

**Minutes**  
**Portfolio Options Committee**  
**Feb. 9, 2006**

**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)
Anthony Roy (proxy)	Ecos Consulting (small business representative)
Dave Tooze	City of Portland (local government representative)

**Others attending**

Doug O'Connor, PacifiCorp  
Robert Meredith, PacifiCorp  
Virinder Singh, PacifiCorp  
Thor Hinckley, PGE  
Collin Whitehead, Three Phases  
Diane Zipper, Renewable Northwest Project  
Leslie Bach, Nature Conservancy

**New faces**

Chairman Jeff Bissonnette welcomed Anthony Roy, who has graciously agreed to become an active member of the committee with John Graham's departure. Doug O'Connor is replacing Bob Stull at PacifiCorp.

**Agenda review**

Natalie McIntire asked for an update on PGE's tags/marketing supplier for 2007. With that addition, the committee approved the draft agenda.

**Minutes**

Natalie McIntire moved approval of the draft minutes from the Dec. 9, 2005, meeting. Laura Beane seconded the motion. The motion passed unanimously.

**Fourth Quarter 2005 Reports**

***PGE*** (Handout provided)

Thor Hinckley reported that PGE and Green Mountain Energy reached their goal of 40,000 customers by year-end 2005. New in marketing for the fourth quarter were portfolio option response cards as part of an information kit for new PGE customers. It's estimated that some 40% of customers who move can be recaptured through the process that PGE and Green Mountain Energy have implemented.

The company agreed that forthcoming quarterly reports will report "true" churn, netting out customers that have moved outside the service area. Lisa Schwartz asked that the change in reporting be footnoted for awhile to highlight the difference from earlier reports that they will be compared to.

**PacifiCorp** (Handout provided)

Collin Whitehead of Three Phases reported on Blue Sky participation overall and by community. Enrollment is higher than the national average for participation (1.2%) even in medium-size towns in PacifiCorp's service area.

Collin highlighted the Blue Sky challenge in Corvallis, supported by a pro-active city council and city purchase. All Corvallis customers received a mailing highlighting the challenge. Three Phases is testing door-to-door canvassing in Corvallis.

Lisa asked about customers' understanding of renewable energy options, a question recently raised by the Commission in response to a comment in a newspaper story. The companies responded that they rarely get feedback from customers saying they don't understand the options. A lot of work was done early on to test educational materials. However, not much work is being done now in that area.

**Nature Conservancy** (Handout provided)

Leslie Bach reported that the Nature Conservancy signed contracts with both utilities for 2006.

Nature Conservancy selected 11 projects for funding during the last six months of 2005, after the utilities' review. Projects include three acquisitions of land or conservation easements to protect salmon habitat in perpetuity with some \$4.5 million in match in cash and land value. Some \$900,000 went toward eight other projects.

The financial summary provided in the handout is a running total since the Nature Conservancy began administering the habitat restoration funds. The organization has funded 22 projects since mid-2004 using Habitat option funds.

The utility contracts specify requirements for spending funds within their service area. For PGE, the requirement is 50%; the level is 75% for PacifiCorp.

Jason Eisdorfer asked how customers know where their contributions have gone. PGE noted their quarterly newsletter for participants in renewable resource options. Part of the newsletter is dedicated to Nature Conservancy projects. Lisa suggested that the utilities add the Nature Conservancy's map of projects to the links on their Web sites to the Habitat option.

Dave Tooze said he is especially pleased to see projects on the Middle Fork of the John Day River. He asked whether the Nature Conservancy works on getting press in the communities where projects are located. Leslie said she would explore this further. Virinder Singh said PacifiCorp has sent news releases to media in communities when projects are within their service territory – for example, a project near Cannon Beach.

Natalie McIntire said the Nature Conservancy is making good use of money and is not letting it sit around.

**Green Tag transactions involving self-directed public purpose funds** (Handout provided)

Justin Klure described how he worked with Bob Stull at PacifiCorp to develop a process for treatment of green tags where large business customers apply their public purpose charges to projects of their choosing. The process was developed for the Jackson

County solar energy project, which also made use of pass-through funds through the state Business Energy Tax Credit (BETC) program.

To summarize the process:

- PacifiCorp financed project and is being repaid over five years by self-directing customers through public purpose charge adjustments on their bills.
- Tags purchased with self-direct funds are retired on behalf of all the utility's customers. They are not eligible for other transactions.
- Three Phases acquires a share of tags in proportion to its own contributions as well as the BETC pass-through contribution. These contributions represent the above-market cost beyond that covered by the self-directing customers.
- BETC pass-through partners do not claim any tags.
- Three Phases uses the tags it purchases for Blue Sky Usage and Habitat customers.
- The energy from the system is provided free of charge to Jackson County.

The self-directing customers wanted to participate in the project to do something for their community. They receive recognition for their contributions.

Dave recommended that a template be developed to make it easier to use this model for other projects. Justin agreed to discuss using ODOE resources to develop a case study for distribution.

#### **PacifiCorp RFP for tags/marketing supplier for 2007-09**

Doug O'Connor said the company plans to proceed in the same manner as it did for its 2004-06 RFP. The target release date is early June, with responses due a month later.

Doug would like clarification of any changes in Commission rules or orders that affect the RFP content or process. Lisa noted the new Commission WREGIS requirement, and that the rules were changed to state that options can be for up to three years. She also recommended that if PacifiCorp wants the flexibility within the contract to renew the it annually beyond the initial three years, that the RFP reference such a process for Commission approval.

PacifiCorp stated that the RFP would be for tags from new renewable resources only ("new" as defined by Oregon law).

Natalie asked that the committee have an opportunity to review the draft RFP and make recommendations to the company, prior to the company's filing for Commission approval in late May or early June. The company agreed to bring a draft RFP to the April committee meeting.

#### **PGE update**

Committee members are invited to participate in a meeting on Feb. 17<sup>th</sup> to further explore a possible stable rate option. Also, PGE is targeting a committee executive session in February or March as part of the process toward determining whether the company would like to extend its contract with Green Mountain Energy for 2008.

**Next regular committee meeting**

The next regular committee meeting will be held April 13, 2006, 1:30 p.m. to 4 p.m., hosted by PacifiCorp. Agenda items will include:

- PacifiCorp's treatment of participants moving within the service area
- Draft PacifiCorp RFP for tags/marketing supplier for 2007-09
- 1<sup>st</sup> quarter 2006 utility reports
- PGE comments resulting from the committee executive session on Green Mountain Energy's performance in 2005 and plans for 2006

-- *Lisa Schwartz, Oregon Public Utility Commission Staff*