Outreach Mangers (OM) in the past six months; though all vacated positions appear to have been filled by highly qualified and competent individuals.

- According to the 2011 Fast Feedback surveys, overall participant satisfaction with the program was 4.2 on a 5 point scale, with 83% of participants giving a 4 or 5 rating. Participants were generally least satisfied with information on how to apply for the BETC, the amount of the incentive, and the ease of applying for the incentive, while they were most satisfied with their interaction with the NB program representative and the performance of the installed equipment.

Recommendations

While the NB program appears to be running smoothly in 2012 and effectively enrolling enough participants to meets its goals, we make the following recommendations to ensure that these efforts remain on track.

- The program should continue the outreach and networking activities that have been ongoing, with a particular emphasis on working with trade ally networks to keep them informed not only about program updates (e.g., new market-specific offerings) but also about relevant code and tax credit developments.

- Early Design Assistance appears to have both direct savings and market transformation effects, and should be pursued whenever possible by engaging projects early in the design process. This can be accomplished best through the outreach efforts described above.

- The NB program is already taking steps to prepare the market for the 2013 code through the requirements of the Oregon Reach Code (ORC), and should continue these efforts through work with trade ally networks and other organizations such as AIA, Cascadia, and the Building Energy Simulation Forum (formerly the Building Simulation Users Group.

- In light of the number of new people in OM positions, the program should take steps to ensure a smooth transition. While the initial emphasis is naturally on transitioning currently active projects to the new OMs, it would be worth following up with past participants and other market actors in the affected market or geographic territory to establish or re-establish ties with the NB program through the new OM.

- While the status and complexity of current tax incentives is obviously outside the control of Energy Trust and the NB program, it is important to provide customers with accurate and timely information both on the status and requirements of those incentives and on how to apply for them. This is particularly relevant for those credits that may be awarded using a competitive process, which are likely to be inherently more complex. Clearly, NB program participants appear to consider tax credits to be part and parcel of what is offered to them for building efficiency structures, and although these credits are wholly separate from the NB offering, participants may look to the NB program for answers.

- A number of architects, engineers, owners, developers and others have been motivated to pursue aspirational, highly efficient design through their interaction with the NB program. Offering an Innovation Incentive that rewards these efforts would enhance the NB program's role as a key player in supporting high performance building design in Oregon.

- OMs will need to continue to provide application assistance given the increasing complexity of design tools (e.g. calculators) that must be used to participate in the NB program under the 2010 code requirements and as product offerings target markets with smaller buildings and perhaps less sophisticated design teams. This should be accounted for in planning OM and support staff workloads.

Finance Committee Notes

December 3, 2012

The Finance Committee met at 3:05pm on December 3, 2012 via teleconference with Dan Enloe, Finance Committee chair; John Reynolds, Board Chair; Margie Harris, Executive Director; Pati Presnail, Controller and Sue Sample, CFO attending. Anne Root, Board Member joined the meeting at 3:40pm.

Proposed Final Budget Changes

The committee reviewed the changes from the draft version of the budget presented to the Board on November 7th as compared to the proposed final version they will be presented at their meeting on December 14th. The changes between the two versions are relatively small in amount and impact.

The largest changes resulted from re-forecasted carryover from 2012 moving into 2013. Based on actual November revenue receipts and corresponding re-forecasted December revenues, carryover into 2013 will be $2.7 million lower than originally forecasted. $1 million is in PGE efficiency service territory and $1.6 million of it is in Pacific Power service territory. Energy Trust revenue is based on utility receipts; utility loads, particularly in Pacific Power continue to be down, driving Energy Trust revenues down. For similar reasons, the budgeted Pacific Power revenues for 2013 are also expected to be $2.5 million lower than revenues identified in the draft budget.

Additionally, to accommodate Pacific's request that Energy Trust's conservative goal be established at no more than their IRP target (19.7 aMW, net), budgeted efficiency expenditures were reduced approximately $1.5 million. This leaves Pacific Power carryover at approximately $600 thousand at the end of 2013, or 1.3% of 2013 revenues, well below the 5% ideal.

Other changes to the draft budget were modest.

October 2012 Financial Statements

The October 2012 financial statements were presented to the committee for their review. The "hockey stick" effect which was expected to become more evident in October did not appear. This was most notable in the Production Efficiency and Existing Buildings programs. Some of the variance was expected in the industrial sector where results are expected to be shy of conservative targets in a couple of utility service territories. However, according to the dashboards, the pipeline for the Existing Buildings program continues to look strong.

Reserves

The committee reviewed a briefing paper on reserves. Currently the interest reserve requirement is based on a calculation equal to a 10% reduction of the revenues for the four winter months for a two year cycle. This would require an interest reserve amount of approximately $12 million. Staff is recommending that we move to a one year cycle instead as utility revenues are re-negotiated on an annual basis and keeping reserves in excess amounts limits resources to acquire efficiency savings and renewable generation. This would necessitate a reserve amount of approximately $6 million.

There are a number of cash management vehicles now in place, including the program reserves, the interest reserves and the line of credit to provide safety nets to manage excess demand in a reasonable fashion.

The committee agreed and will describe the change in calculation to the full Board at their meeting on December 14, 2012.

Finance Committee Schedule

The next finance committee meeting is scheduled for March 11, 2013.

The meeting adjourned at 3:45pm.

Briefing Paper
Reserves

December 3, 2012

Summary

To propose an alternative method of calculating the interest reserve amount to be maintained as a safeguard against revenue fluctuations derived from weather or forecasting variances.

Background

Interest Reserves

- In 2006, the Board adopted a policy to maintain a certain amount of cash reserves to protect against revenue fluctuations caused by weather or by some forecasting error from load growth estimations. This amount is referred to as the "interest reserves" account.
- Interest reserves are available to be used for program *and* other organizational needs. Historically, they have only been used to meet program demand.
- The Board looked at several different alternatives in evaluating the appropriate amount and settled on an amount equal to 10% of each of the four winter months' revenue for a *two year revenue cycle*. This appeared to represent the worst-case scenario.
- Staff now recommends that the amount of the interest reserve requirement be reduced to an amount equal to 10% of each of the four winter months' revenue for a *one year revenue cycle*.

Program Reserves

- With the implementation of annual negotiations with each utility for succeeding year's funding, a second reserve account was created, known as "program reserves." These reserve accounts came about as a result of an OPUC suggestion in 2010 that a reserve account be established for each utility, approximating 5% of anticipated annual revenue.
- Such program reserve amounts are established for each efficiency utility resource and are meant to accommodate unforeseen program market demand.
- As approved by the board earlier this year, program reserve usage requires staff to notify the board of amounts below 50% of the established reserve and board approval for amounts above 50% of the established reserves.
- There has been some discussion that the 5% program reserve requirement combined with funding to "stretch" goal levels creates a higher program reserve amount than may be necessary for Energy Trust operations. Though the discussion of this issue is beyond the scope of this briefing paper, it will be addressed prior to next year's negotiations with each utility.

The amount of both the interest and the program reserve accounts is estimated each year during the budget process.

Discussion

- Currently, Energy Trust forecasts a balance of $7.1 million in the interest reserve account as of the end of 2012.
- Under our current requirement, interest reserve amounts should be $12-12.5 million.

- With current interest earnings as low as they are, it will take several years to build the interest reserve account up to $12 million. In the meantime, none of the interest reserves would be available for use under our current guidelines.
- This amount is likely beyond what is needed, particularly in light of the annual utility revenue negotiations which also account for and adjust program reserve amounts in the following year.
- The addition of the negotiated program reserves provides an additional resource to address unexpected customer demand. The interest reserves can then be utilized for temporary funding needs in the efficiency programs due to weather and other revenue fluctuations and for other projects identified in the renewables programs.
- Staff proposed to the Finance Committee to change the calculation of the interest reserve amount to a *one-year revenue cycle*. Using this cycle, the interest reserve amount is estimated to be in the $5.8 to $6.2 million range.

Recommendation

- Staff brought the proposal for a reduced interest reserve amount to the Finance Committee for their consideration on December 3, 2012.
- The Finance Committee supported the recommendation to the full board on December 14, 2012.
- Because this recommendation addresses only the mechanics of how calculations are applied, no formal board action is required for this action to be supported.

Energy Trust of Oregon, Inc
BALANCE SHEET
October 31, 2012
(Unaudited)

	OCT 2012	SEP 2012	DEC 2011	Change from Prior Month	Change from Beg. of Year
Current Assets					
Cash & Cash Equivalents	77,475,477	76,930,364	73,128,210	545,112	4,347,267
Restricted Cash (Escrow Funds)	462,625	560,806	938,755	(98,180)	(476,130)
Receivables	25,236	27,022	7,599	(1,787)	17,636
Prepaid Expenses	386,577	476,935	293,703	(90,358)	92,874
Advances to Vendors	2,040,574	2,545,953	2,438,724	(505,379)	(398,150)
Total Current Assets	**80,390,488**	**80,541,080**	**76,806,991**	**(150,592)**	**3,583,498**
Fixed Assets					
Program Equipment	(0)	32,781	63,213	(32,781)	(63,213)
Computer Hardware and Software	1,335,329	1,045,496	974,712	289,833	360,616
Software Development	0	225,648	899,718	(225,648)	(899,718)
Leasehold Improvements	287,385	287,385	309,767	0	(22,382)
Office Equipment and Furniture	600,662	600,662	627,017	0	(26,355)
Total Fixed Assets	**2,223,376**	**2,191,972**	**2,874,427**	**31,403**	**(651,052)**
Less Depreciation	(1,128,894)	(1,131,085)	(1,049,110)	2,192	(79,784)
Net Fixed Assets	**1,094,482**	**1,060,887**	**1,825,317**	**33,595**	**(730,835)**
Other Assets					
Rental Deposit	64,461	64,461	62,461	0	2,000
Deferred Compensation Asset	362,428	356,563	301,336	5,866	61,093
Total Other Assets	**426,889**	**421,024**	**363,797**	**5,866**	**63,093**
Total Assets	**81,911,860**	**82,022,991**	**78,996,105**	**(111,131)**	**2,915,755**
Current Liabilities					
Accounts Payable and Accruals	6,654,198	7,482,362	23,501,523	(828,163)	(16,847,324)
Deposits Held for Others	51,613	53,217	0	(1,604)	51,613
Salaries, Taxes, & Benefits Payable	584,047	569,885	481,910	14,161	102,137
Total Current Liabilities	**7,289,858**	**8,105,464**	**23,983,432**	**(815,607)**	**(16,693,574)**
Long Term Liabilities					
Deferred Rent	309,736	300,060	31,090	9,676	278,646
Deferred Compensation Payable	362,428	356,563	301,336	5,866	61,093
Other Long-Term Liabilities	12,724	11,964	15,030	760	(2,307)
Total Long-Term Liabilities	**684,887**	**668,586**	**347,456**	**16,301**	**337,432**
Total Liabilities	**7,974,745**	**8,774,051**	**24,330,888**	**(799,306)**	**(16,356,143)**
Net Assets					
Temporarily Restricted Net Assets	462,625	589,606	938,755	(126,980)	(476,130)
Unrestricted Net Assets	73,474,490	72,659,335	53,726,462	815,155	19,748,027
Total Net Assets	**73,937,115**	**73,248,940**	**54,665,217**	**688,175**	**19,271,898**
Total Liabilities and Net Assets	**81,911,860**	**82,022,991**	**78,996,105**	**(111,131)**	**2,915,755**

BS-Acct-YTD-001

Energy Trust of Oregon
Cash Flow Statement-Indirect Method
Monthly 2012

	January	February	March	April	May	June	July	August	September	October	Year to Date
Operating Activities:											
Revenue less Expenses	$ 7,469,767	$ 4,298,486	$ 2,950,527	$ 3,140,662	$ 478,130	$ (919,095)	$ 1,537,444	$ (1,307,294)	$ 935,097	$ 688,175	$ 19,271,899
Non-cash items:											
Depreciation	28,028	16,871	26,398	18,587	22,172	12,333	17,683	$ 19,264	$ 19,147	$ 25,295	$ 205,777
Loss on disposal of assets				895,749					548	5,293	$ 901,590
Receivables	(61)	(2,776)	12	(117,154)	119,829	(6,133)	3,238	$ 178	$ (17,553)	$ 2,124	$ (18,295)
Interest Receivable	(856)	(149)	702	(331)	1,886	(3,486)	(688)	$ 4,015	$ (96)	$ (338)	$ 659
Advances to Vendors	974,854	674,855	(1,288,795)	393,582	692,603	(1,244,313)	465,438	$ 745,312	$ (1,520,765)	$ 505,379	$ 398,150
Prepaid expenses and other costs	(39,514)	38,551	(158,736)	70,773	(233,181)	(53,416)	75,050	$ 106,791	$ 10,449	$ 90,358	$ (92,875)
Accounts payable	(17,938,184)	680,260	1,050,450	(285,542)	3,360,946	(3,309,454)	(311,775)	$ (1,115,807)	$ 1,903,162	$ (829,768)	$ (16,795,712)
Payroll and related accruals	32,885	33,590	41,750	17,550	24,564	9,813	(15,750)	$ (7,608)	$ 6,409	$ 20,027	$ 163,230
Deferred rent and other	44,974	42,803	44,832	10,590	29,121	29,031	3,960	$ 3,382	$ (16)	$ 4,570	$ 213,247
Cash rec'd from / (used in) Operating Activities	(9,428,106)	5,782,491	2,667,140	4,144,466	4,496,070	(5,484,720)	1,774,600	(1,551,767)	1,336,382	511,115	$ 4,247,670
Investing Activities:											
(Acquisition)/Disposal of Capital Assets	(23,704)	-	(2,884)		5,179	(32,970)	(90,928)	$ (106,026)	$ (61,015)	$ (64,185)	$ (376,532)
Cash rec'd from / (used in) Investing Activities	(23,704)	-	(2,884)	-	5,179	(32,970)	(90,928)	(106,026)	(61,015)	(64,185)	$ (376,532)
Cash at beginning of Period	74,066,965	64,615,155	70,397,646	73,061,902	77,206,368	81,707,617	76,189,927	77,873,598	76,215,806	77,491,173	74,066,965
Increase/(Decrease) in Cash	(9,451,810)	5,782,491	2,664,256	4,144,466	4,501,249	(5,517,690)	1,683,672	(1,657,793)	1,275,367	446,929	3,871,138
Cash at end of period	$ 64,615,155	$ 70,397,646	$ 73,061,902	$ 77,206,368	$ 81,707,617	$ 76,189,927	$ 77,873,598	$ 76,215,806	$ 77,491,173	$ 77,938,102	$ 77,938,103

Energy Trust of Oregon
Cash Flow Projection
January 2012 - December 2013

	2011	2012 Actual										2012 Forecast 3.0	
	December	January	February	March	April	May	June	July	August	September	October	November	December
Cash In:													
Public purpose and Incr funding	10,752,627	13,728,819	15,535,462	15,123,603	13,825,710	12,349,286	10,548,641	10,074,262	9,892,673	10,683,165	11,761,507	11,400,000	14,200,000
From other sources	1,400		3,055			120,669	367	3,238	178	8,262	15,125		
Investment Income	15,884	13,175	11,163	13,027	11,735	12,052	12,555	12,589	14,898	9,180	8,724	12,000	12,000
Total cash in	10,769,910	13,741,994	15,549,681	15,136,630	13,837,445	12,482,007	10,561,563	10,090,089	9,907,749	10,700,607	11,785,356	11,412,000	14,212,000
Cash Out:	25,113,539	23,193,804	9,767,190	12,472,373	9,692,980	7,980,759	16,079,253	8,406,418	11,565,544	9,425,241	11,338,427	18,500,000	22,600,000
Net cash flow for the month	(14,343,628)	(9,451,810)	5,782,491	2,664,257	4,144,465	4,501,248	(5,517,690)	1,683,672	(1,657,795)	1,275,366	446,929	(7,088,000)	(8,388,000)
Beginning Balance: Cash & MM	88,410,593	74,066,965	64,615,155	70,397,646	73,061,903	77,206,368	81,707,616	76,189,927	77,873,598	76,215,803	77,491,169	77,938,102	70,850,102
Ending cash & MM	74,066,965	64,615,155	70,397,646	73,061,903	77,206,368	81,707,616	76,189,927	77,873,598	76,215,803	77,491,169	77,938,102	70,850,102	62,462,102
Dedicated funds Adjustment	(18,900,000)	(16,200,000)	(18,700,000)	(25,100,000)	(24,500,000)	(25,000,000)	(24,800,000)	(19,600,000)	(19,700,000)	(19,700,000)	(20,800,000)	(18,800,000)	(13,500,000)
Committed Funds Adjustment	(27,500,000)	(27,600,000)	(26,400,000)	(38,000,000)	(36,600,000)	(39,500,000)	(38,900,000)	(55,800,000)	(61,500,000)	(52,200,000)	(49,100,000)	(42,000,000)	(31,300,000)
Cash Reserve	(6,800,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)
Ending Cash & MM, adj by Above	**20,866,965**	**12,615,155**	**17,097,646**	**1,761,903**	**7,906,368**	**9,007,616**	**4,289,925**	**-**	**-**	**-**	**-**	**1,850,102**	**9,462,102**
Escrow Cash Balance													
Beginning Balance	938,702	938,755	846,467	846,499	846,566	643,329	643,367	643,423	560,717	560,763	560,806	462,625	462,652
Net Escrow (Payments)/Funding	-	(92,305)		-	(203,270)			(82,753)			(98,220)		(45,000)
Interest Paid on Escrow Balances	53	17	32	67	33	38	56	46	46	43	39	27	27
Ending Escrow Balance[1]	938,755	846,467	846,499	846,566	643,329	643,367	643,423	560,717	560,763	560,806	462,625	462,652	417,679

[1]Included in "Ending cash & MM" above

Dedicated funds adjustment: reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements
Committed funds adjustment: reduction in available cash for commitments to Efficiency program projects with signed agreements
Cash reserve: reduction in available cash to cover cashflow variability and winter revenue risk
Escrow: dedicated funds set aside in separate bank accounts

