107th Board Meeting
Wednesday, August 17, 1:30 pm – 4:30 p.m.
851 SW Sixth Avenue, Suite 1200
Portland, Oregon

AGENDA		TAB	PURPOSE
1:30 p.m.	**107th Meeting** **Call to Order** *(John Reynolds)* • Approve agenda		
1:35 p.m.	**General Public Comment** The president may defer specific public comment to the appropriate agenda topic		
1:40 p.m.	**Consent Agenda**. *The consent agenda may be approved by a single motion, second and vote of the board. Any item on the consent agenda will be moved to the regular agenda upon the request from any member of the board*. *(John Reynolds)* • July 13 meeting minutes	**1**	*Action*
1:45 p.m.	**President's Report** *(John Reynolds)*		*Information*
2:00 p.m.	**Energy Programs** *(Jason Eisdorfer)* • Three Sisters Irrigation Hydro Project (R591)	**2**	 *Action*
2:30 p.m.	**Committee Reports** • Evaluation Committee *(Debbie Kitchin)* *(please refer to committee notes and evaluations in July board meeting packet)* • Finance/ Compensation Committees *(John Klosterman)* • Policy Committee (Jason Eisdorfer) ■ Amending Conservation Funding for Schools Policy (R592)	 **3** **4**	 *Information* *Information* *Information* *Action*
3:30 p.m.	**Break**		
3:45 p.m.	**Staff report** *(Margie Harris)* • Highlights *(Margie Harris)* • *Feature presentation: on-line applications demo*	**5**	 *Information*
4:30 p.m.	**Adjourn**		

The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, October 5, 2011, 12:00 noon at the Energy Trust of Oregon, Inc., 851 SW Sixth Avenue, 12th Floor, Portland, Oregon

INDEX OF BOARD PACKET MATERIAL

Board Meeting Agenda

Tab 1 **Consent Agenda**
- July 13 meeting minutes

Tab 2 **Energy Programs**
- Three Sisters Irrigation District Main Canal Pipeline Hydro Project (R591)

July Packet **Evaluation Committee** (please refer to the Evaluation Committee notes and evaluations in the July board meeting packet)

Tab 3 **Finance/Compensation Committee**
- 2nd quarter dashboard
- Notes from August 1 meeting
- June financials and contract summary report
- Financial glossary

Tab 4 **Policy Committee**
- Notes from July 19 meeting
- Amending policy on Conservation Funding for Schools (R592)

Tab 5 **Staff Report**
- Customer service dashboard – call and website volume – June and July 2011
- Market Indicators Quarterly Report

Advisory council notes
- CAC notes from August 10 meeting – *to be distributed via email to the board and posted on the Energy Trust website prior to board meeting, if available*
- RAC notes from August 10 meeting – *to be distributed via email to the board and posted on the Energy Trust website prior to board meeting, if available*

Tab 6 **Utility bill inserts** (media clippings are now emailed once a month)

Board Meeting Minutes – 106th Meeting

July 13, 2011

Board members present: Jason Eisdorfer

Board members participating via teleconference: Rick Applegate, Julie Brandis, Dan Davis, Dan Enloe, Roger Hamilton, Julie Hammond, Jeff King, Debbie Kitchin, John Klosterman, Caddy McKeown, Alan Meyer, Bob Repine (Oregon Department of Energy special advisor), John Reynolds and John Savage (OPUC ex officio)

Staff attending: Pete Catching, Amber Cole, Fred Gordon, Hannah Hacker, Margie Harris, Susan Jamison, Steven Jonas, Nancy Klass, Steve Lacey, Sue Meyer Sample, Kate Scott, John Volkman, Peter West

Others attending: Jim Abrahamson (Cascade Natural Gas), Lauren Shapton (Portland General Electric), Stephanie Gray (CSG), Murali Varahasamy (Lockheed Martin)

Business Meeting

President John Reynolds called the meeting to order at 11:59 a.m.

General Public Comments

There were none.

Consent Agenda

The consent agenda may be approved by a single motion, second and vote of the board. Any item on the consent agenda will be moved to the regular agenda upon the request from any member of the board.

MOTION: Approve consent agenda

Moved by: Debbie Kitchin Seconded by: Jason Eisdorfer

Vote: In favor: 13 Abstained: 0

Opposed: 0

Consent agenda included two items:

1) *May 4 board meeting minutes.*

2) *June 3 board meeting minutes*
   a. Two corrections to the minutes on the working groups listed on page 22
      i. Julie Hammond worked with Dan Enloe, not Rick Applegate
      ii. Caddy and Julie Brandis worked with John Klosterman, not John Savage

Staff Report

Margie presented on two main topics. The first is a briefing on preliminary Energy Trust impacts stemming from new state energy tax credits, House Bill 3672, passed by the Oregon legislature. Bob Repine clarified Governor Kitzhaber is expected to sign the bill into law in the beginning of August. The second presentation is an update on the integrated solutions implementation (ISI) project.

A summary of 2011 Legislation and related energy tax credit analysis
Board members were supplied two documents recapping the 2011 legislative session: "Legislative Updates", a handout included in the board packet, summarizes the factual changes included in HB 3672 and also references Cool Schools (HB 2960). The second handout describes the "Process Underway for New Energy Tax Credit Analysis", a briefing paper emailed to the board and available at the meeting and on our website describing Energy Trust's analysis of impacts, mitigation options being developed and key progress dates. Margie said we are moving quickly and want to engage the board and key stakeholders in the process of considering understanding impacts on current year goals and potential mitigation. Today will be a verbal report building off the documents prepared for the board with additional participation opportunities planned.

Activity now underway: the Oregon Department of Energy will be transitioning from existing energy tax credit programs to a series of new replacement tax credit programs. The transition will impact a variety of different projects and stakeholders. Energy Trust is undertaking a detailed analysis of the proposed new tax credits and their short-term impacts on 2011 annual goals as well as longer term impacts on goal setting for 2012.

Potential mitigation strategies are aimed at maximizing savings results this year and on managing the market going forward. We've had state energy tax credits in our state for 30 years. We don't know what the market will do without them. Nor do we believe we can or should try to close the entire gap left by the changes in available tax credits. Our philosophy is to remain calm during this transition and to develop options to help mitigate tax credit impacts on 2011 Energy Trust goals. We also will engage parties during the next four to six weeks, seeking feedback on our assumptions and proposed strategies. What we don't want to do is act too quickly, or pay too much or too little for savings, or establish market precedents that we cannot sustain. Instead, we are seeking a reasonable balance that helps to partially close the gap left by the loss of the business energy tax credit in particular, where the impact on this year's goals is the greatest.

Our work is focused in three main areas:

1. Coordinate with Bob Repine and the Oregon Department of Energy. We continue to review data requested from ODOE regarding who is and is not eligible to receive a business energy tax credit this year. This pool includes an estimated 400 participants who hold ODOE BETC project pre-certifications and whose projects come after the new eligibility date of April 15, 2011 established by the legislature. These projects will be denied a tax credit this year. We are also collaborating to deliver clear answers to project owners and the public, reinforcing messages developed with ODOE and referring questions to the Department to resolve. Bob has been helpful sharing information from his team. We also plan to participate in the development of new tax credit rules.

2. Prepare customer communications. We are collaborating with and preparing our call center, PMCs, PDCs, trade allies and utilities to reinforce tax credit information from the Department and to refer customers with tax credit questions and customer service needs to the Department. We are preparing to assist these various audiences and communicate with them when we have the best factual available information. Resources and reference documents will be developed for this purpose.

3. Share our tax credit analysis with stakeholders - We will present our tax credit analysis to individual utilities between now and August 10, meet with and engage the Conservation and Renewable Energy Advisory Councils on August 10 and discuss options with John Savage of the Oregon Public Utility Commission, utility representatives and the board of directors at the utility roundtable on August 17. Based on these stakeholder discussions, we will seek board support for potential mitigation approaches at the August 17 board meeting in order to put them into place this year, thereby enhancing opportunities to meet annual savings targets this year.

2011 tax credit impact analysis on Energy Trust programs and goals. The analysis we are currently completing is focused on 2011 goals and utility IRP targets. Future 2012 impacts will be more significant and that analysis will be initiated after our review and options for 2011 are developed.

When the Oregon legislature passed HB 3672, Peter immediately initiated work with program staff, and planning staff and contractors to separate and quantify mid-year savings and generation already booked and savings/generation from those projects close to completion. A complementary analysis of HB 3672 identified which programs were not impacted either at all or only minimally this year due to the timing of new tax credit programs. These two steps helped identify programs where savings impacts were greatest this year.

Programs predicted to have little or minimal impact in 2011 from tax credit changes:

- Renewable energy projects: There is a mix of projects in the pipeline, and we largely know their status for both 2011 and 2012. An established working relationship between Energy Trust and the Oregon Department of Energy enables us to know what to expect, to be familiar with the tiering process, and to identify generation impacts this year and into next. There may be an impact on the residential solar electric program stemming from increased activity this year potentially offset by less activity in the commercial

sector. We will monitor that activity closely and remain in communication with the trade allies.

- Residential energy efficiency programs: There is limited impact on these programs in 2011 because the current RETC remains in place until 2012 when new rules will address legislative changes. We therefore have some time during which we expect residential programs to hold steady. There may be a bump in applications and tax credits for appliances, some of which will no longer qualify for a tax credit starting in 2012.
- Market transformation savings: These savings are not impacted by tax credit changes.
- Commercial and Industrial/Agricultural programs: We predict there will be no effect on operations and maintenance, strategic energy management, manufacturer rebates, insulation, windows, savings in new buildings built less than 10 percent beyond code, any projects holding pre-certifications, prescriptive and non custom measures (food service, grocery, HVAC), smaller efficiency projects and multifamily projects, which often include measures, such as windows, that are not eligible for tax credits.

This analysis concluded that 2011 tax credit impacts are greatest within the Existing Buildings and Production Efficiency programs, where projects are most dependent upon business energy tax credits. Deeper analysis is underway regarding impacts on annual savings goals and potential mitigation in specific areas of two programs:

1. Existing Buildings: Impacts are highest on popular lighting projects and larger custom capital projects. Program staff and the PMC estimated which customers are likely to go forward without a tax credit, and will utilize ODOE data and outreach to customers to determine if a BETC pre-certification is in hand.
2. Production efficiency: Impacts are also highest on lighting projects and custom capital projects.

John Savage asked if we have a plan to backfill those dollars. Margie mentioned that is the next step. Savings impacts vary by utility. For example, gas utilities are more dependent on residential savings which are less impacted and electric utilities are more dependent on commercial and industrial lighting, which is impacted. Now that we know which programs are most impacted, we will focus our attention on outlining mitigation strategies to help us close the gap left by the tax credit changes and to acquire savings to help get closer to our annual goal.

Next steps

- Vet program staff analysis with our Planning team
- Draft mitigation options, which will include an analysis of expenditures and whether any unspent funds can be shifted from other parts of the organization to program incentives and help fill the gap. Present more detailed analysis and mitigation options to the joint Policy and Strategic Planning board committee meeting on July 19
- Meet with each utility in late July and before August 10
- Gather feedback from the Conservation Advisory Council and Renewable Energy Advisory Council meetings on August 10
- Engage the board and utilities on our findings at the utility roundtable and board of directors meetings on August 17

- Further engage the OPUC and utilities as we plan further for the year and make decisions on how to fill the gaps, keeping in consideration benefits and costs
- Begin determining the impacts to next year's budget and new savings goals and funding requirements.

Margie thanked Peter and his program staff who immediately began working on this when word got out; Ted Light, Pete Catching and Fred Gordon from Planning; John Volkman for his informative summary; and the communication tools developed by Amber and her team. This was a large, collective effort. We could not have done this work in such a short time a few years ago. We now have cross functional teams, better forecasting tools and improved data access and quality. Peter also thanked Elaine and the Renewable Energy teams for their work.

Dan Enloe asked for further clarification around the Renewable Energy sector. Peter answered the Renewable Energy team has a firm idea on what projects will go forward. The tiering process has led to renewable energy projects having long lead times (12 months to two years) and we know what to anticipate.

Bob mentioned another unknown is what happens in the future with the $3 million renewable energy tax credit budget allotted for the next biennium. Peter said that will be part of the 2012 budget discussion. For 2011, with the Oregon Department of Energy's data and the long project lead time, we typically know by this time of the year how the year will end. People contacting us mid-year are typically discussing projects for 2012 or 2013. Bob said all the renewable energy credits have been awarded ($300 million), there is no longer any credits available for these projects and starting the fall of this year there's only $3 million for the next biennium. Peter said this will lead to a different strategy for the sector in 2012.

Jason asked what will be presented at the August 17 board meeting. Will the board be faced with needing to take any action on this year's budget? Margie said we will know what direction to take but may not know the complete budget impacts at that time. We will know some options and will be costing them out, but we don't know at this time if we will be asking the board to consider any changes to the budget. The conversation on August 17 will depend on the feedback we get, other analysis that comes to light and our comfort level with the options. Today, we know where to focus, and what programs are impacted and not impacted. Next up is to quantify those impacts and the corresponding budget to address them.

Jason asked what percentage of energy-efficiency savings are at risk. Peter said we don't know that net number for 2011. We know what's not affected. What's left is dependent on whether the large capital projects in the pipeline for the Commercial, Industrial and Agricultural programs will move forward without a Business Energy Tax Credit. We need another review of the actual percentage affected before we start talking about it, and we think we have the right judgments but we've had to make some judgment calls. There is more analysis to do. We don't want to publicize a number yet as our focus will move into managing reactions instead of firming up the estimate. Margie added that we have to have a managed process predicated on the information we develop.

Alan praised Margie and the staff on the process and approach they are taking.

John Reynolds asked when planning will begin for 2012. Margie said roughly mid to late August; as soon as the 2011 analysis is wrapped up.

Jason asked, once you know the impacts to 2012, is that when we will work with the OPUC to discuss the metrics and what's now achievable. Peter said yes. Some of the early 2012 talks are influenced by renewables; and we need to recognize it will take time for new tax credit rules to be final, for the rules to be accepted by the market and for market actors to recast their business plans. We are in a time of uncertainty. Peter suggested flexibility in setting the 2012 goals. We won't have the certainty that we've been used to, especially as the rulemaking timeline is unknown and we don't have any certainty they will be in place as we begin planning for 2012.

John R asked if our participation in the Oregon Department of Energy rulemaking is certain. Bob said the Energy Advisory Council which Margie is a member of is where we will go with the proposed vision and initial outlook. Energy Trust staff is always invited to provide input during the public participation periods for rulemaking.

ISI quarterly update
Margie gave a briefing on the IT Integrated Solutions Implementation (ISI) project involving Epicor software installation. At this point, we have assessed the budget and timeline. We are well within budget and need to extend the timeline likely into Feb 2012, potentially into March 2012. We don't think we can meet the original October deadline and combine that transition with our budget and AP preparation, final year-end close and office move. If we don't make the October date, we'll look to early February to go-live. We don't have the resources to manage a full transition to the new IT systems during the busy fourth quarter.

Margie reminded the board that IT Manager Debbie Blanchard accepted a new position at an outside firm. We have a strong candidate pool for the position. There are four finalists, and interviews will be conducted in the next few weeks. We are looking for people with background in communicating and translating technical work into layperson language, as well as experience implementing enterprise resource projects. We are hopeful we can act quickly to fill the position. Margie recapped that the ISI project is within budget, though we are likely to extend the timeline.

Margie told the board we've been working more closely with higher management at Epicor. We are getting the right people on the team and to be present on-site. Epicor is primarily manufacturing-based software tool and we've had to modify the software to fit our needs.

Debbie Kitchin said Margie mentioned that there wouldn't be a budget impact from the delay. Debbie asked, since we have had to extend other contracts related to our existing data systems such as FastTrack, for example, will there be a budget impact on these other contracts? Steve said the FastTrack contract includes other updates that are needed beyond those related to the ISI project. Steve expects there will be some budget impact to extending the ISI deadline, and anticipates that those changes are well within the approved ISI project budget for contingencies. We figured we would run into situations that require more time and would be more difficult. And we have. This has been incorporated in the board-approved project budget.

Sue Meyer Sample clarified the office move is November 18.

Home Energy Makeover Contest briefing paper
Prompted by the board, highlights of the Home Energy Makeover Contest were presented. Kate Scott delivered the summary. The contest involved choosing four winning homes based on highest energy use and best opportunity for Home Performance with ENERGY STAR® comprehensive assessments. In 2009, Home Performance was still new to the marketplace and their consumers lacked complete understanding of the offering. More than 6,000 participants entered the contest in 2009, 20 received free Home Performance assessments performed by CSG; and the homes with the best potential for savings were chosen for the makeover contest.

All four homes had extensive work completed, and we were fortunate to have generous donors contribute equipment and materials. We engaged 27 trade allies, manufacturers and distributors to donate products and services. Each home realized good savings. There was a 38 percent reduction in savings from the Medford home alone.

Of the contest entrants, 20 percent participated in our programs, and 61 percent had not participated before. One success with this approach was our ability to reach new customers. The contest media value came in at around $300,000 and included positive stories being published statewide.

The board asked if this contest will be done again. Kate said this was a marketing effort that can be used again, though Home Performance has a stronger positioning in the marketplace now.

Roger asked if some of the savings in the winning homes are behavioral savings. Kate said, judging by the savings in the homes and the feedback from the winning homeowners, some of the savings could be attributed to behavior change.

Jason said the Medford home had dramatic energy savings, and asked if Energy Trust has been able to share the homeowners' experiences. Kate said the stories were leveraged during makeover in the summer of 2009, as well as during the home "unveilings" that fall and one year later to communicate the results with a full year's worth of savings.

Board members Caddy, John R., Dan D. and Julie H. expressed interest in conducting another contest to see if we can get as good as or better results and focus on other communities around the state. They suggested the contest had positive results and even though we might have to change the strategy to fit today's economy, all the positives point to a great PR and activity generating strategy. The contest could be modified and repeated, especially in those areas where Energy Trust is not as visible.

Amber said this strategy is something that we can replicate and we will look into the benefits of conducting it again, but we want to make sure we get the same bang for the buck.

Other discussion
Debbie Kitchin reminded the board members of the reports from the evaluation committee that are included in the July packet and can be discussed at the August 17 board meeting. She asked that board members keep this packet for the next board meeting. Margie also said the packet is online and Nancy will send a reminder to the board to make reference to the July packet when preparing for the August meeting.

John R indicated this may be the appropriate time to survey the board on whether a paper packet is still needed for the meetings.

Dan Enloe mentioned he has a business conflict for the next board meeting and won't be able to attend.

It was mentioned to add the paper authors to the briefing papers in the packet.

A brief discussion was held on the board strategic retreat for 2012, including whether to hold it earlier or later in June and if it should be at a different location than Portland.

Adjourn

The meeting adjourned at 12:59 p.m.

***Next meeting*.** The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, August 17, 2011, 12:00 p.m. at Energy Trust of Oregon, Inc., 851 SW Sixth Avenue, 12th Floor, Portland, Oregon

_____
Caddy McKeown, Secretary

Board Decision
Three Sisters Irrigation District Main Canal 800kW Hydroelectric Project

August 17, 2011

Summary

Authorize up to $1.0 million, paid over four years, to offset the above-market cost of an 800 kilowatt (kW) hydroelectric facility located on the Three Sisters Irrigation District (TSID) main canal near Sisters, OR. The project will be owned and operated by TSID.

Energy Trust Goals

- The TSID main canal project supports Goal 2 of the 2010-2014 Strategic Plan: to accelerate the rate at which renewable energy resources are acquired, helping to achieve Oregon's 2025 goal of meeting at least eight percent of retail electrical load from small scale renewable energy projects.
- This project supports the "Other Renewables" program goal of developing hydroelectric facilities located outside federal and state protected areas.
- The project would increase the generation capacity from the Other Renewables program hydropower portfolio by .8 megawatts (MW). Currently, Energy Trust has 4.7 MW of hydropower projects in operation and an additional 4.6MW under construction.

Background

- TSID has piped over half of its 60 miles of open canals, restoring water to Whychus Creek and increasing on-farm deliveries. The penstock and hydro plant are part of a larger restoration project including a fish screen, fish passage, and stream channel restoration. TSID intends to have the remainder of the district fully piped and pressurized within the next 10 years.
- The project is located in Central Electric Co-op (CEC) territory, and the output will be wheeled to PacifiCorp over CEC transmission lines and a BPA substation.
- The project has been approved for a $600,000 grant from the Bureau of Reclamation. The project does not have a BETC.

Technical Analysis

- The proposed facility would:
    - use 194' of head created by the previously installed 3.5 mile penstock: side-by-side, dual 54" diameter high density polyethylene pipes;
    - utilize average flows of 80 cubic feet per second during the irrigation season, April through October annually;
    - install a new 800kW generation facility near TSID's Watson reservoir;
    - generate approximately 3,100MWh annually; and
    - be a Qualifying Facility, selling to PacifiCorp under standard rates and terms.

Financial Analysis

- Energy Trust determines project incentives based on a project's above-market cost, i.e., the difference between the cost to produce the power from the project over its life and the market value of the equivalent grid power at standard rates. Above-market costs are calculated as a net-present value, which is the sum of the discounted value of the installation costs and the annual operating expenses of the project over its lifetime.

