

Report to Legislative Assembly on Public Purpose Expenditures

January 2009 –
June 2010

Final Report

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Acknowledgements

This report was prepared by ECONorthwest's Portland office in response to ORS 757.617(1)(a) that requires documentation of Public Purpose Charge (PPC) receipts and expenditures as part of SB 1149. ECONorthwest was selected to conduct this review under a competitive bid administered jointly by the Oregon Department of Energy and the Oregon Public Utility Commission. Dr. Stephen Grover was the ECONorthwest project director for this evaluation and John Boroski was the project manager. Questions regarding the report should be directed to John Boroski at boroski@portland.econw.com or by phone at (503) 222-6060. Whit Perkins of ECONorthwest also assisted with this analysis and report.

Table of Contents

| | |
|--|----|
| Executive Summary | 1 |
| Introduction..... | 1 |
| Receipt and Expenditure Summary | 2 |
| 1. Public Purpose Charge (PPC) Overview | 5 |
| Introduction..... | 5 |
| PPC Fund Distribution..... | 5 |
| Receipt and Expenditure Summary | 8 |
| 2. Energy Trust of Oregon, Inc. | 11 |
| Overview..... | 11 |
| Energy Conservation..... | 12 |
| Market Transformation | 16 |
| Renewable Energy | 18 |
| 3. Oregon Housing and Community Services..... | 23 |
| Overview..... | 23 |
| Low-Income Housing | 24 |
| Low-Income Weatherization (Multi-Family Rental Housing) | 28 |
| Low-Income Weatherization (ECHO)..... | 31 |
| 4. Educational Service Districts..... | 33 |
| Overview..... | 33 |
| Receipts and Expenditures..... | 33 |
| Results..... | 34 |
| 5. Self-Direct Customers..... | 37 |
| Overview..... | 37 |
| Results..... | 37 |
| 6. Summary | 39 |
| 7. Appendix - Economic Impacts From Energy Trust of Oregon 2009 Program Activities | 40 |

EXECUTIVE SUMMARY

INTRODUCTION

In July 1999, Senate Bill 1149 (SB 1149) was enacted to introduce competition into Oregon's electricity markets within the Portland General Electric (PGE) and PacifiCorp service territories.¹ As part of SB 1149, these utilities were required to collect a 3 percent charge on their retail electricity sales beginning in March 2002. This public purpose charge (PPC) is used to fund energy conservation and renewable energy programs and to help provide weatherization and other energy assistance to low-income households and public schools.

Oregon has a 30-year history of using ratepayer funding for conservation and renewable programs prior to SB 1149. Before 2002, utilities administered conservation programs using ratepayer funds. Under SB 1149, programs are still funded by ratepayers (through the public purpose charge) but responsibility for running these programs was transferred to the Energy Trust of Oregon. The administrators of the various programs funded with the public purpose charge are:

- **Energy Trust of Oregon, Inc.** The non-profit Energy Trust began administering funds in March 2002 and seeks to develop and implement programs that promote energy conservation and development of renewable energy resources in the service areas of Portland General Electric and PacifiCorp. The Energy Trust receives 73.8 percent of the available public purpose charge funds; 56.7 percent is dedicated to conservation programs and 17.1 percent is dedicated for renewable energy projects.
- **Education Service Districts.** Oregon's Education Service Districts receive 10 percent of public purpose charge funds to improve energy efficiency in individual schools.
- **Oregon Housing and Community Services.** Oregon Housing and Community Services (OHCS) receives and administers public purpose charge funds for two low-income housing programs. Four and one-half percent of the public purpose charge funds are dedicated to low-income housing development projects in the PGE and PacifiCorp service areas; these projects involve construction of new housing or rehabilitation of existing housing for low-income families through the OHCS Housing Trust Fund. OHCS operates two weatherization programs, and an additional 11.7 percent of the total PPC funds collected are allocated for the weatherization of dwellings of low-income residents in the PGE and PacifiCorp service areas. One program provides home weatherization (for single- and multi-family, owner occupied, and rental housing) and the other provides for weatherization of affordable multi-family rental housing through the OHCS Housing Division.

In addition to projects conducted by these agencies, large commercial and industrial customers can implement their own energy conservation or renewable energy projects. These "self-direct" customers can then deduct the cost of projects from the conservation and renewable resource development portion of their public purpose charge obligation to utilities.

¹ SB 1149, which specifically addresses the public purpose charge, is codified in ORS 757.600, et. seq. ORS 757.612.

In August 2010, ECONorthwest was hired by the Oregon Department of Energy and the Oregon Public Utility Commission to prepare a report to the Oregon Legislature documenting PPC receipts and expenditures in compliance with ORS 757.617(1)(a). Specifically, ECONorthwest

- Documented PPC disbursements to each agency by PGE and PacifiCorp;
- Demonstrated how each agency utilized funds;
- Summarized important project accomplishments; and
- Documented administrative costs using a common cost definition across agencies.

This report does not attempt to evaluate how well the various PPC programs are being implemented, nor have we attempted to independently verify the energy savings accomplishments reported by the PPC fund administrators. These issues are usually addressed through formal program evaluations such as those currently being performed by the Energy Trust of Oregon for its programs.

RECEIPT AND EXPENDITURE SUMMARY

The following table shows PPC fund disbursements to the various administrators and programs for the January 1, 2009 – June 30, 2010 period. The far right column of the table lists the level of expenditure for these funds over the same period, and shows that expenditures were similar to disbursements for most programs. As shown at the bottom of the table, PPC expenditures totaled \$124,949,226 across all fund administrators. Administrative costs for agencies receiving the PPC funds totaled \$6,759,701, or 5.4 percent of all expenditures during this period.

PPC Disbursements and Expenditures (1/2009 – 6/2010)

| Fund Administrator / Program | Disbursement Source | | | Expenditure |
|--|---------------------|---------------------|----------------------|----------------------|
| | PGE | PacifiCorp | Total | Total |
| Energy Trust of Oregon | | | | |
| Conservation | \$41,003,679 | \$25,201,386 | \$66,205,065 | \$57,294,994 |
| Renewable Energy | \$11,909,347 | \$7,603,710 | \$19,513,057 | \$19,763,921 |
| Administrative Expenses | | | | \$5,817,907 |
| Education Service Districts | \$7,580,605 | \$4,442,573 | \$12,023,178 | \$16,419,833 |
| ODOE Program Expenses | | | | \$291,236 |
| Administrative Expenses | | | | \$558,200 |
| Oregon Housing and Community Services | | | | |
| Low-Income Weatherization* | \$8,831,507 | \$5,150,627 | \$13,982,134 | \$12,268,097 |
| Low-Income Housing | \$3,396,733 | \$1,981,086 | \$5,377,819 | \$7,167,321 |
| Administrative Expenses | | | | \$365,808 |
| Evaluation, Training, Technical Assistance | | | | \$177,094 |
| Energy Education | | | | \$1,134,726 |
| Self-Direct Customers** | | | | |
| Conservation | \$1,831,389 | \$503,134 | \$2,334,523 | \$2,334,523 |
| Renewable Energy | \$1,010,650 | \$294,397 | \$1,305,047 | \$1,305,047 |
| ODOE Program Expenses | | | | \$32,734 |
| Administrative Expenses | | | | \$17,786 |
| Totals | \$75,563,909 | \$45,177,109 | \$120,741,018 | \$124,949,226 |
| Administrative Costs Only | | | | \$6,759,701 |

* Low-Income Weatherization includes the ECHO program and the Low-Income Weatherization Program (for multi-family rental housing).

** The amounts listed for Self-Direct represent public purpose charges retained by the participating sites in lieu of making payments to the utilities, which are then distributed among the other agencies (e.g., Energy Trust).

The following table summarizes the expenditures and results for PPC expenditures from January 2009 through June 2010. The agencies spent a combined total of \$124,949,226 on programs and projects completed during this period. Annual energy savings and renewable resource generation achieved from projects completed during this time reached 474,463,851 kWh (54 aMW), which is enough to power almost 42,000 average-sized homes each year.² When all fuel types are included in addition to electricity, PPC expenditures resulted in annual savings of 1,673,648 million Btu.

² Calculated using ODOE's estimate that an average megawatt is enough to power 775 homes each year (assuming electric heat).

Summary of PPC Expenditures and Results (1/2009 – 6/2010)

| Agency / Program | Expenditures | Results | | |
|-------------------------------|----------------------|------------------------|--------------|------------------|
| | | kWh Saved or Generated | aMW | MMBtu |
| Energy Trust – Conservation | \$61,699,293 | 271,223,330 | 30.96 | 925,685 |
| Energy Trust – Renewables* | \$21,177,529 | 28,256,833 | 3.23 | 96,412 |
| Education Service Districts** | \$17,269,269 | 10,415,339 | 1.19 | 89,850 |
| OHCS Low-Income*** | \$21,113,046 | 12,197,703 | 1.39 | 41,631 |
| Self-Direct Customers**** | \$3,690,089 | 152,370,646 | 17.39 | 520,041 |
| Total Expenditures | \$124,949,226 | 474,463,851 | 54.16 | 1,673,648 |

* Energy saved includes savings from reduced transmission and distribution losses. Renewable energy savings are from currently operational projects.

** MMBtu includes natural gas, propane and oil savings, in addition to electricity savings.

*** Expenditures for the OHCS Low-Income program include expenditures from the Housing Trust Fund, which does not track energy savings for its projects.

**** Expenditures listed for Self-Direct represent public purpose charges retained by the participating sites in lieu of making payments to the utilities, which are then distributed among the other agencies (e.g., Energy Trust).

1. PUBLIC PURPOSE CHARGE (PPC) OVERVIEW

INTRODUCTION

In July 1999, Senate Bill 1149 (SB 1149) was enacted to introduce competition into Oregon's electricity markets within the Portland General Electric (PGE) and PacifiCorp service territories.³ As part of SB 1149, these utilities were required to collect a 3 percent charge on their retail electricity sales beginning in March 2002. This public purpose charge (PPC) is used to fund energy conservation and renewable energy programs and to help provide weatherization and other energy assistance to low-income households and public schools.

In August 2010, ECONorthwest was hired by the Oregon Department of Energy and the Oregon Public Utility Commission (PUC) to prepare a report to the Oregon Legislature documenting PPC receipts and expenditures in compliance with ORS 757.617(1)(a). Specifically, ECONorthwest

- Documented PPC disbursements to each agency by PGE and PacifiCorp;
- Demonstrated how each agency utilized funds;
- Summarized important project accomplishments; and
- Documented administration costs using a common cost definition across PPC administrators.

The remainder of this section provides an overview of the total PPC funds collected and disbursed from January 2009 through June 2010. Additional detail on how each organization utilized funds is provided in subsequent sections.