Energy Trust of Oregon
Cash Flow Projection
January 2012 - December 2013

	2013 Draft Budget - Round One											
	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Cash In:												
Public purpose and Incr funding	15,600,000	16,600,000	16,800,000	15,000,000	13,400,000	11,800,000	11,700,000	11,200,000	11,100,000	12,800,000	12,500,000	16,600,000
From other sources												
Investment Income	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Total cash in	15,613,000	16,613,000	16,813,000	15,013,000	13,413,000	11,813,000	11,713,000	11,213,000	11,113,000	12,813,000	12,513,000	16,613,000
Cash Out:	24,300,000	9,200,000	12,100,000	11,400,000	10,800,000	13,700,000	12,300,000	12,500,000	15,800,000	13,500,000	14,000,000	22,000,000
Net cash flow for the month	(8,687,000)	7,413,000	4,713,000	3,613,000	2,613,000	(1,887,000)	(587,000)	(1,287,000)	(4,687,000)	(687,000)	(1,487,000)	(5,387,000)
Beginning Balance: Cash & MM	62,500,000	53,813,000	61,226,000	65,939,000	69,552,000	72,165,000	70,278,000	69,691,000	68,404,000	63,717,000	63,030,000	61,543,000
Ending cash & MM	53,813,000	61,226,000	65,939,000	69,552,000	72,165,000	70,278,000	69,691,000	68,404,000	63,717,000	63,030,000	61,543,000	56,156,000
Dedicated funds Adjustment	(13,900,000)	(13,900,000)	(13,800,000)	(15,100,000)	(15,400,000)	(15,700,000)	(17,800,000)	(17,800,000)	(17,800,000)	(17,800,000)	(17,800,000)	(17,800,000)
Committed Funds Adjustment	(33,000,000)	(34,100,000)	(36,100,000)	(46,600,000)	(49,000,000)	(49,000,000)	(48,600,000)	(48,600,000)	(48,600,000)	(48,600,000)	(48,600,000)	(48,600,000)
Cash Reserve	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)
Ending Cash & MM, adj by Above	**-**	**5,026,000**	**7,839,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,761,903**
Escrow Cash Balance												
Beginning Balance	417,679	417,704	417,731	303,597	204,617	204,631	204,645	204,659	105,673	105,680	6,687	6,687
Net Escrow (Payments)/Funding			(114,162)	(99,000)				(99,000)		(99,000)		(6,688)
Interest Paid on Escrow Balances	25	27	28	20	14	14	14	14	7	7	0	0
Ending Escrow Balance[1]	417,704	417,731	303,597	204,617	204,631	204,645	204,659	105,673	105,680	6,687	6,687	(0)

[1]Included in "Ending cash & MM" above

Dedicated funds adjustment: reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements
Committed funds adjustment: reduction in available cash for commitments to Efficiency program projects with signed agreements
Cash reserve: reduction in available cash to cover cashflow variability and winter revenue risk
Escrow: dedicated funds set aside in separate bank accounts

Energy Trust of Oregon, Inc
INCOME STATEMENT - ACTUAL AND YTD COMPARISON
For the Ten Months Ending October 31, 2012
(Unaudited)

	October			YTD		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
REVENUES						
Public Purpose Funds-PGE	2,835,521	2,462,049	373,472	30,559,877	28,840,613	1,719,264
Public Purpose Funds-PacifiCorp	1,999,400	2,065,583	(66,183)	21,299,356	21,963,454	(664,098)
Public Purpose Funds-NW Natural	557,550	563,610	(6,060)	14,964,932	16,617,468	(1,652,536)
Public Purpose Funds-Cascade	40,132	268,025	(227,893)	1,090,620	2,074,977	(984,357)
Public Purpose Funds-Avista	0	0	0	(25,458)	0	(25,458)
Total Public Purpose Funds	**5,432,603**	**5,359,267**	**73,336**	**67,889,326**	**69,496,511**	**(1,607,185)**
Incremental Funds - PGE	3,265,840	3,277,302	(11,461)	33,319,930	35,048,418	(1,728,488)
Incremental Funds - PacifiCorp	1,893,935	1,876,714	17,220	19,975,614	20,289,380	(313,766)
NW Natural - Industrial DSM	538,172	0	538,172	1,076,344	3,420,205	(2,343,861)
NW Natural - Washington	630,957	630,957	0	1,261,914	1,261,914	0
Special Projects - Clackamas County	0	0	0	200	0	200
Consumer Owned Electric	11,951	0	11,951	15,466	0	15,466
Consulting Income	0	0	0	3,055	0	3,055
Contributions	1,050	0	1,050	30,490	0	30,490
Revenue from Investments	9,064	16,667	(7,603)	118,578	166,670	(48,092)
TOTAL REVENUE	**11,783,571**	**11,160,907**	**622,665**	**123,690,917**	**129,683,097**	**(5,992,180)**
EXPENSES						
Program Subcontracts	4,433,446	4,478,862	45,417	37,304,592	38,839,777	1,535,185
Incentives	5,060,261	15,889,845	10,829,584	51,584,120	69,765,706	18,181,586
Salaries and Related Expenses	804,456	808,737	4,281	7,394,692	8,425,101	1,030,409
Professional Services	581,244	1,023,328	442,085	5,536,135	9,283,603	3,747,469
Supplies	6,574	7,618	1,044	57,919	74,514	16,595
Telephone	4,088	4,530	442	38,723	45,663	6,940
Postage and Shipping Expenses	548	2,875	2,327	9,975	28,750	18,775
Occupancy Expenses	51,958	56,229	4,271	521,474	550,285	28,811
Noncapitalized Equip. & Depr.	64,828	216,308	151,480	1,248,727	1,031,019	(217,708)
Call Center	15,357	16,088	731	177,985	145,648	(32,338)
Printing and Publications	4,554	16,171	11,616	106,116	161,708	55,592
Travel	13,063	14,648	1,585	97,846	177,560	79,715
Conference, Training & Mtng Exp	8,071	31,495	23,424	111,082	328,450	217,367
Interest Expense and Bank Fees	0	625	625	5,000	6,250	1,250
Insurance	7,800	9,167	1,367	77,026	91,667	14,641
Miscellaneous Expenses	24,207	217	(23,991)	31,610	2,167	(29,444)
Dues, Licenses and Fees	14,944	8,033	(6,911)	115,995	117,160	1,164
TOTAL EXPENSES	**11,095,397**	**22,584,775**	**11,489,379**	**104,419,019**	**129,075,028**	**24,656,008**
TOTAL REVENUE LESS EXPENSES	**688,175**	**(11,423,869)**	**12,112,044**	**19,271,898**	**608,070**	**18,663,828**

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Energy Trust of Oregon, Inc
Statement of Functional Expenses
For the Ten Months Ending October 31, 2012

	Energy Efficiency	Renewable Energy	Consulting Services	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total	Budget	Variance
Program Expenses										
Incentives/ Program Management & Deliv	76,663,689	12,225,023		88,888,712			0	88,888,712	108,605,482	19,716,770
Payroll and Related Expenses	2,060,757	684,074	1,544	2,746,375	1,545,779	667,973	2,213,752	4,960,127	5,445,096	484,969
Outsourced Services	3,276,976	396,173		3,673,149	186,325	482,383	668,708	4,341,857	7,757,409	3,415,552
Planning and Evaluation	1,428,057	71,075		1,499,132	14,478		14,478	1,513,610	2,138,685	625,075
Customer Service Management	536,891	20,996		557,887			0	557,887	563,794	5,907
Trade Allies Network	306,082	22,403		328,485			0	328,485	417,767	89,282
Total Program Expenses	**84,272,452**	**13,419,744**	**1,544**	**97,693,740**	**1,746,582**	**1,150,357**	**2,896,939**	**100,590,679**	**124,928,234**	**24,337,555**
Program Support Costs										
Supplies	28,560	5,292	3	33,855	9,453	5,438	14,891	48,746	44,964	(3,782)
Postage and Shipping Expenses	3,157	888	1	4,046	1,582	1,643	3,225	7,271	20,379	13,108
Telephone	2,968	1,805		4,773	2,036	629	2,665	7,438	5,833	(1,605)
Printing and Publications	75,979	3,604		79,583	612	20,735	21,347	100,930	154,376	53,446
Occupancy Expenses	150,207	54,833	60	205,100	97,713	51,584	149,297	354,397	362,905	8,508
Insurance	22,187	8,099	9	30,295	14,433	7,619	22,052	52,347	60,452	8,105
Equipment	8,771	35,391	4	44,166	737,208	3,012	740,220	784,386	22,072	(762,314)
Travel	34,473	17,971	376	52,820	26,030	2,151	28,181	81,001	151,311	70,310
Meetings, Trainings & Conferences	20,660	8,878		29,538	34,399	4,151	38,550	68,088	226,616	158,528
Interest Expense and Bank Fees				0	5,000		5,000	5,000	6,250	1,250
Depreciation & Amortization	38,497	19,731	15	58,243	25,043	13,220	38,263	96,506	128,819	32,313
Dues, Licenses and Fees	69,360	15,095		84,455	7,778	2,713	10,491	94,946	86,384	(8,562)
Miscellaneous Expenses	2,684	31		2,715	217	28,274	28,491	31,206	1,457	(29,749)
IT Services	1,540,461	127,658		1,668,119	257,005	170,954	427,959	2,096,078	2,874,973	778,895
Total Program Support Costs	**1,997,964**	**299,276**	**468**	**2,297,708**	**1,218,509**	**312,124**	**1,530,633**	**3,828,341**	**4,146,794**	**318,453**
TOTAL EXPENSES	**86,270,416**	**13,719,019**	**2,012**	**99,991,447**	**2,965,091**	**1,462,480**	**4,427,571**	**104,419,023**	**129,075,031**	**24,656,008**
OPUC measure vs. 9%	**5.44%**									

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Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory - joint costs allocated at program level
For the Ten Months Ending October 31, 2012
(Unaudited)

	ENERGY EFFICIENCY											RENEWABLE ENERGY				TOTAL		
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Oregon Total	Clark PUD WA	NWN WA	Total WA	ETO Total	PGE	PacifiCorp	Total	Other	All Programs	Approved budget	Change
REVENUES																		
Public Purpose Funding	$23,764,148	$16,621,730	$40,385,878		$14,964,932	$1,090,620	$56,415,972				$56,415,972	$6,795,728	$4,677,626	$11,473,354		$67,889,326	$69,496,512	$1,607,186
Incremental Funding	33,319,930	19,975,614	53,295,544	1,076,344			54,371,888		1,261,914	1,261,914	55,633,802					55,633,802	60,019,916	4,386,114
Consumer Owned Electric Funding								15,466		15,466	15,466					15,466		(15,466)
Consulting Income															3,055	3,055		(3,055)
Contributions															30,490	30,490		(30,490)
Special Projects	34		34		166		200				200					200		(200)
Revenue from Investments															118,578	118,578	166,670	48,092
TOTAL PROGRAM REVENUE	**57,084,112**	**36,597,344**	**93,681,456**	**1,076,344**	**14,965,098**	**1,090,620**	**110,788,060**	**15,466**	**1,261,914**	**1,277,380**	**112,065,440**	**6,795,728**	**4,677,626**	**11,473,354**	**152,123**	**123,690,917**	**129,683,098**	**$5,992,180**
EXPENSES																		
Program Management (Note 3)	2,037,474	1,484,240	3,521,715	45,572	1,068,835	76,516	4,712,639	1,339	108,317	109,656	4,822,295	286,007	398,000	684,007	1,544	5,507,846	5,072,798	(435,048)
Program Delivery	14,622,775	10,646,274	25,269,049	386,185	4,482,233	371,910	30,509,377	1,004	198,943	199,947	30,709,324	109,549	91,866	201,415		30,910,739	33,090,914	2,180,175
Incentives	19,222,670	12,194,838	31,417,508	328,581	7,073,038	480,572	39,299,699	6,930	253,884	260,814	39,560,513	8,695,190	3,328,418	12,023,608		51,584,121	69,765,707	18,181,586
Program Eval & Planning Svcs.	1,484,209	1,000,968	2,485,177	38,925	528,306	39,428	3,091,836	433	45,909	46,342	3,138,178	31,091	39,983	71,074		3,209,252	4,733,291	1,524,039
Program Marketing/Outreach	1,955,622	1,348,298	3,303,920	10,467	1,149,106	80,805	4,544,298		75,414	75,414	4,619,712	50,861	19,254	70,115		4,689,827	4,937,713	247,886
Program Legal Services	272	247	519		291	10	820				820					820	6,249	5,429
Program Quality Assurance	39,145	34,712	73,857	56	39,050	1,405	114,367				114,367	863		863		115,230	242,189	126,959
Outsourced Services	196,744	149,560	346,304	2,338	110,816	4,634	464,091				464,091	187,465	137,730	325,195		789,286	2,415,983	1,626,697
Trade Allies & Cust. Svc. Mgmt.	325,808	247,717	573,526	1,988	235,190	12,912	823,615	318	19,040	19,358	842,973	33,583	9,816	43,399		886,372	981,561	95,189
IT Services	646,680	468,540	1,115,220	8,247	352,571	20,237	1,496,275	794	43,393	44,187	1,540,462	51,088	76,571	127,659		1,668,121	2,287,985	619,864
Other Program Expenses	206,194	136,774	342,967	5,111	78,437	5,828	432,343	443	24,901	25,344	457,687	98,783	72,900	171,683	468	629,838	741,177	111,339
TOTAL PROGRAM EXPENSES	**40,737,593**	**27,712,167**	**68,449,761**	**827,470**	**15,117,872**	**1,094,257**	**85,489,360**	**11,260**	**769,802**	**781,062**	**86,270,416**	**9,544,479**	**4,174,539**	**13,719,019**	**2,012**	**99,991,447**	**124,275,567**	**$24,284,115**
ADMINISTRATIVE COSTS																		
Management & General (Notes 1 & 2)	1,208,035	821,778	2,029,813	24,538	448,306	32,449	2,535,106	334	22,828	23,162	2,558,268	280,455	126,369	406,824		2,965,091	3,010,018	44,926
Communications & Customer Svc (Notes 1 & 2)	595,842	405,328	1,001,170	12,103	221,119	16,005	1,250,397	165	11,258	11,423	1,261,820	138,330	62,329	200,659		1,462,480	1,789,446	326,967
Total Administrative Costs	**1,803,877**	**1,227,106**	**3,030,983**	**36,641**	**669,425**	**48,454**	**3,785,503**	**499**	**34,086**	**34,585**	**3,820,088**	**418,784**	**188,699**	**607,483**		**4,427,571**	**4,799,464**	**$371,893**
TOTAL PROG & ADMIN EXPENSES	**42,541,470**	**28,939,273**	**71,480,743**	**864,111**	**15,787,297**	**1,142,711**	**89,274,863**	**11,759**	**803,888**	**815,647**	**90,090,510**	**9,963,263**	**4,363,238**	**14,326,501**	**2,012**	**104,419,019**	**129,075,031**	**$24,656,008**
TOTAL REVENUE LESS EXPENSES	**14,542,642**	**7,658,071**	**22,200,713**	**212,233**	**(822,199)**	**(52,091)**	**21,513,197**	**3,707**	**458,026**	**461,733**	**21,974,930**	**(3,167,535)**	**314,388**	**(2,853,147)**	**150,111**	**19,271,898**	**608,067**	**($18,663,827)**
Cumulative Carryover at 12/31/11 (Note 4)	10,744,010	18,682	10,762,692	1,389,821	6,895,922	150,877	19,224,770		247,771	247,771	19,472,541	16,410,883	8,267,775	24,678,658	10,514,019	54,665,218	51,243,554	(3,421,664)
Interest attributed	1,740,000	1,160,000	2,900,000		5,000,000		7,900,000				7,900,000	585,000	2,235,000	2,820,000	(10,720,000)			
Interest re-attributed	(1,740,000)	(1,160,000)	(2,900,000)		(5,000,000)		(7,900,000)				(7,900,000)				7,900,000			
TOTAL NET ASSETS CUMULATIVE	**25,286,652**	**7,676,753**	**32,963,405**	**1,602,054**	**6,073,723**	**98,786**	**40,737,967**	**3,707**	**705,797**	**709,504**	**41,447,471**	**13,828,348**	**10,817,163**	**24,645,511**	**7,844,130**	**73,937,115**	**51,851,621**	**($22,085,491)**

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.
Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.
Note 3) Program Management costs include both outsourced and internal staff.
Note 4) Cumulative carryover at 12/31/2011 reflects audited results.

Energy Trust of Oregon, Inc
Program Expense by Service Territory
For the Ten Months Ending October 31, 2012
(Unaudited)

	PGE	Pacific Power	Elec. Utilities	NWN Industrial	NW Natural Gas	Cascade	Gas Providers	Oregon Total	Clark PUD WA	NWN WA	Total WA	Consulting	ETO Total	YTD Budget	Variance
Energy Efficiency															
Commercial															
Existing Buildings	10,102,642	7,572,707	17,675,349	132,176	4,518,258	253,636	4,904,070	22,579,419	11,759	256,431	268,190		22,847,609	32,570,523	9,722,914
New Buildings	6,260,380	3,614,314	9,874,694	101,008	908,609	121,883	1,131,500	11,006,194					11,006,194	12,180,332	1,174,138
NEEA	1,333,001	989,092	2,322,093					2,322,093					2,322,093	2,781,654	459,561
Total Commercial	**17,696,023**	**12,176,113**	**29,872,136**	**233,184**	**5,426,867**	**375,519**	**6,035,570**	**35,907,706**	**11,759**	**256,431**	**268,190**		**36,175,896**	**47,532,509**	**11,356,613**
Industrial															
Production Efficiency	9,094,424	5,210,393	14,304,817	630,929	236,074	103,184	970,187	15,275,004					15,275,004	21,303,124	6,028,120
NEEA	649,161	476,991	1,126,152					1,126,152					1,126,152	1,274,058	147,906
Total Industrial	**9,743,585**	**5,687,384**	**15,430,969**	**630,929**	**236,074**	**103,184**	**970,187**	**16,401,156**					**16,401,156**	**22,577,182**	**6,176,026**
Residential															
Existing Homes	6,203,222	5,640,314	11,843,536		6,643,143	231,466	6,874,609	18,718,145		353,866	353,866		19,072,011	22,136,759	3,064,748
New Homes/Products	7,029,803	4,025,638	11,055,441		3,481,214	432,543	3,913,757	14,969,198		193,590	193,590		15,162,788	17,927,708	2,764,920
NEEA	1,868,836	1,409,823	3,278,659					3,278,659					3,278,659	2,870,629	(408,030)
Total Residential	**15,101,861**	**11,075,775**	**26,177,636**		**10,124,357**	**664,009**	**10,788,366**	**36,966,002**		**547,456**	**547,456**		**37,513,458**	**42,935,096**	**5,421,638**
Energy Efficiency Program Costs	**42,541,470**	**28,939,273**	**71,480,743**	**864,111**	**15,787,297**	**1,142,711**	**17,794,123**	**89,274,863**	**11,759**	**803,888**	**815,647**		**90,090,510**	**113,044,787**	**22,954,277**
Renewables															
Biopower	126,501	893,786	1,020,287					1,020,287					1,020,287	2,035,826	1,015,539
Solar Electric (Photovoltaic)	9,584,989	2,473,142	12,058,131					12,058,131					12,058,131	11,208,205	(849,926)
Other Renewable	251,774	996,311	1,248,085					1,248,085					1,248,085	2,786,210	1,538,125
Renewables Program Costs	**9,963,263**	**4,363,238**	**14,326,501**					**14,326,501**					**14,326,501**	**16,030,241**	**1,703,738**
Consulting												2,012	2,012		(2,012)
Cost Grand Total	**52,504,733**	**33,302,511**	**85,807,244**	**864,113**	**15,787,298**	**1,142,712**	**17,794,123**	**103,601,364**	**11,759**	**803,887**	**815,647**	**2,012**	**104,419,023**	**129,075,028**	**24,656,003**

