EnergyTrust of Oregon, Inc.

Draft Board Meeting Minutes – 83rd Meeting

June 13, 2008

Board members present: Rick Applegate, Jason Eisdorfer, Dan Enloe, Roger Hamilton, Julie Hammond, Al Jubitz, Debbie Kitchin, John Klosterman, Caddy McKeown, Alan Meyer, Preston Michie, John Reynolds, John Savage, *ex officio* and Betty Merrill, *ex officio*

Board members absent: Vickie Liskey

Staff attending: Debbie Blanchard, Kacia Brockman, Pete Catching, Fred Gordon, Betsy Kauffman, Margie Harris, Ben Huntington, Nancy Klass, Steve Lacey, Sue Meyer Sample, Pati Presnail, Jan Schaeffer, Peter West

Others attending: Ken Canon; Tom Foley; Claire Fulenwider. NEEA; Lori Koho, OPUC

Business Meeting

President John Reynolds called the meeting to order at 12:05 pm.

May 14, 2008, meeting minutes.

MOTION: Approve minutes from the May 14, 2008, meeting.

Moved by: Debbie Kitchin Seconded by: Caddy McKeown

Vote: In favor: 11 (Preston Michie was out of the room at the time of the vote) Abstained: 0

Opposed: 0

Adopted on June 13, 2008, by Energy Trust Board of Directors.

General Public Comments

There were none.

Renewable Energy Program

Amending resolution #453 approving funds for a solar project with MMA Renewables (R480).
Betsy Kauffman, renewable energy outreach & program manager, explained the proposal. Originally

ProLogis planned to own the PV facilities on several of its roofs. It now wishes to use the third-party development model and lease its roof space to MMA Renewable Ventures, who will own the solar systems. No changes are needed to financial terms in the adopted resolution. We wish to amend the resolution to add MMA Renewable Ventures.

Debbie asked for more information on MMA. Betsy said they are one of the top 5 owners of solar systems in the nation. Debbie asked if they are publicly owned. Peter said he does not know but we did a financial evaluation. Betsy said the project is a qualifying facility (QF), selling power to PGE. The ProLogis buildings do not use much energy and cannot benefit.

Alan noted that item c in the Whereas section states that MMA will install 3.5 to 4.7 MW. Peter said the "to 4.7" is an error and should have been deleted. The board agreed to remove that language. Peter said if the installation produces less than 3.5 MW, we will reduce the incentive proportionally.

Margie suggested changing the wording in item 1 in the Resolved section by replacing "at least 3.5 MW" with "up to 3.5 MW." The same change will be made in item 1 in the Resolved section.

John Reynolds said with this action we will double the amount of installed solar.

RESOLUTION #480
AMENDING RESOLUTION #453
APPROVING FUNDS FOR A SOLAR PROJECT WITH MMA RENEWABLES

WHEREAS:

a. **On October 3, 2007, the board approved Resolution #453 authorizing up to $3,405,000 in funding for ~~at least~~ a PV project of up to 3.5 megawatts ~~PV project~~ on multiple buildings owned by ProLogis.**

b. **ProLogis has determined that instead of building and owning the PV facilities, it wishes to use the third-party development model and lease its roof space to MMA Renewable Ventures.**

c. **MMA Renewables proposes to install ~~a total of~~ 3.5 ~~– 4.7~~ MW of solar photovoltaic (PV) generation on as many as 17 ProLogis buildings in the Portland General Electric (PGE) service territory.**

d. **The above-market costs of the project are estimated to be $3,405,000 or less.**

e. **Even at the low end, the project would be the Energy Trust's largest single PV venture, exceeding the Solar Electric Program's total installed capacity during the last four years.**

f. **Energy Trust funding of an estimated $0.97/watt would be in the range of the standard incentive the Solar Program offers.**

g. **Over the first 20 years of operation, the clean power produced by the project will help avoid over 42,700 tons of CO_2 emissions.**

It is therefore RESOLVED that the board of directors of Energy Trust of Oregon, Inc. amends Resolution #453 approving an agreement with MMA Renewables consistent with the following basic terms:

1. **MMA Renewables will deliver a project of ~~at least~~ up to 3.5 MW.**

2. **When bids are finalized and accepted by MMA Renewables, staff will re-calculate above-market costs.**
3. **Energy Trust will provide a maximum of $3,405,000.**
4. **Green tags will be delivered to PGE and held in trust by PGE for the benefit of ratepayers for compliance with Renewable Energy Act obligations.**

Moved by: Roger Hamilton Seconded by: Preston Michie

Vote: In favor: 12 Abstained: 0

Opposed: 0

Adopted on June 13, 2008, by Energy Trust Board of Directors.

