# Draft Board Meeting Minutes – 86th Meeting

**December 19, 2008**

**Board members present:** Jason Eisdorfer, Dan Enloe, Debbie Kitchin, John Klosterman, Caddy McKeown, Alan Meyer, John Reynolds; by telephone conference: Roger Hamilton, Al Jubitz, John Savage, ex officio, Betty Merrill, ODOE Special Board Advisor

**Board members absent:** Rick Applegate, Julie Hammond, Preston Michie

**Staff attending:** Christian Conkle, Phil Degens, Fred Gordon, Margie Harris, Erin Johnston, Betsy Kauffman, Nancy Klass, Steve Lacey, Elaine Prause, Pati Presnail, Thad Roth, Sue Meyer Sample, Jan Schaeffer, Kate Scott, Greg Stiles, John Volkman, Peter West

**Others attending:** Joe Barra, PGE; Margie Bashour, Lockheed Martin; Jerry Bryan, Farmers Irrigation District in Hood River (by telephone conference); Paul Berkowitz, CSG; Mike Costanti, Western Community Energy; Alecia Dodd, CSG; Andres Morrison, Ecos; Nick Parsons, Lockheed Martin; Abigail Spring; Lila Spring

## Business Meeting

President John Reynolds called the meeting to order at 1:15 pm.

***November 12, 2008 meeting minutes.*** Alan Meyer questioned the accuracy of a clause attributed to Fred on page 10, next-to-last paragraph. Fred said the clause was inaccurate; it was removed from the minutes.

**MOTION: Approve minutes from the November 12, 2008, meeting, as amended:**

Moved by: Debbie Kitchin Seconded by: Alan Meyer

Vote: In favor: 9 (Al and Roger by phone) Abstained: 0

Opposed: 0

Adopted on December 19, 2008, by Energy Trust Board of Directors.

## General Public Comment

There were none.

## President's Report

John Reynolds introduced the possibility that Energy Trust might participate in developing and occupying a "living building." He showed images of the "Jasmine Tree site." The new MAX line passes it. The existing trolley line will be rerouted to go diagonally through the site. Sue Meyer Sample said the timeline for release of a City of Portland request for proposals for preliminary design services will be in early January. The board will receive more information on the proposal and Energy Trust's potential involvement at the February board meeting.

## Energy Efficiency

***Resolution 500 authorizing an increase in the RHT Engineering Program Delivery Contract.*** Steve Lacey explained that the Production Efficiency Program Delivery Contractor, RHT Engineering, has delivered more projects than expected in 2008, exceeding its best-case goal by 24%, and has exhausted its contract budget. RHT believes it can deliver another 5,000 MWh of projects in 2008 if an additional $20,000 was added to its budget to complete this work. Because the total contract amount would exceed $500,000, the board needs to approve any additions.

**RESOLUTION 500**
**AUTHORIZING INCREASE IN THE RHT ENGINEERING**
**PROGRAM DELIVERY CONTRACT**

**WHEREAS:**

1. **RHT Engineering is a program development contractor for the Energy Trust Production Efficiency Program.**
2. **Its 2008 program delivery contract is for $862,200 (not including performance compensation payable if the best-case savings and commitment goals are exceeded). The best-case savings goal is 25,000 MWh.**
3. **RHT has completed 31,000 MWh in efficiency projects, exceeding its best-case goal by 24%.**
4. **RHT believes that it can deliver another 5,000 MWh of projects in 2008, but its contract lacks funds to pay for it. The additional work represents about 1.5 weeks of regular program delivery work at a cost of $20,000.**
5. **As a whole, the Production Efficiency program is expected to complete just over 78,000 MWh in savings, 87% of the program's best-case goal. Since September 2008, 20,000 MWh of 2008 Production Efficiency savings has been deferred to 2009 by companies experiencing difficult market conditions and restricted access to capital.**
6. **With an additional 5,000 MWh from RHT, the program can be expected to achieve 93% of its best-case goal.**

**IT IS THEREFORE RESOLVED that the Energy Trust of Oregon, Inc., Board of Directors authorizes the executive director to sign an amendment to the RHT Engineering program development contract increasing the contract amount from $862,200 to $882,200, plus performance compensation.**

Moved by: Alan Meyer Seconded by: Dan Enloe

Vote: In favor: 8 (Al and Roger by phone) Abstained: 0

Opposed: 0

*Debbie Kitchin was out of the room during presentation of this resolution and the vote.*

Adopted on December 19, 2008, by Energy Trust Board of Directors.

