Board Annual Strategic Planning Workshop Minutes

June 11-12, 2010

Attending from the board: Rick Applegate, Dan Davis, Jason Eisdorfer, Dan Enloe, Roger Hamilton, Julie Hammond, Al Jubitz, John Klosterman, Caddy McKeown, Alan Meyer, John Reynolds; Bob Repine (ODOE advisor) and John Savage (ex officio OPUC)

Board members absent: Debbie Kitchin and Preston Michie

Attending from staff: Debbie Blanchard, Pete Catching, Amber Cole, Kim Crossman, Diane Ferington, Fred Gordon, Hannah Hacker, Margie Harris, Nancy Klass, Steve Lacey, Elaine Prause, Sue Meyer Sample, John Volkman and Peter West

Attending from utilities: Cascade Natural Gas—Jim Abrahamson; NW Natural—Bill Edmonds, Holly Meyer; Pacific Power—Kari Greer; PGE—Joe Barra, Carol Dillin, Sunny Radcliffe, Lauren Shapton

Others attending: Lee Beyer, former OPUC commissioner; Michael Early, ICNU; Rob Fenty, Corragio Group; Tom Foley; Jan Schaeffer; Rachel Shimshak, RNP; Catriona McCracken, Citizens Utility Board

[Notes from flip charts included at end]

Strategic Planning Workshop

President John Reynolds convened the meeting at 8:37 am

President John Reynolds welcomed attendees and introduced Rick Applegate.

Rick, chair of the board strategic planning committee, reviewed the agenda for the two-day workshop and introduced Lee Beyer.

1. Lee Beyer, former chair, OPUC

Lee expressed his pleasure at seeing representatives of OPUC and ODOE at the table.

He outlined his talk, which will cover history, current environment and suggestions for consideration.

History

Lee recalled that Energy Trust came out of a legislation formulated over three sessions. There was a national movement to change the way electricity was regulated to give customers, particularly industrial customers, more direct access. The decision was made to pull

conservation out of utilities and assign it to a third party. He thinks the public purpose charge led to a renewed focus on energy efficiency and renewables. He noted controversy at the time over characterizing the public purpose charge as a tax, and charging OPUC in consultation with ODOE to decide who should administer the public purpose charge.

Lee then recalled good reasons for choosing to set up a nonprofit organization. It allows the utilities to do what they do best, which is to sell and deliver electricity. He notes we are doing better now saving energy than the national average. People outside Oregon look at Oregon, Wisconsin and Vermont as the national models. He complimented John Savage, Bob Jenks and Ron Eachus for setting up Energy Trust. He noted some of the arrangements are odd, and we have managed to make it work.

Political environment
Lee observed the effects of economic uncertainty are different than in past recessions, a consequence of difficulties in Europe and elsewhere. People have hit the pause button. The measures the administration took to head off the worst effects have largely been successful. However, he caught a Jon Stewart Daily Show episode criticizing the Obama administration. How many times can you offer the excuse, “it’s complicated.” He thinks members of Congress, all of whom are focused on re-election, have stopped doing anything.

Lee referenced pending Congressional actions. He noted 47 votes supported the Murkowski amendment yesterday—including Democrats. This signals it will be very hard to get climate legislation at the federal level. He noted energy efficiency has, finally, captured everyone’s attention over the past year, although it’s not clear anything will happen. Home Star passed the House, and there are two versions of it in play in the Senate. He noted that program is structured in the IRS code.

Turning to the state level, Lee said over the last seven years we’ve had a governor very interested in doing things in the energy field. A lot of his focus has been on developing a new industrial base for Oregon, green jobs. He noted he and John Savage once counted 28 governors all claiming their states are the leader nationally in green jobs. He said there are only about eight legislators, five in the House and three in the Senate, who have an interest in energy—and not all the same interests.

He noted the governor is engaged in trying to cut 7 percent of costs from the remaining biennium budget. The governor’s authority is limited to across the board cuts. As spending for corrections is the second highest category, large cuts must come from this sector and will be difficult to sustain.

Dan Enloe asked why payroll and benefits cuts aren’t being looked at. Lee said state employees have already taken reductions. Most employees are union represented. They aren’t going to take big pay cuts. On the private side, you can sacrifice and make it back later. The experience of state workers is the last time they took a voluntary pay cut, they never got it back.

He covered some concepts legislators are thinking about. One of them is BETC. There is a range of discussion about this. What they’re really thinking about is a feed in tariff. They are asking whether BETC really is needed. Policy makers need to weigh the public benefit of shifting to a feed in tariff, requiring utilities to purchase so much solar power. Lee said the reality of doing this is to pose the question of who pays: general taxpayers or utility ratepayers.

Alan asked what about BETC for efficiency. Lee said the issue for efficiency is how to get the end user to act for the public good. Lee noted most businesses rent, meaning there is no incentive for owners —who don't pay the energy bill—to spend on efficiency.

Roger Hamilton noted the connection between energy efficiency and climate change is relatively new. Any way you can reduce greenhouse gases benefits everyone. He mentioned a FERC ruling on a new transmission line that he thinks is tapping this logic. He asked if this argument is gaining traction in the legislature. Lee said no. At the 50,000 foot level there is some talk about socializing costs of transmission. This is not something the majority of the legislators understand. They ask what the impact will be on the economy.

Al Jubitz asked if energy performance rating systems, in combination with the real estate market, provide an incentive to upgrade efficiency. Lee said the legislature discussed an energy performance standard in the last session. The question is what you do with it—mandate the new owner to bring the home or building up to this standard, and roll the cost into the price of the sale? He discussed the concept of a "reach" building code, elements of which are brought into code as they become cost effective.

Lee asked if a prospective renter can obtain energy use records from a utility. John Savage said no, but OPUC is working on it. Lee said the legislature could identify a "right" to information about energy use, although the likelihood is slim.

Lee mentioned some other areas of interest. One such area of interest is financing mechanisms with on-bill payback. Some are calling for using a portion of the public purpose charge to fund innovation research at public universities. He noted EPRI (Electric Power Research Institute) does this. There is some discussion about creating an energy commission to do a long-range energy plan, not realizing ODOE has been doing this for 30 years.

Carbon reduction mechanisms continue to be under discussion, colored by frustration over inaction at the federal level. Siting is another topic.

Lee's final observation about political climate is that, given the focus on economic issues, how much air time will be left for other topics.

