Policy Committee of the Energy Trust Board of Directors

November 15, 2011

Attendees

Jason Eisdorfer, Rick Applegate (telephone), Roger Hamilton (by telephone), Alan Meyer (by telephone), John Reynolds (by telephone), Kim Crossman Fred Gordon, Steve Lacey, John Volkman and Peter West

1. Incentives and QFs. The State is still discussing the interaction between Energy Trust incentives and QFs. Staff is communicating with Energy Trust projects to ensure they are aware of the issue.

2. Strategic utility roundtable assessment. The board discussed drafted talking points for board members' discussions with utilities to elicit feedback on whether the strategic utility roundtables should be continued, what the participants find helpful or unhelpful in them, and ideas for improving them if they are continued. Jason will review the talking points. Staff will then send them to the utility and other roundtable participants and Jason and Rick will follow up with person-to-person meetings, perhaps in early 2012.

3. Budget update. Steve reported on the budget process and utility meeting.

4. Three-year policy reviews.

   CHP policy: Staff proposed two substantive amendments (1) Clarify that the policy applies only to fossil-fueled CHP, not renewable CHP; and (2) allow CHP projects of any type (i.e., residential) not just building and industrial projects. Other changes are editorial. These changes would be taken to the CAC for discussion. The committee supported the changes. If no significant concerns are raised at the CAC, the committee supports taking them to the board on the consent agenda.

   Screening New Ideas policy: Staff proposes no changes and the committee agreed. This policy has never being invoked, but it could serve a purpose if the need arises (see attached)..

5. Updates

   Cost-effectiveness policy. Fred has had further conversations with OPUC staff concerning this policy, and has a few additional minor changes, but believes they are minor. He proposes to review it with the CAC. The committee asked that any further changes be e-mailed to the committee, and if no significant concerns are raised at CAC, it can go to the board.

   NW Natural fuel-switching docket. The OPUC plans to open up a docket in early December to consider NWN's fuel-switching issues. Staff has urged OPUC staff to initiate rulemaking on the data transfer rules and not wait for the outcome of the fuel-switching process.

6. Mega-project. The Production Efficiency program is working with Intel, under nondisclosure agreement, to identify energy efficiencies for a new chip manufacturing plant that will start up in phases in 2012, 2013 and 2014. Staff plans to seek board approval in December exempting the project from the $500,000 incentive cap. Because Dan Enloe is a board member, he has had no role in this project. Specifics:

    - Energy savings are estimated at more than 30,000,000 kWh 2012-2013, which is substantial. The savings cost is attractive and the plant represents a lot of jobs.

    - We expect to entertain a further phase in 2014, which, if approved, would be funded separately and would bring savings over the three-year period to 50,000,000 kWh.

    - The potential Energy Trust incentive would be $2 million per year in 2012 and 2013, $4 million total

    - The project has been thoroughly studied, with detailed engineering, baseline development and multiple stages of 3rd party and internal technical review of proposed measures, through the standard Production Efficiency program custom process

    - The committee noted that mega-projects raise concerns about how much money one entity should get. Staff said the project is in PGE territory, where we need projects. This one will not displace other projects

    - The Committee asked how we can be sure that the project would not make these improvements anyway. Staff noted that the evaluation department was brought into this project early on to assess this concern.

7. Proposed early-December committee meeting. The committee scheduled an additional meeting for December 6 to brief the policy committee on loan terms for the Green Lane biopower project and extension of the OPOWER contract, which staff plans to take to the board on December 16.

ATTACHMENT
4.19.000-P Screening New Opportunities

History			
Source	Date	Action/Notes	Next Review Date
Policy Committee/Board	8?24/04,9/8/04 , 1/26/05	Review and discussion	2/16/05
Board	2/16/05	Approved (R318)	7/05
Policy Committee/Board	7/05	Reviewed; no changes	7/08
Policy Committee	12/08	Reviewed; deleted reference to Three Person Team and changed to Strategic Planning Committee	7/2011

Introduction
Identifying and acting upon new strategic opportunities is a welcome and continuous part of being an innovative "learning organization."

An efficient process to screen and intentionally choose to pursue new strategic opportunities is desirable.

Assessments of new strategic opportunities will be concentrated within, and not limited to, the action plan update and budget preparation cycle initiated with the joint board/staff planning meeting held publicly each summer.

Policy
That the Energy Trust of Oregon, Inc., Board of Directors authorizes the Executive Director, in cooperation with the Strategic Planning Committee and other interested parties, to screen major new strategic opportunities using the following pre-screening and minimum full-screening criteria:

1. Pre-screening - Staff proposes to pre-screen opportunities to determine if there is an obvious fit for the Energy Trust, if the opportunity is plausible, is within existing budget and resources and can be absorbed into current efforts. The result of pre-screening can be either an immediate action to absorb such opportunities within existing efforts or programs, to transfer the opportunity to another potentially interested party or to not pursue the opportunity at all.
2. Minimum Full-screening - At a minimum, opportunities that warrant additional consideration beyond pre-screening will be assessed as follows:
   - Does it meet Energy Trust legal requirements?
   - Would it help us to achieve organization mission and goals?
   - Are the costs and benefits anticipated reasonable?
   - What would be the timing and what resources would it require?
   - Are partnership and leverage opportunities present?
   - Are the resources required plausible?
   - Other considerations?
3. Board and staff will plan for and include an analysis of strategic opportunities and corresponding choices for discussion as a focus of the annual board/staff public planning meeting held each year, usually in summer.

4. Ideas outside of the annual planning meeting will follow the usual course of business, being analyzed by staff with involvement from interested board members for presentation to the CAC and/or RAC and policy committee prior to consideration during a public board meeting.
5. An Energy Trust board member from either the strategic planning and/or policy committee will update the full board on the status of ideas being considered and, for those items requiring board action, bring such new ideas forward for action during public board meetings.