## 2009-2010 Action Plan and 2009 Budget

***Resolution 494 approving 2009 Budget.*** Margie introduced the budget. Steve Lacey said the year-end forecast now expects to achieve about 90% of the best case electric goal and to exceed the best case gas goal.

Reviewing underlying budget assumptions, Margie said we will continue to monitor impacts of the economic downturn as the year progresses and to remain flexible and responsive. We are focusing on new audiences with little prior participation, including small commercial and small industrial customers. She noted we will emphasize some behavioral changes, which can lead to savings and we will need to figure out how to quantify those savings. Incorporating our market research, we will do more to match messages and marketing strategies with particular target audiences. We believe the "green wave" will remain a driver for some customers, given the emphasis placed on climate change and carbon emissions by the new federal administration and our governor. She noted also the emphasis on making participation easier for consumers.

Margie noted comments received on our draft budget and our responses to them, including:

- Restore multifamily budget -- $350,000
- $540,000 in budget to address 60%-80% of median income also includes additional multifamily sector funds
- Providing staff ability to move funds within sectors (a request later on today's agenda) would foster more flexibility in the budget
- Other changes include more funding for Living Wise kits, which are high in demand

Roger Hamilton, by phone, asked whether the additional funds for multifamily reflects economic conditions. Margie said economic factors are resulting in more demand for multifamily (rental) housing and that we have heard that now would be the wrong time to withdraw funding from that sector.

Comments on the draft budget received from utilities included:

- Support for continued collaboration with utilities
- The importance of high customer satisfaction scores, resulting from customers who perceive their utility supports and helps them with energy efficiency
- The importance of meeting our efficiency goals for utilities, who in turn count on and incorporate them in their integrated resource plans
- Interest in testing on-bill financing; possibly through a City of Portland pilot early in 2009

Margie then summarized changes from the draft to the final proposed budget:

- Available carryover increased to $1.8 million
- $0.5 million decrease in Pacific Power revenue
- Increase expenses totaling $3.6 million ($2.3 million renewables, $1.3 million efficiency)
- Electric savings reduced very slightly from 42 aMW to 41.6 aMW; Note: savings are up 23% compared to 2008
- Gas savings down very slightly from draft; for perspective, gas savings are up 2% over 2008 forecast

Margie then summarized staff requests and noted the growth in the industry happening around us. She thinks we are not growing as rapidly as we once did. She does not anticipate coming forward with increases of large magnitude in future years unless we are asked to do something different or more.

- Proposing 4.5 new positions
    - A new Web/e-communications manager to create in-house capacity to use the web strategically. This is a capacity we have not had; to this point and the web is the primary communication tool we have with new and existing customers and trade allies.
    - A new business systems analyst
    - A new finance administrative assistant
    - A new business sector coordinator
    - Increasing a ½ time marketing administration position to full time
- 2 additional positions are proposed as conversions from current contractors: a residential coordinator and a senior reporting analyst in finance and administration

John Reynolds said, given the unemployment situation, we are fortunate to have a clear need for positions and the ability to fund them. Jason Eisdorfer noted the growing interest in the energy sector among recent college grads.

Margie compared budget goals to our OPUC targets. Little has changed since the draft budget was presented.

Margie noted a response to John Klosterman's question in November about what market indicators we will need to track to gauge what impact the economy may have on our programs, including participation levels and potential savings/generation targets. Energy Trust will track the following market indicators on a quarterly basis:

- Residential sector: housing permits, length of building vacancies, ODOE tax credit activity
- Commercial sector: permits for commercial remodels, new building permits, ODOE tax credit activity

- Anecdotal comments from PMCs/PDCs
- Roundtables and conversations with trade allies
- Project counts in pipeline and actual completed vs forecasted projects
- Monthly and quarterly comparisons to historic volumes

Debbie noted the budget supports expanding Home Performance with Energy Star. She recalled comments from WISE about difficulties with this program. She noted it hasn't been evaluated yet but asked for insight into the complaints. Paul Berkowitz said he thinks the concerns are about a software program. He is trying to find a user-friendly 75-minute audit rather than the current 3-hour audit.

At Margie's request, Paul then described components of a Home Performance audit, including blower door testing. Paul said last year he determined 23% of people receiving Home Energy Reviews installed measures, a figure in keeping with national averages. In a more recent performance evaluation, that percentage rose to 40%. This higher score stems from evaluations indicating that people install different measures over time.

