Draft Board Meeting Minutes – 90th Meeting

June 13, 2009

Board members present: Rick Applegate, Jason Eisdorfer, Dan Enloe, Roger Hamilton, Julie Hammond, Debbie Kitchin, John Klosterman, Caddy McKeown, Alan Meyer, Preston Michie *arrived 9:15*, John Reynolds, and Betty Merrill, *ex officio*

Board members absent: Al Jubitz; John Savage, ex officio

Staff attending: Amber Cole, Diane Ferington, Fred Gordon, Margie Harris, Nancy Klass, Steve Lacey, Sue Meyer Sample, John Volkman, Peter West

Others attending: Heather Beusse, enXco; Joe Eberhardt, PGE; Troy Gagliano, enXco; Theresa Gibney, OPUC; Jan Schaeffer

Business Meeting

President John Reynolds called the business meeting to order at 9:05 am.

May 6, 2009 minutes.

MOTION: Approve minutes from the May 6, 2009, meeting.

Moved by: Debbie Kitchin Seconded by: Alan Meyer

Vote: In favor:10 Abstained: 0

Opposed: 0

Adopted on June 13, 2009, by Energy Trust Board of Directors.

Renewable Energy Program

Authorizing funds for the enXco Solar Project. Peter West introduced the resolution, noting it proposes to authorize funding of up to $3.45 million toward the above-market cost of a 3 megawatt ground-mounted solar photovoltaic facility owned by enXco. The project resulted from a PGE request for proposals.

Jed Jorgensen described the project. It would install 3 MW of fixed-tilt, ground-mounted solar panels, optimized for late afternoon peak power production.

Jed noted enXco's need to protect its competitive position by keeping financial and site information largely confidential. He explained the project has some additional up-front costs, compared to net-metered projects, including property taxes.

The above-market cost, on a net-present-value basis, is $3.9 million over 25 years, including installation and operating costs and assuming state and federal tax benefits. Staff's proposed incentive equals the lowest standard offer in the PV program in PGE's service territory of $1.15 per watt for a stand-alone, commercial net-metered project.

Preston Michie arrived at 9:15 am.

Dan Enloe asked what would happen if the company proceeded to bankruptcy court—what position would Energy Trust have? Peter explained typical mechanisms for cost recovery. John Volkman explained general legal avenues for cost recovery. Peter said enXco is highly capitalized. It is a subsidiary of a large French utility.

John Reynolds called upon Troy Gagliano and Heather Buesse, both from enXco. John asked roughly how many megawatt hours would be given up by orienting to late afternoon sun versus due south. Troy could not answer the specific question and said he could get back to John. John asked what is being grown on that land now, and what the different cost might be if the collectors were placed higher so that agriculture might continue. Troy said one of the two sites has white clover, and the other has white clover and wheat. Troy noted the concern about protecting the panels from breakage.

Betty Merrill asked if the project will use the feed-in tariff; Troy said no. She asked if the project would utilize the BETC; Troy said yes.

Roger Hamilton asked what led to the decision to orient the panels to the late afternoon sun. Joe Eberhardt from PGE said this orientation resulted in a 3-5% increase in the value of the project. The price curves used represent PGE's load profile. He thinks that profile will remain stable for at least 10 years. John Reynolds noted that placing panels on a truss would allow changing the tilt, but not the orientation.

Dan asked if enXco had analyzed the option of using trackers. Heather said they had, but trackers would be more expensive.

Julie asked what makes the land acceptable for use for solar. Troy said the sites under consideration are on flat land, not shaded. Each site is about 12 acres.

Jason asked if the array would be visible from a major highway. Troy said the sites are farther west than most of the highways. A remote location is advantageous with respect to avoiding vandalism.

Dan asked about the panels. Troy said they are about the size of a car windshield.

Julie asked how the community has received the proposed project. Troy said enXco has met with landowners, the county, and held several community meetings. They are in the permitting process.

Roger asked about operating and maintenance costs. Troy said they are low compared to wind.

Rick asked if the risks of the project are appreciably different from other types of renewable projects. Peter said they are not, considering the diverse portfolio of projects

Energy Trust is supporting. In some sense this project is far less risky than a biomass facility.

Betty asked when the project will be up and generating. Troy said 12-31-09.

Roger noted the life of the project is 25 years and asked what the chances of the project becoming obsolete. Peter said over 25 years you can expect to see new technology. He noted that in Europe the original wind turbines all are being replaced.

Preston Michie noted the land under the project will gain in value.

John Reynolds noted the market for used wind turbines that has sprung up, and suggested a market for used PV panels might as well.

The resolution was moved by Debbie and seconded by Rick and passed 11-0.

RESOLUTION 517
AUTHORIZING FUNDS FOR THE enXco SOLAR PV PROJECT

WHEREAS:

1. **In 2008, PGE requested proposals for renewable energy resources. PGE reviewed the resulting bids and forwarded an initial short list to Energy Trust. After updating costs to reflect recent economic conditions, PGE and Energy Trust reviewed the revised bids and both chose the enXco proposal as the best proposal.**
2. **The project would install three megawatts of ground-mounted, fixed-tilt solar panels. The energy would be sold to PGE.**
3. **The total cost of the project is $17,407,843. Staff reviewed the project design and costs and found them to be reasonable for a project of this size, type and design.**
4. **The above-market cost on a net-present value basis over 25 years is $3,945,467.**
5. **Energy Trust proposes an incentive of $3,450,000, representing 87.4% of these full, above-market costs.**
6. **All green tags from the project will accrue to the benefit of PGE ratepayers .**

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

1. **Authorizes an incentive of up to $3,450,000 for a three megawatt, ground-mounted solar photovoltaic facility to be owned by enXco.**
2. **All of the project's green tags will be assigned to PGE for the benefit of its ratepayers, to be used to comply with Oregon's renewable portfolio requirements or as directed by the Oregon Public Utility Commission.**
3. **The executive director is authorized to negotiate and sign an agreement consistent with this resolution.**

Moved by: Debbie Kitchin Seconded by: Rick Applegate

Vote: In favor: 11 Abstained: 0

Opposed: 0

Adopted on June 13, 2009, by Energy Trust Board of Directors.

Adjourn

The meeting adjourned at 9:25 am. The board strategic planning workshop reconvened.

***Next meeting*.** The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, July 29, 2009, 12:00 noon at the Energy Trust of Oregon, Inc., 851 SW Sixth Avenue, 12th Floor, Portland, Oregon.