

**Minutes  
Portfolio Options Committee  
April 10, 2007**

**Committee members attending**

Justin Klure (chair)	Oregon Department of Energy
Lori Koho	Oregon Public Utility Commission Staff
Lisa Schwartz (proxy – by phone)	Oregon Public Utility Commission Staff
Joelle Steward	Pacific Power
Paul Wrigley (proxy)	Pacific Power
Natalie McIntire	Renewable Northwest Project (public interest group)
Jesse Jenkins (proxy)	Renewable Northwest Project
Roger Rees	Oregon Heat (residential customer representative)
Matt Wingard (by phone)	Consultant (small business representative)
David Philbrick	Residential customer representative
Marc Cody (proxy)	Portland General Electric
Chris Fisher	CFC Industries (small business representative)
Dave Tooze	City of Portland (local government representative)

**Others attending**

Scott Havis	Green Mountain Energy
Thor Hinckley	PGE
Doug O'Connor	Pacific Power
Rhonda Rasmussen	Pacific Power
Adam Capage	3 Phases Energy
Leslie Bach	Nature Conservancy

**Absent**

Jeff Bissonnette	Fair and Clean Energy Coalition (public interest group)
Gary Thompson	Sherman County (local government representative)
Jason Eisdorfer	CUB (residential customer representative)

Welcome to Joelle Steward who is replacing Laura Beane from Pacific Power. And to Paul Wrigley from Pacific Power who is their new proxy.

First order of business is to elect a new chair for the Committee. Natalie McIntire moved to nominate Justin Klure for the position of Chair, seconded by Lori Koho. All in favor. No objections or abstentions. Thanks Justin!

Review of minutes:

-February 6, 2007 Minutes. Roger Reese moved to accept the minutes, seconded by Natalie McIntire. All in favor. No objections or abstentions.  
-March 22, 2007 minutes. A correction to the projected end date for the PGE Renewable Future Option was provided by Thor Hinkley. The minutes show April/May. It should be August/September. David Philbrick moved to accept the minutes with this correction, seconded by Natalie McIntire. All in favor. No objections or abstentions.

Pacific Power Quarterly Update – Slides attached

- The New NREL study is out and Pacific Power #2 for number of participants. (Natalie has the complete study and will forward it to the POC.)
- The “Community Challenge” has been very successful in Lincoln City. They have the endorsement of the Mayor and other community leaders. Natalie asked for a copy of the mailing.
- Available Funds Process is similar to last year’s process. Last year was 2.2M and this year there is about 0.5M for projects. PPL gets tags proportional to the PPL funding level and that provision is in the contract. Quarterly report summary is just Oregon.

PGE Quarterly Update –

- Quarterly report will be next meeting. From the NREL study, PGE is #1 for green power sales, and #2 for total sales. During the first quarter, PGE has done a series of bang tails and mailings that have been successful.

Natalie commented that the PGE and PPL programs are well represented in the report and perform well nationally.

NREL did a press release for the 2006 study out last week. The formal report won’t be complete until fall.

Lori Bird’s Presentation – Slides attached

Natalie distributed the NREL presentation slides and provided an introduction of Lori Bird before she dialed in. Lori Bird has been with NREL for at least 5 years. She and Blair Sweezy monitor these programs for trends. Lori is also a member of the GreenE board. Lori’s presentation, should help give the committee better perspective on relative marketing costs vs. the results

Discussion notes from Lori’s presentation.

\*\*Participation in this survey is voluntary and Lori is interested in any ideas on how to get more participation and the best quality information from utilities

- Among the companies surveyed, there is a wide range of focus on marketing. Some very large utilities spend very little. But again, in general, more money is spent by the top performers.
- The committee discussed with Lori how to judge what is appropriate for marketing costs. She admitted there is no easy answer but that over time, there is recognition that it takes a lot to make people aware of programs and then to actually move and make the choice to sign up. She also said that other utilities are looking at the NW as a model. In general, people feel better about utilities who offer Green choices. Adam Capage thinks customers would be interested in the split between marketing and strict admin costs.
- Accurate program analysis should be in actual costs per customer rather than percentages. Percentages don’t reflect or credit the low prices paid for actual “green” MW in the Oregon programs.
- There was agreement from the committee that education is a key part of the product offering and investment in education should be strengthened.
- Lisa stated that the Commission will want to see, in our recommendations to them for this year, that we have reviewed the marketing/admin costs and if we find them reasonable (Based on market maturity, results etc...).
- David Philbrick – question on fund usage. One program has 1/3 to supply & balance to “other”. Consumer may think all is going to supply. Lori Bird said she thinks it’s a common program design. Question is how to communicate that to customers.