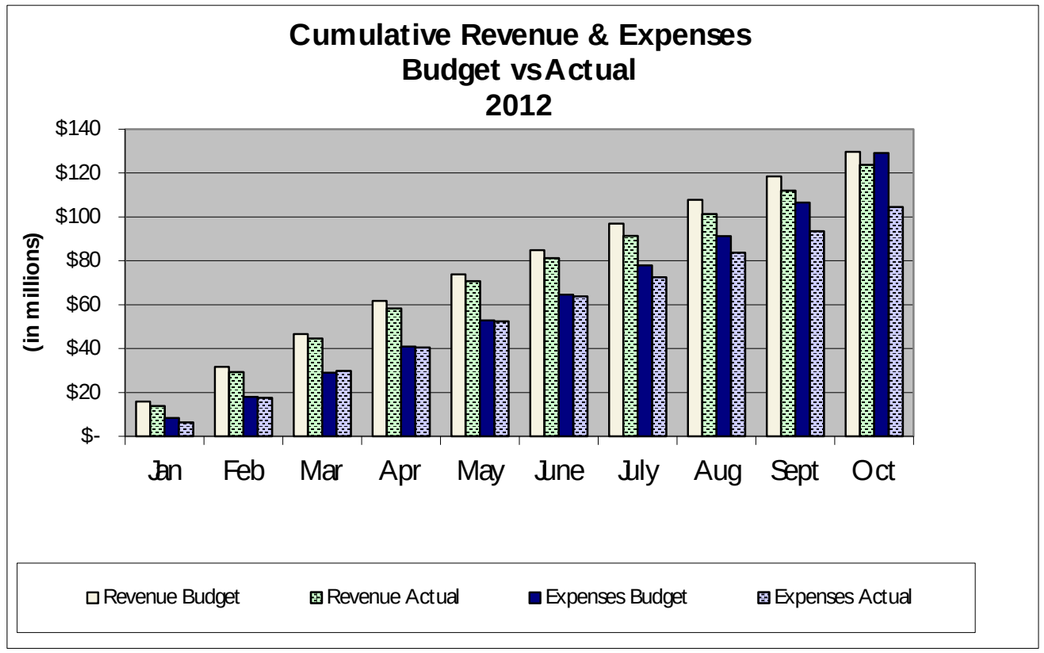
PUC-Proj-ST-07-C

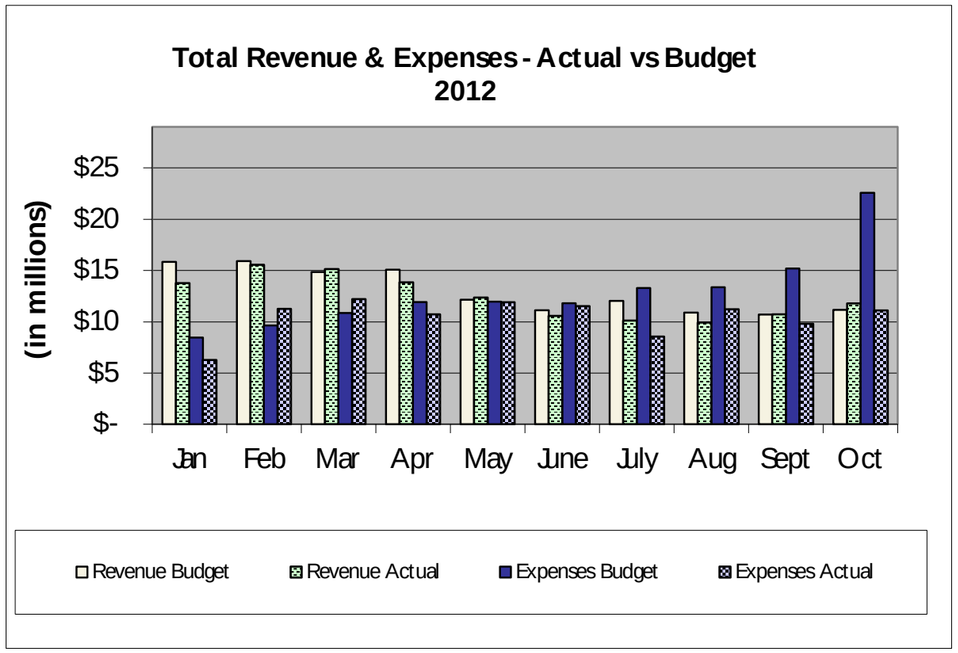
Energy Trust of Oregon, Inc.
ADMINISTRATIVE EXPENSES
For the Month and Year to Date Ended October 31, 2012
(Unaudited)

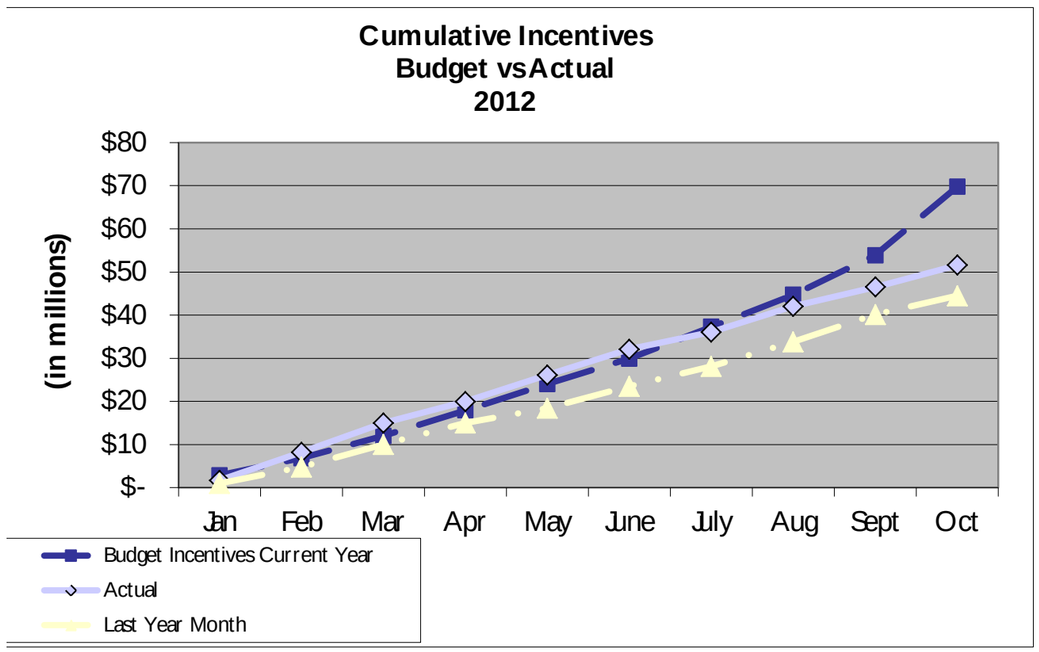
	MANAGEMENT & GENERAL						COMMUNICATIONS & CUSTOMER SERVICE					
	MONTHLY ACTUAL	QUARTERLY BUDGET	QUARTER REMAINING	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	MONTHLY ACTUAL	QUARTERLY BUDGET	QUARTER REMAINING	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
EXPENSES												
Outsourced Services	$9,536	$65,846	$56,310	$159,673	$386,988	$227,314	$50,276	$180,750	$130,474	$482,383	$627,500	$145,117
Legal Services		35,625	35,625	26,652	118,750	92,099						
Salaries and Related Expenses	166,658	522,062	355,404	1,545,660	1,771,633	225,973	75,679	227,545	151,866	667,910	756,503	88,593
Supplies	30	1,500	1,470	4,610	5,000	390	383	625	242	2,881	2,083	(798)
Telephone	81	350	269	1,307	1,527	220	15		(15)	244		(244)
Postage and Shipping Expenses								1,250	1,250	809	4,167	3,358
Noncapitalized Equipment				731,503		(731,503)		500	500		1,667	1,667
Printing and Publications	45	75	31	358	250	(108)	2,620	12,500	9,880	20,600	41,667	21,066
Travel	1,898	9,164	7,266	26,030	30,547	4,517	923	1,750	827	2,151	5,833	3,682
Conference, Training & Mtngs	2,062	38,835	36,773	34,399	130,950	96,550	611	5,125	4,514	4,151	17,083	12,933
Interest Expense and Bank Fees		1,875	1,875	5,000	6,250	1,250						
Miscellaneous Expenses		25	25	163	83	(79)	24,207		(24,207)	28,245		(28,245)
Dues, Licenses and Fees	10	3,208	3,198	7,778	7,262	(516)	606	625	19	2,713	2,083	(630)
Shared Allocation (Note 1)	14,060	54,851	40,791	150,476	177,814	27,338	7,972	29,731	21,759	79,438	96,380	16,941
IT Service Allocation (Note 2)	29,671	124,126	94,455	257,005	352,507	95,502	19,736	82,566	62,830	170,954	234,480	63,526
Planning & Eval (Note 3)	1,451	6,001	4,550	14,478	20,457	5,979						
TOTAL EXPENSES	**225,501**	**863,543**	**638,042**	**2,965,091**	**3,010,018**	**44,927**	**183,029**	**542,966**	**359,937**	**1,462,480**	**1,789,446**	**326,965**

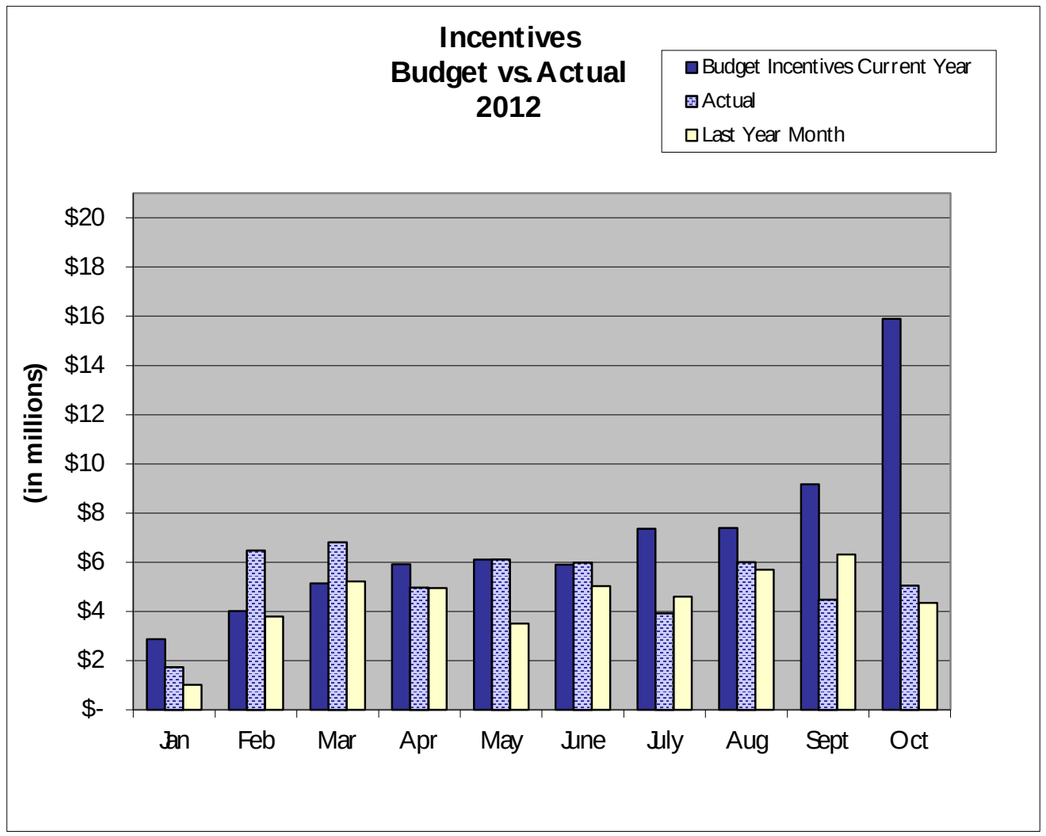
Note 1) Represents allocation of Shared (General Office Management) Costs
Note 2) Represents allocation of Shared IT Costs
Note 3) Represents allocation of Planning & Evaluations Costs

Administrative Expenses 1st Month of Quarter


Cumulative Revenue & Expenses
Budget vs Actual
2012
$140
$120
$100
$80
$60
$40
$20
$-
(in millions)
Jan
Feb
Mar
Apr
May
June
July
Aug
Sept
Oct
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Total Revenue & Expenses - Actual vs Budget
2012
$25
$20
$15
$10
$5
$-
(in millions)
Jan
Feb
Mar
Apr
May
June
July
Aug
Sept
Oct
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Cumulative Incentives
Budget vs Actual
2012
$80
$70
$60
$50
$40
$30
$20
$10
$-
(in millions)
Jan
Feb
Mar
Apr
May
June
July
Aug
Sept
Oct
Budget Incentives Current Year
Actual
Last Year Month


Incentives
Budget vs. Actual
2012
Budget Incentives Current Year
Actual
Last Year Month
$20
$18
$16
$14
$12
$10
$8
$6
$4
$2
$-
(in millions)
Jan
Feb
Mar
Apr
May
June
July
Aug
Sept
Oct

R00407

For contracts with costs through: 11/1/2012

Energy Trust of Oregon
Contract Status Summary Report

Report Date: 11/16/2012

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Administration							
		Administration Total:	**8,149,053**	**2,834,150**	**5,314,903**		
Communications & Outreach							
		Communications & Outreach Total:	**3,061,164**	**2,374,612**	**686,553**		
Energy Efficiency Programs							
Northwest Energy Efficiency Alliance	Regional Energy Eff Initiative	Portland	39,138,680	25,351,689	13,786,991	1/1/10	7/1/15
Lockheed Martin Services, Inc.	PMC EB 2012	Cherry Hill	8,859,261	6,576,805	2,282,456	1/1/12	12/31/12
Conservations Services Group, Inc.	2012 HES PMC	Portland	6,961,172	5,926,279	1,034,893	1/1/12	12/31/12
Portland Energy Conservation, Inc.	PMC NHP 2012	Portland	6,652,175	5,301,616	1,350,559	1/1/12	12/31/12
Portland Energy Conservation, Inc.	2012 NBE PMC	Portland	4,780,560	3,893,232	887,328	1/1/12	12/31/12
Oregon State University	CHP Project - OSU	Corvallis	2,024,263	1,920,000	104,263	12/20/10	12/20/13
Cascade Energy, Inc.	PDC - PE 2012	Walla Walla	1,777,494	1,337,736	439,758	1/1/12	12/31/12
Portland General Electric	PDC - PE 2012		1,753,000	1,470,014	282,986	1/1/12	12/31/12
OPOWER, Inc.	OPOWER Agreement	Arlington	1,725,000	1,535,720	189,280	3/2/10	2/28/13
Lockheed Martin Services Inc.	2012 MF PMC	Portland	1,660,001	1,198,505	461,496	1/1/12	12/31/12
RHT Energy Solutions	PDC - PE 2012	Medford	1,397,810	1,124,624	273,186	1/1/12	12/31/12
Cascade Energy, Inc.	PDC - PE 2012 Small Industrial	Walla Walla	1,139,688	813,070	326,618	1/1/12	12/31/12
Northwest Power & Conservation Council	Annual Work Plan		874,652	258,652	616,000	3/20/12	12/31/14
NEXANT, INC.	PDC - PE 2012	San Francisco	837,000	619,973	217,027	1/1/12	12/31/12
Evergreen Consulting Group, LLC	PE Lighting PDC 2012	Tigard	834,860	530,025	304,835	1/1/12	12/31/12
Ecova Inc	80 Plus Initiative - 2012	Portland	487,995	241,317	246,679	1/1/12	12/31/12
ICF Resources, LLC	BE PMC Transition Agreement	Fairfax	482,000	0	482,000	9/4/12	12/31/12
Navigant Consulting Inc	PE Program Impact Evaluation	Boulder	450,000	335,453	114,547	12/15/11	6/30/13
Fluid Market Strategies LLC	HES PMC Transition	Portland	449,000	152,387	296,613	8/23/12	12/31/12
Clean Energy Works Oregon Inc	Clean Energy Works	Portland	448,500	300,000	148,500	1/1/10	12/31/12
SBW Consulting, Inc.	BE Program Impact Evaluation	Bellevue	400,000	193,225	206,775	1/15/12	6/30/13
The Cadmus Group Inc.	NB Impact Eval 2010-2011	Watertown	295,000	149,215	145,785	1/13/12	12/31/13
Cascade Energy Engineering, Inc.	Technical Service Provider	Portland	284,483	277,989	6,494	8/1/09	7/31/12
Evoworx Inc.	EnergySavvy Online Audit Tool	Seattle	225,000	126,730	98,270	1/1/12	12/31/12
Lockheed Martin Services Inc.	NWN WA BE 2012	Portland	202,200	115,139	87,061	1/1/12	12/31/12
Research Into Action, Inc.	EB Evaluation	Portland	195,000	175,950	19,050	1/1/12	12/31/12
Conservation Services Group Inc	2012 HES WA PMC	Westborough	193,726	131,324	62,402	1/1/12	12/31/12
Research Into Action, Inc.	PE Evaluation	Portland	170,000	83,923	86,077	2/1/12	10/30/12
PacifiCorp	Consumer Info Transfer	Portland	137,500	60,228	77,272	8/15/03	8/15/12
Opinion Dynamics Corporation	Evaluate OPOWER Pilot	Waltham	128,000	118,370	9,630	4/1/11	8/31/12
J. Hruska Global	Quality Assurance Services	Columbia City	125,000	100,053	24,947	1/18/12	12/31/12
ICF Resources, LLC	CHP Performance	Fairfax	116,320	67,810	48,510	8/5/09	6/30/13
Lockheed Martin Services, Inc.	NWN DSM Initiative 2012	Cherry Hill	110,000	37,546	72,454	1/1/12	12/31/12
PWP, Inc.	NBE Process Evaluation	Gaithersburg	100,000	50,741	49,259	1/6/12	12/31/13
Skumatz Economic Research Associates Inc	Existing Homes Study	Superior	100,000	86,179	13,821	7/15/11	12/31/12

*The city indicated is the contractor's mailing address, not necessarily the location where work was performed.