Project Financial Summary - NPV Basis		
Size (MW)		0.8
Annual Output (MWh)		3,100
Evaluated Resource Life (years)		20
Project Cost		
Total Design & Construction	$	2,229,228
Debt	$	300,000
Grants	$	600,000
Equity	$	1,332,198
Revenue		
Total Revenues	$	2,066,043
Expenses		
Operations and Maintenance Expenses	$	73,042
Wheeling expenses	$	581,816
Penstock Debt Service	$	906,942
Deschutes River Conservancy Water Banking	$	127,703
Insurance	$	73,042
Project debt service	$	222,675
Total: Equity and Expenses	$	3,317,418
Above Market Cost (Revenue minus Equity and Expenses)	$	(1,251,375)

- Staff and an independent contractor reviewed the project design and costs and found them to be standard and reasonable for projects of similar size, type and design.
- The total capital cost of the project is $2,229,228. Note, however, that the project has to pay for $2 million of penstock that was previously installed using a deferred DEQ loan. The fact that these monies have already been spent but must be recovered is, in part, responsible for making the project costs appear low and expenses appear high. On this basis, the project's above-market cost on a net present value basis is $1.251 million.
- Staff proposes to pay $1,000,000 in four payments: one payment of $700,000 on commissioning and three annual payments of $100,000. The three annual payments

would be contingent on the project meeting a minimum generation goal of at least 2,325MWh during the previous irrigation season (~75% of expected).

- The project would have 5 years to meet the four-year production goals (first year production is often lower as the operations are optimized for peak performance). If the project didn't generate 9300 MWh by the end of 5 years, TSID would have to repay us pro rata.
- The net present value of this four-year payment stream is $862,411.
- At a total payment of $1,000,000, the project's energy would cost Energy Trust $2.82 million per average megawatt (aMW). This cost is in the range of the amount paid for other hydropower projects ($1.49 million per aMW for the Earth by Design 3.5MW project and $2.916 million/aMW for the 750kW Swalley project). The cost is well below the range of stated goals in the 2011 "Other Renewables" budget of $6.57 to $11.19 million/aMW.
- Energy Trust will receive 80% of the Renewable Energy Certificates produced by the project during the 20-year term of the Power Purchase Agreement. The REC allocation would be based on board policy, which requires Energy Trust to take ownership of RECs in proportion to its contribution to above-market costs (80% in this case).
    - » When Energy Trust pays more than the REC market price, we take ownership in proportion to our contribution to the above-market cost. When Energy Trust pays less than the REC market price, we reduce our share of RECs to be equivalent to the market value
    - » With the proposed incentive at 80% of above-market costs the levelized cost of a green tag is $33. Our market forecast shows green tags at $8 levelized, so we ask for a proportional share of RECs.
- The contract with TSID should include milestones to ensure the project remains on schedule, while allowing Energy Trust to withdraw funding if the project is unable to move forward.
- Approximately $600,000 of the proposed funds would come from the 2011 "Other Renewables" program budget, leaving $150,000 in that budget for project development work in 2011. The remaining $400,000 would come from the Biopower program budget, which can accommodate that amount.

Recommendation

Staff recommends approval of $1,000,000 in funding for the TSID project, by adopting resolution #591, below, authorizing the executive director to sign contracts consistent with the resolution.

RESOLUTION 591

APPROVING FUNDS FOR THE THREE SISTERS IRRIGATION DISTRICT GENERATION PROJECT

WHEREAS:

1. **Three Sisters Irrigation District proposes to develop an 800 kilowatt hydropower facility, expected to generate 7.07 average megawatts over a 20-year operating life.**
2. **Staff and an independent contractor reviewed the project design and costs and found them to be standard and reasonable for projects of similar type and design.**
3. **The net-present value of the project's above-market costs is $1,251,375 over 20 years.**
4. **Staff proposes a $1,000,000 incentive, to be paid in four payments: $700,000 upon commissioning, and $100,000 on the anniversary of commissioning in the following three years.**
5. **Approximately $600,000 of these funds would come from the 2011 "Other Renewables" program budget. The remaining $400,000 will come from the Biopower program budget.**
6. **At the proposed payment, the project's energy would cost Energy Trust about $2.82 million per average megawatt (aMW).**
7. **The project would increase Energy Trust's hydropower generation portfolio by 800kW, an 8% increase.**

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

1. **Payment of up to $1,000,000 to Three Sisters Irrigation District to offset the above-market costs of the Three Sisters Irrigation District hydroelectric plant;**
2. **Energy Trust to take ownership of at least 80% of the green tags produced by the project; and**
3. **The executive director to enter into a contract(s) consistent with this resolution.**

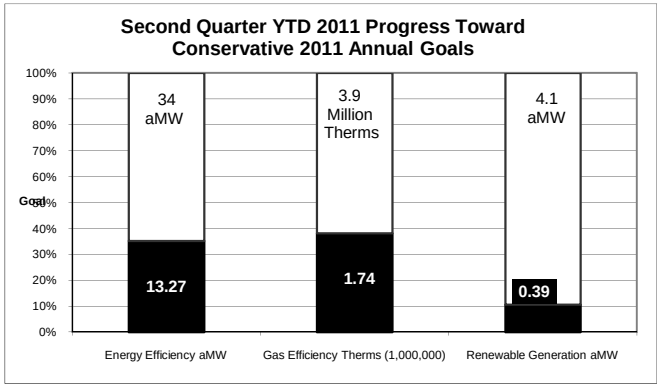
Moved by: Seconded by:

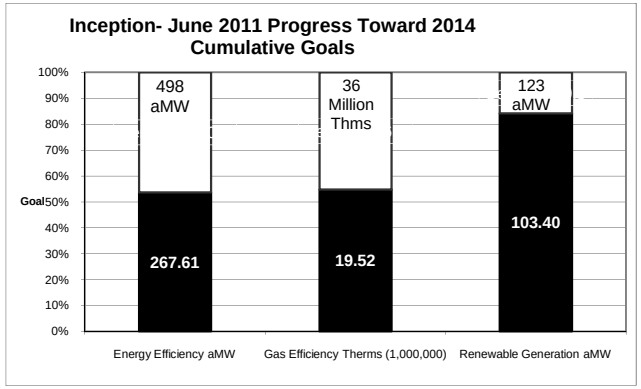
Vote: In favor: Abstained:

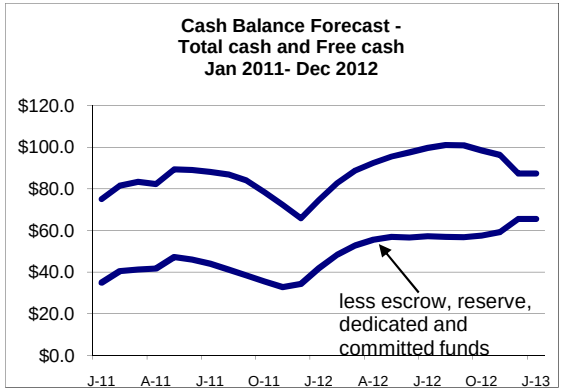
Opposed: [list name(s) and, if requested, reason for "no" vote]

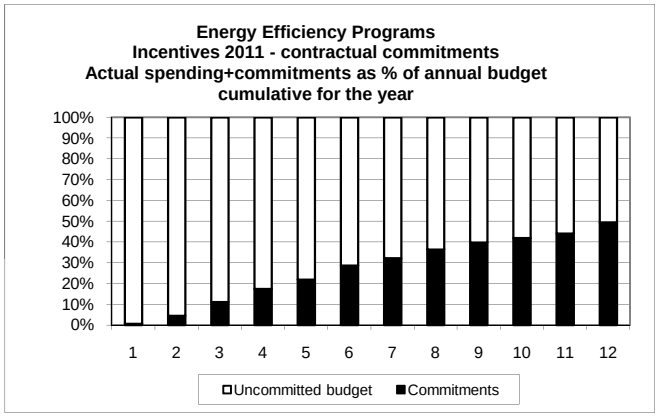
Prepared by Jed Jorgensen, Renewable Energy Sr. Project Manager

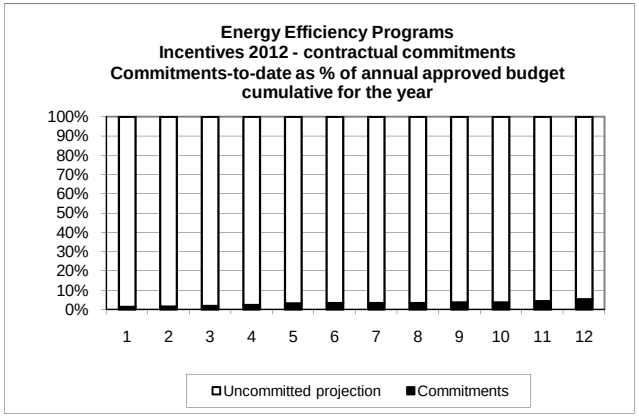
Energy Trust of Oregon, Inc.
Quarterly Dashboard-Second Quarter 2011 (UNAUDITED)







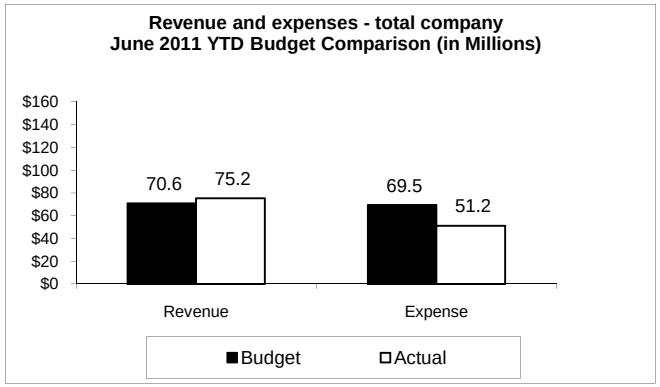


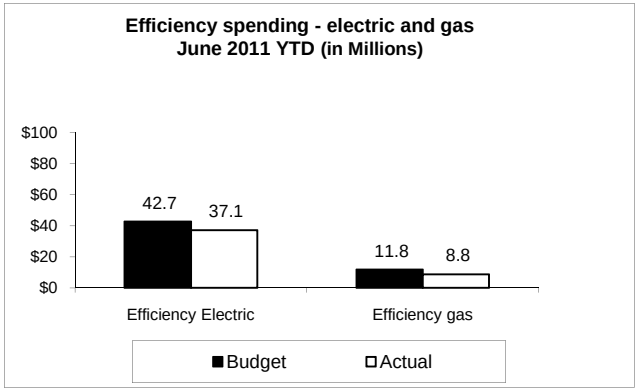


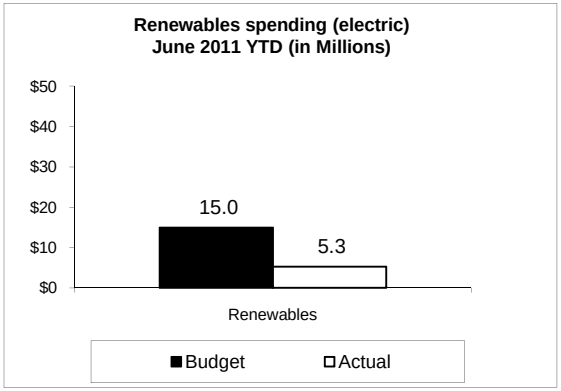
Renewable Energy Programs

Comittments for Current and Future Years

	2011	2012+
BioPower	$ 1.2	$ 3.0
Other renewables	$ 3.9	$ 2.3
Solar PV	$ 5.7	$ 0.3
PROJECTS	$ 10.9	$ 5.5







Finance Committee Notes

August 1, 2011

The Finance Committee met at 3:00 pm on August 1, 2011 via teleconference with John Klosterman, Treasurer and Finance Committee chair; Debbie Kitchin, Board Vice Chair; Dan Enloe, Board member; John Reynolds, Board Chair; Margie Harris, Executive Director; and Sue Sample, CFO attending.

Because several of the committee members had to leave early, the agenda order was changed in order to prioritize the most important issues.

Update on re-forecasting efforts and BETC

Margie described the significant work undertaken by the finance, program and planning groups to prepare a reforecast of year end revenues and expenditures and to determine an estimate of the impact of the retroactive elimination of the Business Energy Tax Credit (BETC). The legislation, not yet signed by the governor but expected to be soon, decided that projects not having pre-certifications prior to April 15, 2011 will not be eligible for the credits. It appears that between 400 and 600 applicants in various stages of project completion will be receiving letters from the Oregon Department of Energy (ODOE) indicating that they will not be eligible after all for BETC credits that they may have been relying upon to finance their projects. Rulemaking for the new and extremely reduced BETC program are projected to be completed in late fall and not in time to influence projects already underway.

Using information from various sources, Energy Trust staff has projected a range of possible impacts on our savings targets for individual utilities. These estimates are being provided to the utilities at meetings taking place in late July and early August. It appears that the largest impacts are in the commercial and industrial sectors, and particularly in lighting projects and custom capital projects. For those projects we may propose increasing incentives to potentially reduce the impact of the BETC loss by up to 60% of the gap, depending on the project and the utility demand. This topic will be addressed in greater detail at the upcoming Board meeting August 17, 2011.

Energy Trust has been coordinating closely with ODOE in developing messaging about the continued availability of incentives, despite the loss of tax credits. At this point however, it is difficult to determine the value of the projects that will be denied as the Department of Energy (ODOE) does not have a database of the projects, project value or geography to inform that consideration.

For PGE it appears that the potential reduction in incentives for budgeted projects could be offset by incentives from mitigating efforts within our current budget. For PacifiCorp the same is true based on our preliminary estimates, but the pipeline there is extremely hot, so we may wind up having to come back to the Board for additional funds or access to the line of credit if our estimates prove too low. With the re-forecast we have slightly less than $2 million to cover a shortfall there.

For the gas companies, savings are driven more by the residential market and the Residential Energy Tax Credit (RETC) remains in place through December 31, 2011. Therefore, the influence will primarily be felt in 2012. Focus is still on implementing mitigating efforts for the gas utilities in order to strengthen our ability to meet goals.

At the August 17 Board meeting, staff intends to summarize the issues, opportunities and challenges identified in our analyses and in our discussions with the various utilities. Staff will be seeking Board guidance on proposals for mitigating strategies and budget and savings impacts for 2011. It currently appears that with the mitigating efforts and additional outreach, we may be able to achieve our conservative contract goals. However, 2012 impacts will be more severe since there will be no pipeline of projects completed or proposed until the rules are more clearly defined.

The committee discussed the issues faced by facility managers with elimination of the tax credits and the potential impacts.

Employment Audit

Sue described the State of Oregon employment audit finding that a number of Energy Trust contractors should have been classified as employees. Staff believes that in many cases, the Employment Department's conclusions are incorrect and intend to contest them through a negotiation or appeal process. In other cases staff believes a contest is not warranted, and intend to convert contractors to staff positions, which will increase our FTE count and benefit and administrative load. We are currently working with outside legal counsel to determine our best approach with regard to the appeal.

The matter will be discussed in Executive Session at the Board meeting on August 17th.

Consideration of the use of a Repurchases Agreement Sweep (REPO) account

Sue had previously provided the committee with information regarding the money market account known as a REPO account as well as information regarding Umpqua Bank's second quarter 2011 performance. The accounts are collateralized by government securities but are not FDIC insured. The bank's performance has been very strong.

Energy Trust is currently close to the maximum in CDARs investments as defined by Promontory. These investments are FDIC insured. Sue recommended the committee consider taking the modest additional risk of moving money into the REPO sweep to gain at least some return on those funds.

The committee discussed the options and indicated that they would consider investment in such non insured funds at no higher than 20% of available funds, at least until such time as reduced cash balances cause CDARs investments to become available again. The committee also requested that staff pursue consideration of the purchase of Oregon government issued bonds as an alternative to non-insured investments.

Finance Committee Schedule

The committee had received copies of the budget calendar for the preparation of the 2012-2013 budget and action plan. The finance committee will meet next on October 24, 2011, at 3 pm to review the draft budget and program notes. The committee will meet next on December 5, 2011, to review the proposed final budget.

June 2011 Financial Statements

The committee had few additional comments on the June financial statements, indicating that they reflected pretty typical results for this time of the year.

The meeting adjourned at 4:00 pm.

Energy Trust of Oregon, Inc
BALANCE SHEET
June 30, 2011
(Unaudited)

	JUN 2011	MAY 2011	DEC 2010	Change from Prior Month	Change from Beg. of Year
Current Assets					
Cash & Cash Equivalents	87,871,471	88,242,079	67,600,402	(370,608)	20,271,069
Restricted Cash (Escrow Funds)	1,117,250	1,117,101	1,436,544	149	(319,295)
Investments			8,042,156	0	(8,042,156)
Receivables	12,163	6,089	72,173	6,074	(60,009)
Prepaid Expenses	724,494	821,478	420,340	(96,984)	304,154
Advances to Vendors	2,324,394	1,328,222	1,684,682	996,172	639,712
Total Current Assets	**92,049,772**	**91,514,969**	**79,256,297**	**534,803**	**12,793,476**
Fixed Assets					
Program Equipment	87,564	87,564	87,564	0	0
Computer Hardware and Software	1,011,789	988,301	976,859	23,487	34,930
Software Development	695,829	578,828	397,503	117,002	298,326
Leasehold Improvements	41,995	38,215	22,382	3,780	19,613
Office Equipment and Furniture	138,156	138,156	138,156	0	0
Total Fixed Assets	**1,975,333**	**1,831,064**	**1,622,464**	**144,269**	**352,869**
Less Depreciation	(1,052,505)	(1,045,370)	(991,466)	(7,135)	(61,039)
Net Fixed Assets	**922,828**	**785,693**	**630,998**	**137,134**	**291,830**
Other Assets					
Rental Deposit	28,000	28,000	28,000	0	0
Deferred Compensation Asset	267,121	261,547	233,677	5,574	33,443
Total Other Assets	**295,121**	**289,547**	**261,677**	**5,574**	**33,443**
Total Assets	**93,267,721**	**92,590,209**	**80,148,972**	**677,512**	**13,118,748**
Current Liabilities					
Accounts Payable and Accruals	7,440,566	6,659,885	18,377,833	780,682	(10,937,266)
Salaries, Taxes, & Benefits Payable	527,684	530,428	444,846	(2,744)	82,838
Total Current Liabilities	**7,968,251**	**7,190,313**	**18,822,679**	**777,938**	**(10,854,429)**
Long Term Liabilities					
Deferred Rent	28,698	33,481	57,397	(4,783)	(28,698)
Deferred Compensation Payable	267,121	261,547	233,677	5,574	33,443
Other Long-Term Liabilities	3,095	3,095	2,685	0	410
Total Long-Term Liabilities	**298,914**	**298,123**	**293,759**	**791**	**5,155**
Total Liabilities	**8,267,165**	**7,488,436**	**19,116,438**	**778,728**	**(10,849,274)**
Net Assets					
Temporarily Restricted Net Assets	1,117,250	1,117,101	1,436,544	149	(319,295)
Unrestricted Net Assets	83,883,306	83,984,672	59,595,989	(101,365)	24,287,317
Total Net Assets	**85,000,556**	**85,101,773**	**61,032,534**	**(101,217)**	**23,968,022**
Total Liabilities and Net Assets	**93,267,721**	**92,590,209**	**80,148,972**	**677,512**	**13,118,748**

BS-Acct-YTD-001

Energy Trust of Oregon
Cash Flow Statement-Indirect Method
Monthly 2011

	January	February	March	April	May	June	Year to Date
Operating Activities:							
Revenue less Expenses	$ 8,694,980	$ 6,344,720	$ 2,559,208	$ 3,816,925	$ 2,653,406	$ (101,217)	$ 23,968,022
Non-cash items:							
Depreciation	23,088	5,576	10,790	7,316	7,134	7,135	61,039
Deferred Rent Amortization	(4,783)	(4,783)	(4,783)	(4,783)	(4,784)	(4,783)	(28,699)
Change in balance sheet accounts:							
Interest Receivable	24,343	(2,401)	(1,933)	(3,899)	38,219	(2,842)	51,487
Other Receivables	(8,688)	19,464	(35,219)	34,269	1,928	(3,232)	8,522
Advances to Vendors	490,581	597,005	(1,585,565)	226,886	627,553	(996,172)	(639,712)
Other Assets	(334,067)	46,711	82,620	(292,436)	68,164	91,410	(337,598)
A/P - Program Subcontracts	(13,627)	(419,302)	(848,049)	(521,501)	956,677	(75,510)	(921,312)
A/P - Incentives	(10,910,385)	(181,507)	1,709,847	(1,300,523)	(170,579)	860,329	(9,992,818)
A/P - Professional Services	(10,705)	5,181	(7,985)	2,180	(9,866)	(8,099)	(29,294)
A/P - Operations	27,651	32,706	(74,019)	(60,637)	77,142	3,960	6,803
Payroll and related accruals	22,479	54,457	14,780	9,512	12,222	2,830	116,280
Other liabilities	310	0		100			410
Cash rec'd from / (used in) Operating Activies	(1,998,823)	6,497,827	1,819,692	1,913,409	4,257,217	(226,191)	12,263,130
Investing Activites:							
A/P Fixed Assets (Acquisition)/Disposal of Capital Assets	36,107	(51,678)	(52,521)	(26,492)	(114,016)	(144,269)	(352,869)
Cash used in Investing Activities	36,107	(51,678)	(52,521)	(26,492)	(114,016)	(144,269)	(352,869)
Cash at beginning of Period	77,079,102	75,116,386	81,562,537	83,329,708	85,215,978	89,359,180	77,079,102
Increase/(Decrease) in Cash	(1,962,716)	6,446,152	1,767,173	1,886,270	4,143,202	(370,461)	11,909,620
Cash at end of period	$ 75,116,386	$ 81,562,537	$ 83,329,708	$ 85,215,978	$ 89,359,180	$ 88,988,721	$ 88,988,721

Energy Trust of Oregon
Cash Flow Projection
January 2011 - December 2012
Based on 2011-B-02, 2012-P-02