Jason noted the impact of the gubernatorial election, and interest in shifting public purpose charge to a tax. Lee has heard this latter point only from Senator Starr. He noted to take this money the legislature would have to convert the fee to a tax on all a taxpayers. He said Kitzhaber has advisors who know energy issues. Where John is on this he's not sure. He doesn't know about Mr. Dudley. He thinks the economy will be the driving issue that gets talked about.

Topics Lee thinks we ought to think about as you go forward
He thinks Energy Trust is highly regarded and done good work. He thinks we should fine tune our relationship with utilities. He thinks it would be a mistake for utilities to get back in the efficiency business but we should find ways to work very closely.

Lee said the piece missing at the policy level and in public is that people don't understand what energy efficiency is. The role the Trust can and should play is to become the accepted leader and spokesperson on efficiency and renewable energy—not so much in R+D but as the organization that knows what's going on and is in first place to provide advice. That may require/include getting grants outside the public purpose fund to support this.

Most homeowners can't afford upgrades. Energy Trust should address financing. We need to figure out how to do this, and to figure out how to make this work for utilities. We are in a unique role to be advocates on this.

Energy Trust also is in a unique role to help the environmental community understand what can be achieved, practically speaking.

Discussion
Al thanked Lee. He mentioned the tug between building businesses and schools. He continued talking about challenges. Why can't utilities retrofit a city and charge us 2 cents more per kwh. Lee said this reminds him of discussions OPUC had with Mid-America when it was proposing to buy Pacific Power. They said they'd do anything the governor asked so long as they were permitted to recover it in rates. He thinks if AOI and Oregon Business Council were to lead a campaign, it would have more chance of success than the legislature.

Dan Davis asked if Lee could provide more information on where we stand with the RPS. John Savage said PP is good to 2019 or 2020, while PGE is good through 2022 or 2023, both using acquired RECs that haven't been reported. The utilities are required to come in and report; their first report was just received. Lee noted we are beginning to see problems with use of wind in the Bonneville system. New transmission is not cheap. John tasked Margie with providing Dan a copy of the report.

Jason asked about ideas that aren't good, such as a state energy efficiency standard. Energy Trust doesn't get credit in ACEEE rankings because our state does not have one. We are already doing better than states that have such standards. He thinks utilities, Energy Trust and OPUC should be consulted by legislators to test the efficacy of their new ideas. He thinks Energy Trust has been accepted as a go-to for energy efficiency consulting, except perhaps for the legislature. Lee noted the only time you can get the legislature's attention is when they're out of session. Talking to those with interest up front makes sense. They are all calling Lee, now that he's not a state employee. He sees a clear distinction between providing information and lobbying. We've got a good story to tell and need to look at strategies for telling this. He guesses legislators don't look at our Synergy newsletter.

Alan noted he worked for Pacific Corp 19 years ago. In his job he was supposed to sell more electricity while helping his customers to use less. This led to discussion of decoupling language.

John Savage said he will go out on a limb and predict Lee will win election to the Senate. There will be no more knowledgeable person on energy in the legislature.

15-minute break

2. Utility Roundtable/Strategic Issues
Framework
Carol Dillin introduced the panel. She said all the utilities appreciate the opportunity to interact with the board. She outlined the discussion topics. She thinks as goals are shared, it's imperative to have these shared discussions.

She noted there have been two utility roundtable sessions leading up to this one. We're all still learning.

She noted the utility/Energy Trust relationship has changed over time. Electrics participate via legislation and gas companies via a regulatory mechanism. SB838 saw rise of efficiency as the preferred IRP resource.

She noted it's not clear where the economy is going. PGE key customers are starting to hire. At the same time more key customers are on the credit watch list. Housing starts are picking up, although unclear whether this will continue post expiration of the federal tax credit for new home purchases.

She noted it's difficult getting customers to invest. Energy Trust is reporting more but smaller projects.

Energy efficiency is becoming a policy agenda (e.g. ARRA, EEAST, HomeStar) leading to more incentives from other sources, more confusion.

Further opportunities for collaboration
Bill Edmonds discussed further opportunities for collaboration. He noted everyone is working very hard on trying to collaborate in the best way possible. He noted that CEWP was a model of collaboration. He wonders if we put all that energy in the right place. We are disappointed so far in participation levels and wants to be sure going forward we put our eggs in the right basket.

He noted two big opportunities are coming our way: Portland Office of Sustainability (PoSI)/GE EcoDistricts and "Big Efficiency" ideas (i.e. OHSU) pose challenges. Bill noted the alliance between PoSi and GE that the mayor just announced was unknown to him until he googled it this morning. He noted OHSU has a large opportunity to do efficiency on their campus. It's probably not served best by Energy Trust incentives. He thinks an energy service charge might make more sense.

He noted that sometimes utilities and Energy Trust are both called to assist on new ideas. Sometimes asked for similar resources, sometimes asked to take on new roles. He posed the question how do utilities/Energy Trust collaborate in supporting new ideas, but not devote resources outsized to potential?

He asked for discussion on pros/cons of funding through "other mechanisms," i.e. energy service charge. We can't just keep raising the public purpose charge. This may be one method for achieving more efficiency with a different approach.

Dan Enloe asked if OHSU is a self director and whether that constrains what Energy Trust can do for them? Joe Barra said in the aggregate they could qualify but they have preferred to pay and receive Energy Trust incentives. Peter West noted that self directors can participate and would receive less of an incentive. Dan would like to see us collaborate on serving this large user.

Joe Barra said PGE would have to go to OPUC for a tariff to approve using an energy service charge. He thinks there is an upside in this approach for a large institution.

Rick asked if anyone is aware of a downside. Joe pointed out more upsides, such as the fact the charge would survive transfer of ownership. It's tied to utility bills and does not require securitization.

Roger asked why we stopped using this mechanism. Joe said the advent of 1149 shifted the focus on efficiency away from utilities to Energy Trust.

Re the PoSI/GE eco district movement, Bill noted this is a long-term venture.

Bill noted further opportunities for collaboration. IRP coordination has improved, and we need to continue working closely on goal setting and progress reporting. As Energy Trust operationalizes its 5-year plan, utilities will look to influence/contribute. He noted concern about terminology—IRP goal versus Energy Trust stretch and conservative case goals. He noted the quarterly report shows IRP savings to date by utility and wants these to be discussed by the board.

Bill noted that Margie and some of her team are sitting down Tuesday to meet with top officers of NW Natural. He noted his CEO always says energy efficiency comes first. It can feel awkward that efficiency isn't in the company's purview. .

Opportunities for collaboration in planning
Jim Abrahamson discussed gap analysis. This is one of the many ways to make sure stakeholders work collaboratively: identify status and goal, identify helpful forces, identify hindering forces, and develop plans of action. He referred to a briefing paper in the packet.

