Policy Committee of the Energy Trust Board of Directors

September 4, 2012

Attendees

Roger Hamilton, Alan Meyer, Ken Canon, John Reynolds, Amber Cole, Fred Gordon, Steve Lacey and John Volkman

1. Above-market cost methodology. Staff proposed three revisions, based in part on prior policy committee discussion:
   - Remove references to utility-scale projects. Since passage of the 2007 Renewable Energy Act, which limited Energy Trust renewable energy funds to projects of 20 megawatts and less, Energy Trust no longer has a utility-scale program;
   - Recognize that when Energy Trust funds net-metered or other projects that use energy on-site, the market value of energy used on-site is the retail energy rate paid by the customer; and
   - Acknowledge the possibility that the process outlined in the utility master agreements may be used, and if so, the procedural terms of those agreements will prevail over the procedural terms of the policy. The committee suggested the policy emphasize that the governing terms are in the master agreements.

The committee agreed with the proposed changes. The policy will proceed to the September 19 board meeting for action.

2. Program approval policy. This item involves a clarification that the program approval policy allows staff to move funds between renewable energy program budgets. Background: Before December 2008, the board program approval policy provided that "staff may not move budgeted funds from one program to another without board approval." In December 2008, the board changed the policy to allow staff to shift funds among program budgets within a given sector. However, the policy appears inadvertently to define "sector" as energy efficiency program sectors and does not mention the renewable energy sector. In fact, the minutes of the December 2008 board meeting suggest that renewable programs were meant to be affected by the change. Staff proposed to amend policy to include "renewable energy" as a program sector:

   b. Operate under a not-to-exceed budget cap established by the Board in the annual budget approval process or by special resolution; staff is authorized to manage the program within this budget until the next annual budget review; staff may move budgeted funds from one program to another within the same program sector (residential, commercial, ~~and~~ industrial and renewable energy) without board approval.

The committee concurred with the proposed change.

3. Policies for three-year review:
   a. Authority to commit incentive funds for payment of energy efficiency projects in future years. The committee suggested staff revise the policy to refer to budgeted efficiency programs rather than naming specific programs, given that names change.
   b. Biopower-eligible fuels policy. Staff recommended no change, and the committee agreed. The committee noted that the policy still plays a role given the language of SB 1149, and concurred.

4. Utility strategic roundtable. Several board members suggested that the next strategic utility roundtable include an informal discussion of the Governor's energy plan and its prospects. A member also suggested a discussion of legislative initiatives anticipated for the 2013 session. PGE has offered a "Utility 101" briefing for board members. We will schedule a roundtable the morning before the November 7th board meeting covering these three topics: Utility 101, the governor's plan, and legislation. Staff will invite Margi Hoffman to participate in the discussion of the Governor's plan.

5. OPUC updates:
   a. Information transfer rules. Effective August 24, the OPUC revised the rules for information transfer between Energy Trust and utilities. The new rules trigger several tasks for the rest of this year, including that Energy Trust adopt a new information policy, ideally in time for November board action. Staff will bring policy options to the next committee meeting.
   b. Gas weatherization measure cost-effectiveness: Staff updated the committee on Energy Trust's request for an exception from OPUC cost-effectiveness requirements for residential gas weatherization measures. The Commission will discuss this on October 9. Energy Trust staff is analyzing other measures and programs to see if more exceptions are needed. The board could address these issues in the budget process or by addressing it more overtly. Staff will report back as the issue develops.

6. Advisory Council appointments: The committee concurred in the appointment of John Carr, ICNU Executive Director, to the CAC.