Draft Board Meeting Minutes – 88th Meeting

April 1, 2009

Board members present: Jason Eisdorfer, Dan Enloe *(left at 3:27 pm)*, Roger Hamilton, Julie Hammond, Al Jubitz (*left at 4:05 pm*), Debbie Kitchin, John Klosterman, Alan Meyer, Preston Michie, John Reynolds, and Betty Merrill, *ex officio (joined at 12:17 pm).*

Board members absent: Rick Applegate, Caddy McKeown, John Savage, *ex officio*

Staff attending: Amber Cole, Fred Gordon, Brooke Graham, Margie Harris, Betsy Kauffman, Nancy Klass, Steve Lacey, Sue Meyer Sample, John Volkman, Peter West

Others attending: Joe Barra, PGE; Robin Everett, Sierra Club; Donna Fitzpatrick, Catwalk Solutions; Grant Jones, Perkins & Co., Cesia Kerns, Sierra Club; John Lund, OIT via teleconference for Resolution 509 discussion; Mark Schussler, Perkins & Co.; Dave Salholm, Tri-County Temp Control; Jan Schaeffer

Business Meeting

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

February 11, 2009, Meeting Minutes. Debbie Kitchin noted a correction to the last paragraph on page 16 to read as follows:

Debbie said this was not eligible for an incentive because of cost effectiveness.

MOTION: Approve minutes from the February 11, 2009, meeting as amended.

Moved by: Julie Hammond Seconded by: Alan Meyer

Vote: In favor: 10 Abstained: 0

Opposed: 0

Adopted on April 1, 2009, by Energy Trust Board of Directors.

General Public Comments

There were none.

President's Report

John Reynolds discussed the American Council for an Energy Efficient Economy (ACEEE) rankings of state energy efficiency policies, looking at a range of criteria. ACEEE awarded Oregon 13.5 out of 20 points for utility and public benefits, 8 out of 8 for state codes, and various other scores for a total of 37 out of a 50 point maximum. Oregon ranked number 2 in the nation, second to California. Sister states, with similar programs to ours, ranked 4 (Vermont) and 9 (Wisconsin). Oregon ranked 5th in 2007.

He also showed a picture of the Albany Hydro project dedication.

Audit Committee

Julie Hammond reported Energy Trust received an unqualified financial audit again this year. She introduced Grant Jones and Mark Schussler from Perkins & Co. to answer questions. John Klosterman asked about the reduction in rent from 2007 to 2008. Mark explained this difference resulted from a refund of property taxes against rent. Alan Meyer asked if the auditors had any advice about how Energy Trust could improve. Mark noted the auditors have encouraged Energy Trust to continue tightening its data access controls.

Resolution 508, acceptance of audited financial report for period ending 12/31/08.

RESOLUTION 508
ACCEPTANCE OF AUDITED FINANCIAL REPORT

BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors accepts the audited financial statement report, including unqualified opinion, prepared and submitted by Perkins & Company, P.C. for the calendar year ended December 31, 2008.

Moved by: Preston Michie Seconded by: Dan Enloe

Vote: In favor: 10 Abstained: 0

Opposed: 0

Adopted on April 1, 2009, by Energy Trust Board of Directors.

Julie said her committee is preparing an RFP to select a management audit firm. She will send the draft to the full board for review.

Committee Reports

***Board Nominating Committee*.** No report.

***Finance Committee*.** John Klosterman noted material in the packet from the February and March finance committee meetings. He noted the committee met with Energy Trust bankers from the Bank of the Cascades. He noted the bank weathered some rough patches in 2008, as reflected in an FDIC audit, and is well positioned for 2009.

The committee asked the bank to increase the Energy Trust line of credit to $7 million. The bank's proposal suggested increased restrictions in covenants would be necessary if the line of credit were to be increased. Foreseeing no immediate need for a larger line of credit, the committee decided to propose instead a renewal of the current $4 million line of credit. Debbie Kitchin noted the bank is not charging a fee for this renewal. Margie noted we have yet to tap the line of credit. Preston, noting the favorable terms, asked if we should renew for 2 years instead of 1. Sue explained reasons for renewing annually. She explained the disposition of our deposits among different accounts, all of which are insured in one form or another.