PPC FUND DISTRIBUTION

The PPC funds are collected and distributed across several organizations for administration of energy conservation and renewable energy programs:

- **Energy Trust of Oregon, Inc.** The non-profit Energy Trust began administering funds in March 2002; the Energy Trust seeks to develop and implement programs that promote energy conservation and development of renewable energy resources within the service areas of PGE and PacifiCorp. The Energy Trust receives 73.8 percent of the available PPC funds (56.7 percent dedicated to conservation programs and 17.1 percent for renewable energy projects).
- **Education Service Districts.** Oregon's Education Service Districts receive 10 percent of PPC funds to improve energy efficiency in individual schools.
- **Oregon Housing and Community Services.** Oregon Housing and Community Services (OHCS) receives and administers PPC funds for two low-income housing programs. Four

³ SB 1149 is codified in ORS 757.600, et. Seq. ORS 757.612 specifically addresses the public purpose charge.

and one-half percent of the PPC funds are dedicated to low-income housing development projects in the PGE and PacifiCorp service areas. These projects involve construction of new housing or rehabilitation of existing housing for low-income families through the OHCS Housing Trust Fund. OHCS operates two weatherization programs, and an additional 11.7 percent of the total PPC funds collected are allocated for the weatherization of dwellings of low-income residents in the PGE and PacifiCorp service areas. One program provides home weatherization (for single- and multi-family, owner occupied, and rental housing) and the other provides for weatherization of affordable multi-family rental housing through the OHCS Housing Division.

In addition to projects conducted by these agencies, large commercial and industrial customers can implement their own energy conservation or renewable energy projects. These “self-direct” customers can then deduct the cost of projects from the conservation and renewable resource development portion of their PPC obligation to utilities.

Figure 1 shows how total PPC funds are allocated across administrators based on the utilities’ PPC fund disbursement data for January 2009 through June 2010 (see Table 2).

Figure 1: PPC Fund Allocation by Administrator and Program (1/2009 – 6/2010)⁴

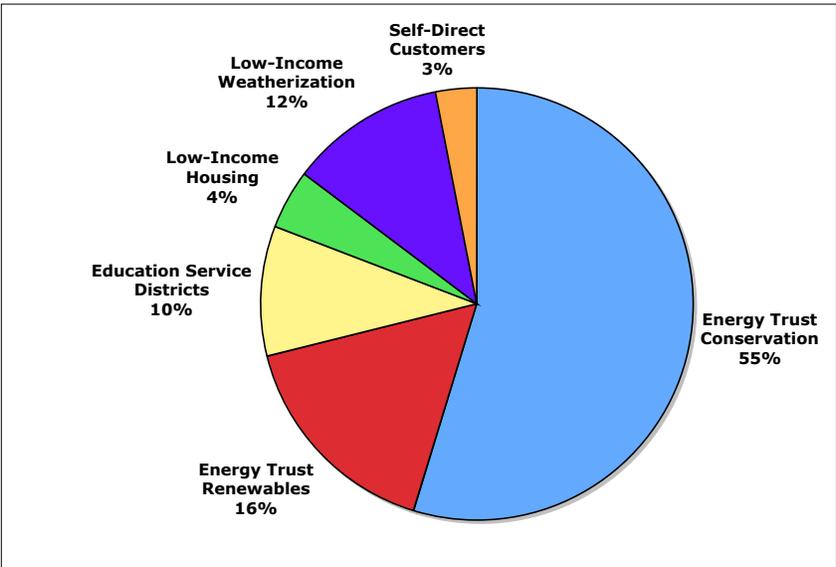


Figure 2 shows the total PPC fund collections for the January 2009 – June 2010 period divided between residential and non-residential ratepayers for each utility.⁵ For both utilities, public purpose funds were collected in similar proportions from the residential and non-residential sectors.

⁴ Note that the graph includes the self-direct expenditures, and consequently the allocation percentages do not coincide with the PPC disbursement information discussed previously, which are based on total PPC funds *collected* by the utilities.

⁵ The sector share was calculated by each utility based on revenues received from January 2009 thru June 2010. Because of the seasonal nature of energy consumption, this distribution will vary depending on the time period.

Figure 2: Sector Contribution of PPC Funds by Utility

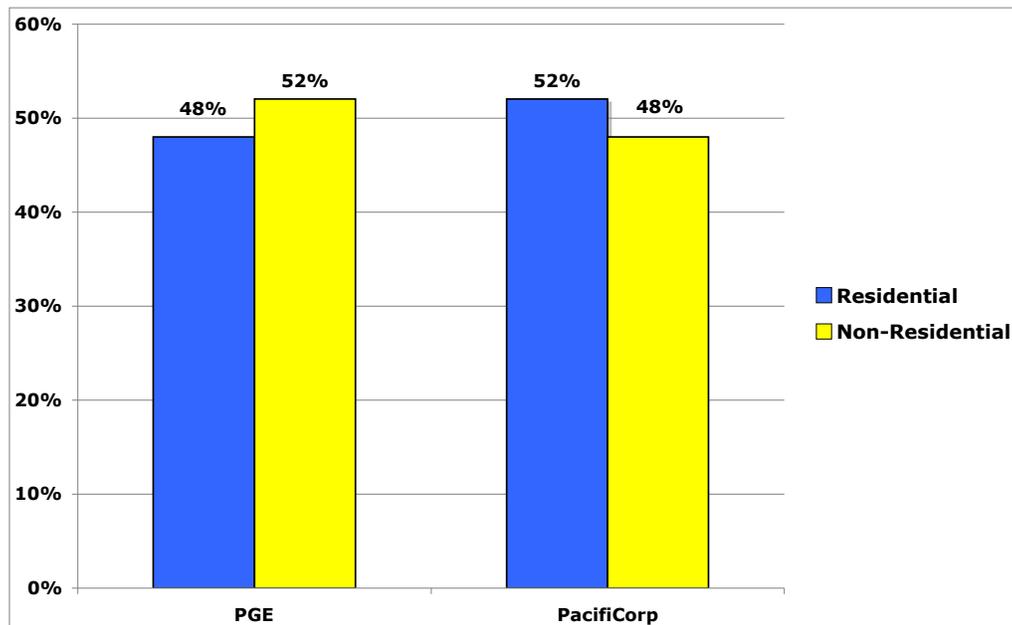
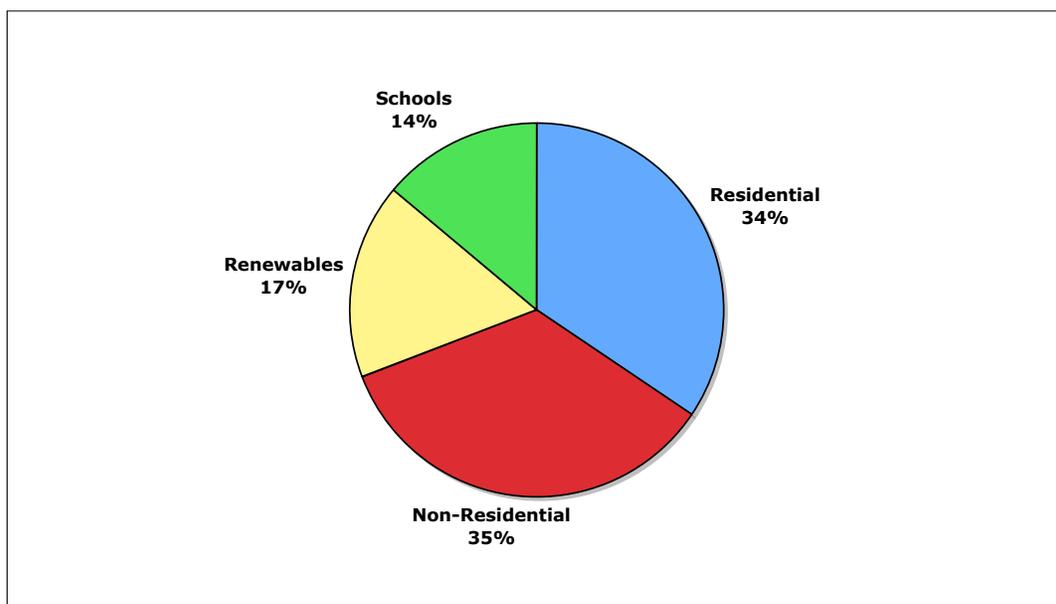


Figure 3 shows how PPC fund expenditures by the various agencies and programs are distributed among sectors. The non-residential sector received 35 percent of expenditures from January 2009 to June 2010. Over the same timeframe, schools received 14 percent of expenditures, 17 percent of expenditures were spent on renewable resource development, and 34 percent of expenditures were spent on programs for residential customers (covered by the OHCS and Energy Trust residential conservation programs).

Figure 3: Distribution of PPC Expenditures



RECEIPT AND EXPENDITURE SUMMARY

This report details public purpose charge expenditures from January 1, 2009 through June 30, 2010. Table 1 shows the total funds collected during this period from both PGE and PacifiCorp. Over this 18-month period, PGE disbursed \$75,563,909 in PPC funds and PacifiCorp disbursed \$45,177,109, for a total of \$120,741,018 allocated for conservation and renewable energy programs across the agencies. The utilities spent a combined total of \$60,639 on administrative expenses to collect and distribute PPC funds to the agencies. This amount includes funds distributed to the Oregon PUC to help administer the program.

Table 1: Total PPC Fund Disbursements (1/2009 – 6/2010)

| Source | PPC Disbursements | Administrative Expenses* |
|--------------|----------------------|--------------------------|
| PGE | \$75,563,909 | \$35,016 |
| PacifiCorp | \$45,177,109 | \$25,623 |
| Total | \$120,741,018 | \$60,639 |

*Includes fees paid to OPUC to help administer the PPC program.

Table 2 provides additional detail on the disbursement across the various programs for the January 2009 – June 2010 period. The far right column of the table lists the level of expenditure for these funds over the same period, and shows that expenditures were similar to disbursements for most programs. As shown at the bottom of the table, PPC expenditures totaled \$124,949,226 across all fund administrators. Administrative costs for agencies receiving the PPC funds totaled \$6,759,701 or 5.4 percent of all expenditures during this period.

