EnergyTrust of Oregon, Inc.

Energy Trust Staff Response to The Community Wind RFP Process Evaluation Findings and Conclusions

October 3, 2007

The evaluation results indicate that the design and implementation of the Community Wind RFP were successful. RFP requirements were clear, relevant market actors were aware of RFP, the information required for the RFP was seen as appropriate and timelines were reasonable. Issues with the value of green tags as well as the calculation of above market costs were also identified. The evaluation also showed that there were only a small number of viable market actors and that the RFP process did not address certain market barriers such as availability of turbines and grid interconnection.

Current market conditions do not warrant issuing additional RFPs in the near future. Energy Trust has good relationships with all the active wind power developers and an open solicitation within and the pipeline of projects doing feasibility studies under the Wind Program are effective mechanisms for seeking further wind projects. The RFP process may be used again once the market develops a bit further.

Energy Trust is working on ways to communicate clearly how above market costs are calculated. This is an issue that has come up in other programs and many potential project developers have difficulties with it as a concept as it is not something that is required elsewhere.

In the area of green tags, Energy Trust has begun addressing this issue by changing the policy and hiring a consultant to develop forecasts of future green tag prices. These forecasts will be updated periodically and allow Energy Trust to better calculate the present value of tags associated with any project to help determine a more market-orientated sharing of tags .

To assist projects with grid interconnection issues Energy Trust has on contract a transmission and distribution engineering consultant. The consultant will review utility and project proposals and provide feedback of the scope and costs associated with connecting a project to the grid.

Energy Trust is still considering if it should change its role in helping to develop the wind market, such as taking a more active role in the acquisition of turbines. Any change in role would require discussion with the Energy Trust Board. Adoption of a "standard offer" is not being considered by Energy Trust at this time as project costs are remain too variable to establish a standard.