John K. noted revenue variances in January that were caught up in February. Jason noted a variation between planned and actual expenditures. Margie said this phenomenon recurs, in spite of efforts to forecast more closely. She said at the May board meeting, staff will report on any trends from first quarter activity that are concerning. So far we see delays in some large industrial projects but no other particular effects of the recession.

Alan Meyer expressed concern that Energy Trust is more and more exposed politically when we have a large unspent balance. He would rather have the issue of a shortfall of revenue than this exposure. Margie noted the biggest swing is in the residential sector, where there is limited forecasting ability. She thinks that at the end of this year we'll have less money on the table than any prior year. Sue noted we processed over 1,500 checks each week in the last month, a sign that activity remains strong.

Dan Enloe thinks the contracts status report might include a look at the top 10 projects in the pipeline that have incurred no expenses.

Betty asked if we are anticipating a reduction of funds because utilities are selling less electricity in a recession. Sue said the January numbers raised that concern, but the February and March revenues are higher than budget and have brought figures back into alignment. John K. said we would make adjustments. Roger noted the cold winter can disguise a drop-off from the slow economy. Dan noted some of the announced industrial shut-downs will not happen until later in the year. Margie said staff will track these activities in the industrial sector.

Al Jubitz asked if we try to recoup our investments in plants that close. Steve Lacey said we do not, as we hope a new occupant will start up and continue generating the savings. He also noted we claim a 10 year measure life even though many measures have a 20-30 year life to reflect the possibility of some plant closures. John R. noted that we don't go back and recoup commercial and residential savings either. Betty asked if we continue to count savings from measures in plants that shut down. Steve said we reduce savings due to shutdown for really large projects but otherwise continue to count savings for the 10 year measure life only.

Dan said this kind of heavy equipment is uneconomical to move far. Alan Meyer noted some of the measures, compressed air for example, increase in value when you reduce production.

Resolution 510, renewing a $4 million line of credit at Bank of the Cascades.

RESOLUTION 510
RENEWING A $4 MILLION LINE OF CREDIT
AT THE BANK OF THE CASCADES

WHEREAS:

1. **The Energy Trust board first approved a $4 million line of credit in March, 2002. The limit was subsequently reduced to $1 million and in December, 2005, restored to $4 million.**

2. **The Energy Trust established such line of credit with the Bank of the Cascades in April 2006.**

3. **The Energy Trust wishes to renew such line of credit with the Bank of the Cascades to be effective through March 31, 2010.**

4. **The Bank of the Cascades has authorized a commitment for a revolving line of credit in the amount of $4M to bridge timing issues of revenue receipt and program expense, conditioned upon the board's approval by resolution.**

IT IS THEREFORE RESOLVED: by the Energy Trust of Oregon, Inc., Board of Directors:

1. **That this corporation, Energy Trust of Oregon, Inc., may:**
   - **Borrow up to $4 million from a revolving unsecured line of credit offered by the Bank of the Cascades at an interest rate of prime minus .50% to bridge timing issues of revenue receipt and program expense.**
   - **Repay the line of credit with monthly interest payments and principal due at maturity, within one year from the date of the agreement.**

2. **Any two (2) of the following officers of this corporation, one a representative from management and one a representative from the board:**
   a. **President**
   b. **Vice President**
   c. **Treasurer**
   d. **Executive Director**
   e. **Chief Financial Officer**

   are hereby authorized and directed, in the name of this corporation to execute and deliver to Bank and the Bank is requested to accept the credit agreements, letter of credit applications and agreements, or other instruments, agreements and documents which evidence the obligations of this corporation under the credit facilities obtained or to be obtained pursuant to this resolution.

3. **The Bank is authorized to act upon the foregoing resolutions until written notice of revocation is received by the Bank, and the authority hereby granted shall apply with equal force and effect to the successors in office of the authorized officers.**

Moved by: Debbie Kitchin Seconded by: Preston Michie

Vote: In favor: 10 Abstained: 0

Opposed: 0

Adopted on April 1, 2009, by Energy Trust Board of Directors.