- Block products results in extra funds for additional investment. PGE has been more clear about usage whereas PacificCorp's is as "surplus funds".
- Lisa said the utilities have done market research that shows customers want the local development of resources. Customers like to "see" things happen in their community. Customers can identify with something tangible and of course, that's good PR for the company. The surplus \$ aren't included in ROR so it's OK if they get other benefits.
- Dave Tooze asked if NREL sees an RPS having impact on voluntary green power options. Lori answered that it seems more of a benefit and certainly has no negative impact. It's helpful to have additional markets for suppliers and helps the market become more fluid. In CO, green pricing programs help support development of the RPS and getting utilities comfortable with them.

#### PGE Customer Satisfaction Survey

Thor Hinkley presented results of PGE customer impact survey which was completed last month. Conclusion – no measurable change in satisfaction with program. 97% residential customers will continue with program and 100% of commercial customers will continue. Adam said he's historically seen people are primarily happy with things. Statistical significance of this survey is at 90% level.

#### Discussion of Pacific Power's New Blue Sky Tariff – Schedule 272

- There was a question about hydrogen derivation qualification on Schedule 272. David Philbrick asked if there could be specific language stating hydrogen from renewable sources only, to make sure nuclear sources wouldn't qualify.
- There was concern that wording in Condition 4 about RECs wasn't clear.
- OPUC Staff is wants to know the POC's reaction to the proposed Qualifying initiatives that include R&D. The committee expressed support for R&D, that R&D is consistent with intent and objectives of this schedule.

Committee member opinion expressed by Matt Wingard. He prefers the POC process and green pricing options and sees them as being progressive where the RPS is regressive.

#### Surplus Funds Report from PGE –

- PGE is working with ETO with excess clean wind fund. They have discussed using the concept of an "energy service charge" to allow financing of PV systems.
- There will be a celebratory event one week from Friday in Jawbone flats. They will be the only 100% renewably powered town in the US. Jawbone flats has its own hydro system that runs short June through October. The new 4KW PV and small micro hydro systems will allow power during low water months to meet educational needs.
- Renewable future option currently has approximately 1800 customers. The 5MW set aside for this program can sign up approx 4000 customers. There is a queue of approx 200-300 customers to get signed up. Thor noted there has been less than 30% cannibalization from other PGE renewable programs. They should know by June when the firm cut-off will be. The primary method of advertising has been direct mail and bang tails. There has been some storefront and door to door. This fixed rate product seems to appeal to a different profile of customers which has driven some adjustments to marketing but not much

#### Nature Conservancy Update – Leslie Bach – Report attached

It was a busy year for the NC. From July to December, they had 3 new projects and a total of 12 new projects last year.

Natalie commented on how much leverage the NC get from these dollars. Many NC projects require private dollar matching and the dollars from these programs are considered private.

RNP has a map of the entire NW that shows the location of projects and people like to review it. Natalie suggested that the map of NC Oregon projects should be posted at both the utilities and Nature Conservancy site. Leslie said it's difficult to get anything on the NC web page because it's refreshed weekly. She does know the map made it on the web for a week or so. Someone suggested it might be easier for the utilities to post the map showing the projects. GME uses the map when going door to door.

Next agenda items:

- GME contract extension. PGE will have decided if they'll make the contract extension offer by next meeting.
- Marketing costs and the committee's assessment of if they are reasonable or not.
- TOU - The committee would like more background on TOU.
- RPS update

Helpful for David Philbric to understand %split between acquisition vs, other expenditures. He would also like to see the marketing materials from both utilities

Next Meeting:

Wednesday, May 9th at PGE 9:30 – noon

Adjourn at noon

DRAFT