	Actual						Budget 2011-B-02					
	2011 January	2011 February	2011 March	2011 April	2011 May	2011 June	2011 July	2011 August	2011 September	2011 October	2011 November	2011 December
Cash In:												
Public purpose and Incremental funding	13,547,299	14,361,000	13,017,942	13,366,240	10,870,148	9,911,545	10,196,102	10,466,215	9,884,945	10,012,046	10,680,331	13,377,681
Self Direct Repayments	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	41,516	9,925	11,923	9,728	66,329	10,546	16,667	16,667	16,667	16,667	16,667	16,663
Total cash in	13,588,815	14,370,925	13,029,865	13,375,968	10,936,477	9,922,091	10,212,769	10,482,882	9,901,612	10,028,713	10,696,998	13,394,344
Cash Out:												
Program Subcontracts	2,309,252	2,873,291	6,373,930	3,507,052	1,906,225	4,801,364	3,320,651	3,357,770	3,402,887	3,404,346	3,770,231	3,770,231
Incentives	11,932,478	3,969,269	3,503,665	6,255,908	3,668,658	4,166,941	6,141,359	6,178,436	7,051,627	10,027,450	10,851,942	13,394,597
Salaries and related expense	611,416	625,232	626,835	613,078	624,583	640,340	708,387	708,387	708,387	708,387	708,387	708,387
Professional services	324,901	358,297	552,966	590,920	481,585	(441,086)	449,185	1,146,907	1,146,947	1,250,349	1,011,592	1,008,518
General operating expenses	373,484	98,686	205,296	522,091	112,225	1,124,991	406,885	418,868	469,297	254,958	349,493	1,085,644
Total cash out	15,551,531	7,924,775	11,262,692	11,489,050	6,793,276	10,292,550	11,026,467	11,810,369	12,779,145	15,645,491	16,691,644	19,967,377
Net cash flow for the month	(1,962,716)	6,446,150	1,767,173	1,886,918	4,143,202	(370,459)	(813,698)	(1,327,487)	(2,877,533)	(5,616,778)	(5,994,647)	(6,573,033)
Beginning Balance: Cash & MM	77,079,102	75,116,386	81,561,887	83,329,058	85,215,975	89,359,180	88,988,721	88,175,022	86,847,535	83,970,002	78,353,225	72,358,578
Ending cash & MM	75,116,386	81,561,887	83,329,058	85,215,975	89,359,180	88,988,721	88,175,022	86,847,535	83,970,002	78,353,225	72,358,578	65,785,545
Dedicated funds Adjustment	(18,106,611)	(18,708,096)	(19,239,991)	(17,105,010)	(17,838,450)	(16,394,980)	(17,011,425)	(17,722,045)	(17,998,339)	(17,532,867)	(17,137,645)	(14,633,974)
Committed Funds Adjustment	(13,761,983)	(14,200,745)	(14,645,116)	(15,454,240)	(16,318,408)	(18,569,608)	(19,300,802)	(20,058,090)	(19,883,345)	(17,510,876)	(14,537,339)	(9,008,955)
Cash Reserve	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)
Ending Cash & MM, adjusted by Dedicated Funds	**36,447,792**	**41,853,045**	**42,643,950**	**45,856,725**	**48,402,321**	**47,224,133**	**45,062,795**	**42,267,400**	**39,288,319**	**36,509,482**	**33,883,594**	**35,342,616**

Escrow Cash Balance												
Beginning Balance	1,436,544	1,436,544	1,344,008	1,344,163	1,116,948	1,117,101	1,117,250	1,018,918	1,019,555	1,020,192	1,020,829	1,021,467
Net Escrow (Payments)/Funding		(92,646)	-	(227,489)	-	-	(99,000)	-	-	-	-	(99,000)
Interest Paid on Escrow Balances		110	155	274	153	149	667	637	637	638	638	607
Ending Escrow Balance[1]	1,436,544	1,344,008	1,344,163	1,116,948	1,117,101	1,117,250	1,018,918	1,019,555	1,020,192	1,020,829	1,021,467	923,075

[1]Included in "Ending cash & MM" above

Dedicated funds adjustment: reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements
Committed funds adjustment: reduction in available cash for commitments to Efficiency program projects with signed agreements
Cash reserve: reduction in available cash to cover cashflow variability and winter revenue risk
Escrow: dedicated funds set aside in separate bank accounts

Energy Trust of Oregon
Cash Flow Projection
January 2011 - December 2012
Based on 2011-B-02, 2012-P-02

	Projection 2012-P-02											
	2012 January	2012 February	2012 March	2012 April	2012 May	2012 June	2012 July	2012 August	2012 September	2012 October	2012 November	2012 December
Cash In:												
Public purpose and Incremental funding	17,160,243	16,242,959	14,637,394	13,250,443	12,596,750	11,882,967	12,201,940	12,146,826	11,480,872	11,310,385	12,380,439	15,512,542
Self Direct Repayments	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667
Total cash in	17,176,909	16,259,626	14,654,060	13,267,109	12,613,417	11,899,634	12,218,606	12,163,492	11,497,538	11,327,052	12,397,106	15,529,208
Cash Out:												
Program Subcontracts	3,773,451	3,218,301	3,268,061	3,268,222	3,421,294	3,421,294	3,421,375	3,912,429	3,962,107	3,962,107	3,980,893	3,980,893
Incentives	2,646,395	2,983,859	3,540,902	4,532,055	4,158,896	4,562,227	4,916,419	4,945,858	5,710,614	7,880,741	8,443,041	18,388,881
Salaries and related expense	718,810	718,810	718,810	718,810	718,810	718,810	718,810	718,810	718,810	718,810	718,810	718,810
Professional services	1,068,910	964,709	964,685	1,004,480	954,933	955,087	994,754	1,081,424	1,081,464	1,121,116	1,116,017	1,103,943
General operating expenses	216,142	133,342	132,219	196,618	196,323	193,547	133,242	125,577	136,362	134,117	293,579	144,585
Total cash out	8,423,709	8,019,021	8,624,676	9,720,185	9,450,256	9,850,966	10,184,600	10,784,098	11,609,358	13,816,891	14,552,340	24,337,112
Net cash flow for the month	8,753,201	8,240,605	6,029,384	3,546,924	3,163,161	2,048,668	2,034,006	1,379,394	(111,819)	(2,489,840)	(2,155,235)	(8,807,903)
Beginning Balance: Cash & MM	65,785,545	74,538,746	82,779,351	88,808,735	92,355,659	95,518,820	97,567,488	99,601,494	100,980,888	100,869,069	98,379,229	96,223,995
Ending cash & MM	74,538,746	82,779,351	88,808,735	92,355,659	95,518,820	97,567,488	99,601,494	100,980,888	100,869,069	98,379,229	96,223,995	87,416,091
Dedicated funds Adjustment	(14,924,558)	(15,285,391)	(15,674,975)	(15,607,225)	(15,920,476)	(16,241,311)	(16,431,895)	(16,716,653)	(16,538,336)	(16,204,750)	(15,944,333)	(7,842,384)
Committed Funds Adjustment	(10,111,911)	(11,454,701)	(12,682,219)	(13,716,188)	(15,095,714)	(17,201,097)	(18,589,431)	(19,950,864)	(20,077,106)	(17,245,358)	(13,536,358)	(6,645,450)
Cash Reserve	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)
Ending Cash & MM, adjusted by Dedicated Funds	**42,702,278**	**49,239,259**	**53,651,541**	**56,232,246**	**57,702,630**	**57,325,080**	**57,780,168**	**57,513,371**	**57,453,627**	**58,129,122**	**59,943,304**	**66,128,258**

Escrow Cash Balance												
Beginning Balance	923,075	824,621	825,136	825,652	727,137	727,592	728,046	629,470	629,864	630,257	630,651	631,046
Net Escrow (Payments)/Funding	(99,000)	-	-	(99,000)	-	-	(99,000)	-	-	-	-	(99,000)
Interest Paid on Escrow Balances	546	515	516	485	454	455	424	393	394	394	394	363
Ending Escrow Balance[1]	824,621	825,136	825,652	727,137	727,592	728,046	629,470	629,864	630,257	630,651	631,046	532,409

[1]Included in "Ending cash & MM" above

Dedicated funds adjustment: reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements
Committed funds adjustment: reduction in available cash for commitments to Efficiency program projects with signed agreements
Cash reserve: reduction in available cash to cover cashflow variability and winter revenue risk
Escrow: dedicated funds set aside in separate bank accounts

Energy Trust of Oregon, Inc
INCOME STATEMENT - ACTUAL AND YTD COMPARISON
For the Six Months Ending June 30, 2011
(Unaudited)

	June			YTD		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
REVENUES						
Public Purpose Funds-PGE	2,813,173	2,744,889	68,283	19,389,592	18,629,427	760,165
Public Purpose Funds-PacifiCorp	1,911,658	1,849,134	62,524	12,783,929	12,351,454	432,474
Public Purpose Funds-NW Natural	1,390,095	1,302,843	87,252	13,909,056	12,584,491	1,324,565
Public Purpose Funds-Cascade	45,480	81,821	(36,341)	568,669	917,553	(348,885)
Total Public Purpose Funds	**6,160,406**	**5,978,688**	**181,718**	**46,651,246**	**44,482,926**	**2,168,319**
Incremental Funds - PGE	2,096,217	2,039,901	56,315	15,125,011	14,308,847	816,164
Incremental Funds - PacifiCorp	1,654,923	1,496,748	158,176	11,725,584	10,336,208	1,389,376
NW Natural - Industrial DSM	0	172,733	(172,733)	925,003	917,597	7,406
NW Natural - Washington	0	0	0	642,144	495,208	146,936
Special Projects - Clackamas County	0	0	0	4,450	0	4,450
Contributions	0	0	0	735	0	735
Revenue from Investments	13,388	16,667	(3,279)	98,481	100,002	(1,521)
TOTAL REVENUE	**9,924,933**	**9,704,736**	**220,198**	**75,172,654**	**70,640,788**	**4,531,866**
EXPENSES						
Program Subcontracts	3,726,450	3,569,619	(156,832)	20,219,023	21,222,570	1,003,547
Incentives	5,027,270	10,136,649	5,109,379	23,504,101	36,098,907	12,594,806
Salaries and Related Expenses	643,170	708,387	65,217	3,857,767	4,250,322	392,555
Professional Services	449,185	1,211,098	761,913	2,736,660	6,669,872	3,933,211
Supplies	1,495	6,118	4,623	15,439	35,042	19,602
Telephone	3,603	5,463	1,860	16,552	32,775	16,223
Postage and Shipping Expenses	760	5,058	4,299	9,389	30,350	20,961
Occupancy Expenses	40,684	41,821	1,137	208,987	250,926	41,938
Noncapitalized Equip. & Depr.	50,293	34,980	(15,313)	254,578	200,707	(53,871)
Call Center	14,110	21,668	7,558	107,961	137,486	29,525
Printing and Publications	11,329	17,588	6,258	49,473	109,725	60,252
Travel	13,985	16,356	2,371	52,232	108,135	55,902
Conference, Training & Mtng Exp	25,816	32,475	6,659	62,023	194,850	132,827
Insurance	7,245	8,333	1,088	49,085	50,000	915
Miscellaneous Expenses	0	300	300	1,981	1,800	(181)
Dues, Licenses and Fees	10,755	12,464	1,709	59,381	74,182	14,801
TOTAL EXPENSES	**10,026,150**	**15,828,376**	**5,802,226**	**51,204,632**	**69,467,646**	**18,263,014**
TOTAL REVENUE LESS EXPENSES	**(101,217)**	**(6,123,641)**	**6,022,424**	**23,968,022**	**1,173,142**	**22,794,880**

IS-Acct-YTD-001

Energy Trust of Oregon, Inc
Statement of Functional Expenses
For the Six Months Ending June 30, 2011

	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total	Budget	Variance
Program Expenses									
Incentives/ Program Management & Delivery	39,667,650	4,055,473	43,723,123				43,723,123	57,321,477	13,598,354
Payroll and Related Expenses	989,405	450,096	1,439,501	815,425	254,611	1,070,036	2,509,537	2,715,237	205,700
Outsourced Services	1,413,802	204,044	1,617,846	98,724	322,305	421,029	2,038,875	4,657,331	2,618,456
Planning and Evaluation	705,587	104,977	810,564		10,287	10,287	820,851	1,275,464	454,613
Customer Service Management	386,774	17,841	404,615				404,615	560,449	155,834
Trade Allies Network	196,221	13,417	209,638				209,638	327,512	117,874
Total Program Expenses	**43,359,439**	**4,845,848**	**48,205,287**	**914,149**	**587,204**	**1,501,353**	**49,706,640**	**66,857,470**	**17,150,830**
Program Support Costs									
Supplies	3,266	1,694	4,960	4,779	1,031	5,810	10,770	19,595	8,825
Postage and Shipping Expenses	4,914	708	5,622	1,103	477	1,580	7,202	12,768	5,566
Telephone	2,693	1,669	4,362	1,959	565	2,524	6,886	7,258	372
Printing and Publications	30,112	6,993	37,105	1,749	5,430	7,179	44,284	102,574	58,290
Occupancy Expenses	52,259	24,434	76,693	38,048	16,447	54,495	131,188	153,712	22,524
Insurance	12,411	5,803	18,214	9,036	3,906	12,942	31,156	31,980	824
Equipment	2,669	30,417	33,086	1,943	840	2,783	35,869	10,920	(24,949)
Travel	15,552	15,436	30,988	9,125	1,227	10,352	41,340	91,635	50,295
Meetings, Trainings & Conferences	10,050	7,578	17,628	25,771	1,326	27,097	44,725	135,100	90,375
Depreciation & Amortization	2,527	6,836	9,363	1,840	795	2,635	11,998	6,442	(5,556)
Dues, Licenses and Fees	29,557	14,300	43,857	6,349	662	7,011	50,868	61,804	10,936
Miscellaneous Expenses	306	3	309	5	1,308	1,313	1,622	1,349	(273)
IT Services	674,285	118,148	792,433	191,395	96,259	287,654	1,080,087	1,975,038	894,951
Total Program Support Costs	**840,602**	**234,016**	**1,074,618**	**293,101**	**130,273**	**423,374**	**1,497,992**	**2,610,177**	**1,112,185**
TOTAL EXPENSES	**44,200,042**	**5,079,865**	**49,279,907**	**1,207,250**	**717,478**	**1,924,728**	**51,204,632**	**69,467,646**	**18,263,014**

OPUC measure, versus 11% 4%

Exp-Acct-YTD-002

Energy Trust of Oregon, Inc
Year to Date by Program/Service Territory - joint costs allocated at program level
For the Six Months Ending June 30, 2011
(Unaudited)

	ENERGY EFFICIENCY										RENEWABLE ENERGY				TOTAL
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista	Oregon Total	NWN WA	ETO Total	PGE	PacifiCorp	Total	Other	All Programs
REVENUES															
Public Purpose Funding	$15,064,007	$9,910,051	$24,974,058		$13,909,056	$568,669		$39,451,783		$39,451,783	$4,325,585	$2,873,877	$7,199,462		$46,651,245
Incremental Funding	15,125,011	11,725,584	26,850,595	925,003				27,775,598	642,144	28,417,742					28,417,742
Contributions														735	735
Special Projects	1,662		1,662		2,788			4,450		4,450					4,450
Revenue from Investments														98,481	98,481
TOTAL PROGRAM REVENUE	**30,190,680**	**21,635,635**	**51,826,315**	**925,003**	**13,911,844**	**568,669**		**67,231,831**	**642,144**	**67,873,975**	**4,325,585**	**2,873,877**	**7,199,462**	**99,216**	**75,172,654**
EXPENSES															
Program Management (Note 3)	1,048,458	836,497	1,884,955	23,379	507,830	63,539		2,479,702	62,412	2,542,114	255,146	194,950	450,096		2,992,210
Program Delivery	8,129,666	6,001,241	14,130,907	266,659	2,040,334	285,228		16,723,128	96,055	16,819,183	59,778	38,901	98,679		16,917,862
Incentives	9,074,812	6,608,257	15,683,069	64,296	3,269,395	393,865		19,410,625	136,678	19,547,303	2,694,911	1,261,884	3,956,795		23,504,098
Program Eval & Planning Svcs.	515,024	417,535	932,559	4,968	189,364	23,414		1,150,306	15,362	1,165,668	57,314	47,663	104,977		1,270,645
Program Marketing/Outreach	1,044,991	754,713	1,799,703	2,939	471,090	58,155		2,331,887	32,183	2,364,070	44,809	29,955	74,764		2,438,834
Program Legal Services	0	0	0	0	0	0		0	0	0	0	0	0		0
Program Quality Assurance	16,989	17,527	34,516	0	19,029	2,498		56,043	0	56,043	7,763	564	8,327		64,370
Outsourced Services	124,266	91,233	215,500	667	62,327	3,039		281,532	0	281,532	71,239	49,466	120,705		402,237
Trade Allies & Cust. Svc. Mgmt.	234,566	181,294	415,859	667	136,584	17,094		570,204	12,791	582,995	21,179	10,079	31,258		614,253
IT Services	283,586	222,555	506,140	3,933	132,818	16,524		659,416	14,869	674,285	69,449	48,698	118,147		792,432
Other Program Expenses	69,203	52,831	122,034	2,024	23,285	3,153		150,496	16,353	166,849	73,184	42,933	116,117		282,966
TOTAL PROGRAM EXPENSES	**20,541,560**	**15,183,683**	**35,725,244**	**369,530**	**6,852,055**	**866,510**		**43,813,339**	**386,703**	**44,200,042**	**3,354,772**	**1,725,093**	**5,079,865**		**49,279,907**
ADMINISTRATIVE COSTS															
Management & General (Notes 1 & 2)	503,223	371,967	875,190	9,053	167,860	21,228		1,073,331	9,474	1,082,805	79,906	44,539	124,445		1,207,250
Com & Cust Svc (Notes 1 & 2)	299,070	221,063	520,133	5,380	99,761	12,616		637,889	5,630	643,519	47,489	26,470	73,959		717,478
Total Administrative Costs	**802,293**	**593,030**	**1,395,323**	**14,433**	**267,621**	**33,843**		**1,711,220**	**15,104**	**1,726,324**	**127,394**	**71,010**	**198,404**		**1,924,728**
TOTAL PROG & ADMIN EXPENSES	**21,343,854**	**15,776,712**	**37,120,566**	**383,964**	**7,119,675**	**900,352**		**45,524,557**	**401,805**	**45,926,362**	**3,482,165**	**1,796,104**	**5,278,269**		**51,204,632**
TOTAL REVENUE LESS EXPENSES	**8,846,826**	**5,858,923**	**14,705,749**	**541,039**	**6,792,169**	**(331,683)**		**21,707,274**	**240,339**	**21,947,613**	**843,420**	**1,077,773**	**1,921,193**	**99,216**	**23,968,023**
Cumulative Carryover at 12/31/10 (Note 4)	14,983,896	(1,961,443)	13,022,453	805,043	5,878,939	526,165	25,458	20,258,058	675,003	20,933,061	21,576,604	8,203,634	29,780,238	10,319,233	61,032,532
Interest attributed	1,740,000	1,160,000	2,900,000		5,000,000			7,900,000		7,900,000		1,700,000	1,700,000	(9,600,000)	
Interest re-attributed	(1,740,000)		(1,740,000)		(5,000,000)			(6,740,000)		(6,740,000)				6,740,000	
TOTAL NET ASSETS CUMULATIVE	**23,830,722**	**5,057,480**	**28,888,202**	**1,346,082**	**12,671,108**	**194,482**	**25,458**	**43,125,332**	**915,342**	**44,040,674**	**22,420,024**	**10,981,407**	**33,401,431**	**7,558,449**	**85,000,556**

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.
Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.
Note 3) Program Management costs include both outsourced and internal staff.
Note 4) Cumulative carryover at 12/31/2010 reflects audited results.