Program Evaluation Committee*.* Debbie Kitchin noted the committee received a report on customer follow through on Home Energy Reviews. The study provided information that will help program managers in understanding barriers to follow through.

She noted staff has hosted billing analysis workshops studying how to best use statistical analysis of bills and other data for populations of customers to measure energy savings. The committee thinks it appropriate for staff to develop standards for use in billing analysis. The staff is being thorough and really advancing the science and art in this area. The next meeting of the committee will be in May.

Dan Enloe noted vampire loads aren't necessarily all bad; they are a different way to heat your house. Roger said yes, as is the case with incandescent bulbs.

Al Jubitz recounted his experience with a Home Energy Review, which noted four or five things that could be done to his 1941 home. For one reason or another, his follow-through was slow. He thinks inertia is a serious issue. He wonders what Debbie's committee came up with as the fix to 60% inactivity/lack of follow through.

Margie said there is a lot we are doing with this information. We are revising materials left behind after a home energy review to be simpler and more customer-friendly, identifying next steps and encouraging people to connect answers to their questions. She also noted our work to revise and simplify the Web site. A pilot program with the City of Portland Clean Energy Fund Pilot is designed to test ways to overcome such barriers. In this pilot, one of the individuals who provides a Home Energy Review will become your personal Energy Advocate. When you decide to move forward, the advocate will help you engage and select contractors. The cost of this work will be folded into the financing for improvements up front.

Al was in Corvallis yesterday and telling a resident there about the Corvallis project, which in his recollection was more proactive than reactive. Jan Schaeffer explained the proactive effort for residents focused on persuading homeowners to sign up for free Home Energy Reviews. Margie noted there were other proactive efforts in the commercial sector in Corvallis and that the year-long effort will be evaluated.

Jason suggested asking Amber and Steve to make a presentation to the board about how to increase the Home Energy Review follow through. Steve suggested they can show new materials to the board at the May meeting.

Alan Meyer noted that, having spent much of his career in marketing and sales, 30 percent – even 20 or 25 percent – is a good result, although it is always good to do better.

Roger Hamilton asked if the program tracks those recipients of the Home Energy Review who have nothing more they need to do. Fred Gordon said his staff is planning a phase 2 of the study to get at this question and others.

Al asked about on-bill financing, and what would happen upon sale of the home. Margie said where we are currently is there would be a lien on the home that would be paid off upon sale. Steve said that's what we're presently intending to do with the pilot. HB 2626 looks at possibly permitting an attachment to the meter, in which case the investment would transfer to the next owner.

Preston Michie said he's been to this movie and it has a bad ending. You end up with liens all over the place. Houses burn down, people walk away. It creates more cost than $10,000 liens are worth.

Steve said for the pilot Energy Trust is not involved in financing or debt service. There will be a third party financial institution to handle this.

Jason asked about the local improvement district bill (in the state legislature). Betty Merrill said this is a different bill, HB 2182. Steve said HB 2626 has a provision allowing tapping into other financing strategies such as local improvement districts.

John R. asked Joe Barra, PGE, if he had any comments regarding the City of Portland pilot. Joe offered to answer questions. Alan asked how Pacific Power's Finanswer worked. Joe (who used to work at Pacific Power) noted that was largely for commercial projects. Joe said it would require about a million dollar investment for PGE to create a billing system that would track loans that follow the meter. He said there is some belief that the delinquency rate would be less if on-bill financing is used. He said PGE is looking at how to make the upgrades more cost effective. If the pilot looks successful and it becomes clear that offering financing in fact increases participation, then PGE would look more favorably on upgrading its billing system.

Dan Enloe asked if PGE's new smart meters can or will be used to incentivize more actions. Joe said the meters have some interesting capabilities. They were sold to the utility on operational efficiencies alone. It was recognized they might also impact energy efficiency, and PGE has a study underway to explore these possibilities. In addition, the company is exploring using demand response and load control to capture some peak load reductions.

