



Energy Trust of Oregon

Delivering energy efficiency and
renewable energy for a better future

House Energy and Environment Committee
February 12, 2013

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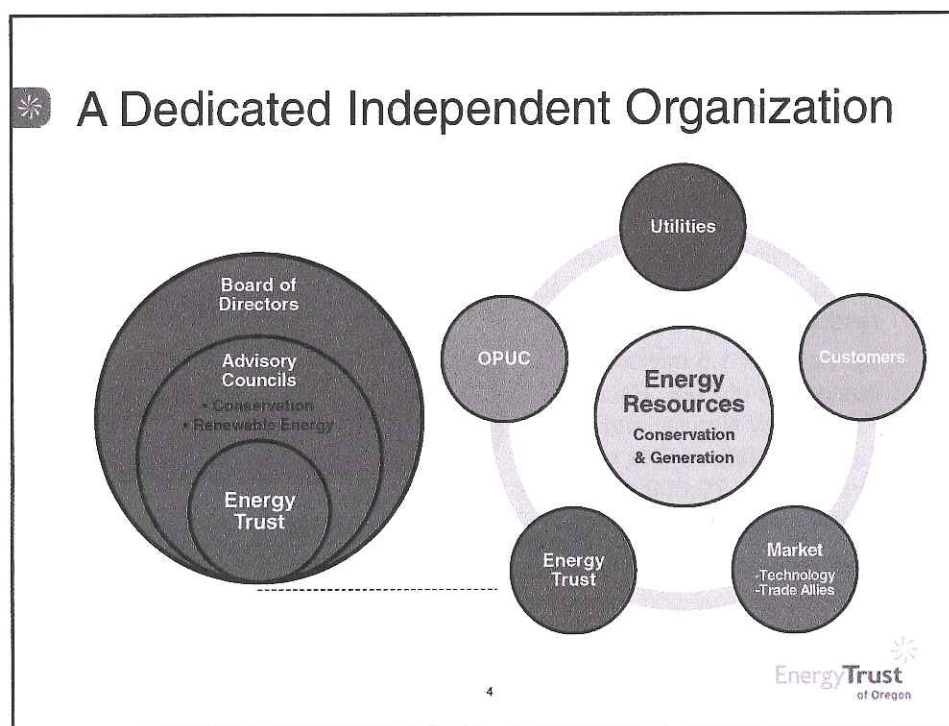
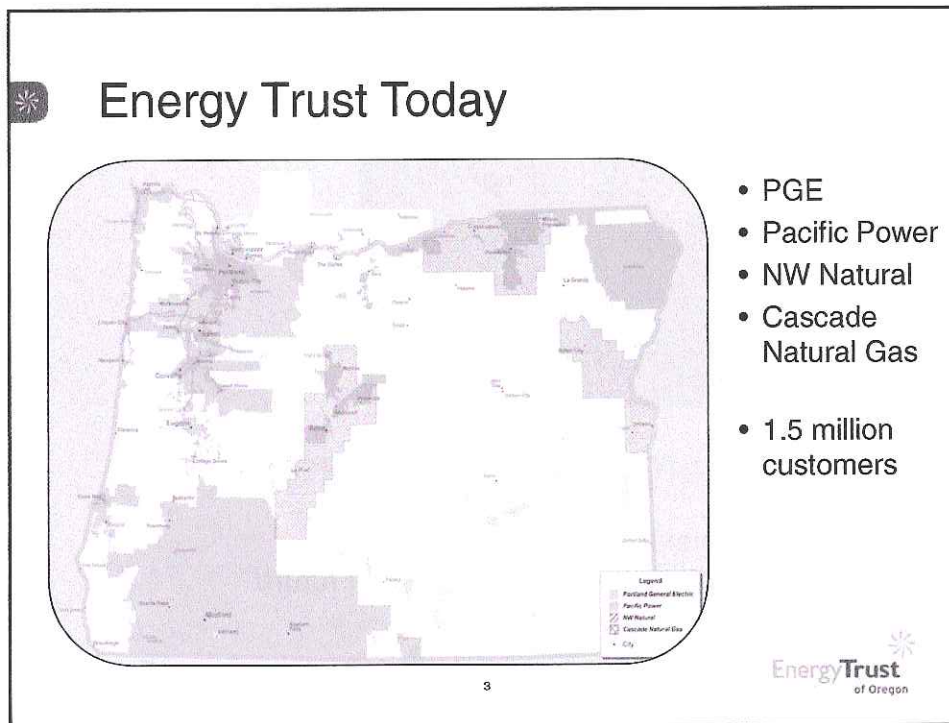
Energy Trust of Oregon