Energy Trust of Oregon, Inc
Program Expense by Service Territory
For the Six Months Ending June 30, 2011
(Unaudited)

	PGE	Pacific Power	Subtotal Elec. Utilities	NWN Industrial	NW Natural Gas	Cascade	Subtotal Gas Providers	Oregon Total	NWN WA	ETO Total	YTD Budget	Variance
Energy Efficiency												
Commercial												
Existing Buildings	5,356,208	2,513,181	7,869,389	62,177	1,653,654	147,467	1,863,298	9,732,687	151,586	9,884,273	13,280,830	3,396,557
New Buildings	1,589,774	2,088,277	3,678,051		651,858	60,527	712,385	4,390,436		4,390,436	4,734,139	343,703
NEEA	696,292	525,272	1,221,564					1,221,564		1,221,564	1,201,937	(19,627)
Total Commercial	**7,642,274**	**5,126,730**	**12,769,004**	**62,177**	**2,305,512**	**207,994**	**2,575,683**	**15,344,687**	**151,586**	**15,496,273**	**19,216,906**	**3,720,633**
Industrial												
Production Efficiency	4,155,367	3,204,972	7,360,339	321,787	196,150	91,155	609,092	7,969,431		7,969,431	9,570,709	1,601,278
NEEA	365,620	275,820	641,440					641,440		641,440	602,266	(39,174)
Total Industrial	**4,520,987**	**3,480,792**	**8,001,779**	**321,787**	**196,150**	**91,155**	**609,092**	**8,610,871**		**8,610,871**	**10,172,975**	**1,562,104**
Residential												
Existing Homes	3,042,819	3,155,245	6,198,064		3,427,799	449,974	3,877,773	10,075,837	161,035	10,236,872	13,199,003	2,962,131
New Homes/Products	5,234,898	3,332,828	8,567,726		1,190,214	151,229	1,341,443	9,909,169	89,184	9,998,353	10,314,530	316,177
NEEA	902,876	681,117	1,583,993					1,583,993		1,583,993	1,586,962	2,969
Total Residential	**9,180,593**	**7,169,190**	**16,349,783**		**4,618,013**	**601,203**	**5,219,216**	**21,568,999**	**250,219**	**21,819,218**	**25,100,495**	**3,281,277**
Energy Efficiency Program Costs	**21,343,854**	**15,776,712**	**37,120,566**	**383,964**	**7,119,675**	**900,352**	**8,403,991**	**45,524,557**	**401,805**	**45,926,362**	**54,490,376**	**8,564,014**
Renewables												
Biopower	81,021	279,744	360,765					360,765		360,765	1,775,149	1,414,384
Solar Electric (Photovoltaic)	2,793,706	1,319,563	4,113,269					4,113,269		4,113,269	8,601,928	4,488,659
Other Renewable	607,438	196,797	804,235					804,235		804,235	4,600,195	3,795,960
Renewables Program Costs	**3,482,165**	**1,796,104**	**5,278,269**					**5,278,269**		**5,278,269**	**14,977,272**	**9,699,003**
Cost Grand Total	**24,826,019**	**17,572,816**	**42,398,835**	**383,964**	**7,119,675**	**900,352**	**8,403,991**	**50,802,826**	**401,805**	**51,204,632**	**69,467,646**	**18,263,017**

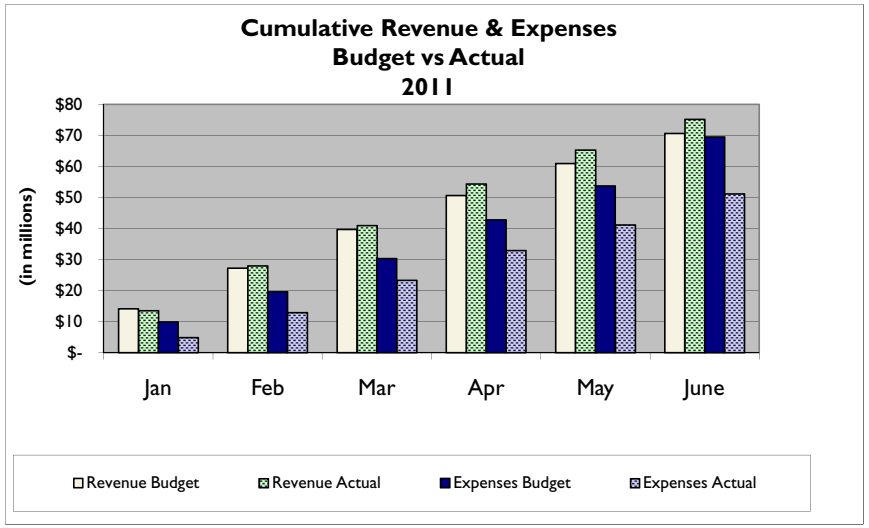
PUC-Proj-ST-07-C

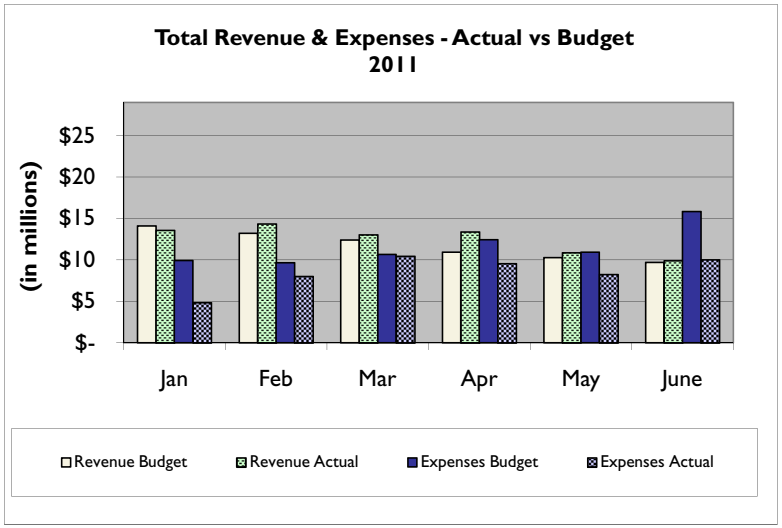
Energy Trust of Oregon, Inc.
ADMINISTRATIVE EXPENSES
For the Three Months and Year to Date Ended June 30, 2011
(Unaudited)

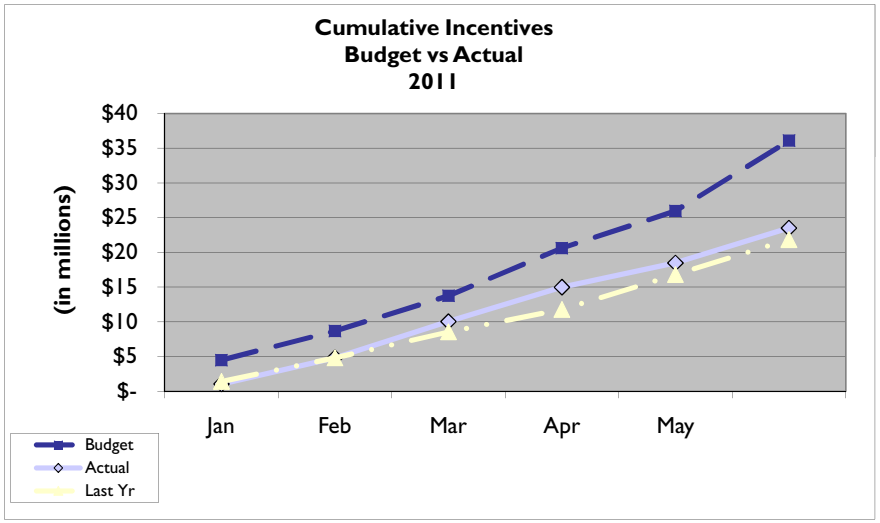
	MANAGEMENT & GENERAL						COMMUNICATIONS & CUSTOMER SERVICE					
	QUARTER			YTD			QUARTER			YTD		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
EXPENSES												
Outsourced Services	$30,487	$107,916	$77,429	$82,442	$176,526	$94,083	$171,727	$271,954	$100,227	$322,138	$531,408	$209,270
Legal Services	11,540	15,000	3,460	15,895	28,750	12,855						
Salaries and Related Expenses	393,752	459,731	65,979	815,425	949,183	133,758	125,824	130,959	5,135	254,611	261,918	7,306
Supplies	1,792	542	(1,250)	2,428	500	(1,928)	15	500	485	15	1,000	985
Telephone	279	533	254	651	700	49						
Postage and Shipping Expenses		667	667		1,250	1,250		1,250	1,250		2,500	2,500
Noncapitalized Equipment								500	500		1,000	1,000
Printing and Publications	109	92	(17)	142	150	8	3,488	12,500	9,012	4,736	25,000	20,264
Travel	6,066	8,498	2,433	9,121	17,225	8,104	1,190	1,500	310	1,225	3,000	1,775
Conference, Training & Mtngs	21,631	35,783	14,152	25,771	77,325	51,554	731	4,750	4,019	1,326	9,500	8,174
Miscellaneous Expenses		190	190		550	550				1,306		(1,306)
Dues, Licenses and Fees	2,520	3,853	1,333	6,349	5,250	(1,099)	403	1,250	847	662	2,500	1,838
Shared Allocation (Note 1)	27,490	35,675	8,186	57,631	72,608	14,977	12,837	13,297	460	24,912	26,886	1,974
IT Service Allocation (Note 2)	97,623	176,950	79,326	191,395	349,983	158,588	49,098	93,589	44,491	96,259	176,018	79,760
Planning & Eval (Note 3)		3,158	3,158				5,275	8,084	2,809	10,287	15,984	5,697
TOTAL EXPENSES	**593,288**	**848,587**	**255,298**	**1,207,250**	**1,680,000**	**472,750**	**370,588**	**540,133**	**169,546**	**717,477**	**1,056,715**	**339,238**

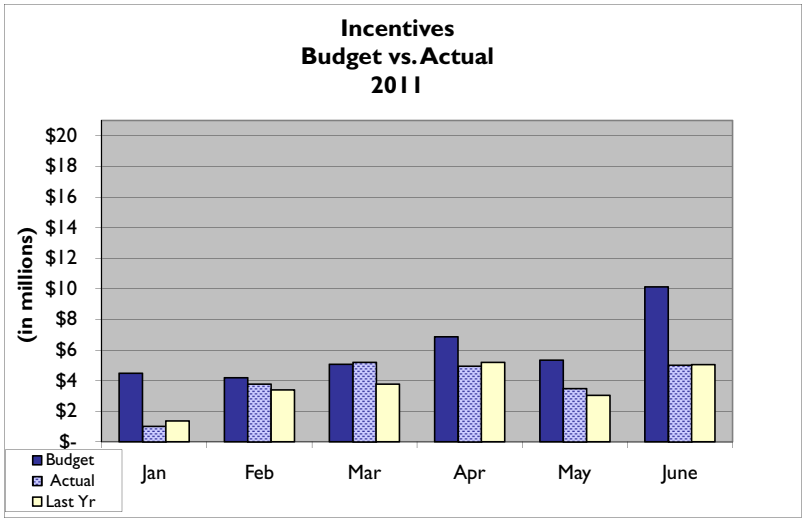
Note 1) Represents allocation of Shared (General Office Management) Costs
Note 2) Represents allocation of Shared IT Costs
Note 3) Represents allocation of Planning & Evaluations Costs

Exp-Prog-YTD-003


Cumulative Revenue & Expenses
Budget vs Actual
2011
(in millions)
$80
$70
$60
$50
$40
$30
$20
$10
$-
Jan
Feb
Mar
Apr
May
June
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Total Revenue & Expenses - Actual vs Budget
2011
(in millions)
$25
$20
$15
$10
$5
$-
Jan
Feb
Mar
Apr
May
June
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Cumulative Incentives
Budget vs Actual
2011
(in millions)
$40
$35
$30
$25
$20
$15
$10
$5
$-
Jan
Feb
Mar
Apr
May
Budget
Actual
Last Yr


Incentives
Budget vs. Actual
2011
(in millions)
$20
$18
$16
$14
$12
$10
$8
$6
$4
$2
$-
Jan
Feb
Mar
Apr
May
June
Budget
Actual
Last Yr

Policy Committee of the Energy Trust Board of Directors

July 19, 2011, 1:40 – 2:40 p.m.

Attendees

Jason Eisdorfer, Rick Applegate (by telephone), John Reynolds, Margie Harris, Kacia Brockman, Amber Cole, Steve Lacey, Debbie Menashe, Sue Meyer Sample and John Volkman

1. **Renewable energy certificates and WREGIS.** Betsy Kauffman briefed the committee: Energy Trust takes title to some renewable energy certificates (RECs) from every renewable energy project it funds. While it is not part of formal board policy, the board and the OPUC expect Energy Trust RECs to help satisfy the funding utilities' renewable energy standard (RES). ODOE chose the Western Renewable Energy Generation Information System (WREGIS) as the system Oregon utilities must use to register RECs for RES compliance. WREGIS is designed to track RECs from big utility-owned projects. It doesn't work as well for the smaller projects that we deal with. WREGIS' mission in life is to create a credible REC: a project is registered once and no REC is double-counted. WREGIS has a specific process that requires gathering and inputting a lot of project-specific information. Every step in the WREGIS process carries fees.

   Staff has spent 18 months researching and working with ODOE and the utilities to figure out how to make our RECs count toward the RES. By 2025 we expect to have title to about 13 million RECs, 92% of which will come from our utility-scale projects which we don't need to worry about – they're already in WREGIS. The question is how to manage the remaining 8% -- 6% from larger QF projects and 2% from more than 2,700 solar and small wind projects.

   There are about seven QFs. Working with WREGIS for those projects will cost about $190,000 through 2025. The first-year cost, likely next year, is $112,000. We presented this information to the RAC. The RAC generally, but not unanimously, supports working through WREGIS for these projects. Two members disagreed, saying it's not worth the cost and effort. Staff recommends that the utilities handle the administrative effort involved and Energy Trust pay the fees and utility administrative costs, with one caveat. PUC staff said it is possible that the utilities may be able to recover these costs as part of RES compliance. We recommend that we find out if they are recoverable and pay the fees in the meantime. The RAC discussion is summarized in **Attachment 1**.

   For the net-metered solar projects, the cost of working with WREGIS is over $6 million through 2025. Every single project – 2,700 of them – would need to be registered and tracked through WREGIS. The RAC was unanimous that this is too expensive. We recommend that we work with ODOE and the utilities to try to find an affordable alternative path within WREGIS. And in the interim these RECs will not count toward the RES.

All of these numbers are only for projects we funded through mid-March. They don't include anything we're going to fund this fall or later. So the numbers will grow.

Jason said he continues to be unhappy with the prospect that ratepayers will not have the benefit of counting RECs they pay for count toward RES. Possibly the Renewable Energy Act could be tweaked or an ODOE rule-change could allow an alternative approach for small-project RECs. Jed observed that ODOE is opposed to estimating small-project energy production for RECs, and staff has been unable to interest WREGIS in an alternative. Energy Trust RECs are unique, no other entity seems to have this problem, and WREGIS is unlikely to be responsive. Jason said we should continue to look for another way. Kacia observed that there is a ratepayer benefit from renewable projects even if their RECs don't count toward the RES: they reduce system load, especially in peak periods. Jason agreed, but pointed out that the price for this benefit is high, and he would like them to count toward the RES. In the meantime, he can live with the RAC and staff proposal.

2. **Retreat follow-ups:**

Energy Trust role vis-à-vis legislation. John Volkman observed that at the board retreat, there was consensus that the role we have played to this point – providing factual information about Energy Trust and its accomplishments, responding to legislative requests for information and providing perspective on the potential impacts of legislation on Energy Trust programs – is appropriate. There also appeared to be consensus that Energy Trust should not as an organization take positions on proposed legislation. Board members were invited to submit suggestions for other guidelines on board-member lobbying, and none was submitted. The question now is whether more guidance is needed or if the consensus rules described above are sufficient. John Reynolds suggested that for the time being, the current consensus is sufficient. Individual board members should self-monitor. Jason suggested that the board be briefed on this at a board meeting preceding each legislative session.

Consulting. Margie reported that she had discussed with John Savage the idea of Energy Trust consulting, as the board requested at the retreat. He thinks that there would be a market. His only concern is that consulting not detract from Energy Trust's primary mission. Margie has discussed with several universities the possibility of their doing a market evaluation as a research project at no cost. She thinks that a program sponsored by the MBA program at PSU is a good option. It will require Margie, Fred and possibly his staff to spend some time with them developing a scope of work. The committee agreed, as long as it doesn't take too much time.

3. **Schools policy.** The Energy Trust schools policy provides that Energy Trust funds should not be used for the same energy efficiency measures that are funded by SB 1149 school funds. The Cool Schools program authorized by HB 2690 will allow schools to use SB 1149 school funds as security for bonds whose revenues are used to reduce the cost of energy conservation loans to schools. The Cool Schools program will be run by ODOE and we are still discussing our role in the program. However, it is not clear if the current policy would allow Energy Trust to participate.

The policy could be amended to allow Energy Trust: (1) to provide technical or administrative support for measures that are funded by Cool Schools; and/or (2) also

provide funding for measures financed by Cool Schools. Staff recommended the first option, see **Attachment 2**, at least until we are clearer about our potential role in Cool Schools. We are reluctant to recommend the second option because it would seem to erase any distinction between SB 1149 schools funds and other 1149 funds. If a broader Energy Trust role seems advisable, we could work with the committee on a policy framework for it. The committee agreed, as long as a suitable share of the resulting savings is attributable to Energy Trust.

4. **Fuel-switching policy.** At its last meeting, the policy committee recommended the fuel-switching policy be clarified to say explicitly that if a customer decides to switch from one fuel to another and is willing to use equipment more efficient than code, Energy Trust may pay incentives (see **Attachment 3;** the italicized language is in addition to those discussed earlier). This is how Energy Trust has always interpreted the policy. As Fred observed, we do not pay for fuel conversions, but we do pay people to use efficient technology regardless of whether they decide to use gas or electricity. The amendment is meant to clarify any ambiguity on this point. NW Natural and Cascade Gas strongly oppose the proposition underlying the policy. They advocate a policy that would look at fuel efficiency from source to use. They oppose clarifying the policy pending a discussion of their broader policy concerns. Staff believes a policy change of this magnitude would require direction from the PUC. NW Natural is talking to the OPUC staff about this.

   The committee suggested staff write to the gas companies saying that we understand the broader issues they raise. The committee also believes the Energy Trust policy should be unmistakably clear so that our trade allies understand how we approach this issue. In order to give the gas companies plenty of time to address the policy issues with the PUC and others, the committee will put this on the agenda for the board's first meeting in 2012. If the broader policy issues have been resolved, the committee can consider the implications for the policy, and otherwise it will recommend that the board adopt the proposed clarification. In the meantime, we will continue to advise trade allies and participants that we continue to allow incentives if a customer chooses to switch fuels and is willing to use high-efficiency equipment.

5. **Status report on cost-effectiveness policy.** At the March policy committee meeting, staff proposed to update the cost-effectiveness policy to align it with integrated resource planning, the Energy Trust strategic plan, utility contracts, and other developments. The revised policy would treat cost-effectiveness determinations exclusively as an up-down screen for measures and programs, and remove from it investment considerations outside cost-effectiveness. Those considerations are contained in the Energy Trust strategic plan and other investment policies. Staff discussed these revisions with the CAC on May 18. Relatively minor issues were raised in that discussion, which we can address in drafting. We are still discussing one issue with the OPUC: our use of surrogate non-energy values. Staff recommended the committee defer a recommendation pending this discussion.

6. **Expenditures over $500,000** The contract execution policy, which the board amended in February, provides: "Not less often than annually, staff shall report to the Policy Committee all instances in which Energy Trust has paid more than $500,000 to an individual contractor in a given calendar year." At the last meeting, the committee asked staff for a brief

explanation of any such expenditures that do not involve board-approved contracts. Staff provided the following report:

Entity	Program	2010 expenditures	Nature of Payee	Purpose
JACO Environmental	New Homes & Products	$ 1,835,701.50, service incentives	PECI subcontractor (PECI contract is board-approved)	Recycling more than 19,000 refrigerators
Resource Action Programs	Existing Homes	$ 1,131,889.41	Same as above	LivingWise kits @ $40 per kit
Imagine Energy	Solar	$ 1,184,948.00	Trade ally	202 PV projects – incentives assigned by homeowners
SolarCity	Solar	$ 1,055,689.44	Trade ally	188 PV projects – incentives assigned by homeowners
National Solar	Solar	$ 526,470.25	Trade ally	88 PV projects – incentives assigned by homeowners
Port of Portland	New and Existing Buildings	$ 605,997.00	Program participant	Multiple project incentives for lighting, HVAC, motors
Mt. Hood Community College	Existing Buildings	$ 510,840.00	Program participant	Incentives for sensors, chillers, boiler, lighting

Imagine Energy, SolarCity and National Solar are trade allies that install systems as part of Solarize Portland. They agree with homeowners to install solar systems on homes, and the homeowners assign the right to their Energy Trust incentives to the installer. Thus, these funds are program incentives. The Port of Portland and Mt. Hood Community College are program participants; these funds are program incentives. JACO is a subcontractor to a board-approved PMC (PECI). We pay JACO $95 for each refrigerator they pick up and recycle; and a separate incentive to the refrigerator owner -- $30 until 7/10 and $50 since.

The committee saw no issue associated with these payments.

Prepared by John Volkman, General Counsel

ATTACHMENT 1: RECs / WREGIS

May 19 RAC meeting

The May 19, 2011 RAC meeting explored the costs and challenges associated with enabling Energy Trust's contractually owned RECs to be used by the utilities for RES compliance purposes.

Energy Trust staff presented the following findings from two years of research into the issue:

- Compliance RECs must be created in WREGIS. The process is complicated and costly.
- Energy Trust's current contractual RECs fall into three categories:
  - 92% - Utility-owned projects
    - Already in WREGIS, no further work necessary
  - 6% - Qualifying Facilities (seven biomass, hydro, and geothermal projects)
    - ~$190,000 in costs through 2025, yielding RECs for $0.34
    - Energy Trust staff suggest considering paying the costs for the utilities and project owners to work with WREGIS to transfer RECs to the utilities
  - 2% - Net Metered Facilities (>2,700 solar, hydro, and small wind projects)
    - $6.25MM in costs through 2025, yielding RECs for ~$20
    - Energy Trust staff suggest finding an alternate method outside of WREGIS to account for these RECs

RAC members discussed the issues and options and came to the following opinions:

- **Qualifying Facilities (QF's)**
  - The RAC generally, but not unanimously, supports working through WREGIS to have the RECs from these projects count toward the RPS. Two members disagreed, saying it's not worth the effort at this point.
  - Members support the idea of asking the PUC who should pay the costs (both administrative and fee-based). PUC staff commented that the costs might be considered recoverable costs of RPS compliance.
  - No one disagreed with the idea of having the utilities handle the administrative effort involved in working with WREGIS and registering RECs.
- **Net-metered projects**
  - There was unanimous opinion that the net metered projects are too expensive to consider counting through WREGIS at present.
  - ODOE opposes any system for counting RECs outside of WREGIS.
    - PUC staff indicated an outside system would require both PUC and ODOE approval.
    - RNP and the utilities are willing to have a separate system but recognize the role of ODOE and the OPUC in determining what meets RPS requirements.
  - ODOE is willing to convene an effort to attempt to find a creative solution within WREGIS. PUC and utility staff agreed with this suggestion.