Al asked if Energy Trust should consider paying the interest on the loans. Steve said we looked at this but decided the incentive dollars would be better used to buy down the loan principal in order to lessen the term of the loan. Joe said if it turns out that a 0 interest loan is more attractive than buying down the principal, we could always go that way.

Margie said both of these approaches, the City of Portland pilot and the HB2626 legislation, include pilots, enabling the wrinkles to be worked out before any new approach is broadly applied. There is a lot to learn.

Policy Committee. Jason noted this committee will bring an amendment to the Open Solicitation policy at the next meeting. He noted activity on data transfer agreements is on hold until Lori Koho's replacement is named at OPUC. Betty said her replacement has been hired. Jason drew the board's attention to a list of bills in the Legislature. The committee also talked about the federal stimulus package, and noted opportunities have become more clear in the interim.

Debbie asked if the enhanced audit in the pilot is like the Home Performance assessment. Steve noted the Energy Star Home Assessment looks at life safety issues as well as energy issues. We estimate having a CSG Home Energy Reviewer and a Home Performance contractor will take two hours and cost $300. Debbie thinks this cost looks low. Steve said that's the price budgeted by CSG, and takes into account a lower cost expected from the Home Performance contractor, as no marketing will be required of them. She asked if the HP contractor will do the work; Steve said yes, and all the contractors who respond to our RFQ and agree to the terms will have access to the work on an equal basis. Debbie noted the importance of maintaining the perception that Energy Trust is not unfairly directing work to particular contractors. Steve explained the intent is to learn from experience with the pilot so a system can be in place when we scale up.

Dan noted the good opportunity offered by transitional, empty houses for contractors to make improvements. How will he know whether homes have been improved? Steve said this is embedded in another piece of legislation about an energy performance score.

Jason asked for an update at a later meeting on how the City of Portland pilot is going.

Break

The board took a 15 minute break at 1:35.

Renewable Energy Program

Klamath Falls OIT geothermal project. Betsy Kauffman reported that staff is proposing Energy Trust's first geothermal project for the Oregon Institute of Technology (OIT) in Klamath Falls. OIT has three geothermal wells and plans to use a UTC unit to generate electricity and still have enough left-over heat for heating purposes. The UTC technology is new and getting a lot of attention because it is small and can utilize lower-temperature water. Betsy explained the technology, drawing from material in the packet.

Betsy explained total project costs are $1.3 million with above market costs of $682,000. Staff proposes an Energy Trust incentive of up to $487,000, or 71% of the above market costs. OIT received a $100,000 Blue Sky grant from Pacific Power. The project has relatively high yearly operating costs.

She noted the project offers an important educational benefit for OIT. The UTC technology is fairly new. She noted John Lund, head of the geo-heat center at OIT, was on the phone from Washington, DC.

Preston asked if the UTC unit is a commercial product. John Lund said a number of them have been installed in Utah. Preston said his concern is this is an expensive project on a per-megawatt installed basis. To know that this is an early commercial application gives him comfort. He suggested geothermal can get federal production tax credits and also qualify for municipal bonds and stimulus funds. Not that we can change the way this is financed, but he suggests looking further at these new funding opportunities. He said Margie Gardner at Bonneville Environmental Foundation has had success tapping these sources. He suggests

adding language to the resolution to the effect that we are promoting a demonstration technology.

Peter West noted the Open Solicitation program has not shied away from relatively more expensive projects that have value in proving out a commercial technology that might cost less in ensuing installations. He said the OIT project will help gather data that will be useful. He thinks this technology has promise to provide a cheaper alternative from most solar commercial applications.

Peter asked if John L. is obtaining low interest loans from the Oregon higher education system. John said yes. He said OIT would not be eligible for the production tax credit. Peter noted that to enjoy a production tax credit, OIT would need to work with a third party investor. In order to attract a third-party investor for such a new technology, OIT would lose operational control and therefore lose educational value.

Preston said the stimulus legislation states you can get a 30% cash grant at commercial operation for projects finished before the end of 2009. He asked Peter to be mindful that there may be other ways to cut the costs as the project moves forward.

