EnergyTrust of Oregon, Inc.

Policy Committee of the Energy Trust Board of Directors

May 15, 2007, 3:00-5:00 pm

Attending from the committee: Jason Eisdorfer, John Reynolds

Attending from Energy Trust staff: Phil Degens, Steve Lacey, Sue Meyer Sample, Elaine Prause, Jan Schaeffer, Adam Serchuk, Jill Steiner

1. Cascade Gas study

Margie reviewed Energy Trust contacts with Cascade Natural Gas, the Washington Transportation and Utility Commission and OPUC regarding the possibility of Energy Trust serving Cascade customers in Washington. She will discuss this subject further for 30 minutes with each commissioner individually Monday, as an add-on to discussions on another topic. Energy Trust has agreed to study the efficacy of serving Cascade in Washington and has entered into a $30,000 contract with Cascade to do this.

Jason said he talked to John Savage today. He thinks we share the commissioners' concerns about not diluting our efforts in Oregon. Margie says she has capacity concerns of her own. She believes the exercise of doing the study will help inform us on the merits and challenges of growth. Depending on how these questions are answered, we'll have more to discuss. Margie will identify other stakeholders (such as BOMA) with interests in Washington. She will provide answers to a set of questions from OPUC. Jason concluded that, even if the study concludes favorably on our taking on Cascade in Washington, we would not go there if the Washington commission did not want us, nor are we likely to if OPUC is strongly opposed.

2. Program delivery model evaluation

Phil Degens reviewed a short presentation prepared for delivery to the CAC tomorrow. He reviewed background on study methodology and focused on our decision to review the Production Efficiency model. Steve explained we propose two options for changing the way we run the Production Efficiency model. One option adds two FTEs (technical manager and industrial coordinator) and has Energy Trust contract directly with PDCs and ATACs. The other option shifts the role of the PMC to technical review/assignment of studies and incentive offer reviews. Under this option, Energy Trust also would contract directly with PDCs and ATACs. Staff prefers the first option. Intent is to get feedback from CAC and other stakeholders and to share the report findings and CAC input with the ET board at its June strategic planning workshop.

3. CAC members

Steve proposes replacing Ken Keating with Karen Meadows of BPA, replacing Susan Steward of BOMA with Bruce Dobbs of NW Natural (but representing BOMA), and adding Christine Kautzman of Cascade Natural Gas. The committee concurred.

4. Implementing changes in response to legislation

Margie presented an initial staff draft plan created by Fred and Jill. Specific schedules would be established with additional staff and OPUC involvement. Jason noted the issue that SB 838 creates around large customers, who are exempted from any increased charges for efficiency beyond 1149. Jason expressed concern over PGE's apparent intent to file its IRP for efficiency ahead of filing its IRP for renewables. This represents approximately 1.3-1.5% proposing about $15M per year on the energy efficiency side. We are also working with Pacific Power on their IRP. Jason recognizes SB 838 would significantly increase Energy Trust's budget.

Responding to a question from John, Adam said the discussion framed for the board in June starts with what success would look like for renewables, and then how to achieve it. Should we invest more in development (of, for example, wave power)? Should we buy turbines in bulk to support community energy?

Margie distributed an agenda for the strategic planning workshop. Jason noted the importance of providing enough time for the board to talk among themselves. He is concerned about breaking the agenda into 45 minute chunks and wonders if the board can discipline their discussion to stay within these boundaries. Jason and John suggested having a discussion on efficiency and incremental funding, followed by a discussion of implications for renewables, with time toward the end of the first day's agenda for the board to sum up.