EnergyTrust of Oregon, Inc.

Finance Committee Notes

August 25, 2008

The finance committee met at 3:30 pm on August 25, 2008, with John Klosterman, treasurer; Debbie Kitchin, secretary; Dan Enloe, board member, John Reynolds, Board Chair, Margie Harris, executive director, Sue Sample, chief financial officer, and Pati Presnail, controller in attendance

June 30, 2008 Quarterly Report and July 31, 2008 Financial Statements

Questions resulted primarily from the Committee's review of the quarterly report.

- One question involved the results of the Corvallis Community Energy Challenge. While trends indicate the challenge has been effective in achieving positive savings results, the evaluation to validate that causal relationship will not be completed until 2009.
- A second question involved the status of the timing of the new energy loan program. That program is anticipated to begin very soon. Details of the initial program design are still being finalized. It is anticipated that eventually the program will include loans to individuals in the 60%-80% of median income category, but details of that part of the program are part of the next phase of the project.
- A third question involved the increase in program equipment on the balance sheet. This represented the April 2008 acquisition of anemometer equipment purchased and located at sites for testing wind suitability. It is being reported separately from the equipment used in the office.
- A fourth question referred to the cause of the delay in the Portland Habilitation Project. Margie indicated that it was a result of waiting for the outcome of the OPUC's declaratory ruling on the treatment of third party system owners. She also reflected that there will now be a rush to complete a backlog of 13 MW of solar projects since a favorable ruling was obtained and in order for projects to qualify for the Federal Production Tax Credit which is schedule to expire in December.
- The last questions were related to the continuing shortfall in spending of incentives as compared with budget. Pati is now working with program staff to begin development of a complete forecast for the fourth quarter and year end. She is working on processes to improve the accuracy of that information. Current forecasts reflect that savings will be at or above plan with incentive spending below budget.

Diversification of funds by bank

Sue presented a summary of the "cash" and investments held by the Energy Trust as of July 31, 2008. The CDARs investments are completely FDIC insured and the Treasury Obligations Fund is backed by treasury notes and meets Energy Trust's conservative investment policy. There has been some interest by other banks in providing Energy Trust with some diversification opportunities. The Finance Committee may be interested in pursuing other investment options in order to obtain additional benefits. A change in the deposit relationship would only occur as a result of an RFP for banking services expected to be issued next spring.

Preliminary internal controls evaluation project

The internal controls evaluation project is nearing completion. The report is scheduled to be presented to the Audit Committee at their September 3, 2008, meeting. Using both reviews of current documentation and interviews with staff and PMC's, Rasmussen Group developed findings and recommendations on the IT general controls related to key financial systems as well as findings and recommendations on the business, accounting and operational controls. The project will provide an excellent and consistent basis from which to move forward in controls documentation for Energy Trust.

Next Meeting

The next Finance Committee meeting is scheduled for October 27, 2008, at 3:30 pm.

The meeting adjourned at 4:05 pm.