Preston proposed two changes to the Whereas section of the resolution. They were incorporated with support from board members.

Alan Meyer went back to the RAC notes and said he could not make the numbers add up. Betsy noted the total project cost includes high operating costs over time, and a standard rate of return. Board members discussed the numbers.

Margie asked the board how best to portray such project numbers going forward to help anticipate and address questions such as those in the discussion today. Preston asked for $ per aMW without incentives or tax credits, and the effect of these incentives in lowering the $ per aMW. Al said we stumble over new initiatives because we are concerned about setting precedent for funding high-cost projects. He suggests staff come in with a visual display of how the numbers are built. He thinks the board should direct staff to recapture costs that might be eligible for stimulus funding.

Roger Hamilton, said in the past he was an OIT faculty member. He then noted it’s been a dream of the campus to take a low-temperature geothermal resource and use it to generate electricity. He asked John L. what the capacity factor of the project is; John answered 90-95% of the time. Roger asked if the high O&M cost is expected to continue over the life of the project. John L. said he doesn’t really have a feel for this yet; it’s part of the learning curve.

Betsy introduced Steve Anderson, a contractor working for Energy Trust to help analyze the project. He commented the high O&M costs are our best estimates. Roger asked if the project could be scaled up in Klamath Falls? John L. said the well being used for this installation could not support additional installations. The Liskey ranch is proposing to use 40 of these wells to generate power.

Alan said he supports the project. He also supports Al’s suggestion to allow the board to see at least a skeleton of the cost structure, even if at an executive session to avoid confidentiality issues.

Margie suggested for the future creating a pro forma sheet that would provide more standardization to how the numbers are presented.

John K. asked if there is such interest should we have to provide as high an incentive? Betsy noted this project is the first, and there is a lot of interest but no one will move forward until one is proven to work. Dan noted the project is relatively low risk – no drilling, a known resource, permits in order. He thinks allowing it to go forward will support non-governmental entities investing in the technology.

Alan proposed amending the resolution to require staff to seek stimulus money to offset the project cost, thus lowering Energy Trust's incentive. Peter asked John L.'s opinion. John L. said stimulus money is up in the air. They are trying to get the project up and running by May and would not wish to delay to wait for stimulus money. Peter said the question is if stimulus money becomes available after the fact, would OIT be willing to share the stimulus funds with Energy Trust?

John L said he would need to consult with others at OIT to determine this.

Betty Merrill noted one of the issues with stimulus funding is that most project funds will require a high degree of leverage. If John L. goes after stimulus money for this project, he will be unable to quantify the value of the match, as it will be dependent on the stimulus. She also noted that if the stimulus money is used to reduce Energy Trust's incentive, it may make the project less likely to get stimulus money because of reduced leverage of outside funds.

Preston said he was referring not to the competitive pool of stimulus money but to a different provision. He would support the resolution without requirement for paying back with eligible stimulus money.

Al made a motion to table the resolution. Alan seconded it. John R. called for a vote.

Vote:	In favor:	2	Abstained:	2
	Opposed:	6		

Dan proposed approving $200,000 of the incentive today and holding approval of the remainder next month. After discussion this option was abandoned without a vote.

Preston proposed a fifth Resolved item to stipulate Energy Trust would recoup a portion of any federal tax or other benefits subsequently procured for the project. It was incorporated with board member support.

The resolution presented for vote contains the three changes proposed by Preston (in track changes/italics).

Resolution 509, approving an incentive for the Klamath Falls OIT geothermal project.

