EnergyTrust of Oregon

851 SW Sixth Ave. #1200
Portland, OR 97204

1.866.368.7878
503.546.6862 ***fax***
energytrust.org

August 11, 2011

Dear Roundtable Participants,

We are looking forward to our upcoming Utility Roundtable meeting from 10:30 am to noon next Wednesday, August 17th at Energy Trust offices. The focus of the meeting will be in two areas: 1) 2011 tax credit impacts and proposed mitigation and 2) 2012 utility efficiency goals and corresponding funding.

Attached are power point slides Peter West and I will present regarding analysis of anticipated impacts of Oregon tax credit changes on Energy Trust 2011 programs and savings. The presentation describes assumptions underlying the analysis conducted and includes proposed mitigation strategies to help recapture savings we believe would otherwise be lost this year. The mitigation addresses this year's lighting and custom commercial projects within two Energy Trust programs: Existing Buildings and Production Efficiency. These two areas are most dependent upon the Business Energy Tax Credit and most severely impacted by tax credit changes this year. Staff projects we can recapture between 30%-60% of savings within our existing 2011 budget. This approach will enhance our opportunity to meet minimum annual goals this year while maintaining some marketplace momentum for projects most significantly impacted by BETC changes.

Other tax credit impacts will occur in 2012. These are expected to be greater than this year. Our 2012 analysis is now underway and we hope Utility Roundtable participants will help frame 2012 options. The following questions are intended to spur that discussion:
Given the impacts surrounding state tax credit changes this year and next:

1. What is the appropriate balance to meet 2012 IRP energy efficiency goals and minimize ratepayer impacts?
2. What guidance and direction can be provided regarding ongoing Energy Trust funding for 2012 mitigation strategies?
3. Is it prudent to "relax" IRP goals for a specified time period (12-18 months?) and let the market adjust to new tax credit programs?
4. Are there flexible strategies we could put in place to modify and adapt Energy Trust plans and budgets as new tax credit programs are defined later this year and in 2012?
5. Are there cooperative marketing and outreach strategies we should pursue to help ensure clear customer communication and service?

If there are additional subjects you would like to discuss, please let me know. We look forward to your full participation at this important meeting. Thank you and see you on the 17th.

Best,

Margie Harris

Margie Harris, Executive Director