

Draft Minutes
Portfolio Options Committee Meeting
December 9, 2005

Committee members attending

Jeff Bissonnette (chair)	Fair and Clean Energy Coalition (public interest group)
Lisa Schwartz	Oregon Public Utility Commission Staff
Doug Kuns	Portland General Electric
Laura Beane	PacifiCorp
Justin Klure	Oregon Department of Energy
Natalie McIntire	Renewable Northwest Project (public interest group)
Dave Tooze	City of Portland (local government representative)
Gary Thompson	Sherman County (local government representative)
Cindy Olmstead	Residential customer representative

Others attending

Paul Woodin, Western Wind Power
Andy Noel, Green Mountain Energy
Alex Rate, Green Mountain Energy
Leslie Bach, The Nature Conservancy
Bob Stull, PacifiCorp
Robert Meredith, PacifiCorp
Thor Hinckley, Portland General Electric
Laura Rooke, Portland General Electric
Seth Sokoloff, interested citizen/Green Mountain Energy sales representative

Minutes

Doug Kuns made a motion to approve the draft minutes from the Sept. 1, 2005, meeting. Dave Tooze seconded the motion. The motion passed unanimously.

RFP for Blue Sky Surplus Funds

Bob Stull reported that Blue Sky funds will help fund the largest solar energy project in Salt Lake City, Utah, at the Salt Palace. PacifiCorp expects to issue in January 2006 an RFP for some \$900,000 in surplus Blue Sky funds. The company also expects to issue at a later date an RFP for at least \$500,000 in surplus Blue Sky funds for West-side projects.

PGE Clean Wind Development Fund

Thor Hinckley reported on the results of an RFQ for qualified designers and installers for the Oregon Zoo solar project. Short-listed bidders will submit designs. PGE expects to complete negotiations with the winning designer by June 2006. Construction will not start until after Labor Day at the zoo's request. An inaugural event is planned for Earth Day 2007.

An additional \$750,000 remains in the Clean Wind Development Fund. PGE hopes to use those funds to pay for the above-market costs of a utility-scale project, in collaboration with the Energy Trust of Oregon.

Update From The Nature Conservancy

The Nature Conservancy has signed a one-year contract extension with PacifiCorp and expects to sign an extension with PGE by the end of the month. The group recently

submitted eight more salmon habitat mitigation projects for the utilities' review. The Nature Conservancy will provide a more complete update at the next Portfolio Options Committee meeting, following biannual reports submitted to the utilities.

Third Quarter Utility Updates

PacifiCorp (Two handouts provided)

Bangtails remain the primary mechanism for enrollments. The company's educational mailing in March 2005 to all Oregon customers garnered 1,529 enrollments.

Enrollment is up 17% statewide for the year to date. Enrollment is above the national average in all of the company's larger communities in Oregon. Churn has stayed steady as a percentage of total enrollments.

Blue Sky funds are supporting construction of a 24 kW, net-metered solar project at the Jackson County Fairgrounds, in collaboration with the Oregon Department of Energy (ODOE) and nine large customers in Jackson County that self-directed public purpose charges for the project. The businesses will provide their share of the tags to Jackson County. PacifiCorp will buy the green tags from the county for Blue Sky customers. PacifiCorp expects the project to be completed by mid-April.

PacifiCorp worked through the green tag issues with Phil Carver at ODOE. Natalie McIntire wants to make sure the money Blue Sky customers pay for the tags will go toward renewable energy generation that wouldn't otherwise occur.

Bob Stull said the tag purchases are a necessary part of the funding for the project, and are in the form of a 10-year pre-purchase agreement. The purchase price is based on the cost of the project. PacifiCorp is paying up-front for the project, essentially loaning funds to Jackson County. Justin Klure will draft an explanatory piece on the tag transactions before the next Portfolio Options Committee meeting and share with Natalie, Bob and Dan Kalafatas of Three Phases for comments. The final document will be discussed at the committee meeting.