RESOLUTION 509
APPROVING AN INCENTIVE FOR THE OIT GEOTHERMAL PROJECT

WHEREAS:

1. **Oregon Institute of Technology (OIT) proposes to use hot water from an existing well on its Klamath Falls campus to generate an estimated 669 megawatts *of baseload power* ~~hours of electricity~~ per year.**

2. **The project will use an innovative technology that is capable of operating at lower temperatures using a smaller, modular unit. *A purpose of Energy Trust funding is to help deploy this new small-scale technology as an Oregon demonstration project.***

3. **Total project costs are projected to be $1,372,000. Staff estimates the above-market costs at $682,000.**

4. **The project would be Energy Trust's first geothermal project.**

BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors

1. **Approves an incentive of up to $487,000 for a geothermal electric generation project at the OIT Klamath Falls campus, expected to generate 669 MWh per year; if the completed project has less generation capacity, the incentive shall be reduced pro rata.**

2. **Energy Trust will take or claim for the benefit of ratepayers 71% of the green tags from the expected generation.**

3. **The incentive will be paid on commissioning, and OIT must agree to repay the incentive on a pro rata basis if the expected generation is not produced.**

4. **The executive director is authorized to negotiate and sign a contract with OIT consistent with the terms of this resolution.**

5. ***Staff is directed to include in the contract with OIT a provision for Energy Trust to recoup a portion of any future tax or other benefit that OIT is able to secure for this project.***

Moved by: Roger Hamilton Seconded by: Preston Michie

Vote: In favor: 10 Abstained: 0

Opposed: 0

Adopted on April 1, 2009, by Energy Trust Board of Directors.

Board members reviewed the nature of their discussion on this resolution. John R. noted the RAC was enthusiastic about the project. In the interim the stimulus bill was enacted and conditions changed. Jason noted the Energy Trust board has had similar discussions since the beginning and will continue doing so throughout its life. Others weighed in.

Staff Report

Better Living show. Margie asked Amber Cole and Brooke Graham to comment on the show, with which we are in our second year as title sponsor. She noted her own positive experience at the show. Brooke, who was project manager, explained that, in addition to the 1,100 square foot home in the center of the hall, with exhibits of efficiency and solar features, Energy Trust greeted attendees in the lobby and provided seminar leaders. Energy Trust also encouraged visits to the booths of 25 trade allies and 10 other booths by supporting organizations to obtain entry stamps for a contest. Over 100 volunteers from Energy Trust and our contractors staffed the event. Over 20,000 people attended. One special feature was a small wind workshop for invited attendees Sunday that attracted a capacity audience of over 150 with many turned away. Debbie said she goes to many home shows. This is a very well run show, the best attended in the region. Amber noted admission is free.

Al Jubitz commented on the good public relations Energy Trust has been receiving. Amber said Lisa Scholin had been brought on as part of the fall Solutions campaign and worked to publicize the Better Living Show and Home Energy Makeover contest. On the commercial side Susan Jowaiszas is providing public relations help, and we do some of it internally.

Stimulus package briefing. Margie asked Betty Merrill to give the board an update. Betty said American Recovery and Reinvestment Act (ARRA) provides several different mechanisms for getting money to the states. The first piece was announced in late March, $42 million to Oregon for state and government buildings. The second piece, energy efficiency block grant, was announced last week. That came with a complicated formula that she just received. Oregon as a state expects to receive $23.57 million directed to cities over 35,000, counties over 200,000 and the 9 recognized tribes. The Oregon Department of Energy will receive $9.8 million from this pot that it can direct to smaller cities and counties.

The third piece coming to the state will be an energy efficiency rebate for appliances. We know there is $300 million nationally, a match is required, and Oregon will receive some of the funds.

USDOE is rolling the programs out one at a time. The new Secretary of Energy has only 2 staff.

Betty said ODOE has convened two meetings to explain the funding, one for cities and counties and the other for utilities and Energy Trust. She noted the state is signing up to receive funds without guidance and rules in place.

Betty said the purpose of the stimulus money is jobs, jobs, jobs. The funding has to be directed to the most hard-hit counties, like Harney. She has collected over a half million dollars worth of proposed projects.

She said the low income weatherization monies went to Housing and Community Development. She thinks the threshold for low income has been raised to 80% of median income, up from 60%.

Betty said ODOE must make its application for formula funding May 12. Funding has to be committed by September 2010. Any funding not committed by then will be reclaimed. All money has to be spent by September 2011.

