

**Approved Minutes  
Portfolio Options Committee  
May 9, 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 (by phone)	Renewable Northwest Project (public interest group)
Jesse Jenkins (proxy)	Renewable Northwest Project
Roger Rees	Oregon Heat (residential customer representative)
David Philbrick (by phone)	Residential customer representative
Doug Kuns	Portland General Electric
Marc Cody (proxy)	Portland General Electric
Dave Tooze	City of Portland (local government representative)

**Others attending**

Scott Havis	Green Mountain Energy
Laura Rooke	Portland General Electric
Doug O'Connor	Pacific Power
Rhonda Rasmussen	Pacific Power
Adam Capage	3 Phases Energy
Leslie Bach	Nature Conservancy
Robin Straughan	Oregon Department of Energy

**Absent**

Jeff Bissonnette	Fair and Clean Energy Coalition (public interest group)
Gary Thompson	Sherman County (local government representative)
Jason Eisdorfer	CUB (residential customer representative)
Chris Fisher	Small Business Representative
Matt Wingard	Small Business Representative

**Agenda Review**

Justin suggested it may be best to put off RPS discussion and interactions with voluntary green options programs until we can bring in an expert. It was suggested to contact Brian Wiser or a colleague. Also, Green Mountain and 3 Phases probably have experience in other states.

Minutes Review and Approval from April 10, 2007 meetings  
Minutes approved with name corrections for Roger Rees and David Philbrick

**PGE Quarterly report** – File attached

1st quarter options signup presented. First quarter activity is usually low and Scott Havis says this looks like a strong quarter. Renewable Future option has 2500

participants. PGE expects it will take 4000 participants to complete the program before it caps at 5MW.

#### PGE/Green Mountain Contract Extension

Doug Kuns reported that Thor Hinkley is not able to attend the meeting but PGE is currently working on the contract. PGE has decided they want to renew for another year which is a renewal through 2009. At the end of this contract they will have to issue a new RFP. Doug crafted the following motion...

The Portfolio Options Committee recommends that the Commission approve PGE's decision to extend its current marketing and supply agreement with Green Mountain Energy by 12 months, through December 31, 2009.

Lori moved to accept the motion. Roger Rees seconded. All in favor with Joelle Steward (Pacific Power) abstaining.

#### Past Orders relating to the POC

Lori had searched the PUC past orders and created a list of orders from the Commission that were a result of recommendations from the POC or related to the POC. The list provides a good history of past POC activities. The committee can use order #06-350 as template for the POC recommendations to the commission. Email Lori if you would like a copy of the list. The electronic form has hyperlinks to the actual orders.

#### Pacific Power – available funds process.

Slides attached discuss the Block program that is offered in all 6 states.

Natalie asked if customers know what's happening with their dollars. Marketing materials do let people know where the dollars are going. Jesse to bring copies of marketing materials back to office for Natalie.

#### Resource Acquisition report from PGE – Doug Kuns

1.5 M in Clean Wind development fund (block) being used for a variety of projects. Historically those projects have been solar for schools and other demonstration projects like Opal Creek, to get people familiar with distributed generation options. They are currently developing a web based solar education program. PGE is working with ETO on some fairly large scale PV. One is with City of Portland and another habilitation project. Thor Hinkley has the totals. Side notes: Renewable future option has currently accumulated about \$700K as the difference between the cost of green tags currently and the assumed price. There seems to be upward pressure on the cost of tags so in the future the dollar amount may fall because tag prices exceed the assumed price. Currently sitting to see if will be needed in the future.

Natalie asked if PGE has considered going out for solicitations – Doug is not sure and will ask Thor. RNP is concerned that funds sit for too long and are not moved quickly enough. Doug to take suggestion back to Thor.

David Philbrick asked – what percent is supply vs. admin and project support for the Block Program.

