EnergyTrust of Oregon, Inc.

Policy Committee of the Energy Trust Board of Directors

Nov. 27, 2007, 3:00-5:00 pm

Attending from the committee: Jason Eisdorfer (by telephone), Tom Foley, John Reynolds
Attending from the committee: Fred Gordon, Margie Harris, Steve Lacey, Sue Meyer Sample, Jan Schaeffer, Peter West

1. OPUC / Attorney General opinion on "constructing and operating"

Margie reported on the public meeting convened by OPUC staff earlier today on AR 518, the OPUC rulemaking to interpret "constructing and operating" language included in the Renewable Energy Act. Energy Trust had previously submitted comments to the OPUC on this topic and these were included in the formal record. No other attendees participating in the meeting and no other comments have been submitted. A staff report has been drafted and once finalized, will be provided for consideration by the Commission in a future public meeting. Following adoption of the rules, amendments to the grant agreement will be discussed.

2. Discount rate/performance measures

Fred reported on the status of discussions with the OPUC and utilities regarding a change in the current 3.0% discount rate, increasing it to 5.2% and thereby more closely matching it to the average used by the electric utilities in their Integrated Resource Plans. Given that no decision has yet been reached, the proposed final 2008 budget will continue to use our current 3.0% discount rate. Discussions on other OPUC performance measures relate to this decision and hence, all current measures, including the 2 cents/kWh cap, will remain in place until new performance measures are adopted by the Commission. It is anticipated that the 2008 budget will be revised early in the coming year to reflect these final changes and to incorporate incremental energy efficiency utility funding now under consideration also by the OPUC.

3. Negotiations with Pacific Power on SB 838 funds

Steve reported he and John Volkman are in the final stages of contract negotiations with Pacific Power on a proposed supplemental grant agreement for incremental energy efficiency funding. Steve stated the agreement more closely resembles a typical service contract than the grant agreement model we have with OPUC and NW Natural. Pacific Power has suggested pollution and hazardous waste insurance and other standard contract provisions they are accustomed to including. Energy Trust did not concur with these suggestions. Pacific Power also proposed inclusion of general and broad customer satisfaction surveys and instead, Energy Trust proposed modification and adaptation of tools we already use to measure customer satisfaction. Jason said CUB has requested that the agreement between Pacific Power and Energy Trust be made part of the public record to be considered by the parties in approving or disapproving the tariff. He said Pacific Power wishes to hold back 5% of the funds for self-performing activities, to be described. Jason stated that all expenditures need to pass the cost-effectiveness test.

4. New RAC members

Peter proposed the addition of several new members of the RAC, proposed in part by changes stemming from the Renewable Energy Act. Included in the proposed new membership was a representative from EnXco, a developer of small and large wind and solar projects. Troy Gagliano, former RNP representative on the RAC, now works there. This position would replace Chris Taylor of Horizon Wind, who has resigned. Peter also proposed to add Robert Grott, executive director of the Northwest Environmental Business Association, whose

members represent businesses interested in renewables. A representative from CH2M Hill as well as Jon Miller, director of the Oregon Solar Energy Industry Association, round out the slate. Margie asked if we should seek a consumer perspective on RAC? Jason will ask at CUB if anyone is interested. The policy committee expressed its support for these additional members.

5. Contract execution policy

At the last board meeting, Tom noted a lack of clarity in item #6 of the contract execution policy approved by the board at its November meeting. Specifically, the item does not specify a dollar limit related to the executive director authority to execute personnel contracts and agreements. The revised language suggested by John added some clarification related to internal personnel contracts and agreements and did not address the issue of dollar limits. Margie will work with John to further revise the language and send it via email to policy committee members for additional review, with the goal to take a revised resolution forward for full board consideration at the December meeting.

The meeting adjourned at 3:40 pm. The next policy committee meeting is scheduled for Tuesday, January 22, 2008 from 3-5 pm.