Debbie asked about the plan for serving the 60-80% of median income sector. Steve Lacey said Ecos Consulting is wrapping up its work in this area for NW Natural in the spring. He said we will take that program and incorporate it into our Home Energy Solutions – Existing Homes program in 2009.

Alan Meyer commended staff on switching from the term "best case" to "stretch goal, " noting this was done for the efficiency section only and should be adopted for the renewables budget as well. A "best case" goal is not best case if we exceed it, as we have done for the so-called best case gas goal this year.

## RESOLUTION 494
## ADOPTION OF 2009 BUDGET

**BE IT RESOLVED: That the Energy Trust of Oregon, Inc., Board of Directors approves the 2009 budget as presented in the board packet*:***

Moved by: Debbie Kitchin Seconded by: Caddy McKeown

Vote: In favor: 9 (Al and Roger by phone) Abstained: 0

Opposed: 0

Adopted on December 19, 2008, by Energy Trust Board of Directors.

***Resolution 493 approving 2009-2010 Action Plan.***

**RESOLUTION 493**
**ADOPTING 2009-2010 ACTION PLAN**

**BE IT RESOLVED: That Energy Trust of Oregon, Inc. Board of Directors approves the two-year 2009-2010 Action Plan as presented in the board packet:**

Moved by: Jason Eisdorfer Seconded by: Debbie Kitchin

Vote: In favor: 9 (Al and Roger by phone) Abstained: 0

Opposed: 0

Adopted on December 19, 2008, by Energy Trust Board of Directors.

## Renewable Energy Program

***Resolution 497 approving funding for Farmers Irrigation District Pressurization Project.***
Betsy Kauffman presented information on this topic, supported by Jerry Bryan of the Farmers Irrigation District in Hood River, who participated by telephone. Betsy explained that improvements to the irrigation system, including enclosing canals in pipes, eliminating leakage, evaporation and spillage, leads to higher flow and generating capacity. Betsy explained a methodology for attributing project costs to both efficiency and renewables, resulting in a $1.32 million renewable project and a $1.3 million efficiency project. The resolution below explains the incentive levels.

Alan Meyer asked what features of the project improve efficiency. Jerry Bryan said the piping permitted removal of inefficient pumps. Alan asked if the cost for efficiency is high. Elaine Prause said the 20-year life of the measure supports the payment.

**RESOLUTION 497**

**AUTHORIZING FUNDS FOR THE FARMERS IRRIGATION DISTRICT PRESSURIZATION PROJECT**

**WHEREAS:**

1. **Farmers Irrigation District (FID) proposes to increase renewable energy generation by approximately 465 megawatt-hours per year at its existing hydroelectric plant by replacing open, gravity-fed canals with pressurized pipes and equipment that regulates water use. The same system will save approximately 481 MWh per year in energy from pumping.**

2. **Because the project generates and saves electricity from the installation of common and inseparable components, staff allocated project costs based on the percentage of electricity generated or saved: 49.2% to renewable generation and 51.8% to efficiency.**
3. **The energy saved warrants an energy efficiency incentive of $154,067, which Energy Trust will offer through the Production Efficiency program, which requires no board action.**
4. **The above-market cost of the renewable energy part of the project is $590,984. Combined with state energy tax credits, power revenues and other savings, an Energy Trust renewable energy incentive of $225,000 will make the project feasible.**

**IT IS THEREFORE RESOLVED that the Energy Trust of Oregon, Inc., Board of Directors:**

1. **Authorizes an incentive of $225,000 to offset the above-market costs of the renewable energy generation portion of the Farmers Irrigation District Pressurization Project.**
2. **The executive director is authorized to sign an agreement to pay such incentives provided Energy Trust takes title to at least 38% of the project's green tags (renewable energy certificates).**

Moved by: Jason Eisdorfer Seconded by: Dan Enloe

Vote: In favor: 9 (Al and Roger by phone) Abstained: 0

Opposed: 0

Adopted on December 19, 2008, by Energy Trust Board of Directors.

