Policy Committee of the Energy Trust Board of Directors

March 8, 2011, 4:00-5:30 pm

Attendees

Jason Eisdorfer, John Reynolds, Rick Applegate (by telephone) and Roger Hamilton (by telephone). Staff: Margie Harris, Amber Cole, Fred Gordon, Steve Lacey, John Volkman and Peter West

1. **Policy reviews**
   a. Cost-effectiveness policy and methodology. Staff proposed changes to align the policy with integrated resource planning, Energy Trust's utility contracts, and the Planning Department's capabilities and practice. The revised policy would focus exclusively on cost-effectiveness as a threshold screen for measures and programs, and leave all other investment criteria for the strategic plan. The current policy comingles cost-effectiveness and other investment criteria. The committee endorsed taking the revisions to the CAC with a clear justification for the changes. After the CAC discussion, staff will bring it back to the committee for consideration.

   b. Lost opportunities policy. Because we are now currently fully funded to acquire all cost-effective savings, the policy now has limited application. We still make investment decisions on the margin about where to grow next, and the policy does apply then. Staff favors retaining the policy without modification. The committee concurred.

   c. Balanced competition policy. Staff did not recommend changes in this policy at this time, and briefed the committee on issues arising under it. As our PMCs' businesses grow and diversify, there is the potential for them to do independent work for a business that later applies for incentives under an Energy Trust program managed by the same PMC. Because this would raise an issue under section 4 of the policy, we are in discussion with one PMC now, and expect the issue to arise again. Unless and until our discussions suggest a policy change would be advisable, staff recommended no change in this policy. The committee recommended that the policy be renewed for another three years, and if staff concludes that a change is needed to deal with the issues noted above, the committee will consider it.

2. **Draft board retreat agenda.** Staff presented a draft board retreat agenda**.** The committee urged staff to link the proposed analytical presentation together with the discussion of opportunities and challenges. The committee also suggested: consider a discussion of how Energy Trust relates to the Governor's clean energy agenda; and how we measure up in relation to the Power Council goals and Oregon climate goals. The committee liked the idea of inviting someone from the Governor's office to speak to the board over lunch. This could focus on the Governor's clean-energy agenda. A utility roundtable should be scheduled for this summer, after the retreat.

3. **Legislation.** Staff briefed the committee on pending bills, including:
   - SB 673 would allow utilities to collect public purpose charges from users over 1 aMW (http://www.leg.state.or.us/11reg/measpdf/sb0600.dir/sb0673.intro.pdf);
   - HB 3587 would sunset the 3% public purpose charge in October of this year, (http://www.leg.state.or.us/11reg/measpdf/hb3500.dir/hb3587.intro.pdf);
   - SB 57 would authorize the Oregon Business Development Commission to use revenue bonds to finance economic development projects that are primarily for the generation, transmission, sale or distribution of electric energy, primarily on-site renewable projects. The bill got a unanimous do-pass recommendation from the Senate Committee on Business, Transportation and Economic Development.
   - HB 3582 would extend the sunset date for the business energy tax credit to 2022;
   - SB 688 would extend residential energy tax credit to 2018.

4. **Building lease.** Staff reported on the status of the negotiations for post-2011 building space. The committee stressed the need for good space for board meetings, CAC, RAC, etc.

5. **Report on contractors paid more than $500,000 in 2010.**
   In February, 2011, the board amended the policy on contract execution authority to require reporting on instances in which a contractor receives more than $500,000 in Energy Trust funding per year under separate contracts. The committee reviewed a draft list and asked that it be scrubbed to remove any contracts that have already been approved by the board.

