

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT**

PUBLIC MEETING DATE: September 7, 2004

REGULAR X **CONSENT** _____ **EFFECTIVE DATE** November 1, 2004

DATE: August 26, 2004

TO: Lee Sparling through Ed Busch and Jack Breen III

FROM: Lisa Schwartz

SUBJECT: PORTFOLIO OPTIONS COMMITTEE: Nominations for the Nov. 1, 2004, to Oct. 31, 2006, term.

STAFF RECOMMENDATION:

Staff recommends that the Commission appoint the following individuals to serve on the Portfolio Options Committee for the Nov. 1, 2004, to Oct. 31, 2006, term:

- To represent Oregon Public Utility Commission staff:
 - Lisa Schwartz
- To represent the Oregon Department of Energy:
 - Justin Klure
- To represent the electric companies:
 - Paul Wrigley, PacifiCorp
 - Doug Kuns, Portland General Electric
- To represent local governments:
 - Dave Tooze, City of Portland
 - Gary Thompson, Sherman County
- To represent residential customers:
 - Jason Eisdorfer, Citizens' Utility Board
 - Cindy Olmstead, Oregon HEAT
- To represent small nonresidential customers:
 - Lowell Gibson, Recognition Specialties Inc.
 - John Graham, Ecos Consulting
- To represent public/regional interest groups:
 - Natalie McIntire, Renewable Northwest Project
 - Jeff Bissonnette, Fair and Clean Energy Coalition

DISCUSSION:

The Portfolio Options Committee recommends electric portfolio product and pricing options to the Commission pursuant to OAR 860-038-0220. OAR 860-038-0005(2) specifies that the committee be composed of representatives of the PUC staff, Oregon Department of Energy, the electric companies, residential and small nonresidential customers, local governments, and public or regional interest groups.

The rules do not specify the number of representatives from each category that may serve on the committee. However, PUC staff has tried to maintain two representatives each for residential customers, small nonresidential customers, public/regional interest groups and local governments. Along with one representative from each of the utilities, PUC staff and the Oregon Department of Energy, we believe this provides a balance of interests.

The current composition of the committee is as follows:

Representing	Currently Filling Position	Affiliation
PUC staff	Lisa Schwartz	PUC staff
Oregon Department of Energy	Justin Klure (proxy)	Oregon Department of Energy
Electric companies	Doug Kuns Paul Wrigley	Portland General Electric PacifiCorp
Local governments	Dave Tooze Andrea Fogue	City of Portland League of Oregon Cities
Residential customers	Jason Eisdorfer <i>Vacant</i>	Citizens' Utility Board —
Small nonresidential customers	John Patterson <i>Vacant</i>	Mr. Sun Solar —
Public/regional interest groups	Natalie McIntire Jeff Bissonnette	Renewable Northwest Project Fair and Clean Energy Coalition

One of the residential positions has been vacant since AARP's representative left the committee. The organization declined to nominate a representative for the new term when staff requested they do so. It has been difficult to maintain full representation for small nonresidential customers and have their active participation.

Nomination Process

Staff issued a public notice on June 24, 2004, soliciting nominations for individuals to serve on the committee. The Commission also called for nominations in a July 16, 2004, media release. (See Attachments A and B.)

The following nominations were received: Staff plans to have Lisa Schwartz remain on the committee. Michael Grainey, director of the Oregon Department of Energy, nominated Justin Klure to be its representative. PGE intends to have Doug Kuns continue as its representative on the committee, and PacifiCorp plans to have Paul Wrigley continue as its representative. Jason Eisdorfer, Dave Tooze, Natalie McIntire and Jeff Bissonnette nominated themselves to continue serving on the committee. Association of Oregon Counties Director Mike McArthur nominated Sherman County Commissioner Gary Thompson to represent local governments.

To represent residential customers, Oregon HEAT Director Jay Formick nominated Cindy Olmstead, and Dwight Courtney of Salem nominated himself. PacifiCorp nominated Grants Pass businessman Lowell Gibson to represent small nonresidential customers. Vishnu Jetmalani of International Resource Recovery, and John Graham of Ecos Consulting, both in Portland, nominated themselves in that category.

Criteria for Selecting Committee Members

At the committee's Aug. 12, 2004, meeting, Chair Jeff Bissonnette suggested that the Commission appoint members who:

- Commit to regularly attend committee meetings and actively participate in discussions between meetings
- Commit to review and comment on the utilities' and marketers' plans and materials for consumer education and outreach
- Have a demonstrated interest in utility, energy or consumer issues
- Have demonstrated experience with service on public bodies or community boards of directors
- Be willing to actively engage in discussions involving technical, policy and implementation issues
- Have a basic familiarity with Oregon's energy policy and electric industry restructuring issues

Other committee members suggested that the Commission consider how new appointments could diversify the committee's perspective by representing other parts of the state served by the utilities, including rural areas, and bringing different technical backgrounds. The Committee also recognized the benefits of having "non-vested" small

businesses represented on the committee — that is, businesses that are outside the energy field.

Staff believes the Commission also should give consideration to nominees that are familiar with time-of-use and other market-based pricing options. The committee would benefit from additional interest and expertise in this area.

Recommendations

Both the residential and small nonresidential categories have more nominees than positions available, if the Commission maintains the historical balance of representation, as staff recommends.

Residential Customers

Jason Eisdorfer has represented residential customers on the committee since its inception. Mr. Eisdorfer is Energy Program director and legal counsel for the Oregon Citizens' Utility Board, representing residential customers of the state's investor-owned utilities. He was deeply involved in development of the state's electric industry restructuring policies and is an active participant in Commission proceedings affecting residential customers.