Next steps:

1. In light of the costs involved in registering our net-metered projects and ODOE's willingness to work toward finding a more cost-effective solution within WREGIS, our next step is to work with ODOE on this problem-solving effort. This would defer disposition of these RECs to a later date.
2. For QF projects, staff will bring the issues, costs, and RAC opinions to the policy committee. Staff and the RAC recommend that we move forward with registering projects in WREGIS, with utilities handling the work and Energy Trust picking up the costs, pending a decision by the PUC as to whether these costs are recoverable as part of RES compliance.

ATTACHMENT 2: Policy on Energy Conservation in Schools

Policy:

1. Energy Trust will make electric and gas funds available for SB 1149 schools through its New and Existing Buildings programs, provided the proposed measures meet the relevant cost-effectiveness criteria.
2. Energy Trust funds and other SB 1149 school funds may not be used for the same energy efficiency measure. Energy Trust may provide technical and/or administrative support for school projects that are in other respects funded as authorized by HB 2690 (2011).
3. Energy savings estimates, measures costs and other data identified in the school district audits will be accepted by the Existing and New Building Efficiency programs.

ATTACHMENT 3: Fuel-Switching Policy

a. This policy applies only to energy efficiency measures, not to solar-thermal, geothermal or other renewable energy systems.
b. Energy Trust should not advocate fuel-switching, but may provide fuel-neutral technical information on efficiency options. That is, Energy Trust may undertake technical studies to identify efficiency opportunities and make recommendations for making an application more efficient for an energy source specified by the energy user. If the energy user expresses interest in converting to another energy source, Energy Trust may perform analysis showing the economics of alternative systems, including the savings and incentives for installing high-efficiency options for the energy source. This type of assistance should help customers consider the merits of their options.
c. ~~However, the Energy Trust should not provide financial incentives for converting or replacing electric or gas equipment to another fuel~~ If a customer decides to switch from one fuel to another, Energy Trust may provide financial incentives if the equipment the customer chooses is more efficient *than required by the most efficient applicable code, standard or prevailing practice.*
d. Energy Trust should work with gas and electricity suppliers who wish to provide efficiency information and/or incentives for conversion, where the customer deems that appropriate.
e. Energy Trust should revisit the Policy periodically to assess whether the Energy Trust is missing compelling opportunities.

Board Decision
Amending Policy on Energy Conservation in Schools

August 17, 2011

Summary

Amend the board policy on schools conservation funding (attached) to clarify that Energy Trust may provide technical and administrative support for schools projects funded by HB 2690, the "Cool Schools" bill.

Background

- SB 1149, which requires electric companies to collect three percent of their revenues for public purposes, allocates 10% of the proceeds for energy conservation in schools (the "schools fund").
- The schools program is run by the Oregon Department of Energy (ODOE) under contract with school districts. Procedurally, ODOE requires schools to complete audits before installing measures. Once an audit is done, ODOE can pay 100% of the cost of a measure.
- To coordinate Energy Trust programs with the schools fund, the board adopted a policy allowing Energy Trust to make electric and gas funds available for schools if measures are cost-effective (not a requirement for the ODOE-run program), and Energy Trust and the schools fund are not used for the same measures.
- Energy Trust has provided incentives to supplement the schools fund, by providing incentives for natural gas (not covered by SB 1149), and short-payback efficiency projects that free up the schools fund for other projects.
- By the end of 2010, Energy Trust had provided a total $1.4 million in incentives for 757 efficiency projects at 521 schools, saving 10.2 million kWh annually and 710,300 annual therms. It had also provided $1 million in incentives for 29 renewable energy projects, generating 919,000 kWh annually.
- This year, the Oregon legislature adopted HB 2690, known as the "Cool Schools" bill, which will allow schools to use SB 1149 school funds and other funding sources as security for bonds to reduce the cost of energy conservation loans. The bill was a high priority for Governor Kitzhaber.
- Specifically, HB 2690:
    - Directs ODOE to use a Clean Energy Deployment Fund to provide grants and loans for schools to weatherize, upgrade or retrofit public schools;
    - Directs ODOE to establish a four-year pilot program to facilitate short-term implementation of the Cool Schools program by scheduling projects and managing procurement through a central contracting system;
    - Authorizes schools to apply for loans from the Deployment Fund or ODOE's Small-Scale Energy Loan Program, with debt reduced by grants from a Jobs, Energy and Schools Fund authorized by the bill; SB 1149 schools funds; federal energy conservation bonds; revenues from energy savings; or general obligation bonds;

- Authorizes ODOE to contract with sustainable energy project managers under the 2009 EEAST legislation to implement the program; Energy Trust is the EEAST sustainable energy project manager in Energy Trust service territory.

Discussion

- While discussions with ODOE are still underway, we are exploring the following arrangement:
    - Energy Trust would work with schools to identify energy efficiency projects based on ODOE audits, deploy technical consultants to identify additional opportunities based on Energy Trust criteria, and work with schools to prioritize measure implementation over 3-5 years based on cost, savings, funding and other factors.
    - Once ODOE reviews projects and allocates funds, Energy Trust would help schools access Energy Trust trade allies and other market resources to implement energy efficiency measures.
    - Energy Trust would claim energy savings for all projects it supports, and verify savings through established Energy Trust evaluation, monitoring and verification protocols.
- Staff consulted the board policy committee regarding whether providing technical and administrative help for Cool Schools would be consistent with the board policy's requirement that Energy Trust and schools funds not be used for the same measures.
- The policy committee's primary concern was whether Energy Trust could claim energy savings for the projects it supports. Projects could not satisfy Energy Trust's cost-effectiveness requirement otherwise. Staff has discussed this issue with ODOE, which has no objection, and is in the process of raising it with OPUC staff.
- We would apply the same principle to schools projects that are not funded through Cool Schools. That is, if we provide support for school projects, we should claim the savings.

Recommendation

Modify the board's policy on schools conservation funding to clarify that Energy Trust may provide technical and administrative support for Cool Schools projects if Energy Trust can claim savings from the measures it supports.

RESOLUTION 592

AMENDING BOARD POLICY ON CONSERVATION FUNDING FOR SCHOOLS

WHEREAS:

1. SB 1149, which requires electric companies to collect three percent of their revenues for public purposes, allocates 10% of the proceeds for energy conservation in schools.
2. To coordinate Energy Trust programs with the schools fund, the board adopted a policy allowing Energy Trust to make electric and gas funds available for schools if measures are cost-effective, and Energy Trust and the schools fund are not used for the same measures.
3. This year, the Oregon legislature adopted HB 2690, known as the "Cool Schools" bill, which will allow schools to use SB 1149 school funds and other funding sources as security for bonds to reduce the cost of energy conservation loans.
4. The board wishes to clarify that Energy Trust may provide technical and administrative support for Cool Schools projects as long as Energy Trust can claim savings from the measures it supports.

It is therefore RESOLVED:

1. **The board policy on schools is amended as follows:**

- Energy Trust will make electric and gas funds available for SB 1149 schools through its New and Existing Buildings programs, provided the proposed measures meet the relevant cost-effectiveness criteria.
- Energy Trust ~~funds~~ cash incentives and other SB 1149 school funds may not be used for the same energy efficiency measure.
- Energy Trust may provide technical and/or administrative support for school projects, provided Energy Trust can claim savings from the measures it supports.
- Energy savings estimates, measures costs and other data identified in the school district audits will be accepted by the Existing and New Building Efficiency programs.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]

4.02.000-P Conservation Funding for Schools

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	May 8, 2001	Adopted (R27)	November 28, 2001
Board	November 28, 2001	Reviewed/Revised (R58)	February 27, 2002
Board	February 27, 2002	Reviewed/Revised (R87)	February 2005
Board	October 6, 2004	Amended (R295)	October 2007
Board	April 6, 2005	Amended (R328) – see R331	April 2006
Board	May 4, 2005	Amended (R331)	June 2008
Board	February 14, 2007	Authorized funding to 2007 (R426)	June 2010
Board	July 28, 2010	Amended (R557)	July 2013

Summary:

The Energy Trust needs to coordinate its funding and programs with the Oregon Department of Energy (ODOE) schools conservation program.

Purpose:

SB 1149 provides that education service districts get the first ten percent of the public purposes funding to implement electric energy efficiency audits and install cost effective energy saving measures in schools in the service territories of the utilities that collect the funds. These funds must be used first to pay for energy audits, and then to weatherize and upgrade the energy efficiency of school facilities, and other energy purposes. This policy describes how Energy Trust may complement this funding using other SB 1149 electric funds, and gas funds.

Policy:

1. **Energy Trust will make electric and gas funds available for SB 1149 schools through its New and Existing Buildings programs, provided the proposed measures meet the relevant cost-effectiveness criteria.**

2. **Energy Trust funds and other SB 1149 school funds may not be used for the same energy efficiency measure.**

3. **Energy savings estimates, measures costs and other data identified in the school district audits will be accepted by the Existing and New Building Efficiency programs.**

R00407

For contracts with costs through: 7/1/2011

Energy Trust of Oregon
Contract Status Summary Report

Report Date: 7/19/2011

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Administration							
		Administration Total:	**7,248,121**	**4,833,093**	**2,415,028**		
Communications & Outreach							
		Communications & Outreach Total:	**4,028,798**	**2,183,821**	**1,844,977**		
Energy Efficiency Programs							
Northwest Energy Efficiency Alliance	Regional Energy Eff Initiative	Portland	39,356,800	8,851,027	30,505,773	1/1/10	7/1/15
Lockheed Martin Services, Inc.	PMC EB 2011	Cherry Hill	7,982,860	3,109,576	4,873,284	1/1/11	12/31/11
Portland Energy Conservation, Inc.	PMC NHP 2011	Portland	7,925,677	3,789,910	4,135,767	1/1/11	12/31/11
Conservations Services Group, Inc.	2011 HES PMC	Portland	7,311,955	3,330,968	3,980,987	1/1/11	12/31/11
Portland Energy Conservation, Inc.	2011 NBE PMC	Portland	4,676,684	2,043,264	2,633,420	1/1/11	12/31/11
Oregon State University	CHP Project - OSU	Corvallis	2,024,263	1,920,000	104,263	12/20/10	12/20/13
Portland General Electric	PDC - PE 2011		1,775,000	798,178	976,822	1/1/11	12/31/11
Cascade Energy Engineering, Inc.	PDC - PE 2011	Walla Walla	1,479,579	705,693	773,886	1/1/11	12/31/11
Lockheed Martin Services Inc.	2011 MF PMC	Portland	1,310,134	563,111	747,023	1/1/11	12/31/11
RHT Energy Solutions	PDC - PE 2011	Medford	1,190,580	551,859	638,722	1/1/11	12/31/11
OPOWER, Inc.	OPOWER Agreement	Arlington	977,000	820,000	157,000	3/2/10	9/2/11
NEXANT, INC.	PDC - PE 2011	San Francisco	839,500	325,319	514,181	1/1/11	12/31/11
Cascade Energy Engineering, Inc.	PDC - PE 2011 Small Indsutrial	Walla Walla	805,384	328,526	476,858	1/1/11	12/31/11
Evergreen Consulting Group, LLC	PE Lighting PDC 2011	Tigard	637,852	283,236	354,616	1/1/11	12/31/11
Ecos IQ, Inc.	80 Plus Initiative - 2011	Portland	466,650	167,418	299,232	1/1/11	12/31/11
SBW Consulting, Inc.	Impact Eval 2008-09 BE Program	Bellevue	413,000	413,000	0	1/1/10	5/31/11
J. Hruska Global	HES QA services	Columbia City	410,000	334,353	75,647	1/1/08	12/31/11
Clean Energy Works Oregon Inc	Clean Energy Works	Portland	300,000	300,000	0	1/1/10	12/31/12
The Cadmus Group Inc.	NBE Impact Evaluation	Watertown	295,000	272,571	22,429	1/1/10	12/31/11
Northwest Power & Conservation Council	2011 Reg Tech Forum Sponsor		287,400	287,400	0	1/1/11	12/31/11
Cascade Energy Engineering, Inc.	Technical Service Provider	Portland	284,483	301,743	-17,260	8/1/09	7/31/12
Edgar L. Wales	Gov't acct management services	Canby	245,000	146,259	98,741	5/17/10	1/31/12
Conservation Services Group Inc	2011 HES WA PMC	Westborough	175,900	47,170	128,730	1/1/11	12/31/11
Lockheed Martin Services Inc.	NWN WA BE Pilot 2011	Portland	163,900	70,040	93,860	1/1/11	12/31/11
City of Portland Bureau of Planning & Sustainability	BPS Grant Agreement	Portland	150,000	0	150,000	1/1/09	12/31/13
PacifiCorp	Consumer Info Transfer	Portland	137,500	60,228	77,272	8/15/03	8/15/12
Research Into Action, Inc.	Portland Clean Energy Pilot	Portland	120,000	120,000	0	6/18/09	7/31/11
Opinion Dynamics Corporation	Evaluate OPOWER Pilot	Waltham	95,000	0	95,000	4/1/11	8/31/12
Heschong, Mahone Group, Inc.	QA Consultant Services	Fair Oaks	88,500	30,935	57,565	3/15/11	12/31/12
Lockheed Martin Services, Inc.	NWN DSM Initiative 2011	Cherry Hill	80,000	25,979	54,021	1/1/11	12/31/11
QEI Energy Management, Inc.	Technical Energy Analysis		80,000	2,810	77,190	1/21/10	11/30/11
Stellar Processes, Inc.	EE Resource Assessment	Portland	75,690	83,703	-8,013	3/1/10	1/31/11
ICF Resources, LLC	CHP Performance	Fairfax	72,000	50,915	21,085	8/5/09	8/31/11
New Buildings Institute	Customized Guide License	White Salmon	71,667	71,667	0	8/28/09	12/31/11

*The city indicated is the contractor's mailing address, not necessarily the location where work was performed.

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
ICF Resources, LLC	Comm. windows savings tool	Fairfax	60,000	60,000	0	5/24/10	6/1/11
Delta-T, Inc.	EE Consulting Services	Goldendale	50,000	8,449	41,551	3/1/09	12/31/11
Energy Efficiency Funding Group Inc	Training Classes/Workshops	San Francisco	50,000	0	50,000	6/1/11	5/31/13
The Cadmus Group Inc.	Path to Net-Zero Pilot	Watertown	49,000	8,871	40,129	11/1/09	12/31/11
Research Into Action, Inc.	Evaluate ENH Programs	Portland	48,700	48,700	0	2/14/11	8/31/11
Portland Energy Conservation, Inc.	PECI NWN Pilot 2011	Portland	45,331	21,001	24,330	1/1/11	12/31/11
Navigant Consulting Inc	Kaizen & CA Pilot	Boulder	40,000	18,389	21,612	11/1/09	8/30/11
Portland General Electric	Utility Data Payment - OPOWER	Portland	40,000	19,928	20,072	8/1/10	9/2/11
NW Natural	Info Transfer & Reimbursement	Portland	35,000	21,263	13,737	7/12/10	9/2/11
Research Into Action, Inc.	DSM Metrics	Portland	35,000	35,000	0	9/1/10	1/31/11
Navigant Consulting Inc	Sustainable Energy Syst Pilot	Boulder	30,000	0	30,000	2/15/11	11/30/12
Navigant Consulting Inc	IEI Pilot Review	Boulder	30,000	12,722	17,279	11/1/09	8/30/11
Center of Design for an Aging Society	Memory Care Lighting Solutions	Portland	26,950	24,735	2,215	1/18/11	8/31/11
MetaResource Group	Indust Measure Lifetime Est	Portland	25,000	25,425	-425	10/10/10	5/31/11
Research Into Action, Inc.	NWN WA Prgm Process Eval	Portland	25,000	24,326	674	10/11/10	5/15/11
Portland General Electric	PGE Efficiency Seminars 2011	Portland	24,950	24,950	0	1/1/11	12/31/11
Corvallis Environmental Center	Energy Advocate Program		20,000	13,541	6,459	2/1/11	12/31/11
Energy Center of Wisconsin	Billing Analysis Evaluation	Madison	20,000	0	20,000	1/1/10	12/31/11
Michael Blasnick & Associated	Billing Analysis Process	Boston	20,000	2,538	17,463	1/1/10	12/31/11
Watershed Sciences Inc	Airborne Thermal Infrared Data	Corvallis	18,600	18,556	44	11/25/09	5/31/11
Lane Community College, NEEI Science Division	2011 Scholarship Grant	Eugene	15,400	9,000	6,400	2/24/11	12/31/11
Northwest Energy Efficiency Alliance	NEEA Gas Seed Funding	Portland	15,000	15,000	0	8/31/10	7/1/11
Consortium for Energy Efficiency	Membership Dues - 2011		14,518	14,518	0	1/1/11	12/31/11
American Council for and Energy Efficient Economy	Large Consumer Research Proj		8,000	8,000	0	12/29/10	12/29/11
Home Performance Contractors Guild of Oregon	Grant Agreement	Portland	6,000	6,000	0	4/1/11	12/31/11
Cost Plus Heating & Air	Video Challenge	Portland	5,000	5,000	0	5/11/11	6/30/11
	Energy Efficiency Programs Total:		**83,062,407**	**30,652,766**	**52,409,640**		
Joint Programs							
The Iris Group	Marketing Manager Comm/Ind/Ag	Portland	155,000	136,531	18,469	1/1/10	12/31/11
Stellar Processes, Inc.	Evaluation services	Portland	76,757	50,407	26,350	1/1/06	12/31/10
Gilmore Research	Fast Feedback Survey	Seattle	65,000	4,000	61,000	5/1/11	6/30/12
Research Into Action, Inc.	Residential Awareness 2011	Portland	58,000	19,948	38,052	2/14/11	9/30/11
Stellar Processes, Inc.	Resource Assessment - 2011	Portland	35,000	0	35,000	5/11/11	9/30/11
Matthew Taylor	Evaluation Supoort Services	Portland	30,000	17,620	12,380	9/1/09	8/31/11
Research Into Action, Inc.	2011 Trade Ally Survey	Portland	25,000	21,093	3,908	1/24/11	6/30/11
ICF Resources, LLC	Planning Consultant Services	Fairfax	15,000	14,160	840	6/16/11	5/31/13
CoStar Realty Information Inc	Property Data	Baltimore	6,398	398	6,000	6/1/11	5/31/12
	Joint Programs Total:		**466,155**	**264,157**	**201,998**		

*The city indicated is the contractor's mailing address, not necessarily the location where work was performed.

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Renewable Energy Program							
Sunway 3, LLC	Prologis PV installation		3,405,000	3,396,044	8,956	9/30/08	9/30/28
enXco Asset Holdings Inc	Bellevue Solar Facility	San Diego	2,012,500	0	2,012,500	7/23/10	7/23/35
EBD Hydro LLC	Hydroelectric Facility	Bend	2,000,000	0	2,000,000	12/10/10	12/10/30
Revolution Energy Solutions LLC	Biogas Manure Digester Project	Washington	1,766,640	0	1,766,640	10/27/10	10/27/25
Rough & Ready Lumber Company	Biopower Funding Agreement	Cave Junction	1,685,088	1,071,450	613,638	7/21/06	7/21/26
enXco Asset Holdings Inc	Yamhill Solar Facility	San Diego	1,437,500	0	1,437,500	7/23/10	7/23/35
Alder Solar LLC	Habilitation Center PV	Portland	1,236,750	1,224,244	12,506	1/18/08	12/31/28
Central Oregon Irrigation District	Juniper Ridge Hydroelectric	Redmond	1,000,000	1,000,000	0	10/31/08	6/30/31
Stahlbush Island Farms, Inc.	Funding Assistance Agreement	Corvallis	827,000	275,667	551,333	6/24/09	6/24/29
Tioga Solar VI, LLC	Photovoltaic Project Agreement	San Mateo	570,760	245,123	325,637	2/1/09	2/1/30
Oregon Institute of Technology	Geothermal Resource Funding	Klamath Falls	487,000	487,000	0	3/2/10	3/2/30
K2A Properties, LLC	Doerfler Wind Farm Project	Aumsville	230,000	0	230,000	5/20/10	5/20/30
Oregon Dairy Farmers Association	Tech. Assist. & Fac. Services	Portland	201,500	184,580	16,920	6/15/07	12/31/11
Gary Higbee DBA WindStream Solar	Solar Inspector	Eugene	200,000	15,414	184,586	2/1/11	7/31/12
Luxurious Plumbing and Heating, Inc.	Solar Program Inspector	West Linn	200,000	17,550	182,450	1/1/11	7/31/12
Robert Dickson dba D&H Industrial	Solar Program Inspector		200,000	13,528	186,472	1/1/11	7/31/12
Ronald Burden	Solar Program Inspector	Portland	120,000	39,085	80,915	8/23/10	7/31/12
Steve Ault Inspections Inc	Solar Inspector	Sisters	120,000	20,041	99,959	8/23/10	7/31/12
City of Astoria	Astoria Bear Creek Hydro	Astoria	118,000	0	118,000	4/4/11	4/4/31
Farmers Irrigation District	Indian Creek Corridor Project	Hood River	100,000	100,000	0	1/5/10	1/4/29
Oregon State University	OSU Wind Program	Corvallis	85,670	49,752	35,918	7/1/10	12/31/11
Stoller Vineyards, Inc.	Stoller Vineyards PV	Dayton	79,815	77,390	2,425	12/1/05	12/1/26
E. Edison Kennell	Small wind technical assist.	Bend	75,000	23,679	51,321	8/22/08	12/31/11
City of Portland Water Bureau	Vernon Hydro	Portland	65,000	0	65,000	11/15/10	11/15/30
Robert Andrew Volkman	Project Finanace Consultant	Portland	62,500	1,200	61,300	10/1/10	12/31/11
Navigant Consulting Inc	RE Consultant	Boulder	55,161	49,216	5,945	3/1/10	6/1/11
Oregon Assoc. of Clean Water Agencies	Waste water workshops		45,000	45,000	0	4/1/10	10/31/11
University of Oregon	UO SRML Contribution	Eugene	45,000	0	45,000	2/22/11	2/21/12
MC Energy LLC	Small Wind Incentive	Spokane	43,250	43,250	0	9/21/10	9/21/25
ECONorthwest	Economic Impact Analysis	Eugene	42,000	42,000	0	10/13/10	6/30/11
Clean Energy States Alliance	CESA Year 8 (2011)		39,543	39,543	0	7/10/10	6/30/11
Keith Rossman	Solar Program Contractor	Portland	37,120	25,866	11,254	2/1/10	6/30/11
Harold Hartman dba Lynhart Farms	17.5 kW PV project	Malin	32,500	31,386	1,114	5/25/07	5/25/27
Oregon Community Wind LLC	Anemometer Equipment Incentive	Portland	28,321	28,321	0	1/15/10	1/14/13
SPS of Oregon Inc	Spaur Microhydro	Wallowa	25,000	0	25,000	7/23/10	7/23/30
Robert Migliori	42kW wind energy system	Newberg	24,125	4,595	19,530	4/11/07	1/31/24
Oregon Small Wind Energy Assocation	Wind Program Grant Agreement	Portland	20,000	20,000	0	6/1/10	5/30/11
Associated Master Inspectors LLC	Small Wind Program Consultant	Tigard	15,000	4,051	10,949	1/31/11	1/31/12

*The city indicated is the contractor's mailing address, not necessarily the location where work was performed.