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Heschong, Mahone Group, Inc.	QA Consultant Services	Fair Oaks	88,500	88,500	0	3/15/11	12/31/12
Johnson Consulting Group LLC	CEWO Process Evaluation	Frederick	80,000	58,734	21,266	12/12/11	11/30/12
Energy Efficiency Funding Group Inc	Training Classes/Workshops	San Francisco	75,000	67,590	7,410	6/1/11	5/31/13
Hitachi Consulting Corporation	SOW #14 PMC Transition Support	Dallas	70,000	8,265	61,735	9/10/12	1/21/13
Portland Energy Conservation, Inc.	PECI NWN WA 2012	Portland	65,026	45,087	19,939	1/1/12	12/31/12
On Target Consulting & Research	OR Res Awareness Study - 2012	Lake Forest Park	65,000	61,394	3,606	3/1/12	12/31/12
Glumac Inc	Data Center Analysis	Portland	64,525	40,170	24,355	6/7/12	10/31/12
Pollinate Inc	Web Application Development	Portland	58,500	49,474	9,026	1/1/12	12/31/12
Portland Energy Conservation, Inc.	EE Consultant Services	Portland	54,170	44,981	9,190	6/1/11	12/31/13
Home Performance Contractors Guild of Oregon	Existing Homes Program Support	Portland	52,000	42,798	9,202	1/1/12	12/31/12
The Cadmus Group Inc.	Commercial Op Pilot Eval	Watertown	50,000	21,999	28,001	7/1/11	11/30/12
The Cadmus Group Inc.	Path to Net-Zero Pilot	Watertown	49,000	15,006	33,994	11/1/09	12/31/12
PWP, Inc.	Comm SEM Initiative Evaluation	Gaithersburg	45,000	6,203	38,797	7/1/12	6/30/14
Fluid Market Strategies LLC	New Homes QA Assurance	Portland	42,250	0	42,250	3/1/12	12/31/12
Portland General Electric	Utility Data Payment - OPOWER	Portland	40,000	19,928	20,072	8/1/10	2/28/12
Research Into Action, Inc.	Eval SB 838 2010 & 2011 Funds	Portland	40,000	25,934	14,066	6/15/11	6/30/12
NW Natural	Info Transfer & Reimbursement	Portland	35,000	21,263	13,737	7/12/10	2/28/12
The Cadmus Group Inc.	Lighting Pilot Evaluation	Watertown	35,000	0	35,000	4/1/12	12/31/13
WegoWise Inc	Wegowise Benchmarking License	Boston	35,000	20,000	15,000	5/14/12	5/14/14
Navigant Consulting Inc	CORE Improvement Pilot Eval	Boulder	34,000	0	34,000	9/1/12	8/30/14
Stellar Processes, Inc.	EPS Modeling Comparison	Portland	33,000	26,659	6,341	1/15/11	6/30/12
Forrest Marketing	Indust Sect In-Depth Research	Portland	30,000	28,996	1,004	11/15/11	12/31/12
Navigant Consulting Inc	Sustainable Energy Syst Pilot	Boulder	30,000	13,952	16,048	2/15/11	11/30/12
Seattle City Light	Lighting Design Lab Sponsor	Seattle	30,000	30,000	0	1/1/12	12/31/12
Clackamas County	Clackamas County Proj Outreach	Oregon City	25,000	25,000	0	5/1/12	12/31/12
Portland General Electric	Seminar Sponsorship	Portland	24,950	24,950	0	1/1/12	12/31/12
Triple Point Energy Inc.	Breakfast Workshops	Portland	23,585	12,350	11,235	4/12/12	1/15/13
Forrest Marketing	New Buildings Market Research	Portland	23,000	14,375	8,625	8/22/12	1/31/13
MetaResource Group	Intel D1X Megaproject	Portland	20,000	4,650	15,350	10/10/11	12/31/12
Michael Blasnick & Associated	Billing Analysis Process	Boston	20,000	3,938	16,063	1/1/10	12/31/12
Lane Community College, NEEI Science Division	2012 Scholarship Grant	Eugene	16,600	3,400	13,200	1/1/12	12/31/12
Consortium for Energy Efficiency	Membership Dues - 2012		15,063	15,063	0	1/1/12	12/31/12
Oregon Department of Energy	Oregon Leaders Project	Salem	15,000	15,000	0	9/19/11	1/31/14
City of Portland Bureau of Planning & Sustainability	Sponsorships - 2012	Portland	12,000	12,000	0	9/27/12	12/31/12
Watershed Sciences Inc	Thermal Imaging Data Analysis	Corvallis	11,000	2,475	8,525	7/1/11	12/31/12
Portland State University Foundation	Green Modular Classroom Proj	Portland	10,500	0	10,500	6/13/12	7/31/14

*The city indicated is the contractor's mailing address, not necessarily the location where work was performed.

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
American Council for and Energy Efficient Economy	ACEEE Sponsorship - 2012		10,000	10,000	0	1/1/12	12/31/12
Association of Energy Services Professionals	AESP 2012 Membership	Phoenix	5,000	5,000	0	1/1/12	12/31/12
MetaResource Group	Sunriver Lodge Spillover Eval	Portland	5,000	3,038	1,963	8/13/12	12/31/12
MetaResource Group	Home Performance Focus Group	Portland	5,000	2,982	2,018	8/10/12	9/30/12
	Energy Efficiency Programs Total:		**86,958,009**	**61,552,672**	**25,405,337**		
Joint Programs							
Gilmore Research	Fast Feedback Survey	Seattle	110,000	89,000	21,000	5/1/11	5/31/13
Gilmore Research	Fast Feedback Survey	Seattle	104,000	0	104,000	10/1/12	6/30/14
ICF Resources, LLC	Planning Consultant Services	Fairfax	64,700	63,840	860	6/16/11	5/31/13
Skumatz Economic Research Associates Inc	Evaluation Consultant	Superior	30,000	3,480	26,520	3/1/11	12/31/12
Portland State University	Technology Forecasting		28,577	19,193	9,384	11/7/11	12/31/12
Stellar Processes, Inc.	Resource Assessment Update	Portland	24,000	24,000	0	3/1/12	12/31/12
Navigant Consulting Inc	P&E Consultant Services	Boulder	22,040	4,600	17,440	6/30/11	7/1/13
Glumac Inc	Planning Technical Analysis	Portland	15,000	0	15,000	10/17/12	10/17/14
CoStar Realty Information Inc	Property Data	Baltimore	12,668	7,988	4,680	6/1/11	2/28/13
Excidian LLC	Business Finance Class	Wheeling	12,000	10,350	1,650	9/1/12	10/31/12
Gilmore Research	Customer Engagement Survey	Seattle	10,000	0	10,000	10/1/12	12/31/13
	Joint Programs Total:		**432,985**	**222,450**	**210,535**		
Renewable Energy Program							
Outback Solar LLC	Outback Solar	Portland	5,000,000	0	5,000,000	5/9/12	5/9/37
Sunway 3, LLC	Prologis PV installation		3,405,000	3,396,044	8,956	9/30/08	9/30/28
enXco Asset Holdings Inc	Bellevue Solar Facility	San Diego	2,012,500	1,912,680	99,820	7/23/10	7/23/35
Rough & Ready Lumber Company	Biopower Funding Agreement	Cave Junction	1,685,088	1,603,105	81,983	7/21/06	7/21/26
Oregon Institute of Technology	Geothermal Resource Funding	Klamath Falls	1,550,000	0	1,550,000	9/11/12	9/11/32
enXco Asset Holdings Inc	Yamhill Solar Facility	San Diego	1,437,500	1,366,200	71,300	7/23/10	7/23/35
Alder Solar LLC	Habilitation Center PV	Portland	1,236,750	1,224,244	12,506	1/18/08	12/31/28
Central Oregon Irrigation District	Juniper Ridge Hydroelectric	Redmond	1,000,000	1,000,000	0	10/31/08	6/30/31
Farm Power Misty Meadows LLC	Misty Meadows Biogas Facility	Mount Vernon	1,000,000	0	1,000,000	10/25/12	10/25/27
Three Sisters Irrigation District	TSID Hydro	Sisters	1,000,000	0	1,000,000	4/25/12	4/25/32
Revolution Energy Solutions LLC	Biogas Manure Digester Project	Washington	883,320	110,415	772,905	10/27/10	10/27/25
Stahlbush Island Farms, Inc.	Funding Assistance Agreement	Corvallis	827,000	551,334	275,666	6/24/09	6/24/29
Tioga Solar VI, LLC	Photovoltaic Project Agreement	San Mateo	570,760	368,942	201,818	2/1/09	2/1/30
C Drop Hydro LLC	C Drop Project - Klamath Irrig	Idaho Falls	490,000	245,000	245,000	11/1/11	11/1/31
Oregon Institute of Technology	Geothermal Resource Funding	Klamath Falls	487,000	487,000	0	3/2/10	3/2/30
City of Medford	750kW Combined Heat & Power	Medford	450,000	0	450,000	10/20/11	10/20/31
City of Pendleton	Pendleton Microturbines	Pendleton	450,000	0	450,000	4/20/12	4/20/32
K2A Properties, LLC	Doerfler Wind Farm Project	Aumsville	230,000	141,996	88,004	5/20/10	5/20/30
Farmers Irrigation District	Low Line Canal Pressurization	Hood River	150,000	95,000	55,000	9/26/12	11/30/32

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Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Farmers Irrigation District	Indian Creek Corridor Project	Hood River	100,000	100,000	0	1/5/10	1/4/29
Wallowa Resources Community Solutions, Inc.	Upfront Hydroelectric Project		100,000	4,260	95,740	10/1/11	10/1/13
Stoller Vineyards, Inc.	Stoller Vineyards PV	Dayton	79,815	77,390	2,425	12/1/05	12/1/26
Wallowa Resources Community Solutions Inc	Integrated Biomass Energy Camp	Enterprise	70,000	0	70,000	2/1/12	1/31/27
City of Portland Water Bureau	Vernon Hydro	Portland	65,000	65,000	0	11/15/10	11/15/30
Construct Inc	RE Consultant Services	Portland	64,000	32,170	31,830	1/1/11	12/31/12
Robert Andrew Volkman	Project Finance Consultant	Portland	62,500	5,394	57,107	10/1/10	12/31/12
Bloomberg LP	Insight Services	San Francisco	45,600	33,300	12,300	4/1/11	1/31/13
University of Oregon	UO SRML Contribution	Eugene	45,000	45,000	0	3/9/12	3/9/13
MC Energy LLC	Small Wind Incentive	Spokane	43,250	43,250	0	9/21/10	9/21/25
CIty of Gresham	Wastewater Treatment Study		40,000	40,000	0	7/12/12	9/30/12
Clean Energy States Alliance	CESA Year 10 (2013)		39,543	39,543	0	7/1/12	6/30/13
Wind Products Inc	Wind Consultant	Brooklyn	37,500	17,500	20,000	2/6/12	12/31/13
Harold Hartman dba Lynhart Farms	17.5 kW PV project	Malin	32,500	31,386	1,114	5/25/07	5/25/27
Northwest SEED	Grant Agreement	Seattle	30,000	30,000	0	10/3/11	12/31/13
Oregon Community Wind LLC	Anemometer Equipment Incentive	Portland	28,321	28,321	0	1/15/10	1/14/13
SPS of Oregon Inc	Spaur Microhydro	Wallowa	25,000	25,000	0	7/23/10	7/23/30
Robert Migliori	42kW wind energy system	Newberg	24,125	8,561	15,564	4/11/07	1/31/24
Solar Oregon	Outreach Services	Portland	24,000	18,000	6,000	1/1/12	12/31/12
Wind Products Inc	Web Portal Tool	Brooklyn	24,000	25,000	-1,000	6/25/12	9/20/13
Associated Master Inspectors LLC	Small Wind Program Consultant	Tigard	15,000	6,728	8,272	1/31/11	12/31/12
Warren Griffin	Griffin Wind Project	Salem	13,150	9,255	3,895	10/1/05	10/1/20
Corbett Water District	Corbett Water District Hydro	Corbett	12,000	0	12,000	4/16/12	6/30/32
Carlson Small Power Consultants	Generator Case Study	Redding	10,500	10,500	0	4/16/12	7/1/12
Clean Energy States Alliance	CESA ITAC		10,000	10,000	0	1/1/12	12/31/12
Oregon Power Solutions, LLC	Anemometer Decommission		9,451	9,451	0	8/13/12	9/30/12
Ecofys US, Inc.	RE Consultant Services	Corvallis	6,800	6,640	160	4/18/11	12/31/12
American Wind Group LLC	Anemometer Incentive Funding	Oasis	4,031	4,031	0	7/22/11	2/15/14
Lane Community College, NEEI Science Division	Solar WH Technical Training	Eugene	4,000	4,000	0	1/1/12	12/31/12
Blue Tree Strategies Inc	RE Consulting Services	Portland	3,600	3,555	45	6/14/11	5/31/13
	Renewable Energy Program Total:		**24,933,604**	**13,235,195**	**11,698,409**		
	Grand Totals:		**123,534,816**	**80,219,079**	**43,315,737**		

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Financial Glossary

(for internal use) - updated August 9, 2012

Administrative Costs

Costs that, by nonprofit accounting standards, have general objectives which enable an organization's programs to function. The organization's programs in turn provide direct services to the organization's constituents and fulfill the mission of the organization.
i.e. management and general and general communication and outreach expenses

I. **Management and General**
- Includes governance/board activities, interest/financing costs, accounting, payroll, human resources, general legal support, and other general organizational management costs.
- Receives an allocated share of indirect costs.

II. **General Communications and Outreach**
- Expenditures of a general nature, conveying the nonprofit mission of the organization and general public awareness.
- Receives an allocated share of indirect costs.

Allocation

- A way of grouping costs together and applying them to a program as one pool based upon an allocation base that most closely represents the activity driver of the costs in the pool.
- Used as an alternative to charging programs on an invoice–by–invoice basis for accounting efficiency purposes.
- An example would be accumulating all of the costs associated with customer management (call center operations, Energy Trust customer service personnel, complaint tracking, etc). The accumulated costs are then spread to the programs that benefited by using the ratio of calls into the call center by program (i.e. the allocation base).

Allocation Cost Pools

- Employee benefits and taxes.
- Office operations. Includes rent, telephone, utilities, supplies, etc.
- Information Technology (IT) services.
- Planning and evaluation general costs.
- Customer service and trade ally support costs.
- General communications and outreach costs.
- Management and general costs.
- Shared costs for electric utilities.
- Shared costs for gas utilities.
- Shared costs for all utilities.

Auditor's Opinion

- An accountant's or auditor's opinion is a report by an independent CPA presented to the board of directors describing the scope of the examination of the organization's books, and certifying that the financial statements meet the AICPA (American Institute of Certified Public Accountants) requirements of GAAP (generally accepted accounting principles).

- Depending on the audit findings, the opinion can be unqualified or qualified regarding specific items. Energy Trust strives for and has achieved in all its years an unqualified opinion.
- An unqualified opinion indicates agreement by the auditors that the financial statements present an accurate assessment of the organization's financial results.
- The OPUC Grant Agreement requires an unqualified opinion regarding Energy Trust's financial records.
- Failure to follow generally accepted accounting principles (GAAP) can result in a qualified opinion.

Board-approved Annual Budget

- Funds approved by the board for *expenditures* during the budget year (subject to board approved program funding caps and associated policy) for the stated functions.
- Funds approved for *capital* asset expenditures.
- Approval of the general allocation of funds including commitments and cash outlays.
- Approval of expenditures is based on assumed revenues from utilities as forecasted in their annual projections of public purpose collections and/or contracted revenues.

Carryover Funds

- In any one year, the amount by which revenues exceed expenses for that year in a designated category that will be added to the cumulative balance and brought forward for expenditure to the next budget year.
- In any one year, if expenditures exceed revenues, the negative difference is applied against the cumulative carryover balance.
- Does not equal the cash on hand due to noncash expense items such as depreciation.
- Tracked by major utility funder and at high level program area--by EE vs RE, not tracked by program.

Commitments

- Represents funds obligated to identified efficiency program participants in the form of signed applications or agreements and tracked in the project forecasting system**.**
- If the project is not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Funds are expensed when the project is completed.
- Funds may be held in the operating cash account, or in escrow accounts.

Contract obligations

- A signed contract for goods or services that creates a legal obligation.
- Reported in the monthly Contract Status Summary Report.

Cost-Effectiveness Calculation

- Programs and measures are evaluated for cost-effectiveness.
- The cost of program savings must be lower than the cost to produce the energy from both a utility and societal perspective.
- Expressed as a ratio of energy savings cost divided by the presumed avoided utility and societal cost of energy.
- Program cost-effectiveness evaluation is "fully allocated," i.e. includes all of the program costs plus a portion of Energy Trust administrative costs.

Dedicated Funds

- Represents funds obligated to identified renewable program participants in the form of signed applications or agreements and tracked in the project forecasting system.

- May include commitments, escrows, contracts, board designations, master agreements.
- Methodology utilized to develop renewable energy activity-based budgets amounts.

Direct Program Costs

- Can be directly linked to and reflect a causal relationship to one individual program/project; or can easily be allocated to two or more programs based upon usage, cause, or benefit.

Direct Program Evaluation & Planning Services

- Evaluation services for a specific program rather than for a group of programs.
- Costs incurred in evaluating programs and projects and included in determining total program funding caps.
- Planning services for a specific program rather than for a group of programs.
- Costs incurred in planning programs and projects and are included in determining program funding expenditures and caps.
- Evaluation and planning services attributable to a number of programs are recorded in a cost pool and are subsequently allocated to individual programs.

Escrowed Program (Incentive) Funds

- Cash deposited into a separate bank account that will be paid out pursuant to a contractual obligation requiring a certain event or result to occur. Funds can be returned to Energy Trust if such event or result does not occur. Therefore, the funds are still "owned" by Energy Trust and will remain on the balance sheet.
- The funds are within the control of the bank in accordance with the terms of the escrow agreement.
- When the event or result occurs, the funds are considered "earned" and are transferred out of the escrow account ("paid out") and then are reflected as an expense on the income statement for the current period.

Expenditures/Expenses

- Amounts for which there is an obligation for payment of goods and/or services that have been received or earned within the month or year.

FastTrack Projects Forecasting

Module developed in FastTrack to provide information about the timing of future incentive payments, with the following definitions**:**

- Estimated-Project data may be inaccurate or incomplete. Rough estimate of energy savings, incentives and completion date by project and by service territory.
- Proposed-Project that has received a written incentive offer but no agreement or application has been signed. Energy savings, incentives and completion date to be documented by programs using this phase. For Renewable projects-project that has received Board approval.
- Accepted-Used for renewable energy projects in 2nd round of application; projects that have reached a stage where approval process can begin.
- Committed-Project that has a signed agreement or application reserving incentive dollars until project completion. Energy savings/generations, incentives and completion date by project and by service territory must be documented in project records and in FastTrack. If project not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Dedicated-Renewable project that has been committed, has a signed agreement, and if required, has been approved by the board of directors.

Incentives

I. **Residential Incentives**

- Incentives paid to a residential program participant (party responsible for payment for utility service in particular dwelling unit) exclusively for energy efficiency and renewable energy measures in the homes or apartments of such residential customers.

II. **Business Incentives**

- Incentives paid to a participant other than a residential program participant as defined above following the installation of an energy efficiency or renewable energy measure.
- Above market cost for a particular renewable energy project.

III. **Service Incentives**

- Incentives paid to an installation contractor which serves as a reduction in the final cost to the participant for the installation of an energy efficiency or renewable energy measure.
- Payment for services delivered to participants by contractors such as home reviews and technical analysis studies.
- End-user training, enhancing participant technical knowledge or energy efficiency practices proficiency such as “how to” sessions on insulation, weatherization, or high efficiency lighting.
- CFL online home review fulfillment and PMC direct installations.
- Technical trade ally training to enhance program knowledge.
- Incentives for equipment purchases by trade allies to garner improvements of services and diagnostics delivered to end-users, such as duct sealing, HVAC diagnosis, air filtration, etc.