- An independent nonprofit organization
- Helps utility customers save energy and invest in renewable resources
- Services for 1.5 million customers of PGE, Pacific Power, NW Natural and Cascade Natural Gas in Oregon, and 70,000 customers of NW Natural in Washington
- Funded by electric utility customers who pay a 3% public purpose charge, and through separate electric and gas utility tariffs approved by the OPUC



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OPUC Oversight Role

- Energy Trust contract (grant agreement)
- Annual minimum performance measures
- Annual budget and action plan review
- Annual financial audit requirement
- Quarterly and annual report requirements
- Required management audit every five years
- Ex officio board membership
- Advisory council participation
- "Notice of concern"
- Contract termination authority

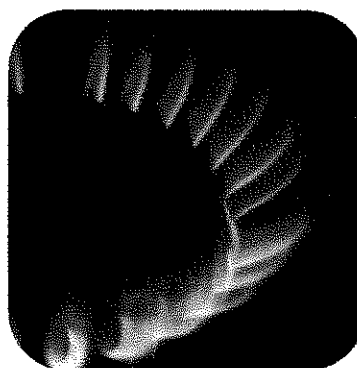
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The Least-Cost Energy We Can Buy

- Efficiency is the least expensive energy
 - 3 cents per kWh vs. 6 to 9 cents per kWh for new generation
 - 44 cents per annual therm vs. 54 cents
- Striving to meet all future utility load growth with efficiency
- Diversifying future resource mix through development of renewable technologies



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What We Provide

1. Information – What can I do to save energy and use renewable energy in my home or business?
2. Expertise – What technical assistance and objective advice can I get?
3. Dollars – What financial incentives, rebates and loans are available?



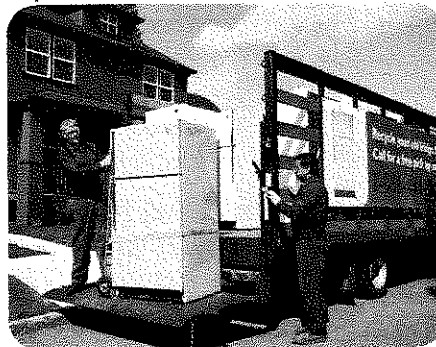
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Homeowners/Renters

Services, incentives and assistance for residential customers, home builders and single-family renters. Leverages contractors, local businesses and trade groups.

- Existing Homes
- New Homes & Products
- ✓ Home Energy Review
- ✓ Contractor training and referrals
- ✓ Equipment, weatherization and solar incentives
- ✓ Appliance rebates and recycling
- ✓ EPST[™], energy performance score



418,000 Households Served

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Commercial Customers

Services, incentives and assistance for commercial customers, public and private institutions, and multifamily properties.

- Existing Buildings
- New Buildings
- ✓ Small and large multifamily
- ✓ Energy modeling, design and technical assistance
- ✓ Building efficiency, equipment commissioning and solar incentives
- ✓ Strategic Energy Management and operations and maintenance



13,000 Sites Served

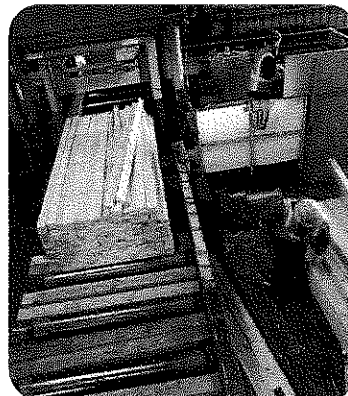
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Industrial and Agricultural Customers

Technical assistance, incentives and employee training for existing and new industrial and agricultural processes and facilities.