Contractor	Description	*City	Est Cost	Actual TTD	Remaining	Start	End
Gary Higbee DBA WindStream Solar	Small Wind Program Consultant	Eugene	15,000	2,664	12,336	1/1/11	12/31/11
Renewable Energy Associates, LLC	Renewable Energy Consultant	Corvallis	14,700	3,521	11,179	11/1/09	10/31/11
Mariah Wind LLC	Anemometer Transfer Ownership	Victor	14,206	0	14,206	6/29/11	6/29/12
Warren Griffin	Griffin Wind Project	Salem	13,150	9,255	3,895	10/1/05	10/1/20
Bloomberg LP	Insight Services - 2011	San Francisco	12,000	3,000	9,000	4/1/11	3/31/12
Construct Inc	RE Consultant Services	Portland	12,000	8,785	3,215	1/1/11	12/31/12
Robert Dickson dba D&H Industrial	Small Wind Consultant		12,000	0	12,000	1/1/11	12/31/11
Western Community Energy LLC	Anemometer Agreement	Portland	10,016	7,291	2,725	9/29/10	9/29/12
Water & Energy Resource Services	Research OR County Land Use	Clackamas	10,000	4,125	5,875	3/17/11	9/30/11
Bonneville Environmental Foundation	Solar 4R Schools PV - 2011	Portland	7,800	7,228	572	7/30/10	7/30/11
National Climate Trust	Biogas Industry White Paper	Portland	7,000	1,250	5,750	11/15/10	2/1/11
Ecofys US, Inc.	RE Consultant Services	Corvallis	6,800	4,337	2,463	4/18/11	12/31/11
Madison Farms	Small Hydro regen test on farm	Echo	5,381	0	5,381	4/23/10	10/31/11
Blue Tree Strategies Inc	RE Consulting Services	Portland	3,600	3,555	45	6/14/11	5/31/13
Advanced Renewable Technology LLC	Install Requirements Review	Newberg	3,000	1,687	1,314	2/10/11	6/1/11
Luxurious Plumbing and Heating, Inc.	Install Requirement Review	West Linn	3,000	975	2,025	2/10/11	6/1/11
Solar Inspection Services	Install Requirements Review	Portland	3,000	1,050	1,950	2/10/11	6/1/11
	Renewable Energy Program Total:		**18,890,396**	**8,633,698**	**10,256,699**		
		Grand Totals:	**113,695,876**	**46,567,535**	**67,128,342**		

*The city indicated is the contractor's mailing address, not necessarily the location where work was performed.

Financial Glossary

(for internal use) - updated March 19, 2011

Administrative Costs

Costs that, by nonprofit accounting standards, have general objectives which enable an organization's programs to function. The organization's programs in turn provide direct services to the organization's constituents and fulfill the mission of the organization.
i.e. management and general and general communication and outreach expenses

I. **Management and General**
   - Includes governance/board activities, interest/financing costs, accounting, payroll, human resources, general legal support, and other general organizational management costs.
   - Receives an allocated share of indirect costs.

II. **General Communications and Outreach**
   - Expenditures of a general nature, conveying the nonprofit mission of the organization and general public awareness.
   - Receives an allocated share of indirect costs.

Allocation

- A way of grouping costs together and applying them to a program as one pool based upon an allocation base that most closely represents the activity driver of the costs in the pool.
- Used as an alternative to charging programs on an invoice–by–invoice basis for accounting efficiency purposes.
- An example would be accumulating all of the costs associated with customer management (call center operations, Energy Trust customer service personnel, complaint tracking, etc). The accumulated costs are then spread to the programs that benefited by using the ratio of calls into the call center by program (i.e. the allocation base).

Allocation Cost Pools

- Employee benefits and taxes.
- Office operations. Includes rent, telephone, utilities, supplies, etc.
- Information Technology (IT) services.
- Planning and evaluation general costs.
- Customer service and trade ally support costs.
- General communications and outreach costs.
- Management and general costs.
- Shared costs for electric utilities.
- Shared costs for gas utilities.
- Shared costs for all utilities.

Auditor's Opinion

- An accountant's or auditor's opinion is a report by an independent CPA presented to the board of directors describing the scope of the examination of the organization's books, and certifying that the financial statements meet the AICPA (American Institute of Certified Public Accountants) requirements of GAAP (generally accepted accounting principles).
- Depending on the audit findings, the opinion can be unqualified or qualified regarding specific items. Energy Trust strives for and has achieved in all its years an unqualified opinion.
- An unqualified opinion indicates agreement by the auditors that the financial statements present an accurate assessment of the organization's financial results.
- The OPUC Grant Agreement requires an unqualified opinion regarding Energy Trust's financial records.
- Failure to follow generally accepted accounting principles (GAAP) can result in a qualified opinion.

Board-approved Annual Budget

- Funds approved by the board for *expenditures* during the budget year (subject to board approved program funding caps and associated policy) for the stated functions.
- Funds approved for *capital* asset expenditures.
- Approval of the general allocation of funds including commitments and cash outlays.
- Approval of expenditures is based on assumed revenues from utilities as forecasted in their annual projections of public purpose collections and/or contracted revenues.

Carryover Funds

- In any one year, the amount by which revenues exceed expenses for that year in a designated category that will be added to the cumulative balance and brought forward for expenditure to the next budget year.
- In any one year, if expenditures exceed revenues, the negative difference is applied against the cumulative carryover balance.
- Does not equal the cash on hand due to noncash expense items such as depreciation.
- Tracked by major utility funder and at high level program area--by EE vs RE, not tracked by program.

Commitments

- Represents funds obligated to identified efficiency program participants in the form of signed applications or agreements and tracked in the project forecasting system**.**
- If the project is not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Funds are expensed when the project is completed.
- Funds may be held in the operating cash account, or in escrow accounts.

Contract obligations

- A signed contract for goods or services that creates a legal obligation.
- Reported in the monthly Contract Status Summary Report.

Cost-Effectiveness Calculation

- Programs and measures are evaluated for cost-effectiveness.
- The cost of program savings must be lower than the cost to produce the energy from both a utility and societal perspective.
- Expressed as a ratio of energy savings cost divided by the presumed avoided utility and societal cost of energy.

- Program cost-effectiveness evaluation is “fully allocated,” i.e. includes all of the program costs plus a portion of Energy Trust administrative costs.

Dedicated Funds

- Represents funds obligated to identified renewable program participants in the form of signed applications or agreements and tracked in the project forecasting system.
- May include commitments, escrows, contracts, board designations, master agreements.
- Methodology utilized to develop renewable energy activity-based budgets amounts.

Direct Program Costs

- Can be directly linked to and reflect a causal relationship to one individual program/project; or can easily be allocated to two or more programs based upon usage, cause, or benefit.

Direct Program Evaluation & Planning Services

- Evaluation services for a specific program rather than for a group of programs.
- Costs incurred in evaluating programs and projects and included in determining total program funding caps.
- Planning services for a specific program rather than for a group of programs.
- Costs incurred in planning programs and projects and are included in determining program funding expenditures and caps.
- Evaluation and planning services attributable to a number of programs are recorded in a cost pool and are subsequently allocated to individual programs.

Escrowed Program (Incentive) Funds

- Cash deposited into a separate bank account that will be paid out pursuant to a contractual obligation requiring a certain event or result to occur. Funds can be returned to Energy Trust if such event or result does not occur. Therefore, the funds are still “owned” by Energy Trust and will remain on the balance sheet.
- The funds are within the control of the bank in accordance with the terms of the escrow agreement.
- When the event or result occurs, the funds are considered “earned” and are transferred out of the escrow account (“paid out”) and then are reflected as an expense on the income statement for the current period.

Expenditures/Expenses

- Amounts for which there is an obligation for payment of goods and/or services that have been received or earned within the month or year.

FastTrack Projects Forecasting

Module developed in FastTrack to provide information about the timing of future incentive payments, with the following definitions**:**

- Estimated-Project data may be inaccurate or incomplete. Rough estimate of energy savings, incentives and completion date by project and by service territory.
- Proposed-Project that has received a written incentive offer but no agreement or application has been signed. Energy savings, incentives and completion date to be documented by programs using this phase. For Renewable projects-project that has received Board approval.
- Accepted-Used for renewable energy projects in 2nd round of application; projects that have reached a stage where approval process can begin.
- Committed-Project that has a signed agreement or application reserving incentive dollars until project completion. Energy savings/generations, incentives and completion date by project and by service territory must be documented in project records and in FastTrack. If project not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Dedicated-Renewable project that has been committed, has a signed agreement, and if required, has been approved by the board of directors.

Incentives

I. **Residential Incentives**

- Incentives paid to a residential program participant (party responsible for payment for utility service in particular dwelling unit) exclusively for energy efficiency and renewable energy measures in the homes or apartments of such residential customers.

II. **Business Incentives**

- Incentives paid to a participant other than a residential program participant as defined above following the installation of an energy efficiency or renewable energy measure.
- Above market cost for a particular renewable energy project.

III. **Service Incentives**

- Incentives paid to an installation contractor which serves as a reduction in the final cost to the participant for the installation of an energy efficiency or renewable energy measure.
- Payment for services delivered to participants by contractors such as home reviews and technical analysis studies.
- End-user training, enhancing participant technical skills or energy efficiency practices proficiency such as “how to” sessions on insulation, weatherization, or high efficiency lighting.
- CFL online home review fulfillment and PMC direct installations.
- Technical trade ally training to enhance technical competencies.
- Incentives for equipment purchases by trade allies to garner improvements of services and diagnostics delivered to end-users, such as duct sealing, HVAC diagnosis, air filtration, etc.

Indirect Costs

- Shared costs that are “allocated” for accounting purposes rather than assigning individual charges to programs.
- Allocated to all programs and administration functions based on a standard basis such as hours worked, square footage, customer phone calls, etc.
- Examples include rent/facilities, supplies, computer equipment and support, and depreciation.

IT Support Services

- Information technology costs incurred as a result of supporting all programs.
- Includes FastTrack energy savings and incentive tracking software, data tracking support of PMCs and for the program evaluation functions.
- Includes technical architecture design and physical infrastructure.
- Receives an allocation of indirect shared costs.
- Total costs subsequently allocated to programs and administrative units.

Outsourced Services

- Miscellaneous professional services contracted to third parties rather than performed by internal staff.
- Can be incurred for program or administrative reasons and will be identified as such.

Program Costs

- Expenditures made to fulfill the purposes or mission for which the organization exists and are authorized through the program approval process.
- Includes program management, incentives, program staff salaries, planning, evaluation, quality assurance, program-specific marketing and other costs incurred solely for program purposes.
- Can be direct or indirect (i.e. allocated based on program usage.)

Program Delivery Expense

- This will include all PMC labor and direct costs associated with: incentive processing, program coordination, program support, trade ally communications, and program delivery contractors.
- Includes contract payments to NEEA for market transformation efforts.
- Includes performance compensation incentives paid to program management contractors under contract agreement if certain incentive goals are met.
- Includes professional services for items such as solar inspections, anemometer maintenance and general renewable energy consulting.

Program Legal Services

- External legal expenditures and internal legal services utilized in the development of a program-specific contract.

Program Management Expense

- PMC billings associated with program contract oversight, program support, staff management, etc.
- ETO program management staff salaries, taxes and benefits.

Program Marketing/Outreach

- PMC labor and direct costs associated with marketing/outreach/awareness efforts to communicate program opportunities and benefits to rate payers/program participants.
- Awareness campaigns and outreach efforts designed to reach participants of individual programs.
- Co-op advertising with trade allies and vendors to promote a particular program benefit to the public.

Program Quality Assurance

- Independent in-house or outsourced services for the quality assurance efforts of a particular program (distinguished from program quality control).

Program Support Costs

- Source of information is contained in statement of functional expense report.
- Portion of costs in OPUC performance measure for program administration and support costs.
    - Includes expenses incurred directly by the program.
    - Includes allocation of shared and indirect costs incurred in the following categories: supplies; postage and shipping; telephone; printing and publications; occupancy expenses; insurance; equipment; travel; business meetings; conferences and training; depreciation and amortization; dues, licenses, subscriptions and fees; miscellaneous expense; payroll & related expense; outsourced services; and an allocation of information technology department cost.

Project Specific Costs (for Renewable Energy)

- Expenses directly related to identified projects or identified customers to assist them in constructing or operating renewable projects. Includes services to prospective as well as current customers.
- Must involve <u>direct contact</u> with the project or customer, individually or in groups, <u>and</u> provide a service the customer would otherwise incur at their own expense.
- Does not include general program costs to reach a broad (unidentified) audience such as websites, advertising, program development, or program management.
- Project-Specific costs may be in the categories of; Incentives, Staff salaries, Program delivery, Legal services, Public relations, Creative services, Professional services, Travel, Business meetings, Telephone, or Escrow account bank fees.

Savings Types

- **Working Savings/Generation:** the estimate of savings/generation that is used for data entry by program personnel as they approve individual projects. They are based on deemed savings/generation for prescriptive measures, and engineering calculations for custom measures. They do not incorporate any evaluation or transmission and distribution factors.
- **Reportable Savings/Generation:** the estimate of savings/generation that will be used for public reporting of Energy Trust results. This includes transmission and distribution factors, evaluation factors, and any other corrections required to the original working values. These values are updated annually, and are subject to revision each year during the “true-up” as a result of new information or identified errors.

- **Contract Savings**: the estimate of savings that will be used to compare against annual contract goals. These savings figures are generally the same as the reportable savings at the time that the contract year started. For purposes of adjusting working savings to arrive at this number, a single adjustment percentage (a SRAF, as defined below) is agreed to at the beginning of the contract year and is applied to all program measures. This is based on the sum of the adjustments between working and reportable numbers in the forecast developed for the program year.
- **Savings Realization Adjustment Factors (SRAF):** are savings realization adjustment factors applied to electric and gas working savings measures in order to reflect more accurate savings information through the benefit of evaluation and other studies. These factors are determined by the Energy Trust and used for annual contract amendments. The factors are determined based on the best available information from:
    - Program evaluations and/or other research that account for free riders, spill-over effects and measure impacts to date; and
    - Published transmission and distribution line loss information resulting from electric measure savings.

Total Program and Admin Expenses (line item on income statement)

- Used only for cost effectiveness calculations, levelized cost calculations and in management reports used to track funds spent/remaining by service territory.
- Includes all costs of the organization--direct, indirect, and an allocation of administration costs to programs.
- Should not be used for external financial reporting (not GAAP).

Total Program Expenses (line item on income statement)

- All indirect costs have been allocated to program costs with the exception of administration (management and general costs and communications & outreach).
- Per the requirements of Generally Accepted Accounting Principles (GAAP) for nonprofits, administrative costs should not be allocated to programs.
- There is no causal relationship—costs would not go away if the program did not exist.

Trade Ally Programs & Customer Service Management

- Costs associated with Energy Trust sponsorship of training and development of a trade ally network for a variety of programs.
- Trade Ally costs are tracked and allocated to programs based on the number of allies associated with that program.
- Costs in support of assisting customers which benefit all Energy Trust programs such as call center operations, customer service manager, complaint handling, etc.
- Customer service costs are tracked and allocated based on # of calls into the call center per month.

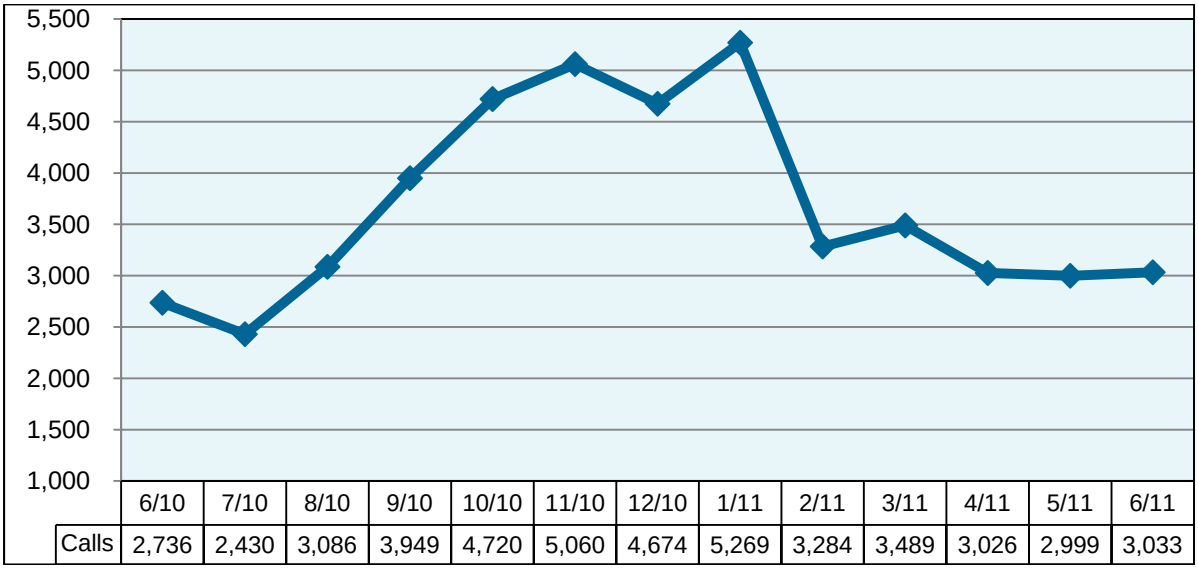
True Up

- True-up is a once-a-year process where we take everything we've learned about how much energy programs actually save or generate, and update our reports of historic performance and our software tools for forecasting and analyzing future savings.
- Information incorporated includes improved engineering models of savings (new data factor), anticipated results of future evaluations based on what prior evaluations of similar programs have shown (anticipated evaluation factor), and results from actual evaluations of the program and the year of activity in question (evaluation factor).
- Results are incorporated in the Annual Report (for the year just past) and the True-up Report (for prior years).
- Sometimes the best data on program savings or generation is not available for 2-3 years, especially for market transformation programs. So for some programs, the savings are updated through the annual true-up 2 or 3 times

Customer Service Dashboard—June 2011

Call Volume[1]

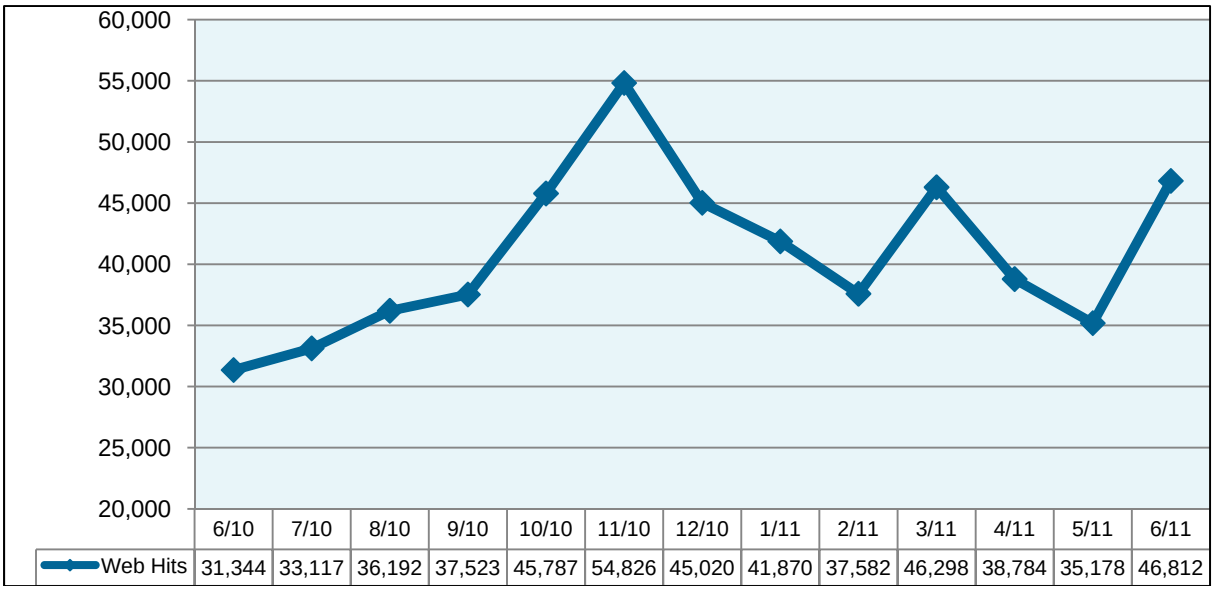
Call volume remains steady at 3,033 for June 2011. It is typical for call volume to decrease in the warmer months. The majority of callers continue to be homeowners.