Indirect Costs

- Shared costs that are “allocated” for accounting purposes rather than assigning individual charges to programs.
- Allocated to all programs and administration functions based on a standard basis such as hours worked, square footage, customer phone calls, etc.
- Examples include rent/facilities, supplies, computer equipment and support, and depreciation.

IT Support Services

- Information technology costs incurred as a result of supporting all programs.
- Includes FastTrack energy savings and incentive tracking software, data tracking support of PMCs and for the program evaluation functions.
- Includes technical architecture design and physical infrastructure.
- Receives an allocation of indirect shared costs.
- Total costs subsequently allocated to programs and administrative units.

Outsourced Services

- Miscellaneous professional services contracted to third parties rather than performed by internal staff.
- Can be incurred for program or administrative reasons and will be identified as such.

Program Costs

- Expenditures made to fulfill the purposes or mission for which the organization exists and are authorized through the program approval process.
- Includes program management, incentives, program staff salaries, planning, evaluation, quality assurance, program-specific marketing and other costs incurred solely for program purposes.
- Can be direct or indirect (i.e. allocated based on program usage.)

Program Delivery Expense

- This will include all PMC labor and direct costs associated with: incentive processing, program coordination, program support, trade ally communications, and program delivery contractors.
- Includes contract payments to NEEA for market transformation efforts.
- Includes performance compensation incentives paid to program management contractors under contract agreement if certain incentive goals are met.
- Includes professional services for items such as solar inspections, anemometer maintenance and general renewable energy consulting.

Program Legal Services

- External legal expenditures and internal legal services utilized in the development of a program-specific contract.

Program Management Expense

- PMC billings associated with program contract oversight, program support, staff management, etc.
- ETO program management staff salaries, taxes and benefits.

Program Marketing/Outreach

- PMC labor and direct costs associated with marketing/outreach/awareness efforts to communicate program opportunities and benefits to rate payers/program participants.
- Awareness campaigns and outreach efforts designed to reach participants of individual programs.
- Co-op advertising with trade allies and vendors to promote a particular program benefit to the public.

Program Quality Assurance

- Independent in-house or outsourced services for the quality assurance efforts of a particular program (distinguished from program quality control).

Program Reserves

- Negotiated with utilities annually, with a goal of providing a cushion of approximately 5% above funds needed to fulfill annual budgeted costs. Management may access up to 50% of annual program reserve without prior board approval (resolution 633, 2012).

Program Support Costs

- Source of information is contained in statement of functional expense report.
- Portion of costs in OPUC performance measure for program administration and support costs.
    - Includes expenses incurred directly by the program.
    - Includes allocation of shared and indirect costs incurred in the following categories: supplies; postage and shipping; telephone; printing and publications; occupancy expenses; insurance; equipment; travel; business meetings; conferences and training; depreciation and amortization; dues, licenses,

subscriptions and fees; miscellaneous expense; payroll & related expense; outsourced services; and an allocation of information technology department cost.

Project Specific Costs (for Renewable Energy)

- Expenses directly related to identified projects or identified customers to assist them in constructing or operating renewable projects. Includes services to prospective as well as current customers.
- Must involve direct contact with the project or customer, individually or in groups, and provide a service the customer would otherwise incur at their own expense.
- Does not include general program costs to reach a broad (unidentified) audience such as websites, advertising, program development, or program management.
- Project-Specific costs may be in the categories of; Incentives, Staff salaries, Program delivery, Legal services, Public relations, Creative services, Professional services, Travel, Business meetings, Telephone, or Escrow account bank fees.

Savings Types

- **Working Savings/Generation:** the estimate of savings/generation that is used for data entry by program personnel as they approve individual projects. They are based on deemed savings/generation for prescriptive measures, and engineering calculations for custom measures. They do not incorporate any evaluation or transmission and distribution factors.
- **Reportable Savings/Generation:** the estimate of savings/generation that will be used for public reporting of Energy Trust results. This includes transmission and distribution factors, evaluation factors, and any other corrections required to the original working values. These values are updated annually, and are subject to revision each year during the "true-up" as a result of new information or identified errors.
- **Contract Savings**: the estimate of savings that will be used to compare against annual contract goals. These savings figures are generally the same as the reportable savings at the time that the contract year started. For purposes of adjusting working savings to arrive at this number, a single adjustment percentage (a SRAF, as defined below) is agreed to at the beginning of the contract year and is applied to all program measures. This is based on the sum of the adjustments between working and reportable numbers in the forecast developed for the program year.
- **Savings Realization Adjustment Factors (SRAF):** are savings realization adjustment factors applied to electric and gas working savings measures in order to reflect more accurate savings information through the benefit of evaluation and other studies. These factors are determined by the Energy Trust and used for annual contract amendments. The factors are determined based on the best available information from:
  - Program evaluations and/or other research that account for free riders, spill-over effects and measure impacts to date; and
  - Published transmission and distribution line loss information resulting from electric measure savings.

Total Program and Admin Expenses (line item on income statement)

- Used only for cost effectiveness calculations, levelized cost calculations and in management reports used to track funds spent/remaining by service territory.
- Includes all costs of the organization--direct, indirect, and an allocation of administration costs to programs.
- Should not be used for external financial reporting (not GAAP).

Total Program Expenses (line item on income statement)

- All indirect costs have been allocated to program costs with the exception of administration (management and general costs and communications & outreach).
- Per the requirements of Generally Accepted Accounting Principles (GAAP) for nonprofits, administrative costs should not be allocated to programs.
- There is no causal relationship—costs would not go away if the program did not exist.

Trade Ally Programs & Customer Service Management

- Costs associated with Energy Trust sponsorship of training and development of a trade ally network for a variety of programs.
- Trade Ally costs are tracked and allocated to programs based on the number of allies associated with that program.
- Costs in support of assisting customers which benefit all Energy Trust programs such as call center operations, customer service manager, complaint handling, etc.
- Customer service costs are tracked and allocated based on # of calls into the call center per month.

True Up

- True-up is a once-a-year process where we take everything we've learned about how much energy programs actually save or generate, and update our reports of historic performance and our software tools for forecasting and analyzing future savings.
- Information incorporated includes improved engineering models of savings (new data factor), anticipated results of future evaluations based on what prior evaluations of similar programs have shown (anticipated evaluation factor), and results from actual evaluations of the program and the year of activity in question (evaluation factor).
- Results are incorporated in the Annual Report (for the year just past) and the True-up Report (for prior years).
- Sometimes the best data on program savings or generation is not available for 2-3 years, especially for market transformation programs. So for some programs, the savings are updated through the annual true-up 2 or 3 times

RENEWABLE ENERGY ADVISORY COUNCIL
Notes from meeting on October 24, 2012

Attending from the council:
Glenn Montgomery, OSEIA
Suzanne Leta Liou
Juliet Johnson, OPUC
Megan Decker, RNP
Bruce Barney, PGE
Vijay Satyal, ODOE
Tashiana Wangler, Pacific Power
Thor Hinckley, PGE

Attending from Energy Trust:
Kacia Brockman
Betsy Kauffman

Peter West
Sue Meyer Sample
Jed Jorgensen
Shelly Carlton
Thad Roth
Fred Gordon
Elaine Prause
Pete Gibson

Others attending:
John Reynolds, Energy Trust board member
Peter Greenberg, Energy Wise
Judy Frauman, member of the public

1. Welcome and introductions

Betsy Kauffman called the meeting to order at 9:30 a.m. No adjustments to the notes from September were suggested. The notes were approved. The meeting agenda and presentation materials are available on Energy Trust's website at www.energytrust.org/About/public-meetings/REACouncil.aspx.

The Harvesting Clean Energy Conference is taking place January 27-29, 2013, in Corvallis. It is an agricultural conference with an expected attendance of roughly 400-500 people. The cost is $100 for the 2.5 days. They are still looking for sponsors.

Tashiana Wangler announced that there will be a dedication ceremony for the Black Cap solar project on Friday, November 9. The event is being held in Lakeview and will include a luncheon at The Gathering Place.

2. 2013-14 budget presentation

Thad Roth presented. Thad reminded everyone that this is a challenging energy market. Qualifying Facility rates are low, there are no longer robust incentives for renewable energy and there is uncertainty around the federal Production Tax Credit renewal. Energy Trust is pursuing smaller projects, like net-metered or partial requirements customers.

The Renewable Energy Sector is also transitioning to two program tracks, though this is an internal change and won't change external offerings. Staff is proposing to combine Biopower and Other Renewables into a Custom program. A Standard program would remain for solar energy and some wind projects up to 50 kilowatts. Staff would make an exception of custom analysis for solar, but it would stay under the Standard program. Doing this will make it easier to move resources internally.

The Renewable Energy Sector is continuing a portfolio management approach. This is something staff has been doing all along, which was formalized at the end of 2010. This allows Energy Trust to be flexible and responsive to the market, support a variety of geographic

solutions and maximize Oregon Public Utility Commission goals. Staff thinks this allows Energy Trust to maximize total generation.

Staff is proposing to implement an expanded development assistance offering to respond to the tougher market. Staff is also looking at a solar Request for Proposals, which will be dicussed later in the meeting.

Revenue/budget trends

Thad: From 2004-2012 the Renewables budget increased from $10 million to nearly $14 million, with a dip in 2010. PGE is requesting a rate decrease of 2.5 percent, which is contributing to a dip in the 2013 forecast. We accumulated unspent funds from 2004-2008, and we began to spend down the accumulated funds in 2009. That has now been exhausted, and we've reached a funding plateau.

Vijay Satyal: Were there extra investments to offset the change in the Business Energy Tax Credit?
Thad: These expenditures were not investments for the future. Federal American Recovery and Reinvestment Act funding and the state Business Energy Tax Credit were available at the time.
Vijay: Leveraging impact.

Suzanne Leta Liou: Just to clarify, Energy Trust is not overspending.
Thad: No, the graph shows only the yearly income not how much was in the bank.

Bruce Barney: Are future liabilities included in these numbers?
Thad: Yes and we'll talk about that.

Thad: The graph shows that we have a $23.1 million overall budget for 2012, to spend in 2012 and into the future. Our proposed 2013 budget is $18.9 million. Both numbers include funds already dedicated to projects. Importantly, the solar budget has been reduced by nearly one-half in the last few years.

Kacia Brockman: Funding for solar has gone down. Because pricing and incentives have decreased, we've been able to get the same amount of generation for less money. In 2013, activity will be similar to 2012. The purple bar on this graph represents that commercial investment has gotten smaller due to the Business Energy Tax Credit going away.

Peter West: Kacia, if you were to put in the feed-in tariffs on commercial and residential, would the blue and purple bars for residential and commercial generation activity be double?

Kacia: Yes, almost double. The feed-in tariff represented the same amount as what Energy Trust was able to invest, so it almost doubled the size of the solar market in PGE and Pacific Power territories. The portfolio approach has given us an opportunity to maximize the generation when opportunities arise. The gold bar, large-scale solar, in 2012 represents extra dollars in PGE territory that we were able to move to where the projects were. The 2012 budget slide shows that we are going to utilize $10 million of the $14 million PGE budget, and are right up against the $6 million budget for Pacific Power.

Thad presented a summary slide showing the sources of 2013 funds and how they are proposed to be utilized. There were questions about individual lines on the slide. Thad explained that there will be little carryover at the end of 2013 compared to previous years.

2013 budget allocation

Thad: The 2013 activity budget is $18.8 million divided among Biopower, Other Renewables and Solar. Solar is 46 percent of the budget. Next year there will just be two programs, Custom and Standard.

> The costs per average megawatt are expected to go up because we are expecting to see smaller projects and there will be fewer incentives from other sources. Our investments will be more expensive.
>
> PGE is heavily weighted toward solar, which includes the RFP that Kacia will talk about. Biopower and Other Renewables make up the rest of the PGE budget, but it is always challenging to bring non-solar projects online in PGE territory. That said, we have two wastewater treatment projects that we think will go next year. There have been cases where we have not been able to bring forward custom projects in PGE territory.

Suzanne: How long does it take these custom projects to come to fruition?
Thad: One to three years from the date that we say yes.

Betsy: When we commit to a project, we commit the dollars from this year's budget and move those dollars into future budgets. We take those future liabilities into consideration. In the case of Pacific Power, we had some dollars come back to the program. We're in the midst of an RFP as we speak. On Biopower and Other Renewables, the cost per aMW is showing an increase for the same reasons discussed before.

John Reynolds: Are we doing any small wind?
Betsy: This year was incredibly slow, partly because we stopped marketing due to some problems in the market. We have worked through things and are going to start up again in 2013.

Thad mentioned the proposed budget is open for council and public feedback until November 2, 2012.

Juliet Johnson: Can you say a little bit more about developing effective rates?
Thad: What we know is from past experience with biomass, geothermal, hydropower, etc. we have a higher confidence in what they cost and how they perform. Costs vary within and across technology, but as we combine those technologies, we come up with an effective rate with ranges for the entire portfolio.

Vijay: Are you then trying to come up with cost expectations? An internal benchmark?
Thad: We are trying to predict what we can capture. It will be a competitive process, which is why we include a range. This isn't a target that will limit our investment. Just a range.

Tashiana Wangler: Bruce has been trying to connect with Kacia about another potential Pacific Power solar project. We know that these larger projects are only funded when there is funding available and that we need to start talking sooner rather than later. This would be for 2013.
Thad: We appreciate that, and as you have articulated, we've decided that the only time we will do these large solar projects is when the funds can't be allocated on the custom side. A key driver is when projects that were expected to complete do not. As you can see, things are tight.
Peter W.: As we look at large-scale solar, we need to look at whether we're meaningful. We would have to focus on the rationale for doing another utility-funded project for the solar mandate. We need to ask if these large-scale projects really need scarce Energy Trust funds or if they fit into a different category.

John R: I think I speak for the Energy Trust board when I say that the reduction in carryover is welcome.

Betsy: Small Wind is in the Other Renewables program. We've made some changes to our procedures and requirements in Small Wind due to underperformance of some projects. Strategies for 2013, because QF rates are so low, many projects don't pencil out. We'll be shifting focus to projects that net meter and offset retail rates. We'll be looking for customers that have non-financial reasons, so that the cost is not such an issue. We'll be expanding marketing for Small Wind and development assistance funding to continue building a pipeline of projects. We'll also be doing targeted outreach to municipalities.

Juliet: Can you say more about non-financial reasons?
Betsy: A business will often only go for short payback. A government may be able to handle a longer payback, or may be trying, in addition, to meet some sustainability requirements. A dairy farm may want to manage waste, and a biopower project would help with waste stream and energy production.

Kacia: 2012 was a transition year. We looked at how we could fit our Solar program into a budget based on new revenues and no carryover, and we lowered our incentives accordingly. Now we are looking to keep incentives steady. If demand increases, we may need to lower incentives, but we'll do it more slowly than in 2012. The Residential Energy Tax Credit is still here, and residential solar is strong. For commercial, we're looking at how we can be more influential upstream so that there will be a pipeline of projects ready to go when conditions are right. We'll be leveraging relationships that our energy-efficiency teams have with building owners. In 2012 we've been managing demand, but we anticipate doing more marketing next year. We'll also be tracking solar issues that come up during the 2013 legislative session.

Peter W.: Comments before November 2 would be most useful, so that we could incorporate them into our presentation of the proposed budget to the board on November 7.

3. Proposal for increasing early stage assistance
Betsy: Two years ago, we shared four options with the Renewable Energy Advisory Council for how we could move forward as our yearly budgets declined. They included maximizing generation; focusing on early stage assistance; choosing a couple of winning technologies or only doing net-metered, onsite generation projects, where most QFs would be eliminated.

> In that discussion, the council supported doing more early stage assistance. It's a place where we're uniquely suited to fill a gap and can have a great impact. It allows for support of a range of technologies. Today we are proposing changing how we offer project development assistance.
>
> We currently have a cap of $40,000 per project, regardless of need. We occasionally go higher. We require 50 percent cost sharing, with payback provisions if the project does not sell to PGE or Pacific Power. No payback is needed if the project fails to happen. It's a non-competitive process, and we judge applications as they come in the door.

Bruce: When does staff decide not to award development assistance?
Betsy: We sometimes say no if a project is too far along or what they are asking for is innappropriate. I have said no to PR consultant funding, for example. Generally when they're asking, they need it.

Suzanne: Will we hear how many projects fail?
Betsy: I don't have that statistic here, but we will get that to you.

Bruce: How many projects move ahead? Is it one in 10?
Betsy: I'd say it's about one-third.

Betsy: Our proposal for 2013 is to continue what we've been doing with part of our development assistance funding and add a second program development assistance offering with an increased cap of $150,000 per project, $400,000 per utility and distribute through a competitive process. The budget over the last five years has been about $400,000. We're proposing a little over $1 million for 2013. We budgeted $700,000 for 2012, and only spent $400,000. This proposal will allow us to better spend those dollars.

Bruce: Are most of these projects getting assistance that nears the cap?
Betsy: Most are less, about $20,000 on average. We've had people ask us for as little as $1,000.

Bruce: By increasing the funding, will that increase the raw numbers or give the projects a better chance?
Betsy: There are a number of projects that would greatly benefit from a higher cap.
Thad: It allows us to be more involved, not only financially, but in the project development decisions.

Suzanne: So these do not have enough development capital?
Thad: Sophisticated developers don't come to us. This lets the market know that there are funds available and there is confidence in the opportunity. We're moving earlier in the process.

Glenn: Do you anticipate a change in the types of projects, or are the projects just needing more money?
Betsy: I don't think it will change the types of projects.

Betsy: This is proposed as 12 percent of the non-solar budget or $1.06 million. My goal here is to get your feedback. We're proposing a $150,000 project maximum with a twice-yearly solicitation limited to hydropower, biopower, geothermal and wind over 250 kW. One of the criteria would be maturity of project proposal. We'd like to fund a range of technologies, if possible, and we would need to see a plan for utilizing the funds. We would agree upon a set of milestones and require a 50 percent cost share with up to 12.5 percent in-kind.

John: I have a little concern over projects closer to completion. Even more projects will think they can get money for PR.

Suzanne: If they're asking you for the money, but they need to pay first, how is this helpful?
Betsy: They have some initial investment. What I tell people is that if they can't afford the feasibility study, they'll never be able to fund the project. They need to have some financing available somewhere else.

Suzanne: If you only have $40,000 to spend on one project, and they have enough financial support to spend upfront, do you have any requirements that keep them from spending on things we cannot finance?
Betsy: We recognize that we're part of their financing picture. They may spend some money on items we wouldn't necessarily finance. Are you wondering if these projects may not need us?
Suzanne: That's what I'm wondering.

Tashiana: What portion of the 2012 budget did this represent?
Betsy: It would be less than one-half what it is in 2013.

Tashiana: Is there a perceived need that with less incentives, the projects need more help?
Jed Jorgensen: For the larger projects we work with $40,000 isn't a very meaningful amount. They may have $1 million in development costs.