6. **Advisory Council Memberships**
   Staff recommended several membership changes in the CAC and RAC, which the committee reviewed and endorsed

   CAC
   - In lieu of Steve Weiss, Wendy Gerlitz is a Senior Policy Associate with the NW Energy Coalition. She represents the Coalition advocating clean and affordable energy in BPA, Northwest Power and Conservation Council and other forums, including Oregon utilities and state agencies. Previously, Wendy ran her own consulting business. She conducted research and policy analysis on economic and ecological issues in federal forest management for Sustainable Northwest. She also worked on climate change, air emissions and corporate footprint monitoring for PGE. She also worked with the Columbia River Intertribal Fish Commission where she staffed the Commission's appointment to President Clinton's Council on Sustainable Development. Wendy has a BA from University of Wisconsin and a master's in Environmental Management from Yale University.
   - Don MacOdrum is the new Executive Director of the Home Performance Contractor's Guild. The Guild represents a collective of contractors that have been instrumental in the development of energy efficiency programs, such as Clean Energy Works Portland. Guild member companies offer comprehensive Home Performance testing and services and feature technicians with Building Performance Institute certifications. Guild member companies are locally owned and employ local workers.

- Paul Kase, the association's current representative, has notified the Oregon Remodelers Association (ORA) that he will not be renewing his membership for 2011. We are still waiting to hear back from the ORA about replacing Paul.

RAC: Several people have left the RAC over the past five months: Kyle Davis, Pacific Power (promoted to a different job); Theresa Gibney, OPUC (left OPUC); Ed Kennel, Clean Energy Services (a small wind consultant who didn't have enough time to make meetings); Jeff King, NWPPC; Deb Malin, BPA (didn't have enough time to make meetings); Robin Straughn, ODOE (left ODOE); and Sandra Walden (Oregon Solar Energy Industries Association has hired a new executive director who would like to serve on the RAC instead). The remaining members are:

- Troy Gagliano, Enxco
- Margie Gardner, Bonneville Environmental Foundation
- Robert Grott, Northwest Environmental Business Council
- Thor Hinkley, PGE
- Frank Vignola, University of Oregon Solar Monitoring Lab
- Energy Trust board: John Reynolds and Alan Meyer

Staff used several criteria for new members: (1) good problem-solving skills, and ability to consider a variety of perspectives, not just their organization's; (2) help fill out the RAC's familiarity with a range of technologies; (3) geographic representation (beyond Portland); and (4) ability to attend meetings. Based on these criteria, staff recommended the following people:

- **Jason Busch**, Executive Director of the Oregon Wave Energy Trust. Wave power is one of the developing technologies that Energy Trust is monitoring and may become involved in within the next few years. Jason provides a direct link to wave energy developments and will help us learn about more mature technologies. As the executive director of a renewable energy organization, Jason struggles with some of the same issues that we do.
- **Eric Chung**, Director of Environmental Policy and Strategy at PacifiCorp. Eric provides a utility perspective, and skill in strategic thinking. He has an MBA in finance and economics.
- **Megan Decker,** Senior Staff Counsel at Renewable Northwest Project. Megan is a former land use attorney and now manages RNP's participation in state regulatory proceedings. Her understanding of the policy framework and regulatory background of our work is helpful, as is her ability to think about the long-term implications of procedural and policy issues.
- **Ben Henson,** CEO and founder of Renewable Energy Solutions in Wallowa County. RES creates economically viable enterprises based upon sustainable natural resource use and conservation. We have worked with Ben and RES on several projects. He was formerly a business owner and developer prior to 'retiring' to Wallowa County and founding RES. In addition to his knowledge of business and renewable energy, Ben brings a rural perspective.
- **Suzanne Leta-Liou**, RES Americas. Suzanne formerly served on the RAC when she was at RNP. She knows the technologies and is a creative thinker. Now, she also brings a private-sector perspective.

- **Glenn Montgomery,** Executive Director of the Oregon Solar Energy Industries Association. Glenn has background in solar, economic development, budgeting and program planning.
- **Vijay Satyal,** Senior Policy Analyst with Oregon Department of Energy. Vijay does policy analysis and evaluation in energy storage and transmission, smart grid, renewable energy and other areas.