- Production Efficiency
- ✓ Existing and new facilities
- ✓ Tailored, technical assistance
- ✓ Scoping studies and analyses, including renewable energy
- ✓ Customized solutions
- ✓ Strategic Energy Management



2,700 Sites Served

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Renewable Energy

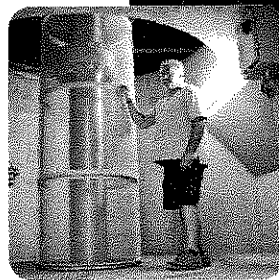
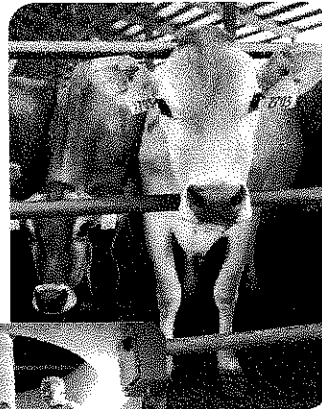
Development assistance and incentives to secure smaller-scale renewable energy resources.

Programs for:

- Solar
- Biopower
- Wind
- Hydropower
- Geothermal

- ✓ Focus on small projects under 20 MW

More than 3,800 systems



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We've Built an Efficiency Power Plant

- Saved and generated 426 average megawatts
 - Enough to power 320,000 average homes for a year
 - Equivalent to enough energy to power all the homes in Lane, Linn, Polk and Marion counties
- Saved 23.2 million annual therms of natural gas
 - Enough to heat 45,700 average homes for a year
 - Equivalent to enough energy to heat half the homes in Deschutes County
- 438,000 residential, commercial, public sector, industrial and agricultural sites served
- Kept nearly seven million tons of carbon dioxide out of the atmosphere
 - Equivalent to removing 1.2 million cars from Oregon roads for a year

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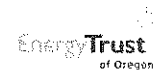
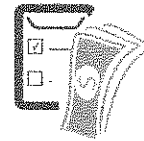
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2002-2011 Results



And Delivered Lasting Economic Benefits

- Direct benefit of \$1 billion saved on participant energy bills
- Independent study shows \$2.1 billion added to Oregon economy
 - \$630 million in wages
 - \$120 million in small business income
 - Employment equivalent to 1,800 jobs lasting 10 years
- Network of more than 1,500 contractors and 900 program allies
- Ratepayers avoid \$1.57 billion in costs for equivalent amount of energy



2002-2011 Results

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Proven Clean Energy Platform

- Mission driven
- Stable funding
- Innovative program design and delivery
- Comprehensive services
- Objectivity
- Partnership and leverage
- Low administrative costs
- Accountability and transparency
- Evaluation commitment



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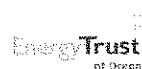


Thank You

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*Energy Trust of Oregon is an independent nonprofit organization
dedicated to helping utility customers benefit from saving energy
and tapping renewable resources.*





ABOUT

SECURING A LOWER-COST ENERGY FUTURE FOR OREGON

AT A GLANCE

- ▶ Participants in Energy Trust programs have saved more than \$1 billion on their utility bills.
- ▶ Energy Trust investments in energy efficiency to date will save utility ratepayers approximately \$2.1 billion over time.
- ▶ Energy Trust of Oregon programs help keep energy costs as low as possible for all contributing utility ratepayers.
- ▶ Utilities rely on Energy Trust savings as a resource to meet future energy needs for their customers.
- ▶ Saving energy costs less than building new fossil fuel power plants—less than 1/4 the cost for electricity and less than 1/2 the cost for natural gas.

Energy Trust has invested public purpose funds since March 2002 to help utility customers save money, improve energy efficiency and generate renewable energy. Energy Trust contributes to local economies statewide and demonstrates how Oregon's least-cost sustainable energy goals can be accomplished, with valuable benefits for utility customers, and without using government funds.