Tashiana: How do you anticipate covering the risk? Do you anticipate more renewable energy credits?
Betsy: We anticipate that we'll get better projects later. The risk is that we'll move a project along and they'll get to a point where they're ready to go and they'll end up not needing an Energy Trust incentive. Then we would get no renewable energy credits from the project.

Thad: We have a pretty good sense of what projects have an above-market cost and which don't. We know that we've seen a lot of 10 MW wind projects developed and we haven't participated in any of them. Also true of landfills. We have a pretty good idea of how those perform financially. We talked about this a few years ago. Demand is increasing and our budget is declining. Our impact has gotten really small, and we're suggesting that we carve off a piece of that to provide this early assistance help. The smallest project on the biomass side is $2 million to $3 million. This proposal brings cash early on to get over hurdles, brings our development experience into play and improves the position of the developers. They need technical experience and credibility, and that's the role we could play.

Tashiana: As you know we've been pretty consistent in encouraging in-service territory projects. Would you consider only in-system projects?
Thad: We would continue to give greater weight to in-system projects. Bear in mind that we're trying to determine the value and the demand for this. We think it's there but we'll see.

John: I think we do need to know the failure rate, and it needs to be made available to the council as soon as you can get it.

4. Concept for solar RFP in PGE territory
Kacia: We have unspent, unallocated PGE funds, and we're looking for opportunities for these funds. We prioritize custom non-solar projects, and we carve some funds out for the standard solar program. But we have a lack of opportunity in PGE service territory for the custom projects. We could do an RFP for larger-scale solar that doesn't fit in the standard program or we could put more money into the standard solar program. If we put funds in the standard program, we would need to raise incentives to be able to spend it. We've just ratcheted down our incentives for standard solar, and we don't want to be disruptive to the market. So we look to an RFP.

> We're looking at $1 million based on the draft 2013 budget. We'll finalize the amount in November. We think an RFP is the best use of PGE funds because we can drive near-term generation. Larger-scale solar is also a market we've stepped out of and this would give us some intelligence. For reference, our current incentives are $0.75 per watt in residential and $1 per watt in commercial. On a dollars-per-average-megawatt basis the Outback project represented about twice the value of commercial solar, but it had a Business Energy Tax Credit.

> If we look at the full above-market cost of commercial solar, now that incentives are reduced, it's around $14 million per aMW. That means in an RFP we may not get projects as cheaply as the residential and commercial programs. Should we reconsider?
>
> We are thinking that we should be open to any kind of project that wants to bid in, whether it's a QF, net metered, negotiated PPA, commercial scale, utility scale, single or aggregated site, roof mount or ground mount, techology neutral, owner/operator neutral or financial structure neutral.

Bruce: You say technology neutral, this is just solar PV correct?
Kacia: Right. This includes the various technologies within PV, such as thin film, etc.

Peter Greenburg: Would you consider solar thermal?
Kacia: No, we cannot support solar thermal because that is considered an energy-efficiency measure.

Kacia: Threshold criteria would be the same as in the custom RFPs, including a qualified team, site control, business plan, construction begins in 2013, interconnection scoping in progress and permitting in progress. The selection criteria would also include societal benefits but the major emphasis is on cost per MWh for Energy Trust and the levelized above-market cost, which measures how efficient the project is financially.

Juliet: So the difference between this and standard is size?
Kacia: Yes. How should we distinguish this from the standard offering? We don't want this to carve activity out of our standard program. Should we set a minimum size, such as 200 kW? Our standard program cap is at 75 kW. There are potentially market opportunities between 75 kW and 200 kW.

Bruce: With the current incentive structure, if you are not seeing projects larger that 75 kW, it would be a good argument for setting the threshold at 75 kW.

John: I think there's value to the visibility of small solar projects.

Glenn Montgomery: I would agree with that. I think spreading out is the way to go.

Vijay: What about hybrid projects? Solar-geothermal in Idaho. Are you open to that?
Betsy: This is PGE territory.

Vijay: There is Hood River geothermal available.
Kacia: We can consider that for the future, but we want to deploy these funds in 2013, which is a limitation.
Betsy: Custom programs would be a much better fit for that.

Juliet: I'd support taking it down to 75 kW and allowing other funding like the Business Energy Tax Credit, as that would be an opportunity for more intelligence. Go broad early and then limit as needed.

Suzanne: The fact that the process requires a lot of information will wean out a lot of projects, and there will probably be larger projects submitting.

Peter G.: How many kW do you expect $1 million to get you?

Kacia: The standard commercial solar incentive is at $1 per watt, so maybe around one megawatt.

Kacia: As for the timeline, the draft final budget will be ready in November, with final approval by the board happening in December. We would issue the RFP in January. We have to think about how long to leave the RFP open. We would need at least 30 days for review but we might be able to bring recommendations to the council in March. If that works then board approval could happen in April and contracting in April or May.

Suzanne: Is there leeway in the budget to hire additional staff for review?
Kacia: Yes, we are considering that.

5. Public comment
There was no public comment.

6. Meeting adjournment
Betsy thanked all council members for their participation and adjourned the meeting at 11:50 a.m. The next full council meeting is November 28, 2012.

CONSERVATION ADVISORY COUNCIL
Notes from meeting on October 24, 2012

Attending from the Council:
Scott Inman, Oregon Remodelers Association
Don MacOdrum, Home Performance Contractors Guild of Oregon
Brian Zoeller, Bonneville Power Administration
Stan Price, Northwest Energy Efficiency Council
Anne Snyder-Grassman, Portland General Electric
Jim Abrahamson, Cascade Natural Gas
Juliet Johnson, Oregon Public Utility Commission
Wendy Gerlitz, Northwest Energy Coalition
Holly Meyer, NW Natural
Theresa Gibney, Oregon Department of Energy
Jeff Bissonnette, Fair and Clean Energy Coalition
Andria Jacob, City of Portland

Attending from Energy Trust:
Margie Harris
Kim Crossman
Steve Lacey
Spencer Moersfelder
Taylor Bixby
Peter West
Oliver Kesting
Diane Ferington
Fred Gordon
Marshall Johnson
Bradford McKeown
Tom Beverly
Sue Meyer-Sample
Amber Cole

Others attending:
Kari Greer, Pacific Power
Brian Simmons, Fluid Market Strategies
Sheryl Bunn, Fluid Market Strategies
Kendall Youngblood, PECI
Phil Damiano, PECI
Murali Vasily, Lockheed Martin
Wendy Koelfgen, Clean Energy Works Oregon
Andrew Morphis, Fluid Market Strategies
Zach Erdman, Premium Efficiency
Kyle Barton, CSG
Casey Maharg, CSG
Jerry Page, Total Comfort Weatherization
Mary Mann, Goose Hollow Windows
Jeremy Anderson, WISE
Jeff Catlin, ECONTC
John Warner, Blue Tree Strategies
Carollyn Farrar, NW Natural

1. Welcome, introductions and short announcements

Kim Crossman convened the meeting at 1:30 p.m., made introductions and presented the agenda. The meeting agenda and presentation materials are available on Energy Trust's website at www.energytrust.org/About/public-meetings/CACMeetings.

2. 2012 savings forecast

Peter West presented the overview of savings forecasts.

Peter: The forecasts tell a fantastic story. Thank you to the Energy Trust staff and PMC staff for your work. We are reaching 97 percent or better of stretch goals for all utilities. Our Q3 dashboard shows us making 97 percent of stretch for PGE, 109 percent for Pacific Power, 104 percent for NW Natural and 101 percent for Cascade Natural Gas. This is great in Cascade Natural Gas territory where we have been challenged over the last two years because of the economic downturn.

We were great on every program for Pacific Power. Our prior work revamping our outreach for Pacific Power customers has been extremely effective.

New Buildings, New Homes and Existing Buildings, especially the rooftop tune-up initiative, have been driving us over stretch goal.

Production Efficiency has been a struggle. Having a broad portfolio is how we make goal and the drop in Production Efficiency is offset by success elsewhere. Effectively, we go where activity is hot to drive savings across the portfolio of programs.

Industry and Agriculture Sector

Kim Crossman: As of the end of September, the chart shows a good reflection of our expectations for Production Efficiency. We're very confident about Cascade Natural Gas territory. These are solid projects; a small set, but big savings. In PGE territory, we're on track to meet conservative goals, but probably will land higher. One large project may give us more than expected. One project can sometimes swing things for us. NW Natural industrial customers paying the public purpose charge are coming up smaller. More are on industrial demand-side management rates. We found more DSM customers this year, and fewer public purpose charge customers.

Holly Meyer: So that's why industrial is down and commercial is stronger?
Kim: For industrial there are two eligible rates, and we have to manage them as separate utilities. The smaller the buckets, the harder it is to be accurate in goal setting. We're seeing fewer projects from industrial customers paying public purpose charges this year. That's also shown in 2013 plans.

Wendy Gerlitz: Where are the customers not paying public purpose showing up?
Kim: They are in the same pipeline, the NW Natural chart. Both those paying under the eligible rates for NW Natural industrial DSM and industrial customers paying the public purpose charge are grouped together in the Energy Trust dashboards as NW Natural.

Kim explained Pacific Power savings are coming up short, and staff is in the process of determining why. The program may have done a better job pushing lagging projects out to 2013 earlier in the year. In past years, many lagging projects sat in the pipeline all the way until the end of the year. The program decided not to pull out all the stops, such as running a bonus or some other intervention, because commercial programs were overachieving in Pacific Power territory during this same period. Regardless, the Production Efficiency program will have to explain that it didn't hit all of its 2012 goals.

Commercial Sector

Oliver Kesting: The Commercial Sector is ahead of historic levels for all utilities. We are on track to exceed stretch goal for PGE and NW Natural, and working on conservative goal for Pacific Power and Cascade Natural Gas. Rooftop tune-ups and steam traps may help. The Kick-Start Bonus contributed to the pipeline, and many projects will close in 2012. The Kick-Start Bonus is the 20 percent bonus incentive offered for lighting and custom capital projects that had been committed and equipment purchased by June 29, 2012.

Oliver said New Buildings has already hit stretch goal for both electric utilities. New Buildings is close in gas savings. There were new data center offers this year, and programs have collaborated with the Oregon Department of Energy, especially Existing Buildings on Cool Schools. Multifamily deepened its outreach, cultivated relationships with decision makers and also added more instant-savings measures. Its work with regional and national organizations on M-power and Strategic Energy Management for existing facilities is off to a strong start. SEM started in November 2011 and is on track to save nearly 7 million kWh and 130,000 therms.

Oliver said Existing Buildings will deliver about 93 percent of stretch goal for PGE. The program will close the gap with projects at groceries, hospitals, hotels, lighting at auto dealers and Cool Schools. New Buildings achieved its goal for PGE, actually going 40 percent beyond. Multifamily is way ahead.

In Pacific Power territory, Existing Buildings is on track for 121 percent of goal, New Buildings is at 220 percent and Multifamily is also ahead.

Existing Buildings is looking at 147 percent for NW Natural, and New Buildings is within 2.5 percent of stretch and is looking at quick-turn opportunities.

Existing Buildings is on track for conservative goal in Cascade Natural Gas territory, and will focus on rooftop tune-up and steam trap projects.

Residential Sector

Diane Ferington: Existing Homes is on track to reach stretch goals for all utilities. New Homes and Products will hit conservative goal or a little above, and will be barely under stretch for PGE and Pacific Power. New Homes and Products is not quite there, and state tax credits may be a factor. The Residential Sector as a whole will reach Cascade Natural Gas goals.

The New Homes program achieved 117 percent of its expectations for EPS, the energy performance score. There were 125 homes in the air sealing pilot for New Homes. Ductless heat pumps and gas fireplaces were also a big deal for New Homes.

Diane said fridge recycling and other appliances were down. Staff is looking to go a little above conservative goals, but will attempt to move it higher through a promotion in Q4. There is a weatherization uptick now, but the program is still below expectations from earlier in the year. A lot traditionally comes in during the fall.

Clean Energy Works Oregon had its highest ever intake in August. Existing Homes has achieved 51 percent of its goal through Q3, which is good through this time of year. Fridge recycling outreach has been added. The highest measure has been ductless heat pumps. Pacific Power is at 67 percent of stretch goal and moving quite well in Existing Homes. They will most likely go over stretch. The program is over 69 percent for ductless technology in Pacific Power.

Diane said 655 gas fireplaces were installed this year, 31 percent higher than at this time last year. Staff is really ramping up the measure offering this year.

Diane: Clean Energy Works Oregon launched in Bend and is doing about 25 percent of what we expected. They started later than planned and will add to Home Performance savings.

Kim: We have covered program initiatives in recent council meetings. Are there questions about anything we covered?

Jim: Cascade Natural Gas sounds great, and you mentioned a lot. It's a great break from just showerheads. We're looking forward to the detailed information that led to these spectacular numbers.

Andria Jacob: If Clean Energy Works Oregon will do about 1,200 homes, what does non-Clean Energy Works Oregon Home Performance numbers look like?

Diane: Non-Clean Energy Works Oregon Home Performance projects are at about 300 out of 900 total Home Performance projects completed year to date, as of two or three weeks ago. There were 600 completed for Clean Energy Works Oregon.

3. Draft 2013 budgets

Peter: Behind all of this information we're presenting today are details in the Conservation Advisory Council packet on the Energy Trust website. For each major program, and Multifamily, we have program plans that show our objectives, strategies, tactics and places we test innovation. It shows all the thinking of our programs and how we plan to get what we intend. There is a condensed version called a one-pager, which is out for everyone to review as well and will be included in the draft budget packet when it is posted for the board meeting. Those include a description and short budget summary for each program.

Overview by Peter

This is the beginning of the 2013 budget process, and we need comments by November 2. We'll present the budget to the board on November 7, 2012. Between November 7 and November 28, we'll incorporate comments, views and updates into round two of the budget for final board approval on December 14, 2012. It'll be back to the next council meeting with your comments and comments from others who may not be here.

This takes off from the results you just saw and looks at where we're going, and where we can go, in terms of IRP, program plans and customers.

Thank you to all the staff, PMCs and PDCs who helped put these together. Thanks to Sue Meyer Sample and her staff for staying up late last night to get these draft data tables ready for today.

We received good feedback from utilities on our budget and program planning this summer, which was the first time we did that early presentation and intake of comments, and it really helped us improve the budget.

We're proposing a budget of $156.4 million. We are asking utilities to support a $12 million increase. It's a good buy at 38 cents per therm on the gas side and about three cents per kWh on the electric. That's a very economical way to acquire resources. We put a plan in place in 2009, and we intended to double our savings in five years. We are more than double this year for gas than where we started in 2009. This budget has us reaching a doubling for electric as well in 2013. It's earlier than planned, and we achieved it with very high customer satisfaction for every program.

One of our main themes is to remain flexible. We used to acquire savings primarily through capital projects, but changed to an Operations and Maintenance focus in response to customers' lack of capital during the recession. Our customers are now returning to capital measures. That means more incentives up front, and the levelized cost is cheaper.

Another is to manage cost and cost effectiveness. This budget is $700,000 less than last year's for program delivery and Energy Trust expenses.

We are addressing new avoided costs. A 45 percent drop in avoided cost for natural gas means we have to ratchet back on some measures. It's more of a problem on the residential side, but 15 percent down on what we offer on the commercial side has also been affected.

We plan to offer more support for trade allies and customers. Driving more work with trade allies has helped our success. In the end, they are the ones who do the work and we train them to help customers access our incentives.

What we have today are not the same programs we had on the commercial and industrial side because of Oregon Department of Energy Business Energy Tax Credit changes. How we take advantage of tax credits is in flux, and our programs are more independent of tax credits than ever before. The Kick-Start Bonus incentive was great to get us past the transition in state tax credits, but we don't feel we need to do it next year. If we are wrong, we will adjust.

It's great to be in a state where policy, utility and regulatory levels support us. We have to maintain our success; maintaining the growth we've gotten is a final big theme.

Residential Sector Overview by Peter

The Residential Sector is shown in more detail online. We want to increase the market share for new homes. We want an 18 – 20 percent share for 2013 – 2014.

There are 17,000 single-family households we want to work with on weatherization and equipment upgrades. We will move away from compact fluorescent light bulbs and Energy Saver Kits, and find different ways to motivate people beyond just incentives.

We need to work more on the behavioral approach, and how to embed a culture of people making little changes continually to break down the barrier to doing big things. We will continue to focus on the historically hard to reach customers, rural customers and customers with lower incomes. We'll leverage trade allies and market actors, like the City of Portland, Solarize and similar organizations and efforts. We need to simplify and find better ways to model and collect data to lower costs of projects.

We'll continue to do single-family prescriptive measures, but also address results of evaluations. As we do better, we get less incremental savings. As with CFLs, you eventually have to declare success and move on. Success is when people are doing it anyway, without the incentives, and the ones who aren't doing it are never going to unless they have no other option.

The EPS rollout for Existing Homes was slightly delayed, but will be in full swing in 2013. Where we go with phase 2 of this effort will depend on phase 1.

For enhanced engagement we have an option for direct trade ally referral and follow-up to speed customers to market.

Clean Energy Works Oregon and the standard Home Performance offering will be offered at the same time. One includes financing and the other doesn't. Savings Within Reach is looking into adding a loan module.

For trade allies, we have enhanced tools and engagement, and a real estate ally channel.

Products continues fridge recycling as we have good market penetration. There will be higher tiers for appliances but average savings are going down as standards go up. We seem to have done quite a bit toward getting what is out there. 2014 may be the time to move on. We will be engaging retailers to put out more of the higher tier products so customers only have options of energy-efficient and more energy-efficient products.

On our pilots, we shifted Opower into a final phase to test persistence. Savings are good on the electric side, and only okay on the gas side. We're not sure it has to be done jointly, dual fuel, in the future. We now want to see how long the savings persist by ratcheting back engagement. We are replacing it with a Pacific Power, electric-only test with 15,000 high user homes. We'll try an Aclara direct mail with PGE. We're in discussion with NW Natural for a pilot of similar type in 2013.

Commercial Sector Overview by Peter

For the Commercial Sector we want to get customers to act sooner, reduce the delay between studies and action, and do more at the same time. That's the biggest theme on the commercial side, to speed customer action and get more immediate savings. We have streamlined offerings and created packages. Where we had packaged things, customers moved more quickly.

We are moving SEM further forward on the commercial side. We will use what we learned from industrial for commercial. There will be more targeted efforts. There are 32 target sectors in all and more than 18 on the commercial and industrial side. It's more complex for us, but specificity is working.

For schools, we worked out a new way of coordinating with the Oregon Department of Energy. We co-market and recruit through the Oregon Department of Energy and we offer services. Ten school districts with 30 schools have been involved so far. It's quite effective.

Existing Multifamily was changed. It used to be divided into small and large buildings. Smaller buildings were handled in residential, but over this past year, it became a fully dedicated offering with less confusion for customers. Landlords wanted a one-stop shop. It was broken apart before to focus on larger owners. Many smaller properties can be approached in the same way. The offering includes appliances and engaging suppliers upstream to incent more efficient models.

We are focusing on improving how we make the business case. More and more management is involved in decisions, especially larger capital choices. CFOs, risk management and real estate are all involved. Building operators need to sell these things up and down their chain.