Transferring funds from the Community Wind Program to the Solar Electric Program budget (R481). Kacia Brockman, senior solar program manager, explained that demand for the wind program is very low this year, largely due to difficulties obtaining turbines. By contrast, there is pressure in the solar electric program to complete projects before the 30% federal tax credit expires at the end of this year. Shifting funds from the wind program to the solar program offers a better chance of spending the funds, completing projects and capturing more renewable generation.

Roger Hamilton asked what the outlook is for turbine availability. Peter said new turbines seem to be all sold out after 2009 and are half sold by 2010. We find for the community wind program that we need a two-year lead. Even if the federal tax credit is extended this year, it is unlikely we will acquire a turbine until 2010. If the tax credit is re-enacted in 2009, we would wait until 2011.

Peter added that there is an emerging market in used, reconditioned turbines. We are looking at possibly buying them for use in 2009. Preston asked if we should take an equity position in acquiring turbines. Peter thought yes.

Dan noted spending the money on wind would produce much more energy than investing it into solar. He wondered if we should keep the money in the wind category until we can spend it next year. Dan also said he would rather double the spending on wind than divert the money for more expensive solar.

Margie noted if we did not transfer the funds to solar electric, the program would shut down, sending a bad signal to the burgeoning market. Jason noted Peter spent years building a solar program in the state; this paid off because there now is so much interest in solar. Al said one way to make it more palatable is to reduce the solar incentives. Kacia said we did reduce the incentives for nonprofits, which is where we are seeing so much activity with the third-party ownership model. When some of the third-party projects started falling through in the marketplace, we adjusted the incentives upward, looking for the "sweet spot" to attract developers. We think we've found that balance point now.

Rick asked what the RAC said. Peter and John Reynolds said they were very supportive. They recognized the trade offs. Debbie asked about the current outlook for renewal this year of federal tax credits. Roger said the word at the national wind conference was that the credit will be passed but not until the last minute, while in the interim the uncertainty will keep projects from going forward.

Dan proposed adding a third "resolved" item: "Explore opportunities in 2009 to enable use of used turbines." He accepted a friendly amendment to expand this to include "used and new" turbines. Al seconded the proposed amendment. The board voted in favor of the amendment.

RESOLUTION #481

AUTHORIZING MOVEMENT OF FUNDS FROM THE COMMUNITY WIND PROGRAM TO THE SOLAR PROGRAM

WHEREAS:

1. **Due to the lack of available wind turbines and difficulty in extending federal tax credits for wind, all of Energy Trust's 2008 Community Wind program projects have been cancelled.**
2. **At the same time, there is more demand for solar projects than can be satisfied from the 2008 Solar Program budget. The 2008 Solar Program could use at least $2.5M in additional incentive dollars.**

It is therefore RESOLVED that the board of directors of Energy Trust of Oregon, Inc. authorizes staff to:

1. **Shift $1.5 million of PGE and $1.0 million of Pacific Power funds from the Community Wind program budget, where they cannot be used this year, to the Solar Electric program budget, where they can be used.**
2. **Adjust the 2008 renewable energy generation goal to reflect the loss of 1.24 aMW from the Community Wind Program, offset by the gain of .34 aMW from additional solar projects.**
3. **Explore opportunities in 2009 to enable use of new and used turbines.**

Moved by: Debbie Kitchin Seconded by: Jason Eisdorfer

Vote: In favor: 12 Abstained: 0

Opposed: 0

Adopted on June 13, 2008, by Energy Trust Board of Directors.

Adjourn

The meeting adjourned at 12:40 pm.

Next meeting. The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, September 3, 2008, 12:00 noon at the Energy Trust of Oregon, Inc., 851 SW Sixth Avenue, 12th Floor, Portland, Oregon.