- Independent nonprofit funded by the ratepayers of four investor-owned utilities, pursuant to Oregon law, and accountable to the Oregon Public Utility Commission, OPUC.
- Helps Oregonians use less energy and manage costs in homes and commercial, industrial and agricultural businesses, while strengthening Oregon's economy and protecting the environment.
- Serves Oregon customers of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas, and Washington customers of NW Natural.
- Provides services and cash incentives to single-family and manufactured homeowners, multifamily property owners, businesses, industrial and agricultural facilities of all sizes, school districts, cities, counties and other government facilities.
- Provides no-cost and low-cost energy-saving tips for renters and the public.
- Supports more than 2,400 local trade ally contractors and other allied professionals who help Energy Trust reach customers throughout the state.
- Works with regional nonprofit organizations, taskforces, alliances and businesses to influence the market availability and consumer adoption of highly efficient designs and products.

FUNDING

- Energy Trust electric efficiency programs and services are funded by a portion of a 3 percent charge on electric utility bills established in 1999 by the Oregon Legislature (SB 1149) and paid by Oregon customers of PGE and Pacific Power.
 - Energy conservation in K-12 schools delivered to school districts by the Oregon Department of Energy
 - Low-income housing energy assistance delivered through Oregon Housing and Community Services
 - Energy efficiency and renewable energy programs delivered through Energy Trust, the third-party provider approved by the OPUC in 2001
- Energy Trust natural gas efficiency programs and services are funded by NW Natural and Cascade Natural Gas customers in Oregon pursuant to utility settlement agreements in OPUC proceedings. These natural gas programs were established in 2003 (NW Natural) and 2006 (Cascade Natural Gas).
- In 2007, the Oregon Legislature passed SB 838, which allowed PGE and Pacific Power to seek additional electric efficiency funding above the 3 percent public purpose charge to support more cost-effective energy-efficiency acquisition through Energy Trust. This incremental funding was requested by the utilities and approved by the OPUC.
- In 2009, through an agreement with NW Natural and the Washington Utilities and Transportation Commission, Energy Trust began serving NW Natural customers in Washington.

Energy Trust of Oregon

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energytrust.org



GOVERNANCE AND MANAGEMENT

- The OPUC appoints an ex-officio member to the Energy Trust board of directors, and the Oregon Department of Energy holds a special advisor seat; other directors are independent volunteers. Board vacancies are filled consistent with board development guidelines established by the OPUC.
- Board meetings are open to the public with agendas and packets posted in advance on Energy Trust's website. Board minutes are also posted on the website.
- Energy Trust is accountable to the OPUC and submits quarterly reports of accomplishments, audited financial statements and annual reports indicating results compared to specific performance targets set by the commission.
- With 5 percent administrative and program support costs in 2010, Energy Trust is well below the 9 percent cap set by the OPUC and also below the 9 percent goal established by the Oregon Legislature. Administrative costs are consistent with generally accepted accounting practices for nonprofit organizations. Program support costs are defined in coordination with the OPUC to enable comparison with other recipients of public purpose funding.

ACCOUNTABILITY AND TRANSPARENCY

- Independent reports on Energy Trust and all public purpose spending are completed by a third party and submitted every other year by the OPUC to the Oregon Legislature.
- Annual and quarterly reports, financial statements, budgets, action and strategic plans and other documents are posted on Energy Trust's website and presented in public meetings.
- Program offerings are regularly subject to third-party and in-house evaluations to ensure cost-effectiveness and equity, to gather timely customer feedback and to verify equipment performance and energy savings. All evaluations are posted on the website.
- Public meetings of two advisory councils (the Conservation Advisory Council and the Renewable Energy Advisory Council) comprised of industry stakeholders and others are well attended, with meeting information and notes posted on the website.
- Financial statements are audited annually with the OPUC requiring an unqualified audit opinion. To date, all audits have fully complied.
- Board and staff disclosures of related party transactions, if any, are reported annually in Form 990 (Federal) and CT-12 (Oregon) information returns. Copies are available upon request.
- Annual Form 5500 is filed to document pension activity.