Jim noted HomeStar has been pitched primarily as a jobs program, not an energy efficiency program. If the economy improves, HomeStar might not be needed. If the economy worsens and the focus on deficit reduction increases, HomeStar might not be welcomed.

He mentioned EEAST and said it is loaded with a lot of uncertainty. There's a lot of rulemaking that will go on before we know how this will impact the normal way we do business. He noted all of us are working on these issues but in a disjointed manner. If Energy Trust and its major stakeholders began planning early on regarding such initiatives and how they would affect Energy Trust operations, and utilities supported this, we would be on much more solid ground. Change is coming quicker than we've ever experienced it before.

Jim noted collaboration between Energy Trust and utilities is going on. There might be the opportunity for further collaboration. This will help us all have a better common understanding of the new realm and how that ground may shift. Asked by Rick for an example, Jim said HomeStar—if it's enacted—has money for a short time. What would we do with the infrastructure we set up? He thinks the situation may benefit from preparing scenarios, with signposts for where we would go under the different scenarios.

Roger asked how Cascade is feeling about Energy Trust's performance to date, and about decoupling. Jim said he reacted to initial figures but, with further explanation, feels progress is being made. He said Cascade entered its relationship with Energy Trust through decoupling.

Bill thinks NW Natural is spending more on efficiency than any other gas company in the nation, perhaps excepting California. He credits decoupling for this.

Energy Trust Awareness Sources
Bill showed a chart showing where customers get information about Energy Trust. As utilities are the number one source, he asks if we are taking best advantage of this. Anything we can do to make paying the bill less onerous is positive for us, he said. It's a matter of keeping our customers content. He showed data from NW Natural, showing 43 percent of their customers

seek information on incentives or conservation programs from NW Natural, compared to 10 percent turning to Energy Trust, and 9 percent to HVAC dealers.

Margie said we have never wanted to do anything other than leverage the utility relationship with their customers. These are not surprising results; these are the results we want.

Bill said the questions around communication are how do we do this better. He said he would like the gas company to be on the outside, Energy Trust on the inside. For instance, he would prefer Energy Saver kits be branded with the utility, on the box (which they are), while inside is a letter from Energy Trust promoting Home Energy Reviews. He would like to find a way to do this in a way that is replicable and less time consuming.

Carol noted the link to customer satisfaction. She thinks we have an opportunity to work together on how to reach utility customer groups.

Jason is a little perturbed by some things he heard. When you talk about collaboration, and the need for a lot more, there is the implication that you are not happy with something Energy Trust is doing. Jason said we wouldn't be talking about collaboration if we still had the old paradigm, with utilities running efficiency programs. He thinks Energy Trust had some troubles getting utilities to open up and discuss the IRP. Collaboration does mean all parties working for the benefit of the greater good. He thinks Energy Trust wants to help utilities take all the credit they want. Collaboration that devolves into fighting over details of communications isn't collaboration any more. Is this a one-sided problem or a two-sided problem? Is it strategic?

Bill noted some things Energy Trust can do that NW Natural can't do. Energy Trust can deliver efficiency to both gas and electric customers. Some people don't trust utilities. It's a good thing that Energy Trust is there and helping us communicate. He thinks Energy Trust could do better leveraging NW Natural's relationship with customers. This comes down to tactic after tactic. He's looking for an understanding of here's where the utility belongs, here's where Energy Trust belongs.

Jim said he wasn't trying to communicate that something is wrong, but rather that there are new opportunities to work together differently, given what's coming down the pike. We recognize Energy Trust can do a lot of things we can't do.

Carol said PGE has responsibilities for proposing how we can work more effectively together. Instead of reacting, to have upfront discussions and be ready to seize new opportunities.

Jason thanked the panelists and said now he feels better.

Al said he is frustrated with the silo problem. He thinks utilities have great access to financing. Why can't utilities finance insulation? Are you talking about the complete solution at these levels? Bill said EEAST conversations covered financing. It's in place now, with payback on bills. Al asked why the utilities can't be the banks? Roger said this is the energy service charge approach.

Jim thinks this might be one of the issues we might work on together. He came from low income advocacy. This brings a whole-house approach. What we do outside of low income is more piecemeal and more frustrating. You are in the house but don't have the mechanisms to go as deeply as merited. Bill noted low income therms are very expensive. We need to find how a whole house approach can be delivered more cost effectively.

Jason said what Al's asking for is a societal approach, while we're stuck with a utility approach. We have to stop at getting as many cost effective measures as we can, as a result of our regulatory environment.

Roger said branding seems simple to him. He has a box of compact fluorescents that he thought came from Pacific Power.

Julie Hammond wants to circle back to Jason's point. She would like to hear specifically what utilities feel is not good about our collaboration. If there is something specific that we should tackle, she would like to know this. Regarding HomeStar and EEAST and other programs that might come down the pike, she sees the need to be nimble, and not to lose sight of our efficiency acquisition goals but to leverage the jobs funding to achieve more efficiency. She loves the three-e approach: strengthening the economy as we achieve efficiency and environmental benefits. She asked if the utilities are asking for standardization in branding, or something else.

Bill said the utilities want to be involved in strategic planning as early as possible, so they can connect back to their own strategic plans. This is a two-way street, and we have to share our strategic direction with Energy Trust. The other "but" is on communications, let the utilities get credit for energy efficiency. Rick thinks this is a good conversation so long as there is a lot of candor.

Carol was not prepared to say anything is broken, but she finds the utilities are more in the role of reacting than scenario development. We're in different places but she is optimistic we can do better.

Julie asked how utilities can collaborate so Energy Trust is able to deal with the utilities as one entity, rather than work separately with each one. Bill said having Energy Trust and three utilities around the table worked well with CEWP. He noted that NW Natural does not compete with Cascade but does compete with the electrics. There is an electric wire in each home but not a gas pipe in each home.

Alan asked if utilities wanted to work with Energy Trust to establish priorities. Bill said we aren't second guessing the time we have spent on CEWP. Kari said Pacific Power's experience is a lot of time was spent on CEWP. Portland is but one city. Pacific Power has no customers taking advantage of CEWP. Pacific Power may be able to help temper a city or county that comes in.

Rick says he's hearing there could be a procedural solution. Kari said Energy Trust should feel comfortable asking Pacific Power to direct its efforts in a certain way.

John Savage offered clarification of priorities. He noted we have been talking about these issues since 2001. Yes, the utilities and Energy Trust must work together to bring forward programs needed to support the IRP and 838 plans.