***Resolution 495 authorizing funds for the Madison Wind Project.*** Erin Johnston, renewable energy project manager, described this project near Hermiston, with 16 50-kW turbines. The proposed incentive of $908,500 represents 48% of the above-market costs. Energy Trust would claim a proportional share of the green tags. The project introduces 50-kW turbines to Oregon. Alan Meyer asked what discount rate we used when paying over six years instead of up front. Erin said we used a 12% discount rate, the low end of the range we apply. Al Jubitz thinks this is a high rate. Alan said if we used a 6% rate, we would get more of the green tags and they would get the same amount of money. Peter West said we surveyed the market and determined the payment we are making is needed to move the market. Dan noted the 12% may go up or down over the next few years, and asked if we could re-set the rate. Alan said he would be more comfortable if Energy Trust were to keep more of the green tags. John Reynolds noted board approval of the resolution gives staff the green light to negotiate. He suggested staff be sensitive to the possibility of retaining a greater share of the tags. Peter is happy to bring back more information on green tag scenarios. Discussion continued about whether to change the resolution to require staff to negotiate to obtain a higher percentage of green tags.

**RESOLUTION 495**
**APPROVING FUNDS FOR THE MADISON WIND PROJECT**

**WHEREAS:**

1. **Madison Development LLC proposes to construct the Madison Wind Project. The project will have a name-plate capacity of 0.8 MW, expected to generate 1,616 megawatt-hours (MWh) per year.**
2. **The project would sell its output to Pacific Power under standard QF terms and offset about 614 tons of CO2 per year.**
3. **Energy Trust analysis shows the project's above-market costs to be about $1.277 million.**
4. **The applicant seeks an incentive of $908,500, which would cost Energy Trust about $4.94 million per aMW, calculated on a cash basis. In comparison, the Small Wind program standard commercial incentive for one 50 kW Entegrity wind system costs about $5.62 million/aMW.**

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

1. **An incentive payment to Madison Development LLC of up to $908,500 to be paid on production over 6 years from the 2008 Wind program budget for the proposed project; and**
2. **Energy Trust shall take ownership of at least 48% of the project's green tags annually for the project's first 20 operating years.**
3. **The executive director may negotiate and sign an agreement consistent with the terms of this resolution.**

Moved by: Dan Enloe Seconded by: Caddy McKeown

Vote: In favor: 9 (Al and Roger by phone) Abstained 0
Opposed: 0

Adopted on December 19, 2008, by Energy Trust Board of Directors.

## Committee Reports

*Finance/Compensation Committee.* John Klosterman introduced the resolution. The compensation committee has reviewed the Energy Trust annual employer contribution to the 401K. The committee has recommended an ongoing employer contribution of 6% with no requirement for employee match.

Al Jubitz complimented John for leading the committee through this process. He thinks the committee continues its work to assist Margie in all aspects of compensation. He would like to

change the resolution to apply to this year only rather than continuing the 6% into the future. Al prefers the policy to require a match.

John Klosterman feels that asking the board to authorize the 3% each year above the 3% safe harbor requirement is too much of a "line item" approach. He thinks the board should be setting overall compensation caps and allow Margie to manage within that. Margie noted we have a good voluntary employee 401K contribution rate with roughly 83% of employees participating. Those who don't contribute tend to be younger and occupy lower-paying positions. She is uncomfortable requiring these individuals to contribute. John said the committee did not think adding a match requirement would have much effect in light of the large number of staff who now contribute voluntarily.

Al suggested amending the resolution to be in effect for 2009 and not into the future. Alan Meyer is comfortable with the resolution as is, because we have the option of revisiting the amount or not, as the board might wish. Al's amendment failed due to absence of a second.

**RESOLUTION #496**

**AUTHORIZING EMPLOYER CONTRIBUTIONS TO THE ENERGY TRUST OF OREGON, INC. 401(K) PLAN**

**WHEREAS:**

1. **The Energy Trust 410(k) retirement plan is a "Safe Harbor" plan, which requires a mandatory 3% employer contribution to each employee's account and permits employers to make discretionary contributions above 3%. Each year since Energy Trust began, the board has authorized an additional discretionary contribution of 3%.**
2. **At its December, 2007 meeting, the board asked the compensation committee "by fall, 2008 to oversee a further comparison of 401(k) contribution levels in the context of overall compensation/benefit packages, and consider the advisability of a 401(k) employer matching contribution."**
3. **The committee has reported to the board in executive session (see Energy Trust Bylaws, Section 3.19.1, "Executive Sessions"), on this subject in light of extensive analysis done with assistance from outside compensation and benefits consultants over the past year. The committee recommended that the board authorize a 6% employer contribution (3% mandatory plus 3% discretionary) to the Energy Trust 401(k) plan, to continue year-to-year unless and until the board decides to change it.**