Table 2: PPC Disbursements and Expenditures (1/2009 – 6/2010)

| Fund Administrator / Program | Disbursement Source | | | Expenditure |
|--|---------------------|---------------------|----------------------|----------------------|
| | PGE | PacifiCorp | Total | Total |
| Energy Trust of Oregon | | | | |
| Conservation | \$41,003,679 | \$25,201,386 | \$66,205,065 | \$57,294,994 |
| Renewable Energy | \$11,909,347 | \$7,603,710 | \$19,513,057 | \$19,763,921 |
| Administrative Expenses | | | | \$5,817,907 |
| Education Service Districts | \$7,580,605 | \$4,442,573 | \$12,023,178 | \$16,419,833 |
| ODOE Program Expenses | | | | \$291,236 |
| Administrative Expenses | | | | \$558,200 |
| Oregon Housing and Community Services | | | | |
| Low-Income Weatherization* | \$8,831,507 | \$5,150,627 | \$13,982,134 | \$12,268,097 |
| Low-Income Housing | \$3,396,733 | \$1,981,086 | \$5,377,819 | \$7,167,321 |
| Administrative Expenses | | | | \$365,808 |
| Evaluation, Training, Technical Assistance | | | | \$177,094 |
| Energy Education | | | | \$1,134,726 |
| Self-Direct Customers** | | | | |
| Conservation | \$1,831,389 | \$503,134 | \$2,334,523 | \$2,334,523 |
| Renewable Energy | \$1,010,650 | \$294,397 | \$1,305,047 | \$1,305,047 |
| ODOE Program Expenses | | | | \$32,734 |
| Administrative Expenses | | | | \$17,786 |
| Totals | \$75,563,909 | \$45,177,109 | \$120,741,018 | \$124,949,226 |
| Administrative Costs Only | | | | \$6,759,701 |

* Low-Income Weatherization includes the ECHO program and the Low-Income Weatherization Program (for multi-family rental housing).

** The amounts listed for Self-Direct represent public purpose charges retained by the participating sites in lieu of making payments to the utilities, which are then distributed among the other agencies (e.g., Energy Trust).

Table 3 shows the timing of PPC receipts and expenditures since 2008 for each agency. Unexpended funds from 2008 are added to receipts from the January 2009 – June 2010 period to show total funds available, and expenditures over this same period are also tabulated.

Table 3: Cumulative PPC Receipts and Expenditures (1/2009 – 6/2010)

| Fund Administrator / Program | 2008 Carry Forward* | 1/2009-6/2010 Receipts | 1/2009-6/2010 Expenditures |
|--|----------------------------|-------------------------------|-----------------------------------|
| Energy Trust of Oregon | | | |
| Conservation | \$8,930,393 | \$66,205,065 | \$61,699,293 |
| Renewable Energy | \$38,264,916 | \$19,513,057 | \$21,177,529 |
| Education Service Districts | \$1,785,042 | \$12,023,178 | \$17,269,269 |
| Oregon Housing and Community Services** | \$12,080,086 | \$19,360,149 | \$21,143,531 |
| Self-Direct Customers*** | \$0 | \$3,639,569 | \$3,690,089 |
| Totals | \$61,060,437 | \$120,741,018 | \$124,949,226 |

* 2008 carryover amounts calculated by ECONorthwest using data from the *Report to Legislative Assembly on Public Purpose Expenditures for the Period January 1, 2007 – December 31, 2008* (April 30, 2009).

** Expenditures for the OHCS Low-Income program include expenditures from the Housing Trust Fund.

*** The amounts listed for Self-Direct represent public purpose charges retained by the participating sites in lieu of making payments to the utilities, which are then distributed among the other agencies (e.g., Energy Trust).

The remaining sections in this report describe how each organization used its allocated funds. For comparison's sake, administrative expenses must be defined consistently across agencies. In this report, we define administrative expenses as

1. Costs that cannot be otherwise associated with a certain program but which support an agency's general operations. These costs may include board or executive director activities, general business management, accounting, general reporting, and oversight;
2. General outreach and communication; and
3. The following direct program support costs:
 - a. Supplies
 - b. Postage and shipping
 - c. Telephone
 - d. Occupancy expenses
 - e. Printing and publications
 - f. Insurance
 - g. Equipment
 - h. Travel
 - i. Meetings, training, and conferences
 - j. Interest expense and bank fees
 - k. Depreciation and amortization
 - l. Dues, licenses, and fees
 - m. Other misc. expenses

The administrative expenses provided for each agency all conform with this definition.

2. ENERGY TRUST OF OREGON, INC.

OVERVIEW

The Oregon PUC designated the Energy Trust of Oregon, Inc. to administer the conservation and renewable resource components of the PPC. The Trust sponsors a suite of programs that target new and existing residential, commercial, and industrial electricity customers in the PGE and PacifiCorp service areas. Through these programs, Energy Trust provides informational assistance and financial incentives to install efficiency measures and develops projects that generate electricity using renewable energy resources. A portion of the funds from Energy Trust is also allocated to the Northwest Energy Efficiency Alliance (NEEA) to support its ongoing energy efficiency market transformation programs.⁶

Table 4 provides a summary of Energy Trust PPC revenues and expenditures from January 1, 2009 through June 30, 2010. Funds received by Energy Trust during this period totaled \$85,718,122 and expenditures totaled \$82,876,822. Administrative expenses totaled \$5,817,907 and comprised 7.0 percent of total spending by Energy Trust on electric conservation and renewable programs and 6.8 percent of total PPC receipts during this period.⁷

Table 4: Energy Trust Receipt and Expenditure Summary (1/2009 – 6/2010)

| Transaction | PGE | PacifiCorp | Total |
|----------------------------|---------------------|---------------------|---------------------|
| Total Fund Receipts | \$52,913,025 | \$32,805,096 | \$85,718,122 |
| Expenditures | | | |
| Energy Conservation | \$36,275,560 | \$21,019,434 | \$57,294,994 |
| Renewable Energy | \$11,303,424 | \$8,460,497 | \$19,763,921 |
| Administrative Expenses | \$3,571,928 | \$2,245,979 | \$5,817,907 |
| Total Expenditures | \$51,150,913 | \$31,725,909 | \$82,876,822 |

Specific detail on Energy Trust conservation and renewable energy program activities is provided below.

⁶ The Energy Trust also administers residential and commercial conservation programs for Northwest Natural Gas Company and Cascade Natural Gas Corporation under the terms of a stipulation with the PUC. Avista Utilities also contracted with the Energy Trust in 2006 and 2007 to deliver three programs in its service territory. In 2008, PGE and Pacific Power began providing additional energy efficiency funds to Energy Trust pursuant to section 46 of the 2007 Renewable Energy Act.

⁷ Administrative expenses used here and in subsequent tables are defined using the common administrative expense definition discussed in the introduction of this report. Administrative costs allocated to Northwest Natural Gas, Cascade Natural Gas and Avista Utilities are not included.

ENERGY CONSERVATION

Receipts and Expenditures

Table 5 shows Energy Trust fund receipts and expenditures for its conservation programs. During the January 2009 – June 2010 period, \$66,205,065 in PPC funds was distributed to Energy Trust for spending on these programs. Conservation program expenditures totaled \$61,699,293 during this same period. Administrative costs that could be directly assigned to Energy Trust conservation programs totaled \$4,404,299, or 7.1 percent of total conservation program spending and 6.7 percent of total PPC receipts for conservation programs.

Table 5: Energy Trust Conservation Receipts and Expenditures (1/2009 – 6/2010)

| Transaction | PGE | PacifiCorp | Total |
|---------------------------|---------------------|---------------------|---------------------|
| Fund Receipts | \$41,003,679 | \$25,201,386 | \$66,205,065 |
| Expenditures | | | |
| Program Expenditures | \$36,275,560 | \$21,019,434 | \$57,294,994 |
| Administrative Expenses | \$2,769,822 | \$1,634,477 | \$4,404,299 |
| Total Expenditures | \$39,045,382 | \$22,653,911 | \$61,699,293 |

Results

Energy Trust conservation activities consisted of the design and delivery of conservation programs targeted to different market sectors with a wide range of energy saving measures. Table 6 shows the accomplishments of the individual programs sponsored by Energy Trust. During the period covered by this report, 271,223,330 kWh in energy savings were achieved across all market sectors. The residential sector accounted for 36.2 percent of these savings with 98,288,516 kWh saved. Industrial sector savings were 93,826,988 kWh (34.6 percent of Energy Trust conservation savings), and commercial sector savings were 79,107,826 kWh (29.2 percent).

Within the Residential sector, market transformation programs funded through NEEA accounted for the largest share of savings (49.5 percent). In the Commercial sector, the Building Efficiency Program was the largest contributor and accounted for 66.2 percent of the energy savings achieved in this sector.

Table 6: Energy Trust Conservation Programs Energy Savings By Service Territory (1/2009 – 6/2010)*

| Program Name | PGE Savings (kWh) | PacifiCorp Savings (kWh) | Total Savings (kWh) | Average Life of Savings (years) |
|------------------------------|--------------------------|---------------------------------|----------------------------|--|
| Residential | | | | |
| Home Energy Savings | 10,469,625 | 6,955,654 | 17,425,279 | 14.3 |
| New Homes & Products | 20,217,454 | 11,949,972 | 32,167,425 | 9.5 |
| NEEA (Market Transformation) | 27,644,959 | 21,050,852 | 48,695,812 | 8.0 |
| Total Residential | 58,332,038 | 39,956,478 | 98,288,516 | 9.9 |
| Commercial | | | | |
| Building Efficiency | 38,798,954 | 13,586,140 | 52,385,093 | 12.7 |
| New Building Efficiency | 13,312,238 | 5,444,124 | 18,756,362 | 17.3 |
| NEEA (Market Transformation) | 4,540,833 | 3,425,538 | 7,966,371 | 13.5 |
| Total Commercial | 56,652,025 | 22,455,801 | 79,107,826 | 13.7 |
| Industrial | | | | |
| Production Efficiency | 50,053,441 | 31,823,563 | 81,877,004 | 9.0 |
| NEEA (Market Transformation) | 6,811,496 | 5,138,487 | 11,949,983 | 10.0 |
| Total Industrial | 56,864,938 | 36,962,050 | 93,826,988 | 9.2 |
| Total All Programs | 171,849,000 | 99,374,330 | 271,223,330 | 10.9 |

* Conservation program savings do not include savings from reduced transmission and distribution losses, and therefore do not match savings reported in Energy Trust's Annual Reports.

Table 7 provides additional detail regarding the types of efficiency improvements that are being implemented for the various conservation programs. In the Residential sector, over 33,000 ENERGY STAR appliances received rebates, and in the Commercial sector, more than 200 highly efficient new commercial buildings have been developed.

Table 7: Energy Trust Example Efficiency Improvements (1/2009 – 6/2010)

| Improvement Type | Number of Projects* | Average Life of Savings (Years) |
|--|----------------------------|--|
| Commercial projects | | |
| Existing buildings retrofitted | 1,166 | 12.8 |
| Efficient new buildings constructed | 201 | 17.4 |
| Multifamily buildings retrofitted | 6,803 | 13.5 |
| New multifamily buildings constructed | 104 | 17 |
| Solar water heating commercial installations | 17 | 20 |
| Industrial projects | | |
| Efficient manufacturing processes, water and wastewater treatment, and agriculture | 853 | 9 |
| Residential projects | | |
| Efficient new homes constructed | 477 | 24.8 |
| Efficient new manufactured homes purchased | 164 | 33.6 |
| Home energy reviews conducted | 6,323 | N/A |
| Single-family homes retrofitted | 4,519 | 15.9 |
| Manufactured homes retrofitted | 1,470 | 8.2 |
| Residential solar water heating installations | 179 | 16.5 |
| ENERGY STAR appliance rebates | 33,480 | 13 to 22** |

*Number of projects is not the same as number of measures. Multiple measures are often installed for individual projects.