	6/10	7/10	8/10	9/10	10/10	11/10	12/10	1/11	2/11	3/11	4/11	5/11	6/11
Calls	2,736	2,430	3,086	3,949	4,720	5,060	4,674	5,269	3,284	3,489	3,026	2,999	3,033

Website Visits

Website volume rose to 46,812 in June 2011—over 10,000 more hits than last month and 15,000 more hits than June of last year. This increase is due to the promotion of Energy Saver Kits, particularly through Portland General Electric's customer newsletter. Pacific Power, NW Natural and Cascade Natural Gas also appear in our top 25 referring sites list for June 2011.



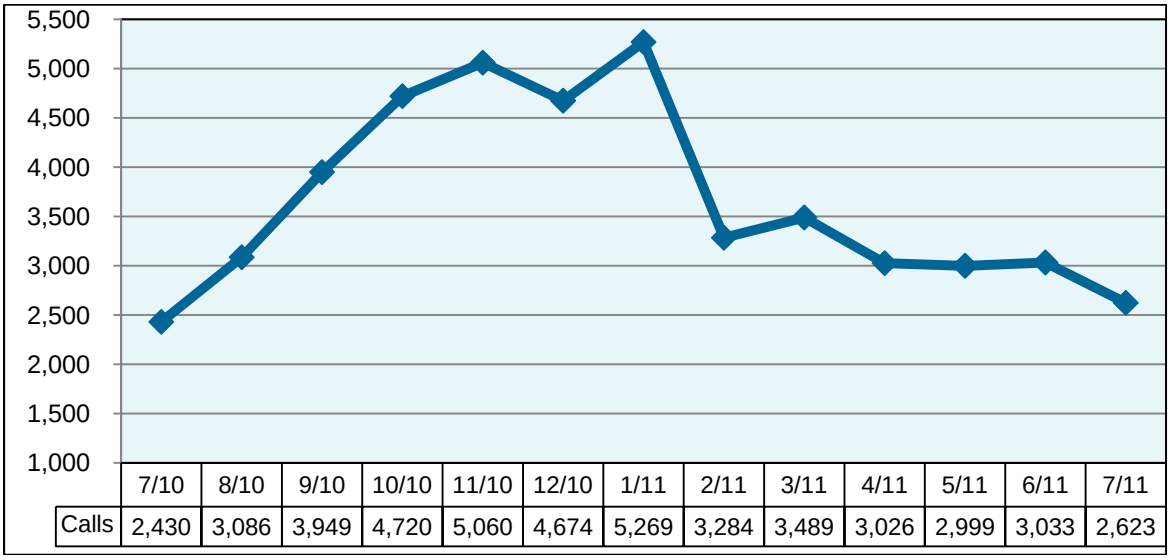
	6/10	7/10	8/10	9/10	10/10	11/10	12/10	1/11	2/11	3/11	4/11	5/11	6/11
Web Hits	31,344	33,117	36,192	37,523	45,787	54,826	45,020	41,870	37,582	46,298	38,784	35,178	46,812

[1] This data does not include customers responding to requests for missing information on incentive applications or direct calls to PMC hotlines or Energy Trust staff. It only includes information on calls coming into our main hotline, 1.866.368.7878.

Customer Service Dashboard—July 2011

Call Volume[1]

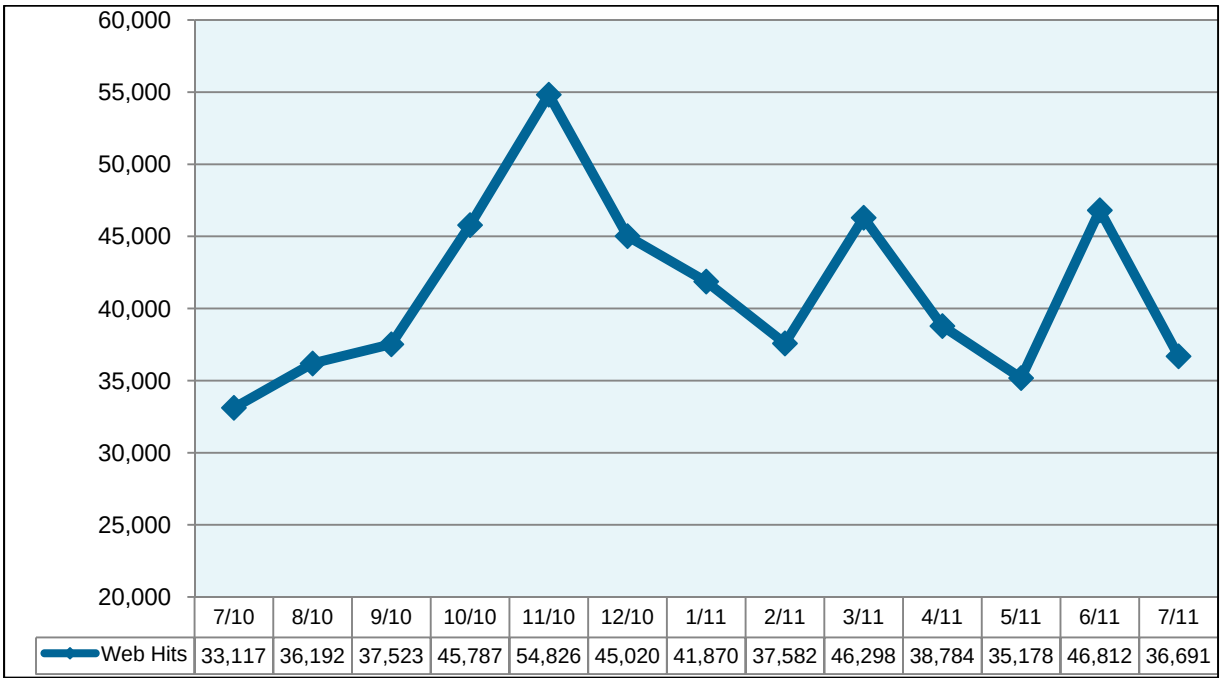
Call volume dropped slightly to 2,623 in July 2011. It is typical for call volume to decrease in the warmer months. The majority of callers continue to be homeowners.



	7/10	8/10	9/10	10/10	11/10	12/10	1/11	2/11	3/11	4/11	5/11	6/11	7/11
Calls	2,430	3,086	3,949	4,720	5,060	4,674	5,269	3,284	3,489	3,026	2,999	3,033	2,623

Website Visits

Website volume also decreased to 36,691 in July 2011. The largest volume of referrals to our website continue to be from utility communications promoting free Energy Saver Kits, particularly through Portland General Electric's customer newsletter. Pacific Power, NW Natural and Cascade Natural Gas also appear in our top 25 referring sites list for July 2011.



	7/10	8/10	9/10	10/10	11/10	12/10	1/11	2/11	3/11	4/11	5/11	6/11	7/11
Web Hits	33,117	36,192	37,523	45,787	54,826	45,020	41,870	37,582	46,298	38,784	35,178	46,812	36,691

[1] This data does not include customers responding to requests for missing information on incentive applications or direct calls to PMC hotlines or Energy Trust staff. It only includes information on calls coming into our main hotline, 1.866.368.7878.

Briefing Paper
Market Indicators Quarterly Report

July 25, 2011

The purpose of this report is to track and assess changes in key economic indicators in an attempt to gain a better understanding of how demand for Energy Trust programs will respond to changing market dynamics. By monitoring the behavior of several widely used macro-level indicators we hope to stay closely attuned to any signs of improvement or further worsening of economic conditions, thereby providing Energy Trust program managers with the ability to respond to changes accordingly.

The US economy fell to what many economists consider to be the 'bottom' of this recession just over 27 months ago. Since then, the economies of both the nation and the region have grown modestly, but have yet to rebuild and establish either job-growth or the expansionary momentum that depressed sectors are waiting so desperately to see. Additionally unemployment, which had previously been in decline, has moved back to 9 percent nationally, and new construction and home prices continue to falter, due in large part to weak demand.

> "…virtually all segments of the construction industry remain troubled. In the residential sector, low home prices and mortgage rates imply that housing is quite affordable by historical standards; yet… many potential homebuyers are unable to qualify for loans."
>
> "The housing sector typically plays an important role in economic recoveries; the depressed state of housing in the United States is a big reason that the current recovery is less vigorous than we would like."
>
> -From Federal Reserve chairman Ben Bernanke's *The US Economic Outlook* speech. June 7th, 2011.

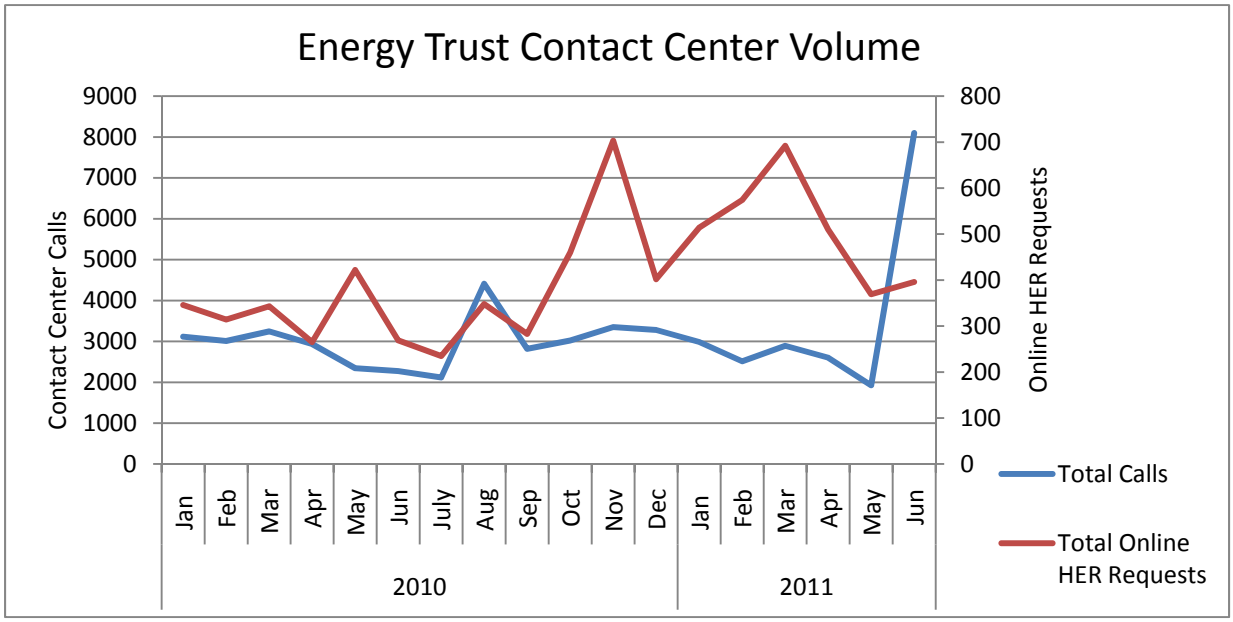
Recently, weaker than expected performance of the economy appears to have been partially a result of several factors that are likely to be temporary, such as spikes in energy prices, and supply-chain disruptions resulting from the earthquake in Japan.

> "Looking forward, however, the apparent stabilization in the prices of oil and other commodities should ease the pressure on household budgets, and vehicle manufacturers report that they expect to increase production substantially this summer."
> -From Ben Bernanke's *Semiannual Monetary Policy Report to the Congress.* July 13th, 2011.

I.I Energy Trust Programmatic Indicators

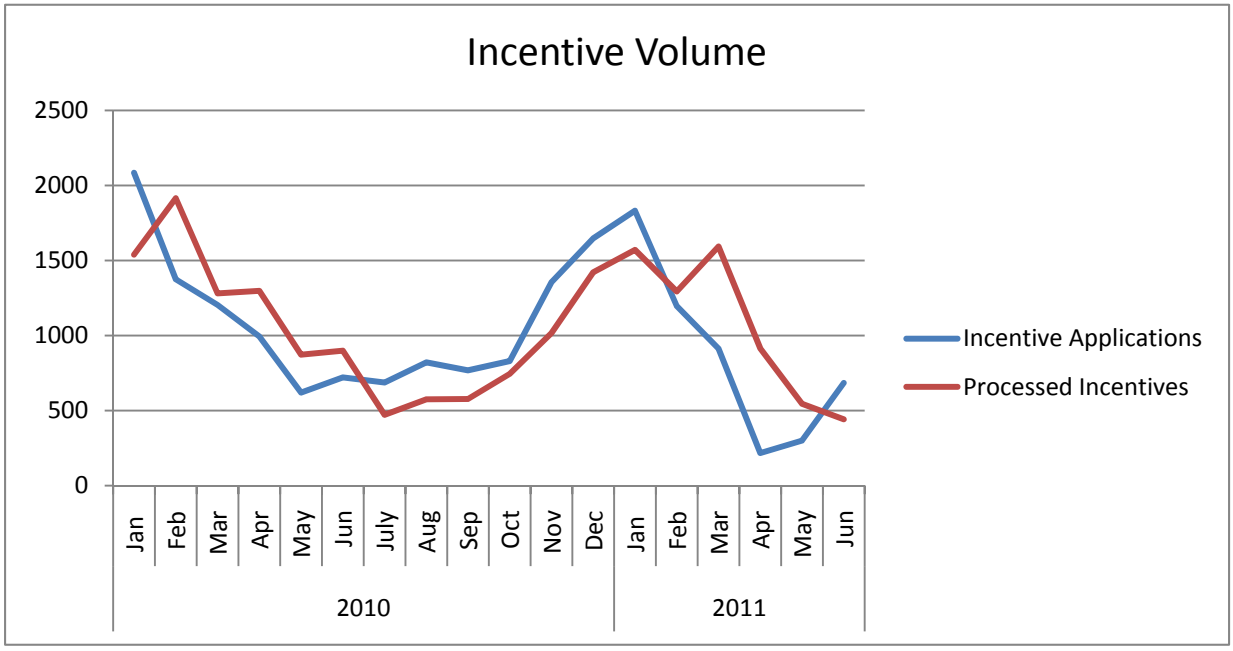
Existing Homes Report

Table 1.1



With the exception of June, calls to the Energy Trust Contact Center have been lower each month in 2011 than the same month in 2010. The large spike in contact center calls seen in June is due in large part to a PGE marketing initiative for Energy Saver Kits, which accounted for 76% of telephone inquiries at the contact center. Incentive Applications and its lagging Processed Incentives indicator seem to be following their typical seasonal pattern, with higher volume in the winter months and lower volume as the weather becomes warmer in the spring and summer.

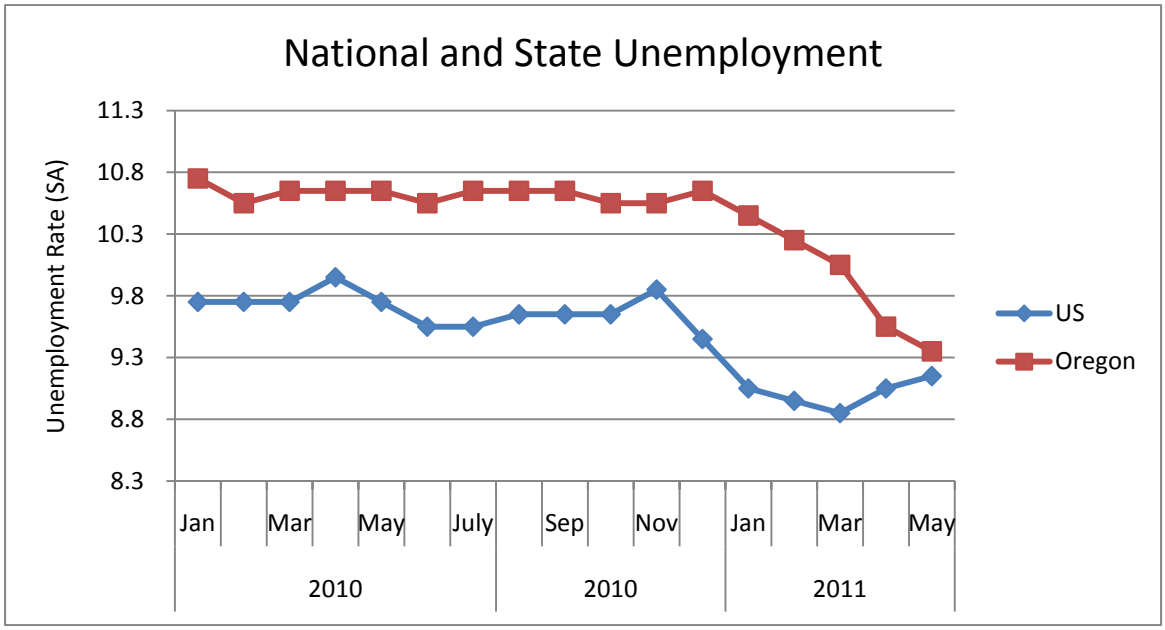
Table 1.2



II.I Macroeconomic Indicators

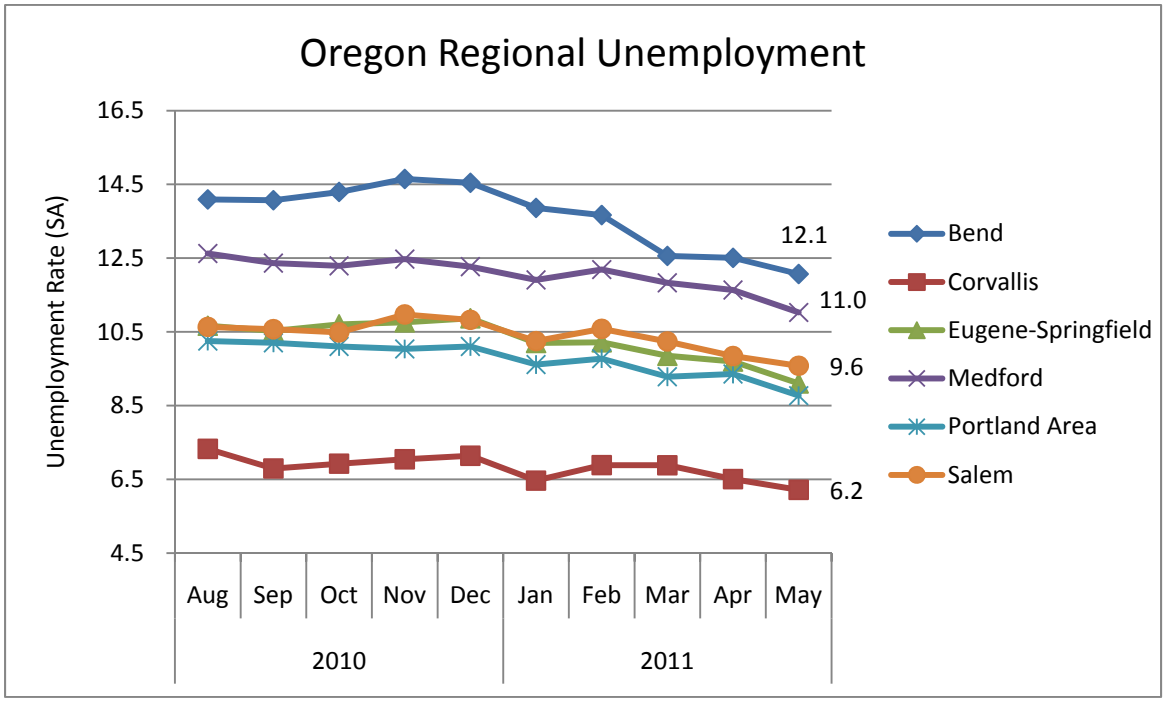
Unemployment-

Table 2.1



Oregon's unemployment has continued to fall towards pre-recession levels, but nationally the unemployment rate has ticked back upward in recent months. Many economists and politicians interpret this as a signal of persisting weakness in labor markets, which may be indicative of a broader economic problem related to insubstantial and wavering demand for both consumption and investment goods in the overall economy.