**BE IT RESOLVED: That the Energy Trust of Oregon, Inc., Board of Directors authorizes a three percent discretionary employer contribution to the Energy Trust of Oregon, Inc. 401(k) plan in addition to the three percent mandatory employer Safe Harbor contribution, to continue year-to-year unless and until the board decides to change it.**

Moved by: Dan Enloe Seconded by: Debbie Kitchin

Vote: In favor: 8 (Roger by phone) Abstained: 0

Opposed: 1

Al Jubitz voted no. stating he does not want to lock in a practice (of 6% employer contribution) that the board has been uncomfortable with in the past .

Adopted on December 19, 2008, by Energy Trust Board of Directors.

*Strategic Planning Committee* John Volkman said he thinks the demand response/smart grid workshop January 22 is shaping up. The first portion of the workshop is an introduction to smart grid and demand response, while the second part covers the potential utility/Energy Trust role. John Reynolds urged board members to participate.

*Audit Committee.* No report.

*Policy Committee.* John Volkman introduced a proposal to amend the program approval process to allow staff to move budgeted funds within the same sector but not between sectors or between efficiency and renewable programs. Jason asked whether staff will report on such changes. John Reynolds said the resolution states the staff will provide an update of the action taken at the next board meeting. Alan suggested including that language in the policy as a new #4. John will change the final paragraph of the resolution to state "and including a new subparagraph 3 in the policy itself directing staff to provide an update." This will be added into the policy as well.

**RESOLUTION 498**
**AMENDING THE PROGRAM APPROVAL PROCESS**

**WHEREAS:**

1. **The current board policy on program approval (attached) provides that the board must approve any shift of budget funds between programs.**
2. **Allowing staff flexibility to move budgeted funds between programs within the same program sector (residential, commercial and industrial) would allow Energy Trust to respond more quickly to market changes and demands and to capitalize on new opportunities.**
3. **This flexibility will be particularly valuable in the challenging economic times we expect in the coming year(s).**
4. **Staff will provide an update of the action taken at the next board meeting.**

**It is RESOLVED that the board of directors of Energy Trust of Oregon, Inc. amends the policy on the Program Approval Process by:**

1. **Revising section 1.a to read: "staff may move budgeted funds from one program to another within the same program sector (residential, commercial and industrial) without board approval."**

2. **Inserting a new paragraph four into the "Resolved" section of the policy stating "Staff will provide an update to the board on any movement of funds from one program to another at the next board meeting following such movement," and renumbering the succeeding paragraphs.**

Moved by: Dan Enloe Seconded by: Debbie Kitchin

Vote: In favor: 9 (Al, Roger by phone) Abstained 0

Opposed: 0

Adopted on December 19, 2008, by Energy Trust Board of Directors.

# 4.22.000-P Program Approval Process

| **History** | | | |
|---|---|---|---|
| Source | Date | Action/Notes | Next Review Date |
| Board Decision | February 16, 2005 | Approved (R319) | February 2008 |
| Policy Committee | April 15, 2008 | No changes | April 2011 |

**Purpose:**

1. **Historically, the Board has approved programs in resolutions that specify projected energy savings and cost/aMW and estimated budget allocations for such items as incentives, marketing, administration and evaluation. Specific terms of program management have typically been addressed in separate resolutions authorizing program management contracts.**

2. **Experience has shown that if staff and contractors adhere to the original terms and conditions identified in Board resolutions authorizing programs, the programs may lose momentum while staff seeks approval to change program delivery, and considerable Board and staff time are consumed in complex and confusing adjustments.**

3. **Energy Trust has enough experience with these programs to warrant revising this process to make it more efficient.**

**It is therefore RESOLVED:**

1. **That the Energy Trust of Oregon, Inc., Board of Directors hereby authorizes all existing programs to:**
    a. **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 ~~not~~ move budgeted funds from one program to another within the same program sector (residential, commercial and industrial) without board approval.**

**b. Be managed to achieve a best-case energy savings and cost/aMW goal, recognizing that actual performance may achieve only a more conservative level below which the program would be reevaluated.**

**2. The Board will continue to review and approve program management contract terms.**

**3. Staff will provide the Board with quarterly status reports based on energy savings by program and sector (not individual contract). Reports would identify variances and reasons for them, including:**