The Blue Sky program purchased Tradable Renewable Certificates to match the energy used for holiday lights in 19 cities throughout the state. Three Phases provided the tags at a cost of \$3.50 per MWh. So far, 12 local newspapers have provided media coverage.

PacifiCorp began its Corvallis Renewable Energy Challenge on Nov. 25, 2005, with a goal of enrolling 15% of its customers in the community by Earth Day 2006. The city council supports the challenge.

PGE (Two handouts provided)

Andy Noel of Green Mountain Energy provided a report on PGE's renewable energy programs. The company has enrolled more than 8,200 customers so far this year. The largest sales channel was direct sales, which focuses on storefront locations and events in urban areas. The "response cards" noted in the handout is used for signups that are rejected — because of the wrong name on the account, for example.

Churn is 2% year to date. However, this figure includes customers who moved and re-enrolled through the automated movers process. Real churn is closer to 1%. About 65% of customers who do not re-enroll move outside PGE's service territory.

Natalie recommended that future PGE reports show real churn. Andy agreed that that makes sense.

More than 5% of eligible customers are now participating in PGE's portfolio options. The fourth quarter has seen sizable enrollment. It appears that Green Mountain Energy will nearly meet its stretch goal of 40,000 enrolled by year-end 2005. Total enrollment is projected to be 39,500.

Small Business Representative

As previously reported through e-mail, Lisa Schwartz noted the loss of John Graham as a valued member of the Portfolio Options Committee. John is no longer working out of Oregon. Anthony Roy of Ecos Consulting, John's proxy, is willing to actively participate on the committee.

Lisa also noted that Lowell Gibson has not been active in the committee for some time. She will call him to determine his interest in future committee activities. If he is not interested in continuing with the committee, she will ask committee members to help recruit another qualified candidate.

WREGIS Motion (Handout with final motion attached)

Lisa Schwartz made the following motion, with Cindy Olmstead seconding:

The Committee recommends that the Commission require beginning January 1, 2008, that all Tradable Renewable Certificates Portland General Electric and PacifiCorp purchase for renewable resource portfolio options pursuant to OAR 860-038-0220(4) be registered with the Western Renewable Energy Generation Information System (WREGIS). The Committee may at a later date request the Commission modify this requirement if insufficient certificates are registered with WREGIS for the types of energy resources supplying Tradable Renewable Certificates for the portfolio options.

Doug Kuns recommended that the motion also include a reference to OAR 860-038-0220(6). Lisa agreed with the amendment, and Cindy seconded the amended motion. The amended motion carried unanimously.

The committee discussed some of the ramifications of the proposal if approved by the Commission, including that generators and intermediaries in a tag transaction would have a WREGIS account. Natalie said that Three Phases could have a sub-account for PacifiCorp, for example, where the tags would be retired.

PGE suggested the Commission consider the committee's recommendation on the regular agenda of the public meeting, to highlight the change. PacifiCorp would prefer that the recommendation be taken up by the Commission soon so the company knows whether it should include a WREGIS requirement in its forthcoming RFP for a tags/marketing supplier for 2007-09. Lisa agreed to take it to the first January meeting.

Announcements

Gary Thompson advised the committee that 15 counties are working on community renewable energy projects in Oregon, including biofuel, wind and small hydro facilities. They are coordinating activities. Gary expects applications for Energy Trust funds to increase.

Future Meeting Topics

Lisa requested an update from PGE on its advanced metering infrastructure plans and possible implications for the market-based rate option.

Thor will schedule with Jeff Bissonnette an Executive Committee meeting on a possible stable-rate product.

Next Meeting

The next Portfolio Options Committee will be held Feb. 9, 2006, 1 p.m. to 4 p.m. PGE will host at the World Trade Center in Portland. Topics will include:

- Biannual reports from The Nature Conservancy
- Discussion led by Justin Klure, ODOE, on green tag transactions involving self-directed public purpose funds and portfolio options
- Fourth quarter 2006 reports from the utilities
- PacifiCorp RFP for a tags/marketing supplier for 2007-09

— *Lisa Schwartz, Oregon Public Utility Commission staff*