Path to Net Zero will end soon as a pilot. It asked how close a building can get to net zero. Many reached 70 to 90 percent and some were close to 100 percent. The results can help us learn how to exceed the new code.

PMC contracts last a set amount of time and we re-bid each contract on a set schedule in accordance with our policy. Next year we will have a PMC Request for Proposals for New Buildings.

Industry and Agriculture Sector Overview by Peter

For the Industrial Sector, we need to maximize savings from each project for cost effectiveness. We need high technical realization rates of savings and need to facilitate projects, so it's very hands-on.

We've seen an increase in smaller industrial and agricultural projects. Our volume has gone from 300 projects to 1,000 per year in the last three years. We'll keep doing what's working. We have the right approach with incentives and more SEM. SEM drives engagement over the long run with customers. We'll continue with PDCs as account managers. SEM has given us a great set of sales people, the participants. They bring ideas from what they've done. We are building a community of industrial champions and will continue to coordinate with these market players and leverage them to engage other customers.

ISO 50001 launched. It's starting off slow, and we'll know more in the spring.

We'll also focus on wastewater treatment and on agriculture and scientific irrigation.

Program delivery services RFPs will go out next year for the custom PDC contracts that are nearing the end of their contract terms. They are scheduled to be settled by August 2013.

2013 Budget Summary by Peter

Peter went over the proposed expenditures and associated savings goals in some detail. We are proposing to get 54.8 aMW and about 5.1 million therms at a cost of $153.2 million. The presentation is available on the Energy Trust website, along with all the supporting documents.

Discussion

Jim Abrahamson: Great presentation.

Kim Crossman: The information we're presenting was just completed this morning and is last minute, and it will be on the website.

Diane Ferington: Program plans will be there, too.

Andria Jacob: Opower is controlled for avoided cost for gas, but it's still not cost effective. Is that due to the drop?
Peter: One of the things we learned is that it takes two years to be cost effective on behavioral pilots. By the second year, they have gone deep enough that the average makes it more cost effective. The results on gas were not as robust as electric. This, plus the new avoided cost, would mean we need 50 percent better savings from each gas customer.

Holly Meyer: Will you make sure the Pacific Power pilot is electrically heated, and not just electric customers?
Peter: Yes, that is the intent.

Juliet Johnson: It's a shame to see the savings from Opower going away. Are there other ways to get the behavioral savings?
Peter: Yes. Our behavioral initiative with PGE through Aclara will launch fall 2013. We're in discussions with NW Natural about other options and with Pacific Power for the mentioned Opower effort for electric-only users. We're toying with different kinds of contests to get behavioral savings. Opower just wasn't a good buy for gas with the new avoided costs.

Diane: We also have a small budget for new technology, like the Blue-line monitors pilot, but we haven't identified anything. A few devices are close, and if the Energy Trust Planning Group approves, we'll do it.

4. Gas weatherization cost effectiveness – revisited
Fred Gordon: This discussion is about what happens when avoided costs go down. The Oregon Public Utility Commission granted an exception for weatherization measures, and we're putting together another request for a bundle of other things. How we deal with cost effectiveness drives the budget.

> In July, we were presented with a forecasted 45 percent drop in long-term natural gas prices. We had trouble with cost effectiveness for some measures before, but with the drop, the measures were no longer passing the societal test and the program wasn't passing the societal test. We needed 50 percent more therms per dollar spent to pass the test. We put together a detailed appeal to the OPUC and asked for an exception to bring things up to the right level over a two-year period.
>
> There are two steps: Right now for the gas weatherization program as a whole, we have a societal benefit/cost ratio of 0.6. That means that we need 50 percent more therms per dollar spent to get to 1.0 and to pass the test. We will shoot for 0.8 in 2013, and 1.0 in 2014. For some measures, the B/C ratio is worse. No single improvement can make this big of a difference. We need higher avoided cost forecasts, more savings and lower measure costs. Avoided costs might be revised in the next couple of years, but we can't count on it, especially on them changing enough to solve the problem without performance improvements. We're not waiting for avoided costs to go up; we're getting more efficient.
>
> Under the OPUC's agreement to grant an exception through UM1622, single-family duct sealing ends on January 1, 2013. We will still run a prescriptive duct sealing pilot to see if that will increase savings and lower costs. Air sealing only has one year of impact evaluation. We are cleaning up the data to perform an evaluation of years post-2009. Unless results improve markedly, we'll have to discontinue air sealing at midyear 2013. We will try to develop a procedure for a prescriptive approach to air sealing and pilot test that.
>
> Part of our agreement with the OPUC is to put more realistic payback information in front of customers. Payback estimates currently provided by simulation models are on average based on estimated heating loads that are twice what the bills show; we need to fix that. If we do, we can hope that customers are better educated on cost and value and will get more bids and look for lower project costs. The invoice cost is what's considered in the cost-effectiveness calculations.

Fred: Given the current cost-effectiveness approach, cost per delivered therm will have to go up and measure prices must go down if we are to continue to support these gas measures. There's no magic that can change that. We have to focus more on where we can get big savings and eliminate installations with marginal savings. Also on how to reduce transaction costs. Solar water heating will go down some tracks that Rob Del Mar, Energy Trust's residential solar senior project manager, started. They'll streamline quality control checks for both solar and weatherization. We'll look at whether we can we simplify and ensure quality by reducing procedures for contractors.

What might change? The forecast may go up or down; nobody knows what will happen with gas costs. We may or may not be better off in two years. The rule may be open to consideration for cost effectiveness. The role of the state government in weatherization may change as part of Governor Kitzhaber's 10-Year Energy Plan. We need to get to a convergence of cost and savings.

Now I'll talk about other gas programs that have gas cost-effectiveness issues. Within Home Products we're still sorting out some issues with clothes washers, and other measures are okay. For New Homes, most gas Builder Option Packages don't pass the societal test. For New Buildings, the gas end of the program doesn't pass, and neither do several measures. For Existing Buildings, the gas program doesn't pass, and measures accounting for about 15 percent of 2011 gas savings don't pass. Commercial solar water heating is at 0.9, even with use of a proxy for non-energy benefits.

For New Buildings and New Homes, we're thinking about a second exception request with the OPUC, because programs impact codes, standards and practices, and transform markets. Over the next two years, New Buildings and New Homes would review gas measures to make sure they really have market transformation potential, and will discontinue them by 2015 if they don't.

For Existing Buildings, measures that don't pass on a site-by-site basis may have potential for market transformation. Our current idea for an appeal includes the feature that measures with a societal B/C ratio below 0.7 will be discontinued beginning January 1, 2013. These measures in 2011 accounted for about 5 percent of savings.

We'll review measures with societal B/C ratios between 0.7 and 1.0 to see if we can improve the B/C ratio or we think there's real market transformation potential.

With respect to the Existing Buildings program as a whole, we think we can improve the societal B/C from 0.8 to 1.0 by the end of 2014.

Commercial gas solar water heating will follow the residential exception of trying to reduce cost, adding new technologies and doing custom analysis with cost caps. B/C ratios could improve, but are unlikely to reach 1.0. We'll revisit it in two years.

The next steps are talking to the OPUC, plus the Conservation Advisory Council and our programs, about what sort of proposal to submit. There will be a public input period for the OPUC. Staff will write comments and recommendations, then go to the OPUC to decide. We want to get something in their hands during the next two weeks or so to resolve in time for our 2013 budget process. Two years allows us to review it all. At a program level, there may be other requests for individual measures. We won't hold up the big requests just for single measures.

> The discussion so far has been about gas measures. Electric avoided costs may drop by 10 to 20 percent next year. That's not as huge as gas, but some measures on the margin will have problems. We haven't looked yet because we're busy on gas right now.
>
> How are other states addressing these problems? There are a range of approaches. British Columbia deemed gas avoided costs to be half of electric, but their electric avoided costs are based on gas turbines. We're not sure how that makes sense. Utah uses only a utility test. Massachusetts uses a deemed value for soft benefits. Washington has an open docket reviewing assumptions and factors in avoided costs. They are about one to two months behind us in their process.

Holly Meyer: It's helpful to see other states because this is a national issue. Are the others just giving up? What's the alternative?
Fred: Avista has proposed to shut down gas programs, but other states aren't shutting down the shop. They are trying to decide and make sense of it. Some California programs are said by the utilities to be politically mandated, so cost-effectiveness issues are acknowledged, but programs are proceeding.

Juliet Johnson: Avista and the Idaho PUC have agreed to suspend Avista's gas programs in Idaho.

Holly: Are we open to looking at other ways to measure cost effectiveness; policy things?
Fred: Yes. This has been around the Conservation Advisory Council for a while, and we're open to engaging in these conversations.

Scott Inman: Do these changes flow into Clean Energy Works Oregon projects? Won't they affect Clean Energy Works Oregon?
Fred: Clean Energy Works Oregon can include measures such as duct sealing as eligible for their financing offerings but they will not be eligible for Energy Trust incentives. They are set up to save energy but also have a primary objective to create jobs, and Energy Trust doesn't.

Stan Price: Is there any thought about using the two-year window to run a parallel process and figure out the quantification of non-energy benefits? What if there are ways to make changes in cost-effectiveness determinations with better numbers?
Fred: It's whether or not the OPUC wants to look at that. Our process evaluation of Home Performance was discouraging in terms of the consumer's stated values. Many said that once trade allies described health and safety benefits, those things were considered. But when asked why they made the investment in efficiency, very few listed those things as major considerations. A new draft process evaluation of the Existing Homes program appears to provide some different information. Different studies will give you different answers. I think it's an area we can look at if the OPUC considers it important.

Kim: Custom projects in Production Efficiency and Existing Buildings can yield quantifiable, non-energy benefits. We don't typically do the work to quantify these because we don't need to to pass, but we quantify them when it's important to do so.

Fred: There are clear cut things like the water, detergent and sewer savings from efficient washing machines. We can measure productivity or product quality benefits from some industrial projects. Health and safety benefits cannot be estimated in a cut and dry way. How

hard do we lean on these non-quantified benefits? I'm worried about investing a lot more in studying them and getting contradictory information.

Stan: If it wasn't hard it would have been done already. If Energy Trust is going back to the trade ally community and asking them to sharpen their pencil, or work for free, it's incumbent upon Energy Trust to do everything possible to show you're working on your side to reduce costs and study the problem.
Fred: Completely agree. As long as we focus on work that will be useful.

Don MacOdrum: EPS is another contentious topic. It's conceivable that EPS can be a pilot to track non-energy benefits we're installing. On electric avoided costs dropping, how does that relate to electric air and duct sealing going away? What's the electric drop prediction based on?
Fred: The forecasts provided by the utilities are dropping. We don't know exactly by how much. There's a hedge value assigned to efficiency that hasn't yet been determined by PGE. That will influence the degree of the drop. We do know that electric avoided costs are going down.

Marshall Johnson: It's about higher costs of measures, lower savings than expected and lower avoided costs. Even if electric avoided costs are not as significant of a decrease as gas reduction impacts, the higher cost of measure installations impact the benefit cost ratio.

Fred: We're looking at how to lower our costs and PMC costs as well as to encourage vendor invoice costs to drop. We have cut out some Energy Trust planning and evaluation studies for instance. Peter has worked to cut a few million dollars out of our draft budget for next year. It's not just the trade allies who are impacted by this cost-effectiveness issue. We are asking questions like how do we streamline, do more online and refer people more quickly so they can act.

Scott: Clean Energy Works Oregon costs were generally higher than others.
Fred: At this point Clean Energy Works Oregon is a small part of the overall Existing Homes program activity and not the biggest influence on our costs. Its cost data also is more difficult to understand because of the nature of the program. How trade allies report costs may be different under Home Performance and Clean Energy Works Oregon and different again from the standard program. We're trying to understand it better.

Scott: Window projects show full invoice costs, where only a portion of the cost may be for the efficiency upgrade.

Theresa Gibney: In terms of which benefits are included and not included, what is the OPUC allowed to include?
Fred: They include ratepayer and utility system benefits. It may be beyond the authority delegated to them by the state legislature to consider jobs or economic benefits, because they benefit Oregon at large, not the utility system or ratepayer, per se.
Theresa: At a minimum, it becomes a political question, and not for this forum.

Don: So it's a question of ruling or opinion?
Juliet: The Department of Justice opinion is from the early '90s.
Fred: And it is the basis of the 1994 OPUC rule.

Holly: Clean Energy Works Oregon measures are deemed instead of custom?

Marshall: Costs of Clean Energy Works Oregon may include energy enabling improvements embedded in our database but maybe aren't part of that measure. We found that savings for a given measure in Clean Energy Works Oregon and Home Performance are consistent with savings claimed in the prescriptive track, but installed costs per measure are higher in Clean Energy Works Oregon and Home Performance.
Fred: We are assuming deemed savings estimates for all weatherization tracks. They look more reliable than modeled savings results so far. We may later develop simulation models that are better calibrated to the loads we find in homes, but not for now.
Marshall: For context, these issues for modeling are with respect to homes. Commercial programs rely on simulation models and will continue to do so.

Mary Mann: It's puzzling. When you talk about contractor costs, you have to talk about wholesale prices, and you have to look at the time you're adding to sort through programs. I gave a price for insulation to someone who doesn't qualify. Another trade ally said the homeowner did qualify. It's very confusing to us, because the requirements don't line up with the state's requirements. If a customer is moving away soon, how is the payback going to support doing a project? How do I answer that? It's good for the house, good for moisture problems, good for air quality and more, but that's not enough. The economy is moving and prices are going up, which comes back to contractors. Your incentives aren't decided on that basis.

Marshall: We'll give a resource that allows customers to have enough information to know the savings over the life of the measure. Our job isn't to decide on an individual basis. It's more like a mortgage calculator.
Fred: With intent that they find it and use it. We're seeing a problem. Can we make it cheaper or should we stop?

Kim: Should we clarify utility versus societal tests?
Fred: The societal test includes all the costs. That has been in the rules since 1994. You may feel what you charge isn't our business, but we still have to figure the whole cost into the investment.

Jeremy Anderson: When you're looking at total measure cost, how much is your PMC and program cost? Part is contractor costs and part is your costs.
Peter: When we're talking about utility test or societal?
Fred: For individual measures, we look at the measure cost and incentive cost.
Peter: We need to go back and look at the cost of incentives as it relates to PMC delivery cost. Some program activities that are delivered directly by Energy Trust such as Opower are included and aren't relevant for looking at the homes program at the PMC level.

Kim: Fred covered measures and programs. The question of program costs comes up in relation to program cost effectiveness, not measure cost effectiveness. There is information in the meeting packet about the portion of administration versus delivery and incentive costs. The back page of each one pager shows it.

Jerry Page: A couple of things. When I started in the business, the first state bill lasted three years until there was a surplus of energy and the programs died. It's a rollercoaster. It's better to step back and not get caught up in all the evaluations, because it will change. I talk to a lot of homeowners, and air and duct sealing are considered very valuable. Policies and overzealous best practices are adding costs, and they aren't necessary.

Fred: We're open to two kinds of things. Ways to show more savings and less cost. Jeremy brought the issue of simplifying our specifications to our July council meeting. If there are other ways of doing things, we're open to them. Among other strategies, we can use the data from our new data sharing agreement to better target customers with high loads, and, hopefully, higher savings.
Jerry: I appreciate that you're doing that. Jeremy is very effective at communicating all of this.

Kim: The OPUC very quickly engaged with us and made quick decisions when we needed them. Programs in other states may not have gotten that response. We appreciate that.

Andria Jacob: What are the side effects of getting rid of the societal test? It doesn't measure the benefits to society, and the measures create jobs and are good. Why do we discuss this?
Fred: We sell incentives, trust and payback. Homeowners mostly buy trust; many aren't into the math. In watching other states that only use the utility test, I'm seeing vendors go to their legislator and drive individual measures that are not beneficial to customers. One example from Connecticut is gas chillers for homes. Without a value metric based on overall cost, when does a technology not make sense? The societal test helps hold up trust. If you're paying a huge amount for low benefits, it erodes trust. There are other ways to measure it. There may be another way to create a clear boundary for such projects, but we don't have it today.

Peter: For Jerry and Jeremy, we are interested in hearing about cost savings and redirecting these. When we look at evaluations, we have a benefit cost value of 0.2 for duct sealing. The payback is three times longer than expected, cost has gone up by 78 percent and we are getting 40 percent less savings. If you have specifics, they would be helpful. Air sealing costs have gone up 50 percent and savings are about one-third of expectations. If you can present techniques and ideas that won't tie the market up in knots, tell me.

Jerry: We would love to follow through.

Juliet: What would be the right place for the discussion?

Marshall: We have a group of trade allies represented by ORACCA, HBA, the Home Performance Guild and others to help inform our process. That group heard it first. They gave input that helped us craft the changes from a trade ally perspective and customer perspective. We would be open to more entities that fit in as a trade association participating in the dialogue through that venue.

Peter: If you give us a path that would be appreciated.

5. Planned residential incentive changes
Marshall Johnson: One of the bigger points to reference from the previous conversation is that we need more savings per project. There is an opportunity to move away from the traditional way we serve all customers to how we can serve high users and guide contractors to help prioritize. All in an effort to increase savings per measure. We have to be mindful about program requirements and measure specifications, which specs are best practices and which impact savings. Specifications impact cost and we have to find the right balance to achieve savings at an acceptable cost.

> The Trade Ally Stakeholder Group was the first venue to hear about the planned changes to incentives. We made some modifications based on the group's feedback and in agreement with the Energy Trust Planning Group.

We are proposing to end the air leakage test, the duct leakage test and duct sealing incentives on December 31, 2012. These are prescriptive measures that cut across multiple tracks. It doesn't impact mobile homes, and air and duct sealing will continue in mobile homes. Air sealing requirements will change, as will attic and floor insulation.

In the new year, air sealing will be a $150 incentive per home only available through Home Performance and Savings Within Reach tracks in Oregon. Contractors must be PTCS, BPI, REAP or PATS certified in Washington and Savings Within Reach tracks. The existing condition must be greater than 9 ACH50, with a minimum 500 CFM reduction.

Attic insulation will maintain the same incentive amount, but the existing condition requirement will be reduced from R-19 or less to R-12 or less; the requirement will remain R-19 or less for self-installed projects.

Floor insulation will maintain the same incentive amount, but existing condition requirement will be reduced from R-11 to R-0; the requirement will remain R-11 for self-installed projects.

We looked at our projects when choosing these limits. On air sealing, 80 percent of current projects coming through would qualify for pre-treatment condition of 9 ACH50. On insulation, we found that the year-built criterion would be tough for customers so we didn't use it.

Our bonus incentives will expire at the end of this year. These are things like Home Comfort Package, Heat Pump Premium Installation Package, the Windows Bonus, Home Performance with Solar Assessment package and the Solar Bonus. We feel our programs have evolved in a way that we can drive multiple measures without the bonuses.

For solar water heating, we will simplify the calculations based on loads. We will have two tiers, essentially east and west of the Cascade Mountains.

Gas tank water heater incentives will be reduced to $125 per unit.