**a. Where long-term cost-effectiveness is trending ($/aMW or levelized cost per kWh and therm) compared to the most recent action plan forecast, and whether the program is apt to be cost-effective once it hits steady-state.**

**b. Whether the program is expected to achieve significant savings over its life.**

**c. If a quarterly report shows that a program is trending below the conservative end of its authorized $/aMW range, the Board may call for an action plan to address the short-fall.**

**4. Staff will provide an update to the board on any movement of funds from one program to another at the next board meeting following such movement.**

**~~5~~5. The Board retains discretion to modify or discontinue a program if it is not meeting expectations.**

**~~6~~6. The Board will review program status at Board meetings on a rotating basis so that all programs are reviewed over the course of a year.**

**~~7~~7. The Board will use the budget and action plan process to review, modify and adjust program budget caps.**

John Volkman said staff proposes to eliminate from the Combined Heat and Power Policy language pertaining to how the policy initially was to have been implemented. He said this change is very nearly editorial.

**RESOLUTION 499**
**AMENDING COMBINED HEAT AND POWER POLICY**

**WHEREAS: The current board policy on program approval (attached) outlines implementation steps that now have been completed.**

**It is RESOLVED that the board of directors of Energy Trust of Oregon, Inc. amends the CHP policy to delete references to implementation steps (section 2 of the current policy) that have been completed.**

Moved by: Alan Meyer Seconded by: Caddy McKeown

Vote: In favor: 9 (Al and Roger by phone) Abstained 0
Opposed: 0

Adopted on December 19, 2008, by Energy Trust Board of Directors.

# 4.11.000-P Combined Heat and Power Policy

| History | | | |
|---|---|---|---|
| Source | Date | Action/Notes | Next Review Date |
| Board Decision | December 19, 2002 | Approved (R149) | March 3, 2004 |
| Board | March 3, 2004 | Reviewed-No Change | February 2005 |
| Board | February 16, 2005 | Reviewed & deferred for 6 months | August 2005 |
| Board | September 7, 2005 | Revised (R348) | Report to board in early 2006; review implementation in 9/08 |

***Introduction***

Combined heat and power (CHP) projects may have certain economic and environmental advantages, including potential energy efficiencies, which make them of interest to the Energy Trust.

Energy Trust currently supports only renewable energy CHP projects, small market transformation CHP projects, and the use of waste heat for limited purposes.

The Oregon Public Utility Commission has encouraged the Energy Trust to support CHP projects that reduce customers' on-site energy requirements.

***Policy***

~~1. Replace the existing CHP policy (resolution 149) with the following:~~

a. In addition to incentives under current policy, Energy Trust should offer incentives for CHP generation that is more cost-effective than the alternative resource and would be used on-site, not for sale (other than utility buy-sell arrangements).
b. Energy Trust will use budgets and structures of existing building and production efficiency programs, and adjust incentives to reflect any higher level of risk compared to other industrial projects.
c. Energy Trust will evaluate projects using a cost-effectiveness methodology that is comparable to that used for other industrial projects, but which accounts for unique CHP features.
d. Energy Trust will limit eligibility to facilities that use Pacific Power or PGE electricity.

e. Energy Trust will provide no higher incentives for CHP projects funded through efficiency programs than comparable CHP projects funded through the renewable program.

~~2. Implement the policy as follows:~~
~~a. September-November:~~
~~i. work with Power Council staff to develop estimates of alternative costs for typical large CHP projects;~~
~~ii. work with PUC staff to develop a way to credit CHP generation toward Energy Trust energy efficiency savings goals~~
~~b. October January: select a consultant and develop rules for determining eligibility; procedures, cost-effectiveness, etc.~~
~~c. Report to the board in early 2006, or as soon as this program element is ready to be launched.~~
~~d. Review implementation in two years to see if adjustments are desirable to promote a more diverse CHP portfolio (as opposed to a few big projects).~~

*Program Evaluation Committee.* Debbie Kitchin presented notes from the November 19 evaluation committee report. The committee reviewed the Existing Buildings 2006 and 2007 Impact Evaluation. As the programs become more mature and penetrate deeper into the marketplace, we encounter some areas suggesting need for redesign, in this case a very high free rider rate. Jason Eisdorfer asked if, during this time of heightened interest in sustainability, should free ridership still be a concern? Phil Degens, evaluation manager, said we continue to need to monitor markets. High free ridership may signal incentives are too low or too high. Alan Meyer thinks it is helpful to know about free ridership but thinks the savings should be counted, because they happened. Discussion of free ridership and how other organizations count them continued.