** Dishwashers: 13 years, Clothes Washers: 14 years, Freezers: 20 years, Refrigerators: 22 years

Table 8 shows Energy Trust’s cost for each conservation program and the levelized energy costs that have been achieved. The most Energy Trust funds were spent on the Industrial Production Efficiency Program (\$16.1 million) followed by the Commercial Building Efficiency Program (\$13.2 million) and Residential Efficient New Homes/Products Program (\$11.1 million). The Commercial and Industrial sectors attained the lowest overall levelized energy costs (with an average cost of about 1.9 cents per kWh) with individual program values ranging from 0.6 to 2.1 cents per kWh). The Residential sector had slightly higher average levelized costs of savings at 2.1 cents per kWh.

Table 8: Energy Trust Conservation Costs and Levelized Energy Costs (1/2009 – 6/2010)

| Program Name | ETO Cost (all electric funders)* | Levelized Cost (dollars/kWh)** |
|------------------------------|---|---------------------------------------|
| Residential | | |
| Home Energy Savings | \$8,262,481 | \$0.044 |
| Efficient New Homes/Products | \$11,118,701 | \$0.033 |
| NEEA (Market Transformation) | \$2,658,642 | \$0.006 |
| Total Residential | \$22,039,823 | \$0.021 |
| Commercial | | |
| Building Efficiency | \$13,201,254 | \$0.018 |
| New Building Efficiency | \$7,567,617 | \$0.021 |
| NEEA (Market Transformation) | \$2,025,025 | \$0.017 |
| Total Commercial | \$22,793,896 | \$0.019 |
| Industrial | | |
| Production Efficiency | \$16,120,964 | \$0.021 |
| NEEA (Market Transformation) | \$744,611 | \$0.006 |
| Total Industrial | \$16,865,575 | \$0.018 |

* Energy Trust electric funders include PGE and PacifiCorp

** Levelized costs were calculated by Energy Trust and include savings for reduced transmission and distribution losses

Table 9 shows how the energy efficiency incentives paid by Energy Trust were distributed across the geographic regions of Oregon. About 61 percent of all incentives (\$19.5 million) were paid to customers in the Portland area, and 31 percent was divided between the Willamette Valley and southern Oregon. The Industrial and Residential sectors received similar shares of incentive payments (29 and 31 percent, respectively).

Table 9: Energy Trust Energy Efficiency Incentive Payments by Sector and Region, Thousands of Dollars (1/2009 – 6/2010)

| Sector | Central/ East | NW/ Coast | Portland Area | Southern | Willamette Valley | Total |
|---------------|--------------------------|----------------------|--------------------------|-----------------|------------------------------|-----------------|
| Commercial | \$423 | \$232 | \$9,570 | \$907 | \$1,786 | \$12,918 |
| Industrial | \$1,012 | \$5 | \$4,419 | \$1,894 | \$1,800 | \$9,130 |
| Residential | \$632 | \$114 | \$5,515 | \$1,682 | \$1,737 | \$9,681 |
| Total | \$2,068 | \$351 | \$19,504 | \$4,484 | \$5,323 | \$31,729 |

MARKET TRANSFORMATION

Actions and Processes

NEEA is funded by electric utilities in Oregon, Washington, Idaho, and Montana, and Energy Trust provides funding on behalf of PGE and PacifiCorp’s ratepayers. NEEA helps promote electric efficiency through market transformation, i.e., change in sales, selection, design, installation, operation, and maintenance practices for homes, equipment, buildings and industrial facilities. NEEA’s programs are closely integrated with those of Energy Trust but are more focused on long-term market change. The timeline of this report overlaps with the beginning of NEEA’s 2010-2014 Business Plan. Among its new initiatives are programs for ductless heat pumps, consumer electronics, efficient new homes, high efficiency PC power supplies, and building operation performance in existing hospitals and offices.

Table 10 shows the energy savings accomplishments of the programs delivered by NEEA. During the period covered by this report, over 68,000,000 kWh in energy savings were achieved across the three market sectors, with the Residential sector accounting for 71 percent of the savings.

Table 10: Market Transformation Energy Savings By Program and Utility (1/2009 – 6/2010)*

| Program Name | PGE Savings (kWh) | PacifiCorp Savings (kWh) | Total Savings (kWh) | Average Life of Savings (years) |
|---------------------|--------------------------|---------------------------------|----------------------------|--|
| NEEA Residential | 27,644,959 | 21,050,852 | 48,695,812 | 8.0 |
| NEEA Commercial | 4,540,833 | 3,425,538 | 7,966,371 | 13.5 |
| NEEA Industrial | 6,811,496 | 5,138,487 | 11,949,983 | 10.0 |
| Total | 38,997,288 | 29,614,877 | 68,612,166 | 9.0 |

* Program savings do not include savings from reduced transmission and distribution losses, and therefore do not match savings reported in Energy Trust's Annual Reports.

Participating Firms and Organizations

Through NEEA, Energy Trust's efforts are coordinated with those of all the electric utilities of the Northwest (for activities beyond the PGE and PacifiCorp Oregon service territories) and the state energy offices and public utility commissions of Oregon, Montana, Idaho and Washington. NEEA also helps coordinate some program efforts with the Federal Government, for example, by negotiating with the US Environmental Protection Agency (EPA) to create the ENERGY STAR Northwest new home efficiency program. Through the Consortium for Energy Efficiency, Energy Trust and NEEA also coordinate with similar programs nationally.

Table 11 shows Energy Trust's cost for each market transformation program. Total Energy Trust costs for market transformation were \$5.4 million, with the greatest share (49 percent) spent in the Residential sector.

Table 11: Energy Trust Market Transformation Costs (1/2009 – 6/2010)

| Program Name | ETO Cost |
|---------------------|--------------------|
| NEEA Residential | \$2,658,642 |
| NEEA Commercial | \$2,025,025 |
| NEEA Industrial | \$744,611 |
| Total | \$5,428,278 |

Technology Advancement

NEEA has several technology initiatives underway or under development to fill the gap left by declining regional savings from CFLs. The decline in savings results from (1) assumptions that CFL sales would increase over time had NEEA not run its initiatives, and (2) a decline in CFL sales from their peak in 2008. Currently, NEEA is experiencing success with the implementation

of its ductless heat pump initiative, consumer electronics, and industrial Continuous Energy Improvement initiative.

Through the end of the second quarter of 2010, NEEA’s Ductless Heat Pump (DHP) Program has expanded the market’s capacity to deliver DHP’s and has nearly achieved its goal to increase HVAC contractor participation by 20 percent over 2009, with 48 new contractor companies installing DHPs in 2010. Additionally, NEEA has achieved an 11.2 percent market share for ENERGY STAR new homes in the Northwest through June 2010 and is working continuously to secure commitments from retailers to participate in the 2010 Consumer Electronics initiative, representing 80 percent of the Northwest television market.

NEEA’s technological advancements in the commercial and industrial segments include efforts to reduce energy use in the hospital and office real estate markets by 10 to 30 percent through its Strategic Energy Management program.

NEEA has several other technologies under investigation and project development. NEEA’s board will consider in December a portfolio of additional initiatives to accelerate regional savings in the next several years.

RENEWABLE ENERGY

Receipts and Expenditures

Table 12 shows the PPC fund receipts and expenditures dedicated to Energy Trust renewable energy programs from January 1, 2009 through June 30, 2010. During this period, \$19,513,057 in PPC funds was allocated to Energy Trust for renewable energy projects, and renewable energy program spending totaled \$21,177,529. Administrative costs related to the renewable energy program totaled \$1,413,608 and comprised 6.7 percent of total renewable energy program spending by Energy Trust and 7.2 percent of the PPC receipts designated for the renewable energy programs.

Table 12: Energy Trust Receipts and Renewable Expenditures (1/2009 – 6/2010)

| Transaction | PGE | PacifiCorp | Total |
|---------------------------|---------------------|--------------------|---------------------|
| Fund Receipts | \$11,909,347 | \$7,603,710 | \$19,513,057 |
| Expenditures | | | |
| Program Expenditures | \$11,303,424 | \$8,460,497 | \$19,763,921 |
| Administrative Expenses | \$802,106 | \$611,502 | \$1,413,608 |
| Total Expenditures | \$12,105,530 | \$9,071,999 | \$21,177,529 |

Results

Table 13 lists all the active renewable energy generation projects completed or initiated by Energy Trust from January 2009 through June 2010. The largest amount of renewable energy capacity will be achieved through a 3 MW solar project that resulted from PGE’s request for proposals for renewable energy projects. The project encompasses two 1.5 megawatt ground-

mounted, thin film solar installations in Polk County. In addition, a 1.06 MW biomass project capturing methane was installed at a Douglas County landfill.

Upon completion, all of the projects listed will provide a total of 52,813 MWh in renewable energy per year. Projects that are currently operational are providing 28,257 MWh per year. The Solar Electric Program, which provides homeowners and businesses with financial incentives to adopt power applications, has completed 858 projects that are now operational.

The Open Solicitation program provides incentives and support for renewable energy projects using commercial technologies, such as hydropower and geothermal electric that are not eligible for incentives through Energy Trust's other renewable energy programs. It also helps provide experience in renewable energy sectors that may in the future merit their own programs.

Table 14 shows all of the feasibility studies and other development projects that were approved for funding by Energy Trust of Oregon's renewable energy programs from January 2009 through June 2010. A total of 57 projects were active during the report period: 31 were completed, and 26 are ongoing. Project types ranged from equipment incentives to feasibility studies to grant writing assistance. Twenty-eight projects are located in PacifiCorp's service territory, and 21 are located in PGE's territory (8 projects could be located in either or both territories). The three project types are wind (8 small and 9 very small projects), biomass (10 projects), and other renewables (30 projects). The total cost for all of these studies and potential projects is \$534,472.