Cindy Olmstead is Operations Manager for Oregon HEAT, an organization that provides bill payment assistance to low income households in emergency situations to prevent disconnection of utility service during inclement weather. Her primary responsibilities are managing finances and programs. With the group's funds coming in large part from investor-owned utilities and their customers, Ms. Olmstead is knowledgeable about their issues and interests. She also is well acquainted with the development and implementation of the state's electric industry restructuring law. Prior to some 10 years of service at Oregon HEAT, Ms. Olmstead served as a program coordinator at the state's Department of Human Services. She has experience on several boards. She currently is director of Resources and Awareness for Alternative Energy and Health and is former president of Friends of Childfind of Oregon. Ms. Olmstead is a PGE customer living in rural Yamhill County.

Dwight Courtney is a Salem residential customer. Now retired, Mr. Courtney was a contracts manager and price analyst for more than 30 years at the Department of Defense, where he was responsible for purchases up to \$1 billion. Among his responsibilities were analyzing cost of service studies by Tacoma Public Utilities and negotiating power purchase contracts. He is active in his neighborhood association and other community organizations.

Staff recommends that the Commission re-appoint Mr. Eisdorfer to the committee. He has been among its most active members, and CUB represents residential customers of PGE and PacifiCorp. Staff also recommends the appointment of Ms. Olmstead. She would broaden the committee's perspective as a rural customer and an advocate of low-income customers' interests. She also offers a strong background in program development and administration and involvement with Oregon's investor-owned utilities.

Small Nonresidential Customers

Lowell Gibson is the owner of Recognition Specialties Inc., a small manufacturing company in Grants Pass. Among his interests are promoting economic development in Southern Oregon. Mr. Gibson is board president elect of the Grants Pass/Josephine County Chamber of Commerce and serves on the board and marketing committee of Southern Oregon Regional Economic Development, Inc. He also is involved in community service organizations. His prior work experience includes owning a restaurant in McMinnville, working as a small business consultant, and serving as vice president of a heating/air conditioning company. If appointed to the committee, he is committed to travel to the group's meetings.

John Graham has more than 26 years of experience developing and managing energy programs. He currently is senior manager of business development for Ecos Consulting, a Portland firm specializing in conservation and renewable resource programs. Among his responsibilities are business-development activities, including the development of a joint purchase program for solar electric systems in California. In 2000, Mr. Graham founded a consulting firm to put in place for utilities and government agencies programs that integrate conservation measures with renewable resource applications. Before that, he served as managing director of Conservation and Renewable Energy Systems, where he turned a municipal corporation funded by federal contracts into a self-sustaining business that developed products and services for the competitive marketplace. Mr. Graham also worked for 10 years at PacifiCorp, where he served as a contract and pricing specialist for residential and nonresidential energy efficiency projects, senior demand-side management analyst, and public information representative. One of the projects he worked on involved time-of-use metering and related controls and efficiency strategies to reduce peak loads at the substation. Mr. Graham was a founding member of the Douglas County Solar Energy Society and has served on the board of Citizens for a Solar Washington.

Vishnu Jetmalani has 14 years of experience in the energy industry. He currently is vice president and general counsel for International Resource Recovery, a small Portland startup company that develops and markets facilities that convert waste into a synthetic gas. Previously, he was general counsel for the Energy Trust of Oregon, counsel to the United Kingdom Office of Gas and Electricity Markets (the UK equivalent

to FERC), counsel to the California Independent System Operator, and attorney-advisor for Bonneville Power Administration. He also served on the board of directors of the California Power Exchange Corp. Mr. Jetmalani has worked on the restructuring of electric markets throughout the world. He also has experience designing and examining both time-of-use rates and renewable resource programs as well as making recommendations to administrative bodies.

Staff recommends appointment of Mr. Gibson, a PacifiCorp small business customer with extensive committee experience. He would broaden the committee's geographic representation and offer a non-vested business perspective. The other two candidates are both in the energy field. Staff recommends that the Commission appoint Mr. Graham based on his additional years of experience, his small business and utility background, and his strong technical footing in both demand-side management and renewable resources.

Staff recommends appointment of the following nominees for the other categories:

Oregon Public Utility Commission Staff

Lisa Schwartz has served on the committee since its inception, initially representing the Oregon Department of Energy and serving as the committee's first chair. A senior analyst, she has represented Commission staff on the committee since August 2003.

Oregon Department of Energy

Justin Klure has served as the department's proxy on the committee for the past year. He is a senior analyst in the Energy Resources division. Among his assignments are renewable energy issues, including serving on the Energy Trust's renewable resources advisory committee.

Electric Companies

Doug Kuns has represented PGE on the committee since November 2003. **Paul Wrigley** has served on the committee since November 2002. Mr. Kuns is manager of pricing and offer development. Mr. Wrigley is regulatory manager for Oregon.

Local Governments

Dave Tooze has represented local governments on the committee since its inception. Mr. Tooze is Energy Manager of the City of Portland's Office of Sustainable Development. Among his projects is supporting the city's efforts to get all of its electricity from new renewable resources by 2010.

Gary Thompson has served as a Sherman County Commissioner for four years. He has worked on renewable energy issues with Wy-East Resource Conservation &

Development, the natural resources committee of the Association of Oregon Counties, Eastern Oregon Alliance, and the Oregon Wind