Table 2.2



New Homes Report-

Table 2.3

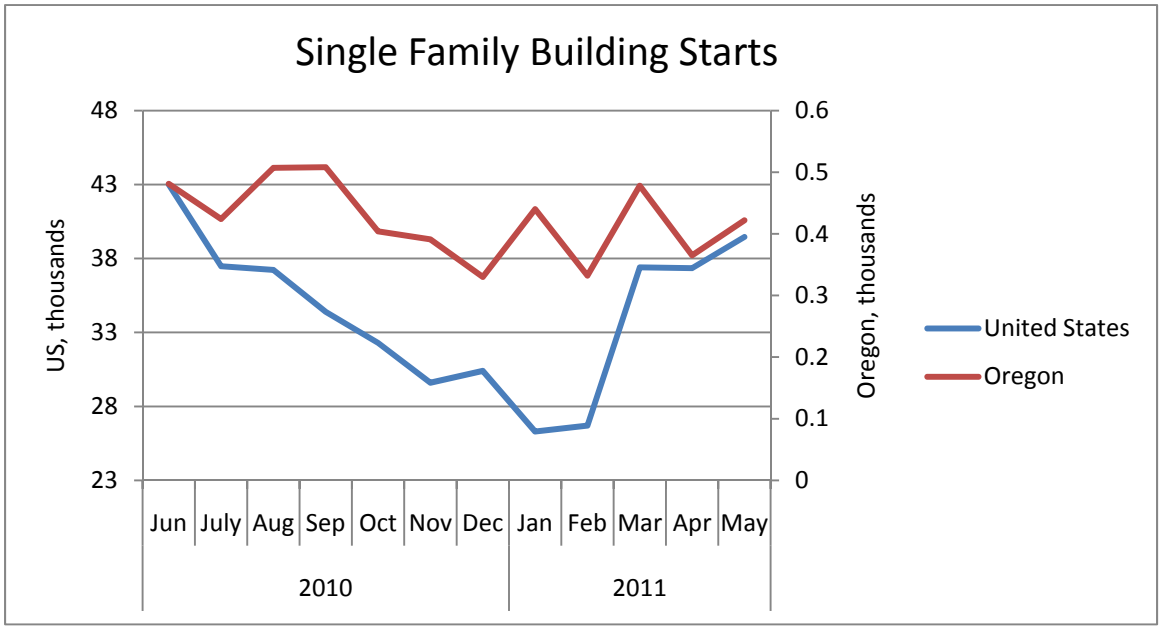
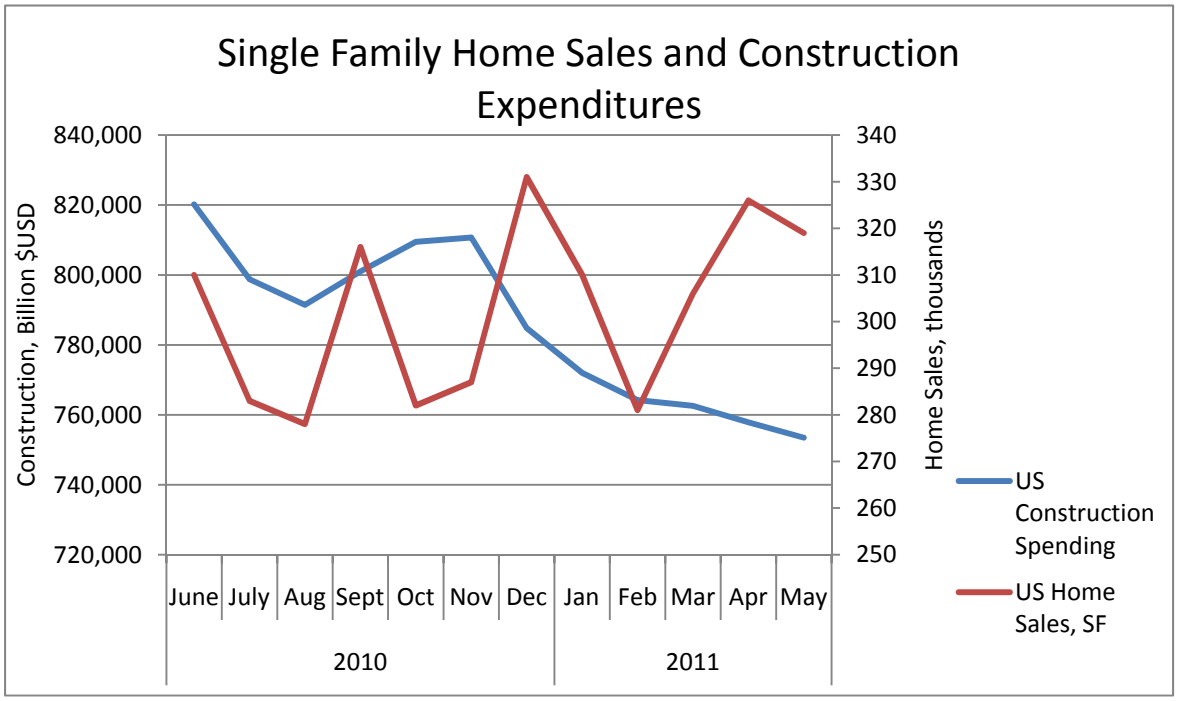


Table 2.4: Regional Single Family Housing Starts

	2011				
	Jan	**Feb**	**Mar**	**Apr**	**May**
Bend	36	66	102	147	188
Corvallis	4	7	8	9	12
Eugene-Springfield	27	46	81	118	161
Medford	23	31	53	72	102
Portland Metro Area	255	465	740	1018	1270
Salem	21	41	63	85	108
Oregon Total	**440**	**772**	**1250**	**1615**	**2037**

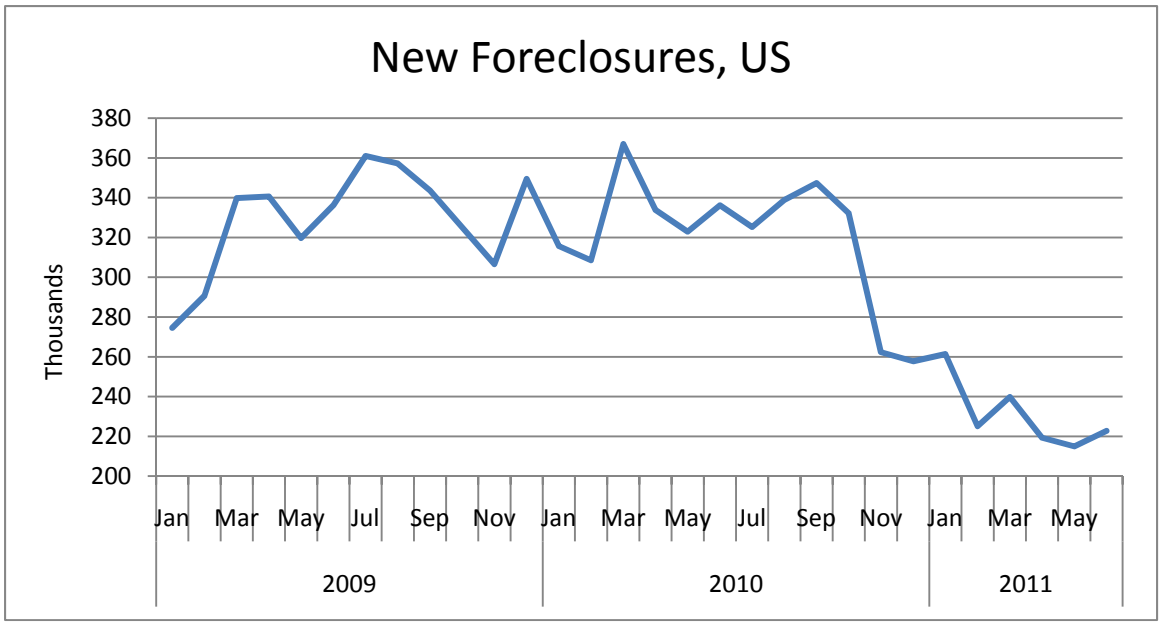
Nationally and statewide, new home construction improved in May and June, with all regions of the country- Northeast, Midwest, South and West- seeing increases in home-building activity. Both single-family and multi-family new home construction reported monthly increases in May and June. This faster pace of new construction experienced in recent months may be a sign of broader growth in the economy since improved new construction activity often generates additional demand for building services, furnishings and appliances, and other goods and services.

Table 2.5



Foreclosures-

Table 2.6: National New Foreclosures



The number of new foreclosures nationwide in the first six months of 2011 is down 25 percent from the previous six months, and down 29 percent from the first half of 2010. Despite this news, many economists warn against viewing this improvement as a sign that the national economy and housing markets have recovered;

> "Processing and procedural delays are pushing foreclosures further and further out – we estimate that as many as 1 million foreclosure actions that should have taken place in 2011 will now happen in 2012"
> -James J. Saccacio, CEO of realytrac.com. July 14th, 2011.

Table 2.7

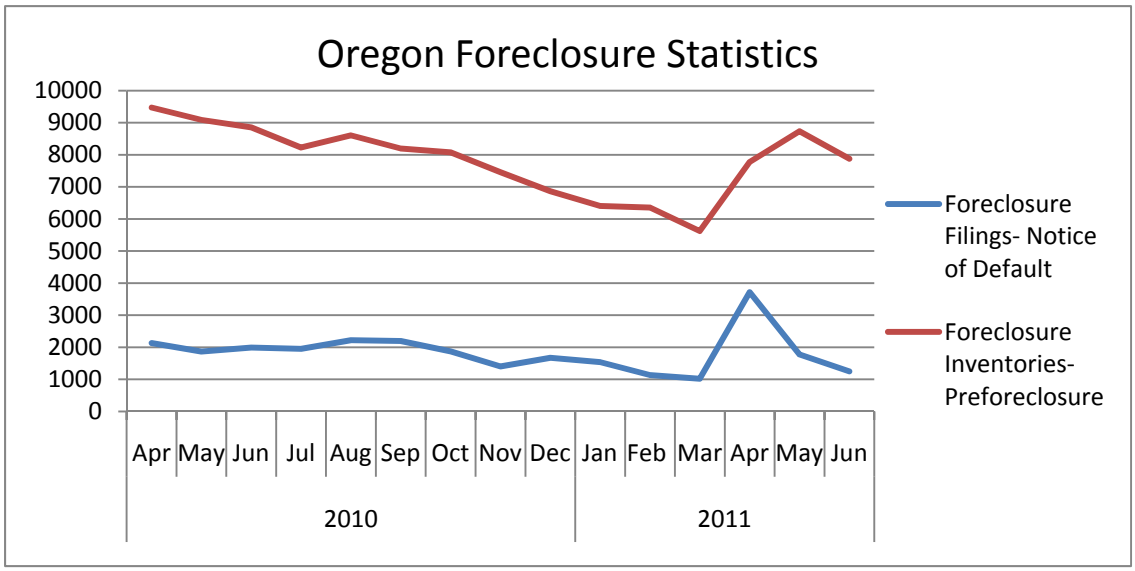
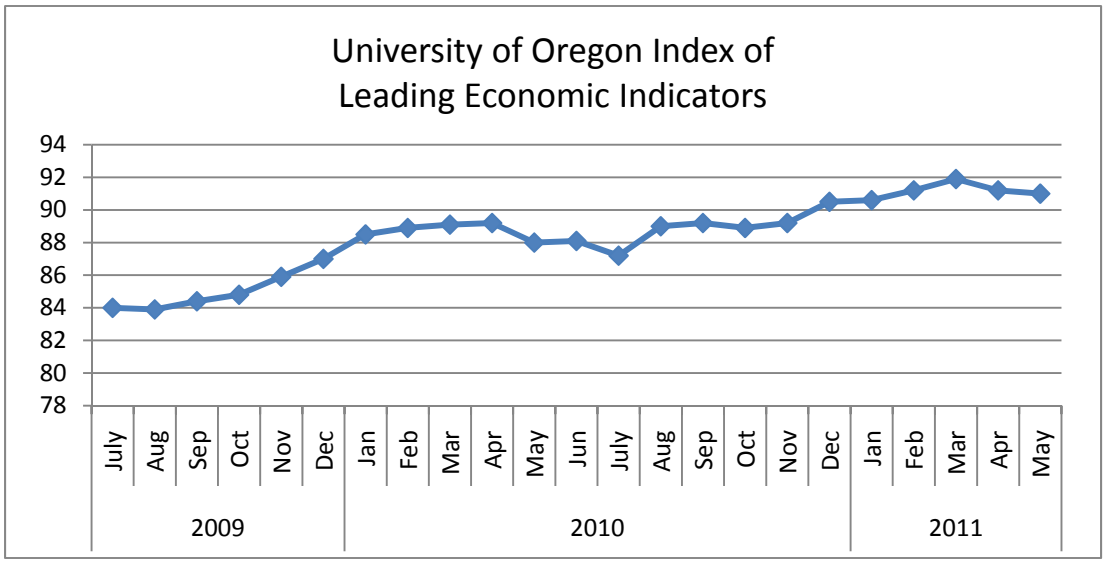


Table 2.8: UO Index



Although the UO index has deteriorated in each of the last two months, the index is up 4.1 percent (annualized) compared to six months ago, and all indicators show improvement over that period. Labor markets have generally remained weak in Oregon,

with employers adding only 400 jobs to the economy in the last 3 months, a pace insufficient for a strong and timely recovery.

Price Indices-

Table 2.9

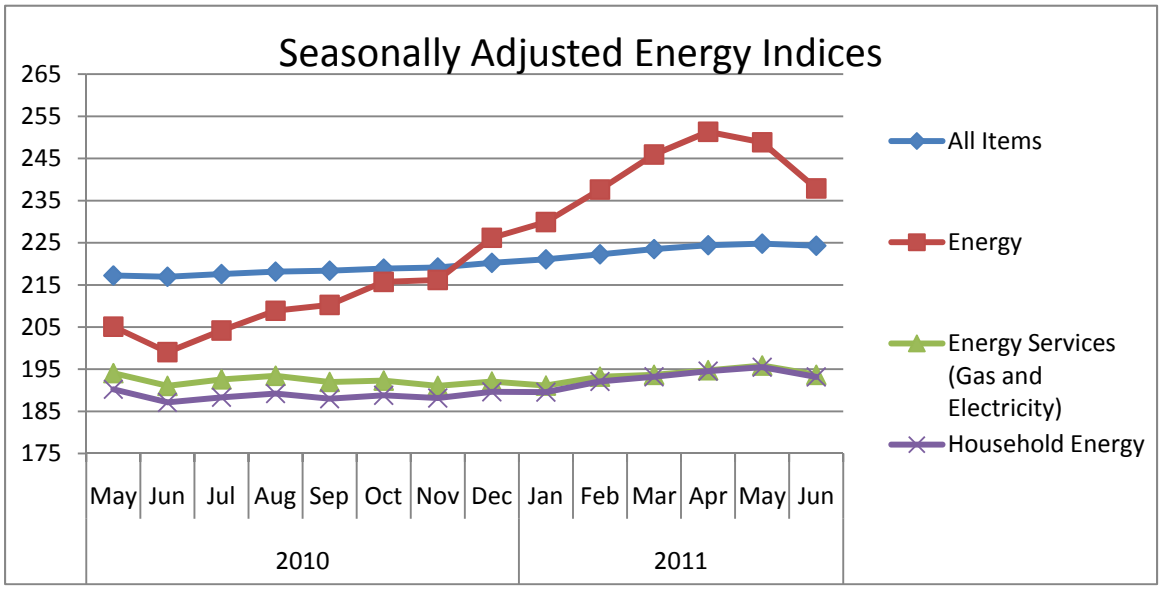


Table 2.10

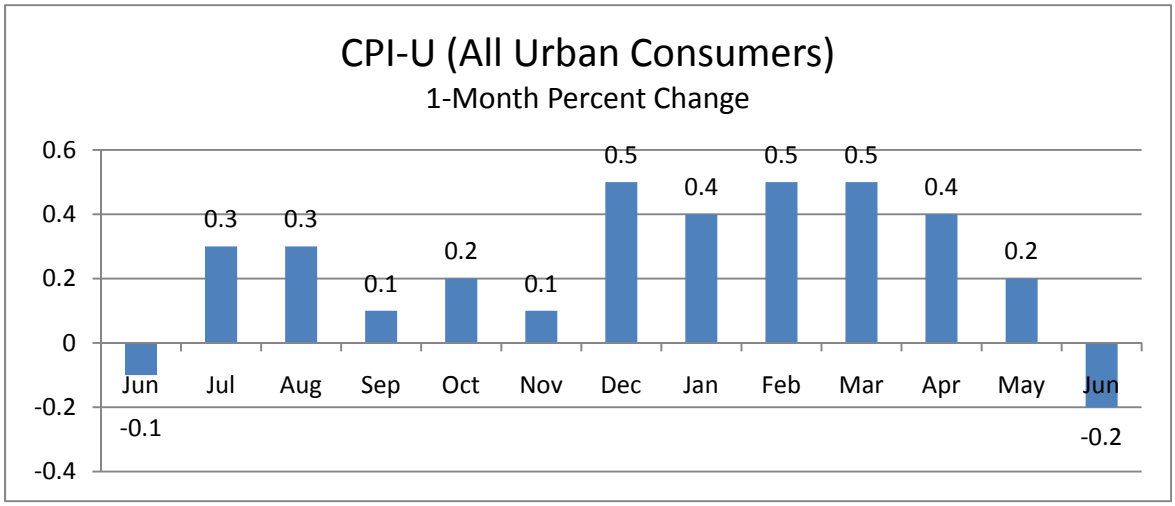
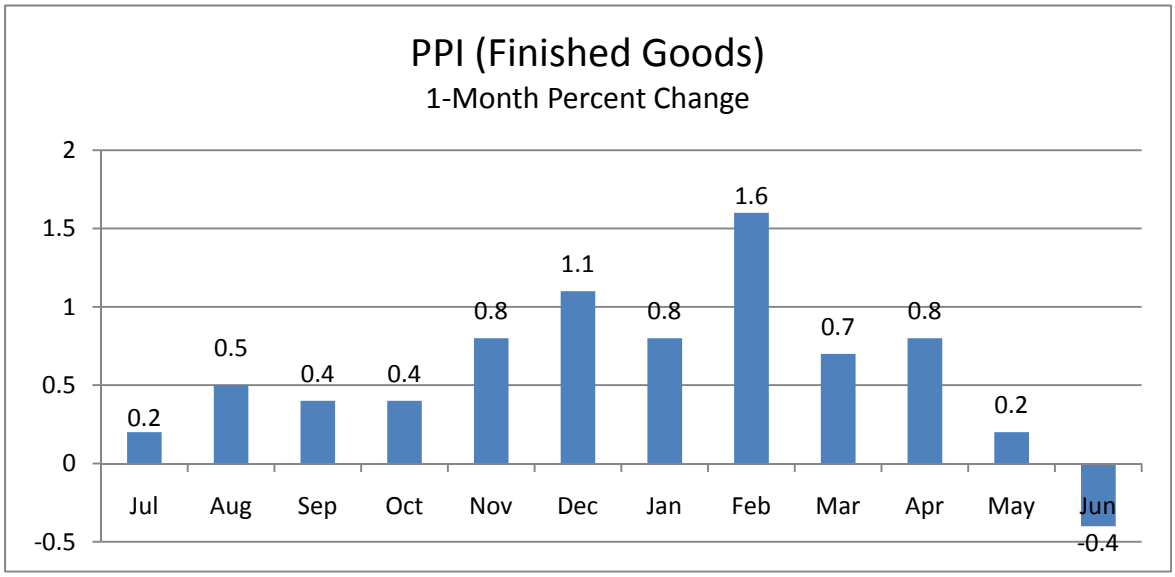


Table 2.11



Concerns regarding rampant and run-away inflationary pressure has shaped much of the recent discourse both in popular news, and monetary policy discussions. As the Federal Reserve completed the final portion of its second round of quantitative easing (QE2) in one of many attempts to loosen credit conditions in the US economy, Fed. Chairman Ben Bernanke addressed the issue of price inflation in his most recent *US Economic Outlook* speech on June 7th;

> … over the past year, prices for many commodities have risen sharply, resulting in significantly higher consumer prices for gasoline and other energy products and, to a somewhat lesser extent, for food. … Although the recent increase in inflation is a concern, the appropriate diagnosis and policy response depend on whether the rise in inflation is likely to persist. So far at least, there is not much evidence that inflation is becoming broad-based or ingrained in our economy; … gasoline prices are exceptionally important for both family finances and the broader economy; but the fact that gasoline price increases alone account for so much of the overall increase in inflation suggests that developments in the global market for crude oil and related products, as well as in other commodities markets, are the principal factors behind the recent movements in inflation, rather than factors specific to the U.S. economy.

ISM Report on Business-

As of the March release of the ISM's report on business, the manufacturing sector in the US grew for the 23rd consecutive month, and the overall economy grew for the 25th consecutive month.

> "New orders and production were both modestly up from last month, and employment showed continued strength… The rate of price increases has slowed and the list of commodities up in price has shortened, but commodity and input prices continue to be a concern across several industries."

-Bradley J. Holcomb, CPSM, CPSD, chair of the ISM Manufacturing Business Survey Committee.

Around the State-

- Calico Resources – a Canadian company –is setting up offices in Vale to process core samples coming from renewed gold exploration in the Grassy Mountain area of Malheur County. Mine development would be years away, but plans call for a multi-year operation that could employ 100 people. *Argus Observer, 6/30/2011*

- Roseburg Energy submitted plans for a 1.6-megawatt generator that would use landfill gasses at the Roseburg landfill. Construction is expected to cost $4.6 million and produce enough power to supply 1,440 homes. *The Register-Guard, 6/17/2011*

- MitoSciences, a Eugene biotech firm, has been acquired by Abcam PLC of Cambridge England. It plans to add two employees. More hiring may happen and Abcam may move some existing employees to Eugene. *The Register-Guard, 6/16/2011*

- Worthy Brewing LLC could open in Bend in late 2012 or early 2013. It will include a 25- or 30-barrel production facility, a beer garden, and a tasting room. *The Bulletin, 7/7/2011*

- The owners of Harmony House Nursing Home plan to build a $5.7-million, 60-bed facility in northeast Bend. *The Bulletin, 7/7/2011*

- Jefferson County School District and the Confederated Tribes of Warm Springs will build a K-8 school on the reservation. *The Bulletin, 6/29/2011*

- Chaves Consulting Inc. added a data center for local governments. It plans to hire about 25 people over the next two to three years to work at a help desk for the data center. *Baker City Herald, 6/24/201*

- Market of Choice grocery stores is building a 65,000-square-foot, $6.5-million warehouse/production facility in west Eugene. It will include a production area where it will produce a line of soups, sauces, salads, salad dressings, lasagnas and enchiladas. *The Register-Guard, 6/2/2011*

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