Table 13: Energy Trust Renewable Energy Projects Summary

| Project | # of Projects | Status | Year | County | Estimated Life Years | Generating Capacity (MW) | Annual Energy (MWh/yr) | Project Cost (\$/MWh) | Cost to Energy Trust (\$/MWh) | Percent of Above Market Cost Paid | Utility Service Territory |
|---------------------------------|---------------|--------------|------|-----------------------|----------------------|--------------------------|------------------------|-----------------------|-------------------------------|-----------------------------------|---------------------------|
| Biomass #1 | 1 | Operational | 2009 | Linn | 20 | 1.600 | 12,161 | \$650 | \$23 | 3% | PAC |
| Biomass #2 | 1 | Contracted | 2009 | Douglas | 20 | 1.060 | 8,480 | \$911 | \$146 | 100% | PAC |
| Biomass #3 | 1 | Contracted | 2010 | Lane, Marion, Yamhill | 20 | 0.795 | 6,360 | \$2,063 | \$278 | 55% | PGE & PAC |
| Open Solicitation #1 | 1 | Operational | 2009 | Linn | 20 | 0.511 | 2,790 | \$691 | \$170 | 25% | PAC |
| Open Solicitation #2 | 1 | Operational | 2009 | Hood River | 20 | 0.340 | 1,306 | \$3,010 | \$172 | 6% | PAC |
| Open Solicitation #3 | 1 | Operational | 2010 | Klanah | 20 | 0.280 | 756 | \$1,339 | \$644 | 48% | PAC |
| Open Solicitation #4 | 1 | Operational | 2009 | Multnomah | 20 | 1.094 | 1,168 | \$6,016 | \$909 | 100% | PGE |
| Open Solicitation #5 | 1 | Operational | 2009 | Multnomah | 20 | 0.085 | 88 | \$9,531 | \$1,704 | 100% | PGE |
| Open Solicitation #6 | 1 | Operational | 2009 | Klanah | 20 | 0.017 | 35 | \$5,297 | \$903 | 83% | PAC |
| Open Solicitation #7 | 1 | Operational | 2009 | Benton | 20 | 0.004 | 4 | \$5,207 | \$1,661 | 41% | PAC |
| Open Solicitation #8 | 1 | Contracted | 2010 | Wallowa | 20 | 0.011 | 80 | \$1,693 | \$314 | 78% | PAC |
| Open Solicitation #9 | 1 | Contracted | 2009 | Polk | 25 | 3.000 | 4,016 | \$4,334 | \$859 | 87% | PAC |
| Open Solicitation #10 | 1 | Contracted | 2010 | Multnomah | 20 | 0.025 | 159 | \$2,641 | \$409 | 54% | PAC |
| Open Solicitation #11 | 1 | Contracted | 2010 | Hood River | 20 | 0.120 | 545 | \$7,029 | \$184 | 35% | PAC |
| Small Wind #1 *** | 1 | Operational | 2009 | Multnomah | 15 | 0.010 | 11 | \$30,400 | \$5,236 | 17% | PAC |
| Small Wind #2 | 1 | Operational | 2010 | Marion | 15 | 0.020 | 24 | \$4,211 | \$1,461 | 35% | PGE |
| Small Wind #3 | 1 | Operational | 2009 | Polk | 15 | 0.010 | 22 | \$3,768 | \$1,241 | 33% | PGE |
| Small Wind #4 | 1 | Operational | 2009 | Marion | 15 | 0.010 | 29 | \$3,419 | \$940 | 28% | PGE |
| Small Wind #5 | 1 | Operational | 2010 | Marion | 15 | 0.002 | 3 | \$6,522 | \$3,636 | 56% | PAC |
| Small Wind #6 | 1 | Operational | 2010 | Yamhill | 15 | 0.010 | 25 | \$3,647 | \$1,076 | 30% | PGE |
| Small Wind #7 | 1 | Operational | 2009 | Hood River | 15 | 0.002 | 3 | \$8,218 | \$6,982 | 85% | PAC |
| Small Wind #8 | 1 | Operational | 2009 | Polk | 15 | 0.002 | 3 | \$10,101 | \$3,636 | 36% | PAC |
| Small Wind #9 | 1 | Operational | 2009 | Yamhill | 15 | 0.010 | 35 | \$2,574 | \$918 | 36% | PGE |
| Small Wind #10 | 1 | Operational | 2010 | Marion | 15 | 0.020 | 29 | \$3,641 | \$1,204 | 33% | PGE |
| Small Wind #11 | 1 | Operational | 2009 | Yamhill | 15 | 0.042 | 53 | \$1,698 | \$51 | 3% | PGE |
| Small Wind #12 | 1 | Contracted | 2010 | Marion | 15 | 0.250 | 352 | \$2,309 | \$653 | 90% | PGE |
| Very Small Wind #1 | 1 | Contracted | 2009 | Polk | 15 | 0.002 | 3 | \$6,768 | \$3,774 | 67% | PGE |
| Very Small Wind #2 | 1 | Contracted | 2009 | Yamhill | 15 | 0.002 | 3 | \$6,768 | \$3,774 | 67% | PGE |
| Very Small Wind #3 | 1 | Contracted | 2009 | Marion | 15 | 0.020 | 25 | \$4,069 | \$1,432 | 87% | PGE |
| Very Small Wind #4 | 1 | Contracted | 2010 | Multnomah | 15 | 0.003 | 5 | \$9,954 | \$2,212 | 87% | PGE |
| Very Small Wind #5 | 1 | Contracted | 2010 | Marion | 15 | 0.002 | 3 | \$7,055 | \$3,934 | 67% | PGE |
| Very Small Wind #6 | 1 | Contracted | 2010 | Marion | 15 | 0.020 | 20 | \$5,815 | \$1,805 | 87% | PGE |
| Very Small Wind #7 | 1 | Contracted | 2010 | Marion | 15 | 0.020 | 18 | \$6,417 | \$1,992 | 87% | PGE |
| Very Small Wind #8 | 1 | Contracted | 2010 | Marion | 15 | 0.020 | 21 | \$5,570 | \$1,729 | 87% | PGE |
| Very Small Wind #9 | 1 | Contracted | 2010 | Marion | 15 | 0.005 | 11 | \$4,323 | \$2,250 | 67% | PGE |
| Very Small Wind #10 | 1 | Contracted | 2010 | Marion | 15 | 0.010 | 18 | \$5,474 | \$1,803 | 67% | PGE |
| Very Small Wind #11 | 1 | Contracted | 2010 | Yamhill | 15 | 0.010 | 15 | \$6,540 | \$1,799 | 87% | PGE |
| Very Small Wind #12 | 1 | Contracted | 2010 | Marion | 15 | 0.002 | 4 | \$4,939 | \$2,754 | 67% | PGE |
| Very Small Wind #13 | 1 | Contracted | 2010 | Yamhill | 15 | 0.002 | 3 | \$5,895 | \$3,287 | 67% | PGE |
| Solar Electric in PAC | 69 | Construction | | | 20 | | 1,709 | | \$934 | n/a | PAC |
| Solar Electric in PGE | 56 | Construction | | | 20 | | 2,708 | | \$979 | n/a | PAC |
| Solar Electric in PAC | 420 | Operational | | | 20 | | 3,412 | \$6,551 | \$1,302 | 84% | PAC |
| Solar Electric in PGE | 438 | Operational | | | 20 | | 6,201 | \$7,542 | \$1,402 | 88% | PGE |
| Total Operational | 877 | | | | | 4.07 | 28,257 | | | | |
| Total Construction & Contracted | 145 | | | | | 5.38 | 24,556 | | | | |
| Total | 1022 | | | | | 9.45 | 52,813 | | | | |

* Costs in this table reflect full incentives committed to projects, not expenditures during this time period. Please reference Table 12 for actual expenditures.
 ** The percent of above-market cost paid does not necessarily reflect the percent of green tags owned by Energy Trust.
 Green tag ownership is determined based on green tag policy, which can be found at <http://www.energytrust.org/library/policies/A.15.000.pdf>
 *** Incentives paid in 2010

Table 14: Energy Trust Feasibility Studies and Other Projects (1/2009 – 6/2010)

| Project* | Status | Project Type | County | Utility Service Territory | Cost to Energy Trust | Energy Trust Share |
|----------------------|----------|----------------------|----------------|---------------------------|----------------------|--------------------|
| Biomass #1 | ACTIVE | Feasibility Analysis | Douglas | PAC | \$15,000 | 50% |
| Biomass #2 | ACTIVE | Feasibility Analysis | Lane | PAC | \$15,322 | 13% |
| Biomass #3 | ACTIVE | Feasibility Analysis | Linn & Yamhill | PAC & PGE | \$19,800 | 50% |
| Biomass #4 | ACTIVE | Feasibility Analysis | Clackamas | PGE | \$30,000 | 50% |
| Biomass #5 | ACTIVE | Feasibility Analysis | Jackson | PAC | \$22,768 | 20% |
| Biomass #6 | COMPLETE | Feasibility Analysis | Marion | PGE | \$21,400 | 36% |
| Biomass #7 | COMPLETE | Feasibility Analysis | Coos | PAC | \$30,000 | 26% |
| Biomass #8 | ACTIVE | Feasibility Analysis | Clackamas | PGE | \$16,403 | 50% |
| Biomass #9 | ACTIVE | Feasibility Analysis | Curry | PAC & PGE | \$10,075 | 50% |
| Biomass #10 | COMPLETE | Feasibility Analysis | Wallowa | PAC | \$15,000 | 27% |
| Other Renewables #1 | COMPLETE | Feasibility Analysis | Wallowa | PAC | \$1,200 | 50% |
| Other Renewables #2 | ACTIVE | Feasibility Analysis | Deschutes | PAC | \$10,000 | 32% |
| Other Renewables #3 | COMPLETE | Feasibility Analysis | Deschutes | PAC | \$30,000 | 5% |
| Other Renewables #4 | ACTIVE | Feasibility Analysis | Multnomah | PGE | \$4,648 | 50% |
| Other Renewables #5 | ACTIVE | Feasibility Analysis | Multnomah | PAC | \$2,370 | 100% |
| Other Renewables #6 | ACTIVE | Feasibility Analysis | Clackamas | PGE | \$1,053 | 100% |
| Other Renewables #7 | ACTIVE | Feasibility Analysis | Deschutes | PAC | \$19,375 | 50% |
| Other Renewables #8 | COMPLETE | Feasibility Analysis | n/a | PGE | \$19,775 | 50% |
| Other Renewables #9 | COMPLETE | Feasibility Analysis | n/a | PGE | \$20,249 | 50% |
| Other Renewables #10 | ACTIVE | Feasibility Analysis | Baker | PAC | \$28,498 | 27% |
| Other Renewables #11 | COMPLETE | Feasibility Analysis | Josephine | PAC | \$520 | 100% |
| Other Renewables #12 | COMPLETE | Feasibility Analysis | Josephine | PAC | \$2,500 | 100% |
| Other Renewables #13 | COMPLETE | Feasibility Analysis | n/a | PAC | \$20,675 | 50% |
| Other Renewables #14 | ACTIVE | Feasibility Analysis | Klamath | PAC | \$3,318 | 100% |
| Other Renewables #15 | COMPLETE | Feasibility Analysis | Wallowa | PAC | \$2,250 | 50% |
| Other Renewables #16 | COMPLETE | Feasibility Analysis | Washington | PGE | \$30,000 | 49% |
| Other Renewables #17 | COMPLETE | Feasibility Analysis | Lane | PAC | \$2,535 | 100% |
| Other Renewables #18 | COMPLETE | Feasibility Analysis | Lincoln | PAC | \$1,000 | 100% |
| Other Renewables #19 | COMPLETE | Feasibility Analysis | Multnomah | PAC & PGE | \$900 | 100% |
| Other Renewables #20 | COMPLETE | Feasibility Analysis | Clackamas | PGE | \$650 | 100% |
| Other Renewables #21 | COMPLETE | Feasibility Analysis | Wallowa | PAC | \$3,000 | 50% |
| Other Renewables #22 | COMPLETE | Feasibility Analysis | Wallowa | PAC | \$3,000 | 50% |
| Other Renewables #23 | COMPLETE | Feasibility Analysis | Wallowa | PAC | \$2,500 | 50% |