Heat pump water heaters will transition from pilot mode to an active measure. We will continue to leverage NEEA's work to introduce this new technology into the market and will do more to actively promote measure installations.

Holly Meyer: I thought solar water heating was really close to cost effective, but it's dropping to a third.

Fred and Marshall: That was commercial, but also for homes. It's really hard to bring it to a cost-effective level with the proxy. Utility benefits are only carrying 15 percent of the cost; the rest is the proxy for non-energy benefits. This is complicated. There's no short story on that one.

Holly: If it's really close, why lower the incentive?
Peter: It goes back to utility costs. The amount of incentive we can put on the table is low based on avoided cost drops. The value of energy to the utility, divided by the incentive, is what drives this one.

Fred: When we asked for an exception, it was only for the societal test. Incentives needed to be lowered to pass the utility test in a couple of places, and that's what you see here.
Marshall: That's why the gas tank water heater incentive is being reduced.

Marshall continued: Equipment incentives are moving forward, along with advanced controls for heat pumps. Currently, incentives for Heat Pump Advanced Controls are only available through a pilot effort, which is struggling to achieve the pilot quota due to limited promotion. We have confidence in the savings assumption and will prefer to promote more installations to give us the quantity installation we need for a comprehensive evaluation. The addition of on-demand pilot fireplaces will provide more available models. Ductless heat pumps incentives will be expanded to include eligibility for mobile homes, in addition to site built.

Fred: We have QC information that indicates the installation protocol for heat pump controls are working. That measure will save energy, but we don't yet know how much.

Marshall: In 2013, we have to do something about Home Performance assessment incentives, washers and fridge recycling. Removing comprehensive modeling requirements to simplify Home Performance assessments is one step to decrease program requirements. With the removal of the duct leakage test as a requirement, we must evaluate what is the appropriate incentive level for this measure. We may want to consider requiring the installation of Instant Savings Measures to help justify the current incentive level. We must engage the Home Performance Stakeholder Group as we finalize Home Performance assessment changes in the new year. We are awaiting Regional Technical Forum information for clothes washers and fridges.

Fred: We need a decision soon on clothes washers, the measure will probably change. What we've done has succeeded.
Marshall: We plan to continue providing incentives for the early decommissioning of fridges and will move forward planning to deliver this service in 2013 in a similar manner as 2012. We will review additional information from the RTF as it's available.

Marshall: Small Multifamily is moving into a unified program offering with large Multifamily.

Don MacOdrum: Thank you for taking the Trade Ally Stakeholder Group comments back to Fred. We don't want to see these things go away, and you have worked on our behalf. Efficiency First put on a cost-effectiveness workshop yesterday, and Energy Trust staff member Lakin Garth did great. Two others were there who you know. Maybe we can all use a cost-effectiveness workshop, and it would help if we can get familiar with jargon and math. With floor moving to R-0 we asked how that is evaluated, given that hanging insulation is close to that. How is hanging insulation going to be treated?
Marshall: It's a good question, and we'll work with the PMC on how to communicate that. We'll alter what we've said historically. There has to be no floor insulation for the site to be eligible for the floor insulation measure.

Don: Not hanging, but no insulation?
Marshall: A follow-up communication with specifics will be needed. There has been an interpretation before now that hanging insulation equals R-0. We'll provide guidance.

Jeff Bissonnette: On the general conversation, we're in a unique position. There is some ebb and flow in support for efficiency, and established policy to keep down ebb and flow and not

make the peaks and valleys as extreme. We tried to avoid the situation we saw in the late '90s when we left a lot of savings on the table by not being consistent. With respect to low gas avoided cost forecasts, we may not be seeing a blip. We're trying to figure out what we're seeing, and need to look at smart investments and keeping the programs intact. We need to be more surgical. What's smart for the industry and ratepayers? The utility system isn't supposed to do economic development. If we can monetize other parts, we're okay with that, but there needs to be a focus on the utility system and a close look at the math. We have the ability through Energy Trust to be more surgical, and we should take advantage of it. We need to move forward in a way that's not crazy for everyone involved.

Theresa Gibney: We had all learned our lesson together last time, and everyone wanted to avoid ups and downs. We wanted to make things stable through Energy Trust. We need to do the right thing, and it's great that everyone wanted to avoid metrics with negative consequences.

Holly Meyer: It'll be a bigger discussion later, and I appreciate what Jeff, Andria and Theresa said. We need to be consistent, and utilities shouldn't be in the societal part. We need to be sensible about it, and we may be cutting things out that people want, are beneficial to utilities and are wanted by contractors. It's good that we are all discussing it together.

Peter: If you take out Opower, it looks like the gas goal in the draft 2013 budget is 5 to 8 percent less. In what we're proposing, we're still getting about 90 percent of what we are doing today, if we include the drop in avoided costs.

6. Public comment

Mary Mann: I've been in this industry since 1980, and if, out of the entire program budget, 50 percent is going out in incentives, with residential getting a small percentage, maybe the money needs to be backed out of program management. Unless you plan on cutting back the public purpose charge, which would also be beneficial to the public, where is there room in cutting back on program management? If I was a nonprofit, I would be shut down if only 50 percent was all that's delivered back to the public.

Peter: We compete the program management and PDC contracts. We have the lowest delivery rate around. Training, advertising, customer service, trade ally assistance and ensuring we can stand behind our trade allies are all in the administration costs. We are the fourth best state in overall support for efficiency, as reported by ACEEE. We are doing great for a state that has one of the lowest electric rates. We've lowered the delivery costs and hit our goals, and I'm proud to stand behind those things. I do not believe we've done badly for the ratepayers by pumping $154.6 million back into the economy. We offer a high-quality, high-touch product.

Jeremy Anderson: Two things on duct sealing. With the current plan, you will disqualify all Energy Trust customers for state tax credits. The Oregon Department of Energy perhaps can change?
Marshall: For context, we currently help the Oregon Department of Energy in processing projects that qualify for duct sealing, so when they meet our requirements, they meet the state's requirements. They piggyback on our processes. The state would need a new way to regulate duct sealing. What Jeremy is referring to is that if we stop doing it, the state may not have resources to fill in the gaps.
Theresa Gibney: Jeremy and I need to meet with Maureen at the Oregon Department of Energy.

Jeremy: The state hasn't got another answer besides let Energy Trust keep running the administration. Is there any way to salvage a shred of duct sealing? You have an infrastructure that knows how to do it, and if you kill the program, you lost them when they're laid off. If a few know what they're doing still, your next pilot won't fail.

Brian Zoeller: Gas is B/C ration of 0.3, but what's the electric ratio for duct sealing?
Marshall: It's 0.7. The PTCS model may have trained people to sell at a higher rate, due to more complex requirements related to diagnostic testing.

Jeremy: If you split out Savings Within Reach, their costs may be lower.

Marshall: We found duct sealing costs increased by 78 percent from 2009 to 2011. Savings went down 48 percent.

Brian: The RTF looked at measures that were higher. The Bonneville Power Administration won't get rid of PTCS, but a prescriptive approach may be good idea.

Juliet Johnson: Why did the price go up so much in two years?
Paul Sklar: We used deemed costs before, and actual costs have ended up higher than we originally deemed.

Jeremy: Can you look at it geographically?
Zach Erdman: Yes, because my rates haven't gone up.

Paul: Initially, we deemed the cost at just below $400 after the state tax credit is deducted, but in reality we've seen the average cost at more like $700 after the state tax credit is deducted. This is about an 80 percent increase in the cost. We picked the wrong cost initially.

Marshall: It's a good suggestion to look at variances in cost across regions and program tracks, and we will.

7. Meeting adjournment
Kim thanked all council members for their participation and adjourned the meeting at 4:40 p.m.

Presentations are posted online, and council members and the public can send additional comments to info@energytrust.org or to Peter West at peter.west@energytrust.org.

The next full council meeting is November 28, 2012.

Media Coverage Report - Q3 2012

November 14, 2012

Project	# of Articles	Print	Online	Soc. Media	B'cast	Newswires
A) General Energy Trust	12	7	5	0	0	0
C) Existing Homes	20	15	2	0	3	0
D) New Homes	6	4	2	0	0	0
E) Products	6	4	2	0	0	0
F) Solar and Renewables	19	14	5	0	0	0
G) Commercial/Industrial	14	14	0	0	0	0

Project: A) General Energy Trust

Type	Published Date	Headline Publication	City	Media Value	Audience
Print	9/26/2012	Layoffs: Energy nonprofit plans to shed jobs			
		OREGONIAN	Portland	3,692	247,833
Online	9/26/2012	Business Roundup: Energy Trust of Oregon contractor will layoff 40			
		Oregonian (Portland,OR)	Portland	196	1,419,000
Online	9/26/2012	Conservation Services Group laying off Portland workers			
		Oregon Business (Portland,OR)	PORTLAND	158	12,000
Online	9/25/2012	Conservation Services Group will lay off 40 in Portland as Energy Trust contract expires			
		Oregonian (Portland,OR)	Portland	2,737	1,419,000
Online	9/6/2012	Editorial: Energy Trust leaves out the cost - Opinion - The Bulletin			
		Bulletin (Bend,OR)	Bend	113	101,000
Print	9/6/2012	Editorial: Energy Trust savings fail to factor in costs			
		BULLETIN	Bend	602	31,796
Print	8/10/2012	Top architectural firms			
		PORTLAND BUSINESS JOURNAL	PORTLAND	113	10,117
Print	8/8/2012	ARCHITECTURE FIRMS			
		DAILY JOURNAL OF COMMERCE	PORTLAND	62	3,500
Print	8/3/2012	Oregon deserves an energy plan that puts Oregon first			
		PORTLAND BUSINESS JOURNAL	PORTLAND	227	10,117
Print	7/29/2012	Energy plan puts Oregon first Energy plan puts Oregon first			
		STATESMAN JOURNAL	Salem	207	45,218
Online	7/6/2012	People on the Move, July 6, 2012			
		Portland Business Journal (OR)	Portland	16	73,000
Print	7/6/2012	STRATEGIES: PEOPLE ON THE MOVE			
		PORTLAND BUSINESS JOURNAL	PORTLAND	333	10,117

Project: C) Existing Homes

Type	Published Date	Headline Publication	City	Media Value	Audience
Print	9/13/2012	County energy rebate program extended			
		WEST LINN TIDINGS	Lake Oswego	731	4,000

Print	9/8/2012	Measures of Efficiency			
		BULLETIN	Bend	2,425	31,796
Online	9/5/2012	County energy rebate program extended			
		Clackamas (OR) Review	CLACKAMAS	188	2,000
Print	8/31/2012	A tip of the hat; a kick in the pants			
		EAST OREGONIAN	Pendleton	123	7,620
Print	8/24/2012	Calendar of Events			
		GAZETTE-TIMES	Corvallis	73	14,000
Print	8/24/2012	FRIDAY TO FRIDAY			
		ALBANY DEMOCRAT-HERALD	Albany	73	20,500
B'cast	8/4/2012 12:00 AM	Energy savings during hot weather - Home Energy Reviews			
		KEZI-TV at 11:08 PM (1 min)	Eugene	450	5,361
Print	8/3/2012	Dispatches: Bend Heating & Sheet Metal certified to install hybrid water heaters			
		Bend Bulletin	Bend	50	22,885
B'cast	8/2/2012 12:00 AM	Energy savings during hot weather - Home Energy Reviews			
		KGW-TV at 6:17 PM (1 min 45 sec)	Portland	2,450	73,053
Print	8/1/2012	Free home energy audits, efficient products offered			
		NEWS-REVIEW	Roseburg	224	16,939
Print	8/1/2012	Sleuthing summer energy savings			
		Newberg Graphic	Newberg	n/a	5,500
B'cast	7/30/2012 12:00 AM	Story on saving energy at home: Set top boxes (Home Energy Reviews shown and mentioned)			
		KATU-TV at 5:26 PM (3 min 30 sec)	Portland	1,925	41,390
Print	7/26/2012	Energy Star homes save money, add comfort			
		The Columbian	Vancouver	71	49,607
Print	7/14/2012	Energy Trust of Oregon helps homeowners			
		Hermiston Herald	Hermiston	242	3,673
Online	7/14/2012	Nonprofit offers free energy reviews			
		Bulletin (Bend,OR)	Bend	75	101,000
Print	7/14/2012	Nonprofit offers free home energy reviews			
		BULLETIN	Bend	451	31,893
Print	7/14/2012	Portland area warming to ductless heat pumps			
		OREGONIAN	Portland	264	242,784
Print	7/12/2012	Energy Trust Helps Sleuth Out Savings			
		WEST LINN TIDINGS	West Linn	151	2,726
Print	7/12/2012	Energy Trust of Oregon helps sleuth out savings			
		LAKE OSWEGO REVIEW	Lake Oswego	171	8,000
Print	7/5/2012	Energy Trust offers free energy reviews			
		Estacada News	Estacada	n/a	2,181

Project: D) New Homes

Type	Published Date	Headline Publication	City	Media Value	Audience
Print	9/19/2012	Walk and Bike to Green + Solar Homes Tour			
		Cascade Business News	Bend	42	12,000
Online	9/14/2012	EPS measures energy-savings performance in new construction			
		Oregonian (Portland,OR)	Portland	1,369	1,419,000
Print	8/24/2012	Earth Advantage to guarantee energy bills for green homes			
		PORTLAND BUSINESS JOURNAL	PORTLAND	113	10,117
Online	7/19/2012	Energy Trust of Oregon helps homebuyers shop for energy efficiency at 2012 COBA Tour of Homes			
		Cascade Business News	Bend	1,333	12,000
Print	7/5/2012	Half a dozen home gems			

		BEAVERTON VALLEY TIMES	Portland	14	8,200
Print	7/5/2012	The builders are buzzed about this year's show			
		BEAVERTON VALLEY TIMES	Portland	14	8,200

Project: E) Products

Type	Published Date	Headline Publication	City	Media Value	Audience
Print	9/6/2012	Energy Trust offers statewide discounts for energy-efficient showerheads			
		The Record Courier	Baker City	107	2,308
Print	9/5/2012	Saving household energy in the shower			
		Redmond Spokesman	Redmond	248	4,450
Print	8/22/2012	$7 off efficient showerheads			
		BULLETIN	Bend	401	31,796
Online	8/22/2012	$7 off efficient showerheads - Business - The Bulletin			
		Bulletin (Bend,OR)	Bend	74	101,000
Online	7/24/2012	Purging possessions (Fridge Recycling mention)			
		Bulletin (Bend,OR)	Bend	19	101,000
Print	7/24/2012	TOO MUCH STUFF (Fridge Recycling mention)			
		BULLETIN	Bend	100	31,893

Project: F) Solar and Renewables

Type	Published Date	Headline Publication	City	Media Value	Audience
Print	9/22/2012	Region's largest solar plant, in high desert, nearly done			
		OREGONIAN	Portland	264	247,833
Online	9/21/2012	Outback, the Northwest's largest solar farm, goes online Oct. 15			
		Oregonian (Portland,OR)	Portland	196	1,419,000
Print	9/18/2012	Solar Now! conference is coming to Bend			
		BULLETIN	Bend	201	31,796
Print	9/7/2012	Obsidian starts work on massive solar array			
		PORTLAND BUSINESS JOURNAL	PORTLAND	113	10,117
Print	9/2/2012	Small wind turbines to get bigger incentives			
		EAST OREGONIAN	Pendleton	370	9,124
Print	9/1/2012	REACHING FOR THE SUN			
		OREGON BUSINESS	PORTLAND	251	20,392
Print	8/31/2012	County commissioners hear about wind energy project			
		NEWS-TIMES	NEWPORT	58	9,763
Online	8/31/2012	Oregon's largest solar array under construction			
		Portland Business Journal (OR)	Portland	16	73,000
Online	8/30/2012	Largest solar array under construction			
		Oregon Business (Portland,OR)	PORTLAND	40	12,000
Online	8/29/2012	Reaching for the sun			
		Oregon Business (Portland,OR)	PORTLAND	40	12,000
Print	8/18/2012	New solar company in town			
		East Oregonian	Pendleton	41	8,725
Online	7/31/2012	Is it time for you to go solar?			
		Central Oregonian News Feed	Prineville	119	8,500
Print	7/26/2012	Sherman Co. launches solar residential loan			
		Times-Journal	Condon	n/a	1,500
Print	7/20/2012	Sun still shines on Solarize			
		EAST OREGONIAN	Pendleton	205	7,620

Print	7/19/2012	Soak up the sun			
		LAKE OSWEGO REVIEW	Lake Oswego	16	8,000
Print	7/14/2012	PENDLETON AmeriCorps volunteer completes city stint			
		EAST OREGONIAN	Pendleton	21	7,620
Print	7/11/2012	LiveLight lawyer: no money for lone			
		EAST OREGONIAN	Pendleton	82	7,620
Print	7/7/2012	LiveLight took lone school money, but won't repay it			
		EAST OREGONIAN	Pendleton	62	7,620
Print	7/6/2012	Solar installer LiveLight goes dark			
		EAST OREGONIAN	Pendleton	103	7,620

Project: G) Commercial/Industrial

Type	Published Date	Headline Publication	City	Media Value	Audience
Print	9/29/2012	Bay Area tour offers look at energy-saving homes and offices			
		WORLD	Coos Bay	66	9,537
Print	9/20/2012	Schools join city in energy-saving challenge			
		BEAVERTON VALLEY TIMES	Portland	28	8,200
Print	9/7/2012	Fortune Data Centers earn $500K Energy Trust award			
		PORTLAND BUSINESS JOURNAL	PORTLAND	680	10,117
Print	9/1/2012	Fortune Data Centers wins Energy Trust award			
		The Columbian	Vancouver	213	49,607
Print	8/30/2012	Energy savings earn award			
		OREGONIAN	Portland	2,374	247,833
Print	8/29/2012	Businesses get help from county with energy upgrades			
		Sandy Post	Sandy	68	3,600
Print	8/18/2012	City eyes more energy upgrades at treatment plant			
		Newberg Graphic	Newberg	n/a	5,500
Print	8/17/2012	Water sales rising as fast as mercury at Jo County Fair			
		Grants Pass Daily Courier	Grants Pass	41	13,748
Print	8/17/2012	Fundraising group hopes to raise $ 10K by Sept. 1			
		GRANTS PASS DAILY COURIER	Grants Pass	42	13,748
Print	8/17/2012	Housing faces final planning obstacle			
		EAST OREGONIAN	Pendleton	41	7,620
Print	7/20/2012	Tualatin Indoor Soccer scores with more efficient lighting			
		PORTLAND BUSINESS JOURNAL	PORTLAND	567	10,117
Print	7/13/2012	Letter to Editor: Efficiency grants improve economy			
		Herald and News	Klamath Falls	25	16,694
Print	7/5/2012	Rate increase to complete water plant worse than expected (Mention RE: grant)			
		Douglas County Mail	Myrtle Creek	n/a	2,000
Print	7/1/2012	The Grand Hotel takes steps to be more green			
		Statesman Journal	Salem	103	42,622

Media Value	
Total Articles	77
Total Impressions	8,162,363
Total Media Value	$28,868

Articles List with PDF

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