"Energy Trust operates with tremendous oversight, transparency and accountability. Ratepayers get great bang for their bucks with an entity that is mission-driven and consumer-focused."

Citizens' Utility Board of Oregon

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RESULTS

ENERGY AND COST SAVINGS FOR OREGONIANS (2002-2011)

AT A GLANCE

Energy Trust of Oregon is an independent nonprofit organization dedicated to helping utility customers benefit from saving energy and tapping renewable resources. We serve customers of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas. For every \$1 we invest in energy efficiency, we will save ratepayers \$4 in costs required to provide the same amount of energy from other more costly resources. Our work helps keep energy costs as low as possible, strengthens the economy and builds a sustainable energy future.

LOWEST-COST ENERGY RESOURCES FOR UTILITIES

- Total electric savings and renewable generation of 426 average megawatts, enough clean energy to power nearly 320,000 Oregon homes for a year.
- Total gas savings of 23.2 million therms, enough to heat approximately 45,700 Oregon homes with natural gas for a year.
- In total, Energy Trust has saved enough electricity and natural gas to power all the homes in Portland for a year and a half, and heat all the homes in Pendleton for seven years.

SAVINGS FOR UTILITY CUSTOMERS

- Total utility bill savings customers have saved by participating in Energy Trust programs reached \$233 million in 2011; participating customers have saved more than \$1 billion since 2002.
- Energy Trust has served more than 418,000 households, 13,000 commercial sites and 2,700 industrial sites and agricultural sites, this includes installing approximately 3,800 renewable energy systems.
- Electric utility customers use less electricity and have lower energy costs because of our programs. In 2011, customers of PGE and Pacific Power saved approximately \$208 million by participating with us.
- Natural gas utility customers use less gas and have lower energy costs because of our programs. In 2011, customers of NW Natural and Cascade Natural Gas saved approximately \$25 million by participating with us.
- Customer satisfaction rates are consistently high. Phone surveys of a sample of participants shortly after they completed projects indicated high customer satisfaction levels ranging from 83 percent to 95 percent for the six programs surveyed.

ECONOMIC AND ENVIRONMENTAL IMPACT

Energy Trust's clean energy savings and generation have:

- Developed a Trade Ally Network of more than 1,500 contractors who install energy-efficient equipment, weatherization, solar systems and other clean energy improvements; plus, supported over 900 allied professionals who help Energy Trust reach customers.
- Added \$300 million to the local economy, including \$90 million in wages, \$14 million in small business income and 2,800 jobs.
- Kept more than seven million tons of carbon dioxide out of the atmosphere, the equivalent of removing 1.2 million cars from Oregon roads for one year.

"Our connection to Energy Trust has helped keep our people in the field doing good work and helped us weather the storm of this challenging economy."

Mick Desserrault, CFO
Jacobs Heating & Air Conditioning, Inc.
Energy Trust trade ally contractor



BUSINESSES GET A BOOST

OREGON BUSINESSES SUCCEED, CUSTOMERS BENEFIT FROM ENERGY TRUST RESOURCES

BUSINESS CUSTOMERS

Energy Trust incentives and resources helped participating businesses, organizations and municipalities save \$139 million on energy bills in 2011, the most recent year for which data is available. Thanks to Energy Trust financial and technical support, these businesses operate more efficiently or generate their own clean, renewable power.

"No single partner has done more to help us achieve our environmental goals than Energy Trust. We've completed over 20 discrete energy-efficiency projects: everything from upgrades to our compressed air systems; to adding variable frequency drives to our motors, fans and pumps; to installing more efficient controls to our refrigeration systems. Collectively, these projects have reduced our annual electricity consumption by 22 percent and shaved close to \$200,000 from our annual energy costs—a real win-win for our environmental and financial performance."

Rory Schmick, director of sustainability and environmental affairs, Pacific Natural Foods, Tualatin

"By enhancing our data center cooling capacity, we lowered our energy consumption, and we ended up with better reliability for our customers. We're blessed here in Oregon by the encouragement, expertise and support from the state, private sector and Energy Trust to help us become more competitive, sustainable organizations."