| Project* | Status | Project Type | County | Utility Service Territory | Cost to Energy Trust | Energy Trust Share |
|-----------------------|----------|--------------------------|------------|---------------------------|----------------------|--------------------|
| Other Renewables #24 | COMPLETE | Feasibility Analysis | Multnomah | PAC | \$2,536 | 100% |
| Other Renewables #25 | COMPLETE | Feasibility Analysis | Yamhill | PGE | \$1,095 | 100% |
| Other Renewables #26 | COMPLETE | Feasibility Analysis | Washington | PGE | \$2,184 | 100% |
| Other Renewables #27 | COMPLETE | Feasibility Analysis | Multnomah | PAC | \$480 | 100% |
| Other Renewables #28 | COMPLETE | Feasibility Analysis | n/a | PAC | \$3,000 | 50% |
| Other Renewables #29 | COMPLETE | Feasibility Analysis | Wallowa | PAC | \$12,500 | 50% |
| Other Renewables #30 | ACTIVE | Feasibility Analysis | Lane | PAC & PGE | \$5,158 | 50% |
| Small Wind #1 | ACTIVE | Feasibility Analysis | Hood River | PAC | \$43,150 | 60% |
| Small Wind #2 | ACTIVE | Equipment Incentive | n/a | PAC & PGE | \$2,922 | 10% |
| Small Wind #3 | ACTIVE | Equipment Incentive | Hood River | PAC & PGE | \$7,171 | 20% |
| Small Wind #4 | ACTIVE | Feasibility Analysis | n/a | PAC | \$28,321 | 100% |
| Small Wind #5 | ACTIVE | Feasibility Analysis | Sherman | PAC & PGE | \$4,737 | 72% |
| Small Wind #6 | COMPLETE | Equipment Incentive | Multnomah | PGE | \$1,306 | 8% |
| Small Wind #7 | ACTIVE | Equipment Incentive | Umatilla | PAC | \$2,868 | 20% |
| Small Wind #8 | ACTIVE | Feasibility Analysis | Sherman | PAC & PGE | \$5,600 | 100% |
| Very Small Wind #1 | ACTIVE | Grant Writing Assistance | Marion | PGE | \$625 | 25% |
| Very Small Wind #2 | ACTIVE | Grant Writing Assistance | Marion | PGE | \$1,250 | 50% |
| Very Small Wind #3 | ACTIVE | Grant Writing Assistance | Marion | PGE | \$1,250 | 50% |
| Very Small Wind #4 | ACTIVE | Grant Writing Assistance | Marion | PGE | \$1,250 | 50% |
| Very Small Wind #5 | COMPLETE | Equipment Incentive | Marion | PGE | \$500 | 62% |
| Very Small Wind #6 | COMPLETE | Training Reimbursement | n/a | PGE | \$70 | 50% |
| Very Small Wind #7 | COMPLETE | Training Reimbursement | n/a | PGE | \$112 | 50% |
| Very Small Wind #8 | COMPLETE | Training Reimbursement | n/a | PGE | \$120 | 50% |
| Very Small Wind #9 | COMPLETE | Training Reimbursement | n/a | PGE | \$480 | 48% |
| Total ETO cost | | | | | \$534,472 | |

* "Other Renewables" refer to open solicitation projects.

3. OREGON HOUSING AND COMMUNITY SERVICES

OVERVIEW

Oregon Housing and Community Services (OHCS) receives and administers PPC funds for low-income housing programs. Four and one-half percent of the PPC funds are dedicated to low-income housing development projects, either for construction of new housing or rehabilitation of existing housing for low-income families through the OHCS Housing Trust Fund. OHCS operates two weatherization programs, and an additional 11.7 percent of the total PPC funds collected are allocated for low-income weatherization. One program provides home weatherization (for single- and multi-family, owner occupied, and rental housing) and the other provides for weatherization of affordable multi-family rental housing through the OHCS Housing Division. In either case, housing projects supported by PPC funds for weatherization are required to have a conservation element.

Table 15 provides a summary of the Trust Fund and Weatherization portion of PPC fund receipts and expenditures from January 1, 2009 through June 30, 2010. Funds received by Oregon Housing and Community Services during this period amounted to \$19,359,951 and expenditures totaled \$38,611,988. (Note: this expenditure value includes \$17,498,942 in funds committed to projects that are not yet completed.)

Table 15: OHCS Receipt and Expenditure Summary (1/2009 – 6/2010)

| Transaction | PGE | PacifiCorp | Total |
|--|---------------------|--------------------|---------------------|
| Low-Income Weatherization | | | |
| Administration | \$441,575 | \$257,531 | \$699,106 |
| Evaluation, Training, and Technical Assistance | \$441,575 | \$257,531 | \$699,106 |
| ECHO | \$6,756,103 | \$3,940,229 | \$10,696,332 |
| Multi-Family Rental Housing | \$1,192,253 | \$695,335 | \$1,887,588 |
| Total Low-Income Weatherization | \$8,831,506 | \$5,150,626 | \$13,982,132 |
| Low-Income Housing | | | |
| Administration | \$169,837 | \$99,054 | \$268,891 |
| Program | \$3,226,896 | \$1,882,032 | \$5,108,928 |
| Total Low-Income Housing | \$3,396,733 | \$1,981,09 | \$5,377,819 |
| Total Fund Receipts | \$12,228,239 | \$7,131,712 | \$19,359,951 |
| Expenditures | | | |
| Low-Income Weatherization* | \$8,259,146 | \$4,008,951 | \$12,268,097 |
| Committed but unexpended | \$3,535,972 | \$1,855,767 | \$5,391,739 |
| Low-Income Housing** | | | \$7,167,321 |
| Committed but unexpended | | | \$10,796,409 |
| Administrative Expenses** | | | \$365,808 |
| Evaluation, Training, Technical Assistance** | | | \$177,094 |
| Committed but unexpended | | | \$95,312 |
| Energy Education | \$703,230 | \$431,496 | \$1,134,726 |
| Committed but unexpended | \$756,975 | \$458,507 | \$1,215,482 |
| Total Expenditures (w/o Committed)** | \$8,962,376 | \$4,440,447 | \$21,113,046 |
| Total Expended and Committed** | \$13,255,323 | \$6,754,721 | \$38,611,988 |

*Includes the ECHO program and the Low-Income Weatherization Program (for multi-family rental housing).

** Low-Income Housing, Administrative, and Evaluation Training and Technical Assistance expenditures are not tracked by utility.

Specific detail on the low-income housing program and low-income weatherization activities is provided subsequently.

LOW-INCOME HOUSING

Receipts and Expenditures

The Housing Development Grant Program (HDGP), commonly known as the Housing Trust Fund, was created in 1991 to expand the State's supply of housing for low and very low-income families and individuals. The program provides grants and loans to construct new housing or to

acquire and/or rehabilitate existing structures. Seventy-five percent of program funds must support households whose gross income is at or below 50 percent of the area median income (AMI); the balance of the funds can support households with incomes up to 80 percent of the area median income. The majority of program resources are awarded through a competitive application process that occurs twice annually, once for the spring and once for the fall funding cycle. Funding preference is given to project applicants who provide services appropriate for the targeted tenant population.

During the 2009-2011 biennium, \$3,456,711 of PPC funds were set aside for Housing Preservation of existing HUD properties that are at risk of being sold as market rate properties. Of the \$3.4 million, 17 projects have been preserved totaling 578 units serving families at or below 30 to 60 percent of the area median income.

Table 16 shows PPC fund receipts and expenditures for the low-income housing program. During the January 2009 – June 2010 period, a total of \$5,377,819 in PPC funds were allocated to Oregon Housing and Community Services to support low-income housing projects throughout the State. Expenditures from PPC revenue for projects developed during this period were \$7,167,321. (An additional \$1,444,390 was expended for projects awarded funding prior to January 2009.) Funds to pay project costs totaling \$10,796,409 were obligated but not spent as of June 30, 2010.

In addition, in the 2007-2009 biennium, OHCS made allocations to six Regional Housing Centers establishing a program to acquire and rehabilitate single-family residences for purchase by low-income households. The final disbursement was completed in the 2009-2011 biennium. The program recycles the initial funds through the sale of the homes and will continue for a period of 10 years. The Trust Fund grants and loans establish residential communities for low-income Oregonians throughout the state. One example is Aspen Park in La Grande, where a 5-bedroom home leveraged \$5.46 for every \$1.00 of Trust Fund expenditures and established housing serving individuals with incomes at or below 30 percent of AMI with services designed for disabled individuals. The home enables residents to work, socialize, and live independently within the same community as their family and friends.

**Table 16: Low-Income Housing Program Receipts and Expenditures
(1/2009 – 6/2010)**

| Transaction | Total |
|-------------------------------------|---------------------|
| Fund Receipts | \$5,377,819 |
| Expenditures | |
| Committed but unexpended | \$10,796,409 |
| Expenditures | \$7,167,321 |
| Total Expended and Committed | \$17,963,730 |

Results

Key accomplishments for the low-income housing program during the January 2009 – June 2010 period include the following:

- Forty-two multi-family housing projects received HDGP awards that were either fully or partially funded with PPC revenue.
- HDGP funds helped eighteen counties in Oregon create affordable housing and support local jobs.
- Projects representing the construction or rehabilitation of 1,235 affordable units; and
- HDGP awards leveraging total project costs of \$204.3 million.

Additional detail on program accomplishments, including the characteristics of the low-income families served is shown in Table 17.

Table 17: Low-Income Housing Accomplishments (1/2009 – 6/2010)

| Accomplishment | Total |
|--|--------------|
| Number of Projects | 42 |
| Number of Units* | 1,235 |
| Population Served (# of housing units) | |
| Elderly | 481 |
| Families** | 502 |
| Special Needs (# of housing units) | |
| Special Needs Groups*** | 156 |
| Farm Workers | 88 |
| Units where household income is between 61 and 80 percent of the area median income | 24 |
| Units where household income is between 51 and 60 percent of the area median income | 702 |
| Units where household income is between 41 and 50 percent the area median income | 353 |
| Units where household income is between 31 and 40 percent the area median income | 93 |
| Units where household income is equal or less than 30 percent the area median income | 41 |

* The total number of units may overstate the number of low-income families served by the program, as some projects have manager's units that do not require fixed rents or income. In some cases not all units in a project are targeted for low-income housing. Some group homes are counted as one unit but may serve up to six individual low-income residents.