She's having weekly meetings with USDOE and the association of state energy agencies. Reporting requirements are onerous. Every project will be posted on the website. OMB and DOE requirements aren't the same. OMB wants weekly updates on each project; with the large number of projects Oregon will have, this requirement will be hard to meet.

Preston asked whether money from states that don't spend their full allotment will be reallocated to states that do. Betty said the Northwestern states, by demonstrating high leverage (match), will be in a strong position to ask for additional funding.

Betty noted the governor has set up an advisory committee called The Oregon Way. Its first meeting is tomorrow. This group will be setting guidelines for competitive projects.

Margie said now that we know more about the guidelines for funding, we will re-examine our list of potential projects to identify the top 10 or so. She noted our incentives represent leverage and match. She noted stimulus dollars may not be used to substitute for existing funds. She has asked Betty if we can lower our incentives and still backfill with stimulus money.

Margie noted a concern that the large number of public sector projects in line to receive state and potentially federal stimulus money but requiring a match might claim a disproportionate share of Energy Trust incentives if we do not put controls in place. Discussion ensued about the importance of exploring this issue further. Margie said she will keep the board posted as more information becomes available.

Legislative update. Margie noted the status of HB 2626, the bill supporting funding mechanisms for energy efficiency roughly similar to the Portland Clean Energy Fund Pilot. She also noted that proposed legislation that would redirect public purpose funds to schools and public buildings, subject of recent news stories, has been assigned to Sen. Dingfelder's Energy & Environment Committee.

She said Sen. Devlin's rules committee is considering a proposal (SB 597) that would have the Energy Trust board file with the state ethics commission and require Energy Trust to meet certain other requirements of public agencies.

Organization redesign. Margie reported on the status of this ongoing effort, which thus far is well received by involved staff and other participants.

Klamath Falls visit. Margie, Tom Beverly, and Tom Kovalak of Conservation Services Group (CSG) went to Klamath Falls to see how we could deliver our services in a smaller community. She noted feedback from the visit describing a preference for a local storefront space (to be provided free), which will be staffed during office hours once a week. We will recruit trade allies and train home energy reviewers in kind of a mini-community energy approach. We will test these strategies there in cooperation with local community representatives and Pacific Power and, if successful, will try it elsewhere.

External outreach. Margie described a series of meetings she has had with call center and other staff at CSG, the Lockheed Martin team, PECI employees, and yesterday a workshop for

industrial customers. She said she's been well received in these settings and welcomes the opportunity to share information about Energy Trust goals, customer service and the organization redesign.

Service to NW Natural territory in Washington State. At the next meeting we will present phase 2 of our study of costs/benefits of serving NW Natural's territory in Clark County, including a recommendation.

Living Building Initiative. Margie asked if board members wished to pursue the course approved at the last meeting to commit up to $12,000 to the fundraising feasibility phase of the project. Preston thinks there is no prohibition against a nonprofit owning a building so long as it's cost effective. Roger Hamilton agrees and notes the significance to Ecotrust of the success of its signature building. Julie supports going forward, as we should walk the talk, and recalled her advice to be on the leading edge but not the bleeding edge. John K. supports going forward, as consistent with our mission. John R. supports going forward, although he is dubious about a building claiming net neutrality by placing solar arrays on neighboring buildings. Debbie thinks an important consideration before further commitment will be the management structure of the building.

Jason said he missed the presentation at the last meeting and so is less informed. He has some concerns. He wants to walk the talk as much as anyone but is sensitive to concern expressed about how we spend money. He is willing to let the $12,000 go forward. He thinks it would be worth sitting down for an hour to talk about what the next steps would be. Preston suggested putting this on the agenda for the June strategic planning meeting.

Betty thinks Energy Trust's involvement is a bad idea. This is about perception. The Living Building is a great idea conceptually. She can see being involved in the programming – which her office will be – but urges caution about moving ahead as a co-owner or tenant.

Adjourn

The meeting adjourned at 4:30 pm.

Next meeting. The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, May 6, 2009, 12:00 noon at the Energy Trust of Oregon, Inc., 851 SW Sixth Avenue, 12th Floor, Portland, Oregon.