Rich Bader, president and chief executive officer, EasyStreet, Beaverton

"We decided to build for high performance because it just makes sense. It reduces operating costs, provides a more comfortable work environment for our employees and demonstrates our commitment to being a good neighbor in the communities where we operate. Incentives from Energy Trust made the energy-efficient strategies financially viable, especially in today's challenging economic environment."

Dick Borgman, chief executive officer, Les Schwab, Bend

"Incentives from Energy Trust and the Oregon Department of Energy enabled us to convert from wasteful, open canals to pressurized piping at a time when orchardists are feeling the effects of a strained economy and could use the cost savings. It truly made an impossible project become a financial possibility."

Jerry Bryan, project manager, Farmers Irrigation District, Hood River

"We've been invested in energy efficiency since day one. If the mission of Energy Trust is to help promote energy efficiency and reduce energy consumption, then our projects show that it is definitely working."

Jason Smith, founder, Southport Forest Products, Coos Bay

"Right now, educational institutions need to do more with less. We can't automatically replace equipment that needs to be upgraded, so we need to invest in systems that last longer and work more efficiently. Incentives from Energy Trust make all the difference in getting the resources to invest in these large projects."

Mark Fujii, facilities engineer, Portland State University, Portland

"If not for the incentive award and the help from Energy Trust, I doubt that the tribe would have been able to afford the project. Energy Trust is a great source for helping governments and businesses meet goals and for helping people save money and protect the environment."

Todd Tripp, director of planning, community and real estate services, Coquille Indian Tribe, North Bend

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"The expertise that Energy Trust brought to the table through its Industrial Energy Improvement initiative really helped us understand where to focus our efforts. We learned which energy-efficiency projects were the most cost effective, and Energy Trust provided more than \$130,000 in cash incentives, which made the difference in whether several of our projects penciled out."

Jason Smith, corporate environmental engineer, Blount International, Portland

TRADE ALLY CONTRACTORS

Energy Trust outreach and training support a Trade Ally Network of 1,500 trade ally contractors and 900 allied professionals.

"When we go into a home now, we have an educated discussion about efficiency, and people ask about Energy Trust incentives. To be a credible player, we need to be affiliated with Energy Trust. **Our connection to Energy Trust has helped keep our people in the field doing good work** and weather the storm of this challenging economy."

Mick Desserault, chief financial officer, Jacobs Heating, Portland

"The incentive programs assist us in helping our clients save energy and money. **Energy Trust incentives are very helpful in grabbing our clients' attention** so we can educate them about the importance of energy conservation as a whole."

Zeb Griffin, general manager, Griffin Heating and Cooling, Bend

"Energy Trust is defining and marketing the idea of Home Performance to consumers, and building an engine for the clean energy economy. I'm a free-market actor within the Energy Trust structure, and that wouldn't be possible if Energy Trust hadn't created the concept of energy audits in Oregon. Contractors call us looking for energy auditors and weatherization technicians. **Some of my students are hired before they've finished my class.**"

Jeff Catlin, director of education services, Energy Conservation Training Company, Portland

"There has been a large uptake in lighting projects and **customers are often surprised by the incentives that are available to help with their return on investment.** In addition, customers get a better quality lighting level than they had before."

Griffin Dunagan, electrician and project manager, Clatsop Electric, Warrenton

"Energy Trust really helped us start our business. They had lots of opportunities for us to connect with customers. **Energy Trust is a huge stabilizing force in our market.** It's one of the big reasons [the state] got a federal grant for the Clean Energy Works Oregon program, which is catalyzing the Home Performance retrofit market."

Jonathan Cohen, owner, Imagine Energy, Portland

CUBonline

News from the Citizens' Utility Board of Oregon

Energy Trust 10th Anniversary Update

Celebrating 10 years of the Energy Trust of Oregon

June 1, 2012

This year marks the Energy Trust of Oregon (ETO)'s ten year anniversary. Since opening its doors in 2002, the ETO has been helping utility rate payers throughout the state implement progressive energy efficiency measures and expand the use of renewable energy sources. From industrial operations to commercial businesses to homeowners, the ETO offers incentives and technical assistance to help residents make informed, sustainable choices to benefit the state's energy use.

The ETO has saved ratepayers more than \$1 billion over the last ten years from its energy efficiency investments. In addition, the ETO's investments in renewable energy protect consumers and the environment.

Funded by a small fee on customers' bills, the ETO offers incentives and technical assistance on energy efficiency upgrades to these residents, helping them save energy and thus money. For example, through the ETO, homeowners and businesses can have an energy audit performed to learn how to improve their efficiency and receive financial support for these projects. To encourage participation, the ETO has developed creative ways to engage in cost-effective energy savings over the years, such as the search for the oldest operating fridge in Oregon (the winning 1937 fridge has been retired and replaced) and inter-city energy saving contests.

Prior to the creation of the ETO, the utilities managed their own energy efficiency programs. However, that created an inherent conflict of interest. CUB found that asking companies to help their customers use less of the product they produce and sell didn't work very well. CUB pushed hard for the creation of the ETO because we thought it would be better for consumers to have an independent, nonprofit third party running these important programs. We also thought it would be more efficient to have one entity coordinating these programs across utilities rather than having each utility have their separate units.

We think the last decade has proved us right. The ETO is saving energy at a rate that was unheard of when the utilities managed these programs. The organization is customer-focused and is always looking for ways to reduce energy usage even further. In fact, we believe the ETO has a place among Oregon's progressive history alongside the initiative system, the Bottle Bill and the Beach Bill.

The ETO is an integral actor in the energy efficiency and renewable energy sectors here in Oregon and the Northwest. Even more than that, it's a national model because few other states are as effective as Oregon is in making the investments that the ETO spearheads. Its innovative programs set the stage for and now support the progressive standards for increasing clean energy resources in our state.

If you are a customer of Portland General Electric, Pacific Power, NW Natural, or Cascade

Natural Gas, you may have already taken advantage of the incentives and information services from the ETO. If you haven't, the ETO has a lot to offer and can help you start saving on your energy costs right away. Find out how the ETO can help you or your business by visiting energytrust.org or calling 1-866-368-7878.

CUB is excited about a sustainable energy future in Oregon, with the ETO leading the way in developing even more creative, accessible practices to reduce energy use and protect our valuable resources. By lowering the demand for imported energy, even in the face of continuing economic challenges, the ETO plays a crucial role in our region's economic and environmental long-term stability. We look forward to collaborating with the ETO for many more decades to come, striving together to implement progressive energy policy. A big thank you to the ETO for helping Oregonians save money, strengthen our economy and protect our environment!

Citizens' Utility Board of Oregon | 610 SW Broadway Ste 308 | Portland, OR 97205 US

ENERGY TRUST OF OREGON SERVICE TERRITORY





Christy Perry, Dallas School District superintendent, added an energy-efficient boiler and upgraded lights as cost-control strategies.

Together, we equal a cleaner environment, a stronger economy, a better future.

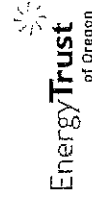
At Energy Trust of Oregon, we believe in the additive power of collaboration. Through more than 10 years of investing together in conservation and renewable power, all of us—individuals, businesses, trade ally contractors, utilities and Energy Trust—have shaped a stronger future for our state.

The results are significant—competitive businesses, comfortable and productive environments in which to live and work and \$2.1 billion added to the local economy.

We continue to affirm the power of collaboration to multiply the benefits of clean energy.



Visit www.energytrust.org/annualreport.



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2011 strategies motivated customers from project planning to completion.

In 2011 a powerful combination of Energy Trust incentives, quality services and innovative opportunities helped utility customers save and generate 48.4 average megawatts, save 5.4 million annual therms and lower utility bills by \$233 million.



Energy Trust
services and
incentives



143,000
homes and
businesses
served



\$233
million
saved on
utility bills



Read the full story online.
Visit www.energytrust.org/annualreport.