** Figure includes six Regional Housing Centers establishing five single-family residences for purchase by low-income families. The original PPC funds provided to a Regional Housing Center will be recycled to continue ongoing program for a period of 10 years.

*** Includes individuals in alcohol and drug recovery programs, ex-offenders, individuals with chronic mental illness, homeless, domestic violence, youth, HIV, and the developmentally disabled.

Table 18 shows how the low-income housing projects were distributed among Oregon's counties.

Table 18: Low-Income Housing Projects by County (1/2009 – 6/2010)

| County | Number of Projects | Number of Units in County |
|--------------------|---------------------------|----------------------------------|
| Clackamas | 3 | 79 |
| Clatsop | 1 | 33 |
| Coos | 1 | 42 |
| Deschutes | 2 | 32 |
| Douglas | 3 | 59 |
| Hood River | 2 | 65 |
| Jackson | 3 | 118 |
| Josephine | 2 | 28 |
| Lane | 3 | 52 |
| Malheur | 1 | 1 |
| Marion | 2 | 48 |
| Morrow | 1 | 40 |
| Multnomah | 10 | 420 |
| Polk | 1 | 5 |
| Union | 2 | 47 |
| Wallowa | 1 | 8 |
| Wasco | 1 | 94 |
| Washington | 3 | 64 |
| 18 counties | 42 Projects | 1,235 units |

LOW-INCOME WEATHERIZATION (MULTI-FAMILY RENTAL HOUSING)**Receipts and Expenditures**

The Low-Income Weatherization program is designed to reduce the energy usage and utility costs of lower income tenants residing in affordable rental housing. The program provides grant funding for the construction or rehabilitation of affordable rental housing that is located in PGE or PacifiCorp service territories. Use of these funds requires that at least 50 percent of the units in the project be rented to households whose income is at or below 60 percent of the area median income (adjusted for family size) as defined by HUD. Projects receiving funds must also remain affordable for at least 10 years.

For each dollar invested, the project must demonstrate at least one kilowatt-hour in energy savings in the first year of operation. Program resources may be used for shell measures such as windows, doors, and insulation as well as energy efficient appliances and lighting.

Table 19 shows the PPC fund receipts and expenditures allocated for low-income home weatherization. During this period, a total of \$1,887,588 in PPC funds was allocated to Oregon Housing and Community Services to support weatherization of rental housing projects within the State. Actual project expenditures were \$1,824,876 during this period while funds committed to projects totaled an additional \$2,792,556. Expenditures are less than committed funds as housing

development projects can take upwards of two years to complete and funds therefore need to be reserved over multiple years.

**Table 19: Low-Income Weatherization (Multi-Family Rental Housing)
Receipts and Expenditures (1/2009 – 6/2010)**

| Transaction | PGE | PacifiCorp | Total |
|-------------------------------------|--------------------|--------------------|--------------------|
| Fund Receipts | \$1,192,253 | \$695,335 | \$1,887,588 |
| Expenditures | | | |
| Committed but unexpended | \$2,008,069 | \$784,487 | \$2,792,556 |
| Expenditures | \$1,209,519 | \$615,357 | \$1,824,876 |
| Total Expended and Committed | \$3,217,588 | \$1,399,844 | \$4,617,432 |

Results

Key accomplishments for the January 2009 – June 2010 period include the following:

- Twenty-two housing projects estimated to assist 1,012 households across Oregon were funded during this period; and
- These 22 projects are expected to produce over 2.7 million kWh in electricity savings in the first year of operation.

The low-income weatherization accomplishments are summarized in Table 20.

Table 20: Low-Income Weatherization (Multi-Family Rental Housing) Accomplishments (1/2009 – 6/2010)

| Accomplishment | Total |
|---|------------------|
| Number of Projects | 22 |
| Number of Units | 1,012 |
| Estimated kWh Savings | 2,726,837 |
| Population Served (# of housing units) | |
| Elderly | 356 |
| Families | 537 |
| Special Needs (# of housing units) | |
| Special Needs Groups* | 69 |
| Farm Workers | 50 |
| Units where household income is between 61 and 80 percent of the area median income | 70 |
| Units where household income is between 51 and 60 percent of the area median income | 499 |
| Units where household income is between 41 and 50 percent of the area median income | 316 |
| Units where household income is between 31 and 40 percent of the area median income | 79 |
| Units where household income is equal or less than 30 percent of the area median income | 48 |

* Includes individuals in alcohol and drug recovery programs, ex-offenders, individuals with chronic mental illness, homeless and the developmentally disabled.

Table 21 shows how the low-income weatherization projects were distributed among Oregon’s counties.

Table 21: Low-Income Weatherization Program by County (1/2009 – 6/2010)

| County | Number of Projects | Number of Units in County |
|-------------------|---------------------------|----------------------------------|
| Clackamas | 3 | 157 |
| Coos | 1 | 33 |
| Deschutes | 1 | 52 |
| Douglas | 1 | 8 |
| Jackson | 2 | 102 |
| Marion | 2 | 58 |
| Multnomah | 10 | 583 |
| Washington | 2 | 19 |
| Clackamas | 3 | 157 |
| 8 counties | 22 Projects | 1,012 units |

LOW-INCOME WEATHERIZATION (ECHO)

Receipts and Expenditures

A portion of the PPC allocated to Oregon Housing and Community Services goes into the Energy Conservation Helping Oregonians (ECHO) fund and is used for weatherization projects for low-income households.

Oregon Housing and Community Services (OHCS) contracts with local community action agencies (CAAs) to deliver the program. This local network of sub-grantees determines applicant eligibility and delivers services. Qualifying households must apply through the local CAA and are placed on a weatherization waiting list. The waiting period varies with each local agency depending on local need, but households with senior and disabled members and households with children under six years of age are given priority. Once a home is scheduled for weatherization, the applicant is contacted and an energy audit is scheduled. The energy audit determines the appropriate measure to be initiated based on the existing condition of the home and the funds available. Program resources can be used for shell measures that may include:

- Ceiling, wall, and floor insulation
- Energy-related minor home repairs
- Energy conservation education
- Air infiltration reduction
- Furnace repair and replacement
- Heating duct improvements

Completed work is inspected by the local agency to ensure compliance with program standards. For each dollar invested, the project/unit must also demonstrate at least 1 kilowatt-hour in energy savings in the first year of operation.

Table 22 shows the PPC fund receipts and expenditures allocated for low-income home weatherization from January 1, 2009 to June 30, 2010. During this period, \$12,094,544 in PPC funds was designated for low-income weatherization. Expenditures on completed weatherization projects during the same period totaled \$11,577,947 with an additional \$3,814,665 reserved for projects that had not been completed as of June 30, 2010.

Table 22: Low-Income Weatherization (ECHO) Program Receipts and Expenditures (1/2009 – 6/2010)

| Transaction | PGE | PacifiCorp | Total |
|-------------------------------------|---------------------|--------------------|---------------------|
| Fund Receipts | \$7,639,253 | \$4,455,291 | \$12,094,544 |
| Expenditures | | | |
| Committed but unexpended | \$2,284,878 | \$1,529,787 | \$3,814,665 |
| Expenditures | \$7,752,857 | \$3,825,090 | \$11,577,947 |
| Total Expended and Committed | \$10,037,735 | \$5,354,877 | \$15,392,612 |

Results

The low-income weatherization accomplishments are summarized in Table 23. Since the beginning of 2009, this program resulted in the weatherization of 3,804 homes with a combined estimated electricity savings of 9,470,866 kWh. These program efforts have directly benefited 4,501 people, a large portion of whom are in demographic groups that tend to include the elderly, disabled individuals and young children.

Table 23: Low-Income Weatherization (ECHO) Program Accomplishments (1/2009 – 6/2010)

| Accomplishment | Total |
|--|------------------|
| Number of Homes Weatherized | 3,804 |
| Annual kWh Savings | 9,470,866 |
| Total Population Served | 4,501 |
| Special Target Populations Served | |
| Elderly (>60 years old) | 1,093 |
| Children (<6 years old) | 677 |
| Handicapped | 920 |
| Farm Workers | 75 |
| Native American | 215 |
| Hispanic | 1,091 |
| African American | 161 |
| Asian | 300 |

4. EDUCATIONAL SERVICE DISTRICTS

OVERVIEW

Each year, 10 percent of PPC funds are allocated to the 17 Educational Service Districts (ESDs) located within PGE and PacifiCorp service territories; statewide, 839 schools (111 districts and 395,000 students) are eligible for PPC funding. These funds are used for cost-effective energy conservation projects at individual schools within each ESD and must follow a specific spending directive. First, all schools within a school district must complete an energy audit to identify cost-effective conservation opportunities. After all the schools have completed the audit, PPC funds are used to pay for 100 percent of the installation cost for the energy efficiency measures identified during the audits. Finally, when all of the recommended measures have been installed, any remaining funds may be used to pay for additional energy conservation measures, energy conservation education, and renewable energy projects at schools within the ESD.

The Oregon Department of Energy provides program oversight for the ESD audits and projects to ensure consistency across ESDs and to verify that projects adhere to the guidelines established for this program. Although the Oregon Department of Energy has oversight for this program, the individual ESDs receive their PPC funds directly from the utilities.

RECEIPTS AND EXPENDITURES

Table 24 provides a summary of the ESD portion of PPC fund receipts and expenditures from January 1, 2009 through June 30, 2010. In addition to the normal program administrative expenses defined earlier, this program has additional administrative expenses for each ESD and school district. Total administrative costs for schools, then, equal \$558,200 and comprise 3.2 percent of total expenditures over this period, and 4.6 percent of the PPC allocated to Oregon schools.

Table 24: ESD Receipt and Expenditure Summary (1/2009 – 6/2010)

| Transaction | PGE | PacifiCorp | Total |
|---|--------------------|--------------------|---------------------|
| # of ESDs Receiving Funds⁸ | 4 | 15 | 17 |
| Total Fund Receipts | \$7,580,605 | \$4,442,573 | \$12,023,178 |
| Expenditures | | | |
| Audits | \$142,455 | \$432,850 | \$575,305 |
| Conservation Measures Installed | \$9,716,866 | \$6,127,661 | \$15,844,528 |
| ESD and School District Administrative Expenses | | | \$422,453 |
| ODOE Administrative Expenses | | | \$135,747 |
| ODOE Program Expenses | | | \$291,236 |
| Total Expenditures | \$9,859,321 | \$6,560,511 | \$17,269,269 |

RESULTS

Among the 839 schools that are eligible for PPC funds, 738 (88 percent) have completed audits. A total of 7,480 individual energy efficiency measures have been identified in these audits, and 1,797 (24 percent) of the energy efficiency measures have been implemented. To date, there has not been enough PPC funding available for school districts to implement all the measures identified in the energy audits.