Dan observed the Energy Trust strategic planning process is rather ad hoc. There's probably some business process components for which we could develop procedures to tackle.

Jason said if we start doing the strategic plan in a different way, and we're all collaborating, where are the other stakeholders in this? Bill said we have more to talk about of course.

John Savage left the meeting at the lunch break.
After a 45-minute break for lunch, the meeting reconvened at 1:35 pm

3. Relationship ODOE to Energy Trust, Bob Repine

Opening
Bob said he pledged to Margie that ODOE would not be a stranger to Energy Trust. We will move back to our quarterly meetings between staff. Communications, communications, communications! It doesn't take much to get out of sync. We will be aggressively participating in the quarterly meetings so we don't become dysfunctional. We will also participate in board meetings.

Who I am
Bob was involved in energy issues in the early 70s. He was a building contractor for years in southern Oregon. He was involved in building codes discussions. In the 80s he was president of Oregon Homebuilders Association when it implemented SEED. During his last 10 years as a contractor he was a state legislator. In 1997 Gov. Kitzhaber asked him to head Oregon Housing and Community Development. He served in this role for 8 years. This bureau implemented low income housing efficiency upgrades, a whole house approach. He was involved in SB 1149, arguing for directing some money to affordable housing. After housing he worked with Oregon Economic Development. Its focus on downtown redevelopment included insulation and lighting. He was assigned to the state hospital and became involved in the new facility being built there. The building will be very efficient. Mark Long brought him to ODOE and asked him to redesign the agency's financial programs. He is now acting director.

He said ODOE has grown 33 percent in staffing since the last legislative session. He noted challenges to the agency centering on BETC. He noted the things they've done are not popular with people.

BETC
He noted nearly 4,000 new BETC applications were filed last year, on top of 4-6,000 existing applications. Unfortunately, the agency uses technology from the last century. They use a system called BoxPro that is like Wang and is not serviced anymore. We are an agency that somehow got lost in time. However, the greatest problem was financial—how much lost revenue was associated with BETC. The Legislature in HB 3680 put a cap on BETC. Instead of now having a faucet that was running continuously, we now have a valve that we can use to control the flow. There is a cap on renewable funding of $400 million, most of which will go to previously filed applications. The uncommitted balance is $80 million, of which $60 million will be distributed in a first round. He explaining tiering levels for renewables, designed to keep larger projects from draining the pool. He said there also will be a review of whether the program has value to the State of Oregon as it heads for a $2.6 billion shortfall in the next biennium.

Alan asked if there is a cap on energy efficiency BETC. Bob said no. He noted there is a cap on grants to new businesses locating in Oregon. BETC is set to sunset June 2012.

RETC
Bob said RETC, like BETC, is set to sunset in January 2012. He said the agency processed almost 50,000 applications last year. He noted the (IT) system doesn't support serving this volume with good customer service.

SELP
This is ODOE's loan program. It has gone through some changes as a result of the economy. They have approximately 3,000 past loans. They have done a triage to determine the risk factors of those loans. We took a large hit ($20 million) from a biofuels project in St. Helens that collapsed. ODOE has changed some of its traditional lending practices.

HomeStar
He encourages going to the HomeStar website. He teed it up talking about the ARRA program. The state of Oregon received $45-50 million. We've been giving this money out. Unfortunately, there have been issues in delivery. ODOE has projects that followed all the guidelines but now have run up against barriers from other federal agencies. Part of ODOE's portfolio is held up as a result. Meanwhile the feds have rules that you have to give the funds back if you don't implement on a given schedule.

He commented on HomeStar with colorful metaphors. He hopes lessons learned from ARRA will find their way to solutions. For Oregon, it could piggyback on EEAST. We have a great framework, based on CEWP and EEAST. The largest uncertainty is that it's going to cost money—it's a $6 billion deal. There's a growing group of people, running for reelection, getting cold feet. If it comes about, the program will require a concerted effort by ODOE and Energy Trust, among others, to get resources out within tight timeframes envisioned by HomeStar.

In conclusion
Earlier this week Bob joined Margie and others committed to fashioning a green jobs program in Oregon. He ended his talk saying it's all about communication. We're in a dynamic period in our industry. Because these things are coming at a quicker pace, we have to be much more adept and build partnerships. He noted some large businesses believe they are entitled to BETC—moving the program from incentives to entitlement.

Questions/discussion
Rick asked if the legislature might take BETC down before sunset in 2012. Bob doesn't think so; if that had been their desire they would have done so in February. The worst thing that can happen to us is if the state forecast becomes worse.

Roger asked if ODOE aligned its decisions, such as major support via BETC, with its strategic plan. Bob said he wasn't there when decisions were made.

Caddy asked how workforce development would work (under HomeStar). Bob said ODOE would not create anything new. He thinks ODOE's role is to share with communities where new business is locating so workers can be trained for jobs. Caddy asked about rebates on oil, wood and propane. Bob said ODOE has tried to work with these fuels. They are going to make $2 million in ARRA funds available through DEQ to replace old furnaces and wood stoves in low income homes. He described a second such diversion of ARRA funds. Bob said if HomeStar is funded, ODOE and Energy Trust can work together to figure out roles during implementation.

Bob explained ODOE's plan to do commercial EEAST, taking $3+ million of the $20 million CEWO ARRA grant. In turn, ODOE is providing $4 million for CEWO to support residential programs in Astoria, Klamath/Lake counties and Hood River.

Al asked if it makes sense to Bob to outsource a lot of ODOE's processes to ETO. We are in the process of upgrading our IT systems. Bob said laws would need to be changed. He said if economic challenges continue or worsen, he thinks the conversation during the legislative

process will address the duplicative programs of RETC and Energy Trust. He sees his program's advantages as covering the entire state, while Energy Trust is limited.

Rick expressed appreciation for Bob's candor. Bob said when Oregon's challenges are this severe, we need to be candid. If we are entering into a partnership to serve Oregon, you need to understand the good things about the department and the things that need improvement; and vice versa.

4. Gap between industrial IRP targets and current SB 838 funding restrictions—Michael Early

Michael noted Pacific Power filed a 21 percent rate increase for industrial customers. A PGE rate case has uncertainties related to the Boardman closure. Part of message is that if dollars are so scarce that taxpayers can't support programs like BETC, you can't shift all the burden to industry. He noted closure of large plants such as the paper mill in Albany. Many are making painful cuts.