Debbie noted the committee also reviewed the Residential Awareness Study. Alan suggested all board members read this study. He said it confirms our programs reach more Portland-area people. Debbie said we learned about groups that we haven't served. Margie said most of our participants live in this area and are present in lower concentrations in other parts of the state. Fred Gordon noted until 2008 we had less money to go after residential customers in Pacific Power territory outside Portland, because industrial and large commercial projects claimed a large share of available Pacific Power funds. Phil will forward the final report to the board when it is available. John Reynolds said he much prefers receiving evaluation reports in the packet rather than on the day of the meeting. Dan Enloe noted a good way to reach some rural communities is by participating in their special events.

## Staff Report

Margie presented the report. She noted the Northwest Energy Efficiency Alliance (NEEA) strategic plan and corresponding business plan continue to take shape. She noted next spring, Energy Trust may be asked to increase funding for NEEA above our current $3.2 million/year. She commented on a trip to San Francisco she and Fred made to participate in a discussion of zero net energy commercial buildings. She noted a recent Behavior, Energy and Climate Change conference brought together behaviorists, analysts and marketers to discuss connections between these subject areas and that a number of Energy Trust staff participated and were stimulated by the ideas discussed.

Margie mentioned an initiative by newly elected incoming Oregon Representative Jules Kopel-Bailey who is working with others on an Energy Efficiency Performance Initiative. The effort would pool different sources of capital into a state-wide loan pool designed to stimulate deeper energy efficiency investments using financing. Debbie said she heard a presentation on this and has concern their model would work

with only a handful of contractors, a departure from our model. Margie stated the organizers are still thinking through their proposal and that Energy Trust has been asked to provide comments.

Margie mentioned recommendations of the NW Energy Efficiency Task Force (NEET) are being finalized She is on the executive committee. The task force meets on January 9. She thinks many of the working group members have found their collaborations to be rewarding and may wish to continue such regional efforts.

Energy Trust recently completed focus groups on the draft prototype Energy Performance Score tool, which represents the energy use and carbon footprint of a home or building. A tool like this was introduced as part of the Governor's energy legislation. She would like to see the score linked to financing options, allowing energy improvements to be amortized over a long period of time.

Margie noted a full day energy workshop designed for public entities attracted 175 attendees from 70 municipalities, special districts and governments. She also pointed out that a $1 million check to pay for the Portland Habilitation Center's solar project has been signed.

October call volume was over 5,800, in part because of increased awareness about energy and our fall campaign. Currently we are recruiting and training home energy reviewers.

Elaine Prause, currently the production efficiency program manager, was selected as renewable energy business manager. Recruitment for replacing her is underway.

Margie concluded by saying this is the last staff report she will be providing in this format. Staff has expressed concern about the many different ways we capture and how we represent our accomplishments, all of which take time to prepare. Henceforth she will present quarterly reports to the board, and will report on other activities of note as they happen. Jason said there continues to be a need to explain what we do to interested parties. John Klosterman said he also enjoys seeing the accomplishments, although he would like to hear more about things that are not going so smoothly, challenges, things that have gone wrong.

Margie said we will do another board survey early in the year to learn how well the board functions, how well staff serves them and the like.

***Feature presentation – Biomass Projects.*** Thad Roth, biomass program manager, described a lot of activity in the biomass business right now. Two projects came on line in '08 – Rough and Ready, 1.2 MW, $1.685 million incentive, 100% green tags, co-gen project, PPA with Pacific Power, got additional drying capacity. John Reynolds said it also achieved significant pollution reductions. The second project was the City of Portland Wastewater Treatment Plant – capacity 1.73 MW, incentive $362,000, 100% green tags, $0.232 million/aMW, $720,000 (40% of load) cost reduced/year. Another project authorized this year was Stahlbush Island Farms – 1.6 MW, $827,000 incentive, a waste anaerobic digester/co gen, green tags 6,000/yr, PPA with Pacific Power, annual electric sales $757,000, offset natural gas costs.

## Adjourn

The meeting adjourned at 5:15 pm.

**Next meeting.** The next regular and annual meeting of the Energy Trust Board of Directors will be held Wednesday, February 11, 2009, 12:00 noon at the Energy Trust of Oregon, Inc., 851 SW Sixth Avenue, 12th Floor, Portland, Oregon.