Table 25 shows the results of audits completed during the January 2009 – June 2010 period. During this time, 110 audits were completed across 30 school districts. The audits identified 422 conservation measures that could be installed cost-effectively. If all of these measures were implemented, they would result in annual electricity savings of 8,601,442 kWh and natural gas savings of 681,428 therms. The measures and associated energy savings translate to \$1,830,588 in potential utility bill savings each year.

⁸ A total of 17 ESDs are eligible to receive PPC funds. Three ESDs are served by both PGE and PacifiCorp.

Table 25: ESD Audit Results (1/2009 – 6/2010)

| Audit Accomplishment | PGE | PacifiCorp | Total |
|---|---------------------|---------------------|---------------------|
| # of Audits Completed | 67 | 43 | 110 |
| # of School Districts | 17 | 13 | 30 |
| # of Measures Identified | 239 | 183 | 422 |
| Simple Payback – Median Years | 13.4 | 13.4 | |
| Simple Payback – Mean Years | 19.5 | 20.1 | |
| Simple Payback – Years Range | <1 to 145 | 3 to 124 | < 1 to 145 |
| Potential Savings Identified in Audits | | | |
| Electricity Savings (kWh) | 1,888,438 | 6,713,004 | 8,601,442 |
| Natural Gas Savings (therms) | 261,448 | 419,980 | 681,428 |
| Other Fuels (gal) | 243,539 | 101,430 | 344,969 |
| Total Annual Energy Cost Savings (\$) | \$860,253 | \$970,335 | \$1,830,588 |
| Total Savings (Btu) | 63,036,533,174 | 78,653,696,356 | 141,690,229,530 |
| Total Cost of Measures Identified | \$36,924,008 | \$28,610,195 | \$65,534,203 |

PPC funds are also used to install the measures identified through the school audits, and the accomplishments related to actual measure installations are shown in Table 26. During the reporting period, 460 measures identified during audits were installed across 32 school districts. Energy efficiency measures that are most frequently installed include: BAS/DDC systems, efficient ballasts with T8 or T5 lamps, occupancy sensors, programmable thermostats, total lighting retrofits (e.g., T12 to T8 conversions, incandescent to CFL conversions), efficient windows and new LED exit signs.⁹ Common operations and maintenance (O&M) measures include HVAC, domestic hot water and building controls system calibrations. In total, these measures are expected to save 10,415,339 kWh in electricity and 356,728 therms of natural gas annually. Total savings to the schools from the installation of these measures is estimated to be \$1,408,371 each year.

⁹ “BAS” are building automation systems; “DDC” are direct digital controls.

Table 26: ESD Efficiency Measures Installed (1/2009 – 6/2010)

| Measure Accomplishment | PGE | PacifiCorp | Total |
|---|--------------------|--------------------|---------------------|
| # of Audit Measures Installed | 305 | 155 | 460 |
| # of School Districts | 17 | 15 | 32 |
| Annual Savings | | | |
| Electricity Savings (kWh) | 5,732,119 | 4,683,220 | 10,415,339 |
| Natural Gas Savings (therms) | 159,803 | 196,925 | 356,728 |
| Other Fuels (gal) | 58,924 | 77,186 | 136,110 |
| Total Annual Energy Cost Savings (\$) | \$720,849 | \$687,522 | \$1,408,371 |
| Total Annual Energy Savings (Btu) | 43,719,058,632 | 46,131,026,469 | 89,850,085,101 |
| Total Cost of Measures Installed | \$9,716,866 | \$6,127,661 | \$15,844,528 |

5. SELF-DIRECT CUSTOMERS

OVERVIEW

Large commercial and industrial energy customers who fund their own efficiency projects (self-direct customers) can waive a portion of their public purpose charge. The Oregon Department of Energy maintains a database to help these customers individually calculate their monthly PPC responsibility. First, self-direct customers submit notice of efficiency projects to the Department of Energy for approval; projects are certified when completed and certified project amounts are recorded on customers' accounts. These "credits" can then be applied to public purpose charges on customers' utility bills. Self-direct customers who use such credits still qualify for at least 50 percent of Energy Trust incentives for other energy projects at the same site. Fifty-eight large energy customers in the PGE and PacifiCorp territories are currently active in the self-direct program or have pending applications.

Note that available project credits can be carried forward month-to-month, so credits claimed do not necessarily equal project expenditures in a given period. From January 2009 through June 2010, self-direct customers in the PacifiCorp service territory claimed \$797,531 in credits for conservation and renewable resource projects, and customers in the PGE service territory claimed \$2,842,038. Combined, self-direct customers of both utilities claimed \$2,334,523 in conservation credit and \$1,305,047 in renewable resource credit from January 2009 through June 2010.

RESULTS

Table 27 summarizes self-direct program conservation activity from January 2009 through June 2010. During this period, self-direction sites implemented projects that involved HVAC system improvements, industrial process modifications, lighting changes, variable frequency drives (VFDs), and efficient motors and pumps. PGE customers certified 9 conservation projects (3 in Clackamas County, 2 in Multnomah County, and 4 in Washington County) with a total eligible cost of \$574,865, and PacifiCorp customers certified 2 projects in Benton County with a total eligible cost of \$101,423. The combined effect of these projects is about 4.2 million kWh in energy savings annually, or \$254,963 in annual energy cost savings.

**Table 27: Self-Direct Program Certified Conservation Projects
(1/2009 – 6/2010)**

| | PGE | PacifiCorp | Total |
|---|-----------|------------|-----------|
| Projects Certified | 9 | 2 | 11 |
| Total Eligible Cost | \$574,865 | \$101,423 | \$676,288 |
| Total Energy Cost Savings (annual) | \$221,221 | \$33,742 | \$254,963 |
| Total Energy Savings (annual kWh) | 3,431,609 | 743,011 | 4,174,620 |

Table 28 summarizes self-direct program green tag renewable energy purchases from January 2009 through June 2010. PGE customers purchased over 106,000 green tags valued at almost \$1.1 million, and PacifiCorp customers purchased over 41,000 green tags valued at \$264,075. The combined effect of these contracts is over 148 million kWh of renewable energy purchased annually.

The Oregon Department of Energy incurred administrative costs of \$17,786 and program expenses of \$32,734 to process all conservation, renewable energy and green tag projects.

**Table 28: Self-Direct Program Green Tag Purchases
(1/2009 – 6/2010)**

| | PGE | PacifiCorp | Total |
|--------------------------------------|-------------|-------------------|--------------|
| Sites | 25 | 19 | 44 |
| Green Tags Purchased | 106,656 | 41,538 | 148,194 |
| Credits Issued | \$1,089,600 | \$264,075 | \$1,353,675 |
| Energy Purchased (annual kWh) | 106,662,016 | 41,534,010 | 148,196,026 |

6. SUMMARY

Table 29 summarizes the expenditures and results for PPC expenditures from January 2009 through June 2010. The agencies spent a combined total of \$124,949,226 on programs and projects completed during this period. Annual energy savings and renewable resource generation achieved from projects completed during this time reached 474,463,851 kWh (54 aMW), which is enough to power almost 42,000 average-sized homes each year.¹⁰ When all fuel types are included in addition to electricity, PPC expenditures resulted in annual savings of 1,673,648 million Btu.

Table 29: Summary of PPC Expenditures and Results (1/2009 – 6/2010)

| Agency / Program | Expenditures | Results | | |
|-------------------------------|----------------------|------------------------|--------------|------------------|
| | | kWh Saved or Generated | aMW | MMBtu |
| Energy Trust – Conservation | \$61,699,293 | 271,223,330 | 30.96 | 925,685 |
| Energy Trust – Renewables* | \$21,177,529 | 28,256,833 | 3.23 | 96,412 |
| Education Service Districts** | \$17,269,269 | 10,415,339 | 1.19 | 89,850 |
| OHCS Low-Income*** | \$21,113,046 | 12,197,703 | 1.39 | 41,631 |
| Self-Direct Customers**** | \$3,690,089 | 152,370,646 | 17.39 | 520,041 |
| Total Expenditures | \$124,949,226 | 474,463,851 | 54.16 | 1,673,648 |

* Energy saved includes savings from reduced transmission and distribution losses. Renewable energy savings are from currently operational projects.

** MMBtu includes natural gas, propane and oil savings, in addition to electricity savings.

*** Expenditures for the OHCS Low-Income program include expenditures from the Housing Trust Fund, which does not track energy savings for its projects.

**** Expenditures listed for Self-Direct represent public purpose charges retained by the participating sites in lieu of making payments to the utilities, which are then distributed among the other agencies (e.g., Energy Trust).

¹⁰ Calculated using ODOE's estimate that an average megawatt is enough to power 775 homes each year (assuming electric heat).

7. APPENDIX - ECONOMIC IMPACTS FROM ENERGY TRUST OF OREGON 2009 PROGRAM ACTIVITIES

ECONorthwest was retained by Energy Trust of Oregon (“Energy Trust”) to estimate the economic impacts of its energy efficiency and renewable energy programs in 2009 on the Oregon economy. These impacts include changes in output, wages, business income, and employment in Oregon that resulted from 2009 program spending and activities. Energy Trust programs generate energy efficiency gains (i.e. energy savings) that continue beyond each program year. As a result, ECONorthwest also analyzed the economic impacts from 2009 activities that accumulate in the future, although these impacts are not summarized below.

For this analysis, *gross impacts* are calculated and then compared against a Base Case spending scenario, which assumes that funds that were paid to Energy Trust are returned and spent by Oregon ratepayers in the Oregon service territories of Portland General Electric (PGE), PacifiCorp, Northwest Natural, Cascade Natural Gas, and Avista. The difference in economic impacts between the gross economic impacts attributed to Energy Trust spending and the Base Case scenario is referred to as *net impacts*.¹¹

In 2009, Energy Trust spending totaled \$97 million.¹² Most of this spending went towards program implementation, with \$80.2 million for energy efficiency and \$13.1 million for renewable energy programs. In addition, the Energy Trust incurred \$3.7 million in administrative and program support costs during the 2009 program year.

Energy efficient equipment and renewable energy installations saved Oregonians 35.0 average megawatts (aMW) of electricity (306,252 MWh annually) and 2.9 million therms. The changes in spending and energy savings associated with these programs had the following net economic impacts on the Oregon economy in 2009:

- An increase of \$104.4 million in output;
- An increase of \$24.5 million in wages and \$5.8 million in income to small business owners; and
- 545 new full- and part-time jobs.

¹¹ An analysis of the *net economic impacts* requires that only economic stimuli that are new or additive to the economy be counted. By making adjustments for program funding, net economic impacts provide a more reliable measure of job and income creation. For example, if an impact of 5 net new jobs is reported, this means that spending on Energy Trust programs resulted in 5 more jobs relative to what would have occurred had the money been returned and spent by Oregon ratepayers in the utility service territories.

¹² This spending also includes funds received through SB 838. In comparison, the spending and energy savings reported in the main body of this report only reflect funds received through SB 1149.