The rate for a 200KW block is \$3.5. \$2.5 goes to fund and \$1 goes to tags and admin costs. Natalie believes this is made clear to customers. David concerned with process

to get those funds spent. PGE team works to find those projects. Natalie suggests that maybe there needs to be more clarity in the tariff. Dave Tooze described PGE Portland project 75-80 kW PV project. PGE at the table to see if this can be a model that can be replicated and grow the market.

It isn't reasonable to design a program that is dollar for dollar buying green power. One reason, an early concern of the POC, is that customers want new renewable resources. The only way to get new resources is to pay for development. The other is the price of green tags isn't predictable so the price charged ratepayers has to allow for those moving prices. That then results in "surplus funds." PV projects are significant in a community because its visual evidence of investment.

Time of Use Rate Option – Lisa Schwartz – slides attached.

Quantec did the b/c analysis and Lisa will provide copies of the report if wanted. PGE's analysis included the consideration that they are ultimately going to advanced metering for all customers so there wouldn't be an additional charge.

TOU is just a load shifting option, but it does result in some load reduction. Load reduction for PGE is higher for 2006 than when the study was conducted. 10-13% is how much people are saving are their bill which is up from the 5% in the evaluation study. If the right people are signed up, they do change their behavior.

David Philbrick asked if the cited study considered the NW resource of hydro for mitigating peak loads. Lisa stated the study was a National study not focused on the NW. Lisa also pointed out that hydro isn't as available or flexible as it used to be. And we now have summer peaks with increased A/C that makes Oregon look more at CA and SW pricing. Lisa commented that CA will be requiring programmable communicating thermostats in new buildings.

Dave Tooze asked about the interaction of Docket UM 1188 and UE 189. The PUC has already drafted rules related to smart metering standards in UM 1188. (Rules can be found in AR 500.) PGE's order on cost recovery for AMI (UE 189) will probably be out in October. The Commission is supposed to issue order for UM 1188 by August 8 but that is unlikely. The decision made in one docket could affect the other.

Program Marketing Expenses Assessment

The POC has reviewed marketing expenses for both PGE and PacifiCorp and feel comfortable the spending levels are appropriate. Natalie drafted a statement.

"The POC recommends PGE and PacifiCorp continue a robust education and marketing program as it is critical to overall program support of renewable resources. And that the committee will discuss and review the level of education, marketing and administration spending periodically."

Dave Tooze moved to accept this language. Natalie McIntire seconded. No discussion. All in favor.

Review of Marketing Materials

PGE Marketing funds – PGE has 3 different versions. Residential, small business and Spanish. Under Clean Wind option, they mention a project in Salem. PGE is sending a coupon book to their customers who participate in the green pricing options. Lori

commented that the coupons are Portland focused. Scott said they'd like to expand and double the size of the coupon book that's offered to program participants.

PacifiCorp – showed examples of their different marketing materials. The residential newsletter highlighted the Lincoln City challenge as well as other programs and projects. The small business newsletter featured a specific restaurant chain. They also have tattoos but didn't bring any of those to the meeting.

#### Time of Use Discussion - continued

Utilities are still minimizing marketing costs. This is consistent with the previous recommendations from the POC, until the B/C ratios improve. Situation is much different between PGE and PPL. PGE is dense and urban whereas PPL is more rural and distributed. No amount of marketing at this point would push the market enough for PPL to make these programs cost effective.

#### Customer Guarantee Discussion

Jesse doesn't feel comfortable changing the recommendation around customer guarantees without CUB here. PacifiCorp would like to get more info on the impact of the customer guarantee.

Laura Rooke commented that there is no sunset in the wording on the customer guarantee requirement in last year's order so the committee can assume that the customer guarantee recommendation (and order) goes forward into the future. The POC will probably need to revisit the Customer Guarantee issue if things change with Time of Use options.

Joelle Steward moved to accept the recommendations made in 2006 regarding the time of use option with update to 2008 from 2007. That wording is found on page 4 of Appendix A, of Order No. 06-350. Dave Tooze seconded. All in favor.

Lori Koho to circulate staff memo to POC.

Next meeting time – September 12 – 1:30 pm @ PGE