He noted 1149 provides a steady base of funding for conservation. Over time, the Trust and utilities concluded 1149 funding was not sufficient, and SB 838 allowed utilities on a case-by-case basis to increase the charge. Industrial users are still subject to the 3 percent cap. He noted that 3 percent cap was a major part of the 1149 compromise.

He asked if there is an amount of energy conservation from industries that cannot be captured within the 3 percent cap. He noted Energy Trust calculations that we will fall 15-45 average megawatts short of IRP goals if annual funding for above 1 average megawatt sites are held at 2007 levels. Michael asked staff to provide the basis for their estimate. Given Energy Trust's lack of data to size the problem, the best we could do is project the size range of the problem. Staff estimated $30 million but chose to express it in the range above.

He referenced a source document, Energy Trust's resource assessment from early 2009, and reflected that a lot has changed over the past 15 months. He noted the 2009 strategic plan is the first document to draw attention to any kind of shortfall in the industrial sector. He noted the 2009 annual report shows lagging savings in the industrial sector, attributing this to the lagging economy. Businesses won't make long-term investments in a time of risk. He thinks the bottom line is the 3 percent is a hard legislative line and to change it requires new legislation. In this economy, the legislature will favor jobs. He thinks to persuade legislators to act, you have to make a case that the failure to achieve goals is related to more than the short-term economic downturn.

If the cap were to be changed, he thinks a strategy of raising the 3 percent cap is the wrong way to go. Rolling industrial into the 838 funding is frightening because there is no cap. He asked if we really need more mandated action when we aren't getting all the savings available in other sectors.

Alan asked if BETC funding could supply the funds he fears losing. Michael said maintaining BETC is important. He had advocated a 50 percent BETC for efficiency, not renewables.

Jason said Michael's relatively sophisticated approach to making this argument surprised him, although it also raised some questions for him. He thinks it is a great point to say right now the economy is holding industrial customers back. But what happens when there is a recovery? Regarding Michael's suggestion to reduce support for renewables, Jason noted the demands of the RPS. Michael said if things start going great in the longer term, business might be more

willing to share the burden of achieving efficiency. Trying to decide today what we are going to do in 10 years is not practical.

Dan Enloe showed costs of 1 average megawatt associated with different resources: $132 million/average megawatt for solar, 88 cents per average megawatt for hydro, etc. Fred estimated $2 million/average megawatt for efficiency. Only wind, at $2 million per average megawatt, approximates the cost of efficiency.

Al Jubitz and Bob Repine left the meeting.

5. Maintaining common ground for efficiency and renewable energy— Catriona McCracken, CUB

Catriona sees a tension between efficiency and renewables, at a time of constrained resources. She provided an overview from Steve Nadel, ACEEE, showing McKinsey's global analysis of carbon reduction potential. She showed a slide comparing levelized costs of efficiency and various renewable fuels. She thinks the tension between efficiency and renewables is positive. She showed a slide of efficiency spending as a percent of revenues shows Oregon is one of the top-spending states in the nation. Oregon rates high nationally on efficiency acquisition, while great swaths of the rest of the country have barely begun.

In Connecticut the legislature took 35 percent of Connecticut's efficiency funding.

She spoke of the value of retaining a united coalition of efficiency and renewable folks as Oregon moves into a carbon-constrained era. She referenced appliance standards, codes, other topics.

15-minute break

6. Is providing financing for certain renewable energy projects a viable role and option for Energy Trust—Elaine Prause

Peter West said two years ago Energy Trust talked to financial institutions and learned there is a gap between appetite for renewables and financial ability. Elaine noted we have been hearing more frequently from developers that they lack funding during pre-construction phases. Third party studies confirm our experience and note it is a growing issue. Our current approach to incenting projects does not include deploying support during construction. Meeting our renewable energy goals with our current approach will be challenging. This provoked discussion about progress of renewable projects.

Margie came forward to explain the idea of the presentation is to consider a different time in the process to spend the same amount of funding, and whether this different way of using our dollars for certain projects would bring greater results. We currently pay upon project completion, and help early on with feasibility studies. Rick said he is concerned whether doing this increases our risk of a project not completing.

Elaine described some options for providing financing. Rick said he is intrigued. Dan said if it were a large (over $500,000) incentive, you'd bring it to us for a vote. Peter agreed, and said he would bring somewhat smaller projects to them as well.

Elaine described a possible pilot—taking maybe 10 percent of our incentive budget for the non-solar programs. We would look for two projects, each exceeding $1 million total cost and 250 kilowatt capacity. Incentives would be limited to above-market costs, and 10 percent of 2010-11

incentive budgets. We would need to contract for the loan servicing. Dan asked if overhead to do this would be the same or less than if we were to cosign on their financing. Elaine said the construction loan would be for a larger amount than we could pay.

Jason asked how we would determine the availability of the financing in fact was essential in leveraging the projects in the pilot. Elaine and Peter discussed how this would be done through conversations with projects and, later, evaluations.

Julie asked whether reluctance of lenders to support these projects means we need to educate lenders? Elaine responded. Julie said she likes the idea of helping pay costs as development progresses. The idea has merit but we'd need to figure out how to assure we get our funds back.

Alan said we've been given the wrong end of the stick. We can support only projects below 20 megawatts, which is the minimum threshold for financiers. Dan Davis agreed banks are skittish.

Caddy said she is interested in creating an environment where we can educate developers and engineers. She is intrigued by the proposal and looks forward to seeing a more fleshed out version.

John Reynolds spoke up in support of solar, which is clean and portable. Had we put solar on Blue Heron, that system would still function, or the panels could be moved.

John Klosterman asked if we are trading position with some other financing arm, and whether lenders are more likely to provide take-out financing. Peter said yes, because the project is finished, is generating revenue, all costs are known. He reiterated we are likely not to be the only lender, as we are limited to above market costs.

Rick concluded the board would entertain a more fleshed out proposal.

7. List of items for additional discussion tomorrow—Rob Fenty

Rob said his firm has done a lot of research around best practices in strategic planning. They have found strategic planning starts with strategic questions, not answers. The first thing he suggests is that the board consider their key questions. Second, he suggests thinking about value proposition. Third, how do we organize around those values. Fourth, what are the top level signposts we are going to watch and be ready to respond. The board then brainstormed based on information addressed throughout the day.

Alan: how we are going to deal with current and future changes in BETC.

Jason: the economy, public policy on clean energy/technologies—the divergent push/pull from these two topics.

John R: the tension between the fact that the public seems more receptive and understanding of the value of these investments now than ever before, while the shaky economy holds us back.

Julie: strengthen partnerships, looking broadly

Caddy: being nimble in a changing landscape, with ability to act quickly

Dan D: mitigate risk of having funding attacked through more outreach to legislators; safeguarding our revenues

Rick, Jason: Energy Trust as an educator, thought leader (Lee's suggestion); influencing environmentalists

Roger: are we perceived as part of the public sector that everyone hates right now?

Dan D: subset of BETC is feed in tariff

Rick: how in this climate you fund efficiency and renewables, i.e. possibly with an energy service charge

Jason: with the confluence of the economy, the fact that our funding may be at risk, and the public policy push to do efficiency and renewables yields a lot of big ideas that may not be as good as ideas we have in play

Various: discussion about technologies

Jason: what are the opportunities in the ambiguity we face

Roger: the oil spill is a powerful opportunity to push alternatives to fossil fuel

Jason: in a troubled economy efficiency has more value; the attention of the country is on the gulf—we're at the other end of that spectrum: clean and not goopy

John R: average credit card debt in America is the lowest it has been in years; recovery requires spending again; we can press them to buy things of value

Julie: education is important; an average household costs XX to run YY square feet, with average number of appliances—so people know if they're average or not; we make it harder than it should be

Dan E: ductless heat pump is the CFL of home heating in Oregon

Julie: saw an ad in the Bend Bulletin positioning ductless heat pump as almost free

John R: give everyone a clothes line

Caddy: Maybe we need to do something quick to take advantage of this perfect storm—react quickly and do something innovative

Margie: two things we are doing now that push forward are Solarize and CEWP

John K: At 10 years in, identify the things that structurally are still issues for us

Jason: agrees with Caddy on a public relations push….but the boring part is maybe it's time again, in the current regulatory and policy environment, get the energy efficiency stakeholders in a room over the next few months and identify the biggest obstacles in our way (i.e. financing, landlord-tenant) – let's help the legislators by proposing ways around these obstacles

Margie: at the highest level the question is, if we were designing something today what would it look like? There is real tension between energy efficiency advocates, renewable energy advocates, environmental advocates, carbon advocates etc. as each wants to take advantage for themselves of the ongoing issues (Gulf oil spill, carbon, economy).

John: how to serve the other 25 percent of Oregonians, many of whom get far lower service—through Bonneville?

Dan E: new EPA carbon regulations; it will especially impact the desire of gas companies to achieve more efficiency

Prioritizing….
Caddy: education / legislature—soon

Jason: get stakeholder/partners in a room to identify and prioritize

Rick: in a troubled economy how do you continue to move forward on energy efficiency and renewable energy

Roger: the anti-government sentiment translating to public power

Process
Rick: tighten up strategic planning process and provide roles for utilities, ODOE.

Rob explained the future for this industry has a lot of variability, providing necessity for looking at risks and opportunities. He reviewed the four stages of the Energy Trust-wide planning process: strategic planning—sector planning—operational planning—budgeting + management systems. Rob said there are some simple best practices coming out of strategic planning.

For this board, it is important to do risk and opportunity assessment. Board and senior staff define strategic risks and opportunities, define sign posts and responses. Sector/programs assess market, sector and program risks/opportunities, incorporate sign posts and responses into plans. Potential risks to budget and operational success and goal attainment are assessed.

He provided examples of strategic risk categories, including local policy environment (legislative, regulatory); federal policy (energy, climate, incentives, etc.), key relationships (utilities, other), market/technology changes, trade ally/partner capabilities, public perceptions.

He noted a temptation in strategic planning is to jump to conclusions. Better is to identify conversations we either are having or should be having.

Meeting adjourned for the day at 5:10 pm

Saturday, June 12, 2010

President John Reynolds convened the meeting at 9:35 am, preceded by an executive session

Attending from board: Rick Applegate, Dan Davis, Jason Eisdorfer, Dan Enloe, Roger Hamilton, Julie Hammond, John Klosterman, Caddy McKeown, Alan Meyer, John Reynolds

Board members absent: Al Jubitz, Debbie Kitchin, Preston Michie, Bob Repine, John Savage

Attending from staff: Debbie Blanchard, Amber Cole, Fred Gordon, Margie Harris, Nancy Klass, Steve Lacey, Sue Meyer Sample, Peter West

Attending from utilities: Cascade Natural Gas—Jim Abrahamson

Others attending: Robin Denney; Jan Schaeffer

1. Consent Agenda

MOTION: Approve Consent Agenda.

Moved by: Caddy McKeown Seconded by: Alan Meyer

Vote: In favor: 10 Abstained: 0

Opposed: 0

2. Recap and discussion

BETC – renewable energy projects
Staff asked for board recommendation on lack of BETC for renewable projects. They presented options, including business as usual (seeking BETC for those projects with good chance of success, or adjust incentives as budget allows for projects that don't land a BETC).

Dan asked if another option, feed-in tariff, enacted after the board packet was published. Peter said the feed-in tariff, if it works, is a wash. Discussion continued about waiting for BETC changes in 2011.

Alan asked if we would prioritize renewable projects seeking BETC with a relatively small Energy Trust incentive, such that we can raise the incentive to a level allowing projects to move forward. Peter noted that with a 50 percent BETC, or 32 percent net present value, the BETC represents a large share of the project. Peter said we know the list of BETC applicants.

Rick noted yesterday there was discussion of whether Energy Trust could help them break that log jam. If ODOE's data system implodes, that will do a lot of damage not only to BETC but to other projects we are interested in. His inclination would be to explore this possibility of assisting ODOE.

Dan E. asked if the feed-in tariff goes to utilities and bypasses ODOE; Peter answered yes. Dan asked if the feed-in tariff is only solar, not wind; Peter answered yes.

Peter said we are pretty certain that most of the Pacific Power projects will compete well in tier 1 and tier 2. For PGE, it appears a third of our projects, as much as $8 million of the $31 million of projects we have in the queue, are at risk. The big ones are in tier 3. We might come back to you on these.

Dan E. asked about wind in the queue. Peter said we are helping wind projects, also hydro and biomass, to put in the best application possible. He said staff put forward an idea of how to work together with ODOE, sharing the above market cost between incentives and some BETC (not up to the max), but time constraints did not permit a public discussion on this. Peter said the BETC constraints may lead us to shift some projects out of solar and into wind and biomass.

Rick asked if we are comfortable with options 1 and 2, and are we comfortable having staff work with ODOE on its data overload problems.

Jason said he is comfortable with the recommendation. He is less comfortable talking about the solar feed in tariff as a risk to our program. This is a state policy that could be withdrawn, putting support for solar back in our court. As for offering help to ODOE, we can offer, but he doesn't think Bob Repine wants us to take a chunk of ODOE's programs.

Peter said, given uncertainties about effectiveness of the feed-in tariff, he cannot assure that Energy Trust will meet its solar goals.

Julie said she does not equate helping ODOE with its paperwork as taking over its programs. She views this approach as helping the customer. Peter said he and Steve discussed coming back to the board with a map of the two applications, RETC and our application. We can reconsider whether to make the applications the same.

Peter noted in most of the programs we help projects fill out their BETC applications. We tend to collect a little more information than the BETC application requires.

John is comfortable with the application discussion. If we are expanding that into the idea of supporting ODOE's data base fix, we should only do that if asked. By that I mean OPUC would ask us to do this. Rick said all he is talking about is an exploration of a way we can help, not a commitment.

Roger notes the board does not seem to be in full agreement on cost of wind versus solar. He said he is involved professionally in carbon reduction, and notes that biomass is a controversial technology in that arena. Peter said if we were to select a priority set of technologies, that's a policy decision. He noted that every year the board has a chance to review spending on each renewable technology. Roger said he would be interested in a broader policy discussion about biomass. Rick asked if this could be done in the policy committee. Jason noted biomass is in the definition of renewables in SB 1149. Alan noted biomass is in our charter while greenhouse gases are not.

Rick concluded the board is comfortable with staff proceeding with a combination of options 1 and 2, and exploring whether we can help ODOE with its data base problems. Rick said it's his sense that if their system unravels, this would have severe implications for ODOE and Energy Trust. In his view, we should explore whether we can help them, as he doesn't know whether we will hear from them before problems mount. Margie said she and Bob Repine discussed

their intent to create a list of areas in which ODOE and Energy Trust overlap, and explore efficiencies. John K. said he's comfortable unless it appears we are empire building.

HomeStar
Rick noted the question is whether the board is comfortable with staff exploring a significant role, if HomeStar is implemented, and to get back to us. Jason noted if we can't ramp this up, he would doubt that other states could respond. Even despite all the concerns Bob Repine made about ARRA monies, he thinks we need to get ready to go.

Julie asked if we know how the OPUC feels about expanding into other fuel types? Margie thinks John Savage might be open if we used ARRA funds through HomeStar. She thinks we'd need to talk with the utilities about it, and OPUC, maybe about offering service only to customers already in our service territories. Steve noted in our territories, customers with wood, propane or oil heat also have electricity; to date we haven't been able to help them, even to the extent of doing Home Energy Reviews and claim electric savings.

Alan has a concern. This program was characterized yesterday as a temporary jobs program. We would need to hire staff; he wouldn't want us to be assuming an additional administrative burden when the funding goes away. Steve said we are hoping for financing options like HomeStar to continue. He thinks in the short-term we would hire short-term staff, with flexibility to lay them off.

Rick said it sounds like staff needs to have additional conversations with utilities, BPA, ODOE and others and report back to the board. Margie noted ODOE is in the lead role.

Jason noted yesterday Bob Repine said his staff had increased 33 percent since the last session. Do we know any more? Margie said ODOE asked for more positions, translating into approximately 22 more positions, she recalls. Until then ODOE had not been allowed to have more staff. Jason asked if this is a backlog thing or a future projection. Roger noted ODOE is self-funded so this staffing increase does not burden the state budget. Steve noted one of the framers of HomeStar is Conservation Services Group, and Energy Trust is positioned to be a logical choice as an aggregator. Margie noted we have to be mindful of the need to avoid the bottom dropping out of the market if new financing following HomeStar does not materialize.

Alternative approaches to supporting renewable energy
Rick said we satisfactorily resolved this yesterday.

Recapping key points from yesterday's presentations
Rick recapped Lee Beyer's suggestions to 1) fine-tune the relationship with utilities; 2) Energy Trust take a larger role in educating on energy efficiency; we may need to get into the business of seeking grant funding to accomplish this; 3) how do you finance the work that we want to do—how can businesses and homeowners find funding to pay for it.

He said the utilities made it clear they want to be more involved in Energy Trust strategic planning from the beginning. They raised the concept of scenario planning, and signposts. Alan said he also heard loud and clear that utilities want their brand to stand out over Energy Trust's. The question is not what have we done wrong, but what can we do differently to make this an optimally productive relationship in the future.

He said Michael Early suggested in tough times we should consider among other things the pace of acquisition. He wanted to be sure we didn't just shift program costs in their direction.

He said Catriona explored how we can make sure both efficiency and renewables to be pursued in an affordable way without getting engaged in a competition that results in one dominating over the other. She wanted us to move forward aggressively with both.

He repeated Caddy's question from yesterday asking if there is some new, major initiative we should be announcing in the face of current challenges.

Alan noted Rick had not recapped Bob Repine's comments, including his messages about BETC being curtailed.

Jason said Bob also stressed communication between Energy Trust and ODOE, and to build relationships. Jason thinks it's now time to become pro-active outside our traditional energy efficiency and renewable energy sectors—not spending money on new programs, but becoming the known experts on energy efficiency and working with the environmental community to help them understand our successes/opportunities, ideas suggested by Lee Beyer yesterday. He again cited the idea of having an efficiency portfolio standard—this is not needed in Oregon, but to many organizations without deep knowledge it sounds attractive.

Roger said Michael might have left an incomplete picture of the industrial community's response to Energy Trust programs, particularly among the smaller industrial customers.

Rick asked board members to look over their notes and feel free to send additional comments to Margie over the next week.

Roger asked if Energy Trust is so successful, are we creating the impression we are the go-to agency beyond expectations? Margie thinks we may be on a sort of collision course between our market brand and identity and the utilities'. What we hear in our customer surveys is they like the fact we aren't selling anything, and they like our objective, third-party advice. Rick said that when you get the word out that you provide important services, we can't expect the public to understand our legislative constraints.

3. IT Integrated Solutions project update

Debbie Blanchard introduced herself as IT Director and Steve Lacey, Operations Director
She thanked Dan Enloe and Al Jubitz for their assistance with the project.

She explained initially she planned to bring an action item to the board at this meeting but decided to delay this until the July meeting in order to prepare a stronger proposal, built on proposals from vendors.

Debbie noted challenges in our existing systems. Steve noted the existing systems work well but require much staff time.

Debbie said the team has confirmed an integrated solution will fit our needs. We looked at the cost of fixing existing systems and concluded the cost would be similar to purchasing a new system. There is a lot more opportunity in new systems.

Rick asked the rough timeframe between making a decision and getting a new system up and running. Debbie said vendors have estimated between 6-10 months, but we need to determine the availability of existing staff to support the transition while continuing to support existing data needs. Steve said the process of putting the system in place cannot sacrifice achieving our

goals for kilowatt hours and therms. Very careful organization and planning will be required to successfully transition to a new system. Rick noted the water bureau fiasco.

Caddy noted the additional challenges represented by HomeStar and taking on ODOE support. Steve said if HomeStar comes quickly, this may influence our selection of system. We would need to take into consideration the capacity of the systems to scale up if we take on ODOE processing. Debbie said we are considering getting into a design session with one or two of the top vendors before bringing a decision to the board.

John Reynolds said he is concerned about turnover in Energy Trust IT staff and asked what we can put in place to address this. Debbie noted staffing in the IT area is stabilizing. Staff requirements associated with new systems will be a consideration in selecting a system to implement.

Debbie discussed the selection approach. In addition to two board members, the steering committee includes three outside experts, including Randy Webster from City of Portland, who unfortunately is going on sabbatical but who has provided valuable information. We have Joe Prats, who was involved in the initial FastTrack selection. We have Bob Mayberry, from Intel. Steve noted Mark Roller from NEEA, who used to be a contractor for us, will help with the selection.

Debbie noted four proposals were received, one of which is fully integrated. The other three require support, such as a FastTrack retrofit or additional software. We have discovered that each of these three could be integrated successfully. Debbie noted three of the solutions are hosted solutions, with Energy Trust buying the software and installing on premises; the fourth would be located outside Energy Trust facilities (“cloud” approach).

Julie asked what surprised us in the pricing. Debbie said it depends on the solutions. We found that consulting costs were as high as $1.5 million compared to our estimate of $1.2 million. Some software costs were higher as well.

Roger asked what the life expectancy of the system is. Steve said the system would be upgraded twice over the next 15 years, Energy Trust’s life expectancy.

Steve discussed the need for some proposers either to maintain a permanent connection to vendor expertise to make modifications addressing new activities, etc; versus hiring an expert on staff versus having a solution that allows modifications by staff with existing skills.

Steve noted two of the proposals offer “cloud” hosting as an option.

Debbie reviewed next steps: complete final vendor demo next week. We will then select the one or two top approaches. We will invite this/these vendors in to work with us over the next three weeks to allow us to present a detailed proposal by the end of July.

John K commended staff for its thorough process.

Dan E. asked about the “real estate solution.” Steve said we think all proposals can stand on their own without a second consultant.

Margie noted additional external entities with whom we are consulting on this process. Dan E. noted one of these companies screened the proposers for financial stability, and determined that all proposers are stable.

4. Discussion of board member transitions/composition

John R. said Preston Michie is leaving the board. Alan is chair of the nominating committee. He asked each board member to scan board member bios on the website to identify any gaps. His own review shows the board is heavy on nonprofit/institutional experience. Other than the anecdotal experience each of us has as homeowners, we are light. Debbie, as a remodeler, has experience. Dan Davis is board president of Habitat for Humanity. John's architecture students occasionally design homes. But otherwise representation is weak, and he wonders if a homebuilder should be recruited.

Alan said he believes as all board members are homeowners, the bigger missing link is commercial, especially small commercial.

Roger noted the agriculture sector may be underrepresented, naming wineries and nurseries. He noted also the absence of ethnic diversity.

Caddy noted if we are moving into the world where we're working with the financial community, we might want to add that expertise.

John R. thinks Julie and Al represent commercial interest. He agrees agriculture is underrepresented.

Dan E. commented on the utility-intensive aspects, and the plants that are supporting the work. The overall area that interests him is overall transportation—Port, airport ships. It was noted that Caddy represents the Port of Coos Bay.

Jason cautioned the group about thinking about representation, other than geographic. He thinks we're looking for breadth of experience and a good fit. He strongly recommends a small group meet with Commissioner Savage, who has very strong feelings about the board's composition. He has strong ideas about what is lacking. John R., Alan, Jason, Caddy will represent the board in such a meeting.

Julie mentioned the question of whether 13 is the right number. She doesn't see any particular issues. The only other issue she would raise is making sure we have people who are willing to fully participate.

Alan noted we have quite a few board members who are not from Portland, but some areas of the state are not represented. We have three women out of the 13 members. He thinks looking for financial expertise is a good idea.

Dan E. noted the medical/hospital industry, which we don't know much about.

Roger suggested aligning a strategic plan vision with board member selection—for instance, getting grants. We may need new expertise to fit into our evolving new world.

Margie imagines that in the coming years our relationships with decision makers and legislators will be important. Someone with time and talent to engage those audiences will serve the organization well. Many current board members have that ability but not the time.

5. Wrap up

Rick expects the topics for further consideration will flow to the Strategic Planning Committee, which in time will bring action items back to the board. If there's a general sense to bring utility members into that process early, we will explore this.

Meeting adjourned at 12:40 pm.

Flip chart notes

Dan Enloe chart

1 aMW

Type	Above Market w/BETC	Above Market w/o BETC
Hydro	$ 0.88 m	$ 5 m
WWD	$ 0.51 m	$ 2 m
BIO	$ 3.9 m	$ 6.4 m
Solar	$ 13.2 m	$ 37.5 m
Cons	$ 2 m	2 m+

Feed in tariff.

Rob Fenty recap

- BETC – potential
  - implications of feed-in tariff
- Push-pull convergence of trends
  - Market focus
  - Economic challenges
  - Policy
  - Short-term opportunity
- Unprecedented focus on energy efficiency
  - How do we capitalize?
- Partnerships
  - Utilities
- Ability to react quickly
- Legislative and public relations
  - Safeguarding revenues
  - Public perception of Energy Trust – clarity of trust
  - Pro-active role in educating Oregon around energy efficiency
  - Energy Trust as independent leader; source of information
- How do you fund
  - Energy service tariff
- What is our role in new technologies
  - Commercialization
  - Acceleration

Opportunities

- Renewables
- Transportation
- Recalibrate buying patterns
    - Knowledge, education
- Near term opportunity with convergence of market interest, gulf, economy (PR)
- Examine structural barriers
    - Current assumptions, structure, model
- Collaborative process with energy efficiency stakeholders
- Rural areas – expand

Tonight/tomorrow

- Fresh look – what would it look like if we started today?
    - Clarity of purpose and ends
    - Challenge assumptions
    - Form partnerships around needs
- Education – legislature
- Discussion process with partners
- How do we move forward in this challenging economy? (Growth, without ramping down)
- Clear process for investing dollars