**Q3 2015 REPORT ON ACTIVITIES FOR NW NATURAL IN WASHINGTON  
UG-143895**

July 1 through September 30, 2015

This quarterly report covers the period July 1 through September 30, 2015. This report addresses progress toward 2015 goals for the NW Natural energy-efficiency program in Washington. It includes information on expenditures, gas savings, projects completed and incentives paid during the quarter and year to date.

**I. PROGRAM SUMMARY**

1. **General**

* **Energy Trust saved 28,804 annual therms in Q3 2015**—including 8,707 annual therms in Existing Homes, 16,441 annual therms in New Homes and Products and 3,656 annual therms in Existing Buildings. Savings in Q3 2015 were 21 percent lower than savings in Q3 2014, primarily due to lower-than-expected completion of Existing Buildings projects.
* **Year-to-date savings were** **about 32 percent of Energy Trust’s annual goal** of 257,063 therms, which roughly aligns with NW Natural’s stretch performance measure of 259,895 therms.
* **By the end of 2015, Energy Trust expects to meet goal** with a robust pipeline of Existing Buildings projects anticipated to complete and strong construction of ENERGY STAR® certified new homes.
* **Typically, more than one-half of annual savings are achieved in the last quarter**, when the majority of projects complete. Levelized costs are expected to align with expectations by year-end when these savings are realized.

1. **Commercial sector highlights**

*Existing Buildings*

* **Existing Buildings saved 3,656 annual therms in Q3***,* primarily through a foodservice equipment contest, an insulation bonus and outreach promoting efficient showerheads to assisted living facilities.
* **With a strong pipeline of projects, Existing Buildings expects to meet its annual goal** despite being behind year-to-date expectations.
* **Existing Buildings provided energy-efficient showerheads** to businesses as part of a long-term strategy to engage facility managers and introduce more extensive Energy Trust offerings.
* **To help boost savings, Existing Buildings launched a new incentive for greenhouses**, promoted an insulation bonus launched in Q2 and continued a contest incenting top-selling foodservice equipment vendors.
* **Energy Trust targeted outreach to business customers with high energy usage**, assisted living facilities and customers with pools.
* **The program delivered 340 showerheads** through Q3 and plans to deliver 240 more in Q4.
* **Existing Buildings provided support to insulation and water heater trade allies** serving Washington, and connected with restaurant distributors to ensure that incentives are claimed for fryers and other restaurant equipment sold in Washington.
* **The program launched marketing campaigns** through email and social media and planned for additional marketing efforts, including local advertising and collateral to promote new retro-commissioning and modulating boiler burner offerings.
* **Energy Trust hosted a networking and informational event for commercial allies**, with strong attendance from trade allies serving Washington. The event location was selected to better accommodate Washington trade allies.

1. **Residential sector highlights**

*Existing Homes*

* **Existing Homes saved 8,707 annual thermsin Q3**, primarily through installation of efficient furnaces, weatherization and Energy Saver Kits.
* **Existing Homes worked with Clark Public Utilities to develop a new LivingWise Kit** offering to launch in 2016. Kits containing efficient showerheads, faucet aerators and light bulbs will be delivered to fifth-grade school students along with an energy-efficiency curriculum. Savings will be shared with Clark Public Utilities.

*New Homes and Products*

* **New Homes and Products saved 16,441 annual thermsin Q3**, primarily through ENERGY STAR certified new homes and clothes washer sales.
* **With the participation of Lennar Homes, a high-volume trade ally builder, 116 ENERGY STAR certified new homes were built** in Q3, more than double the number completed in Q2.
* **The program continued to provide incentives for energy-efficient clothes washers** in collaboration with Clark Public Utilities. For 2016, the program will adjust clothes washer incentives available based on efficiency increases in baseline standards.
* **The program identified EPS™ as a potential offering in 2016**.Homes rated with the energy performance score save energy through energy-efficient windows, HVAC, appliances and weatherization.

1. **Washington Utilities and Transportation Commission performance metrics**

The table below compares quarterly results to 2015 program goals, as established in NW Natural’s Energy Efficiency Plan for Washington (updated December 2014).



Dollars spent per therm saved and levelized costs are expected to align with expectations in quarter four when many projects complete and the majority of annual savings are achieved.

**II QUARTERLY RESULTS**

1. **Expenditures[[1]](#footnote-2)**



Energy Trust allocated budget to NEEA for gas market transformation activities.

1. **Incentives paid**



1. **Savings**



Energy Trust allocated budget to NEEA for gas market transformation activities. While there were no associated savings in Q3, savings are expected in subsequent years.

**III YEAR-TO-DATE RESULTS**

1. **Activity—sites served**



Smart thermostats were offered through a pilot that completed early in Q2, with results expected by year-end.

1. **Revenue**



1. **Expenditures[[2]](#footnote-3)**



Energy Trust allocated budget to NEEA for gas market transformation activities.

1. **Incentives paid**



* **Incentives paid account for approximately 43 percent of year-to-date program expenses,** when total program expense is adjusted down by 15 percent to account for costs that a utility-delivered program would recover through rates.

1. **Savings**



Dollars spent per therm saved and levelized costs are expected to align with expectations in quarter four when many projects complete and the majority of annual savings are achieved.

Energy Trust allocated budget to NEEA for gas market transformation activities. While there were no associated savings in Q3, savings are expected in subsequent years.

Energy Trust’s budgeted annual savings goal roughly aligns with NW Natural’s stretch performance measure of 259,895 therms.

1. **Program evaluations**

* Energy Trust plans to conduct a process evaluation in 2016 for services in Washington. Topics to explore include the relationship between Energy Trust and Clark Public Utilities, and how to increase commercial savings and awareness of residential offerings.

1. Variance is expressed in total dollars *below* budget or (total dollars) *above* budget. [↑](#footnote-ref-2)
2. Variance is expressed in total dollars *below* budget or (total dollars) *above* budget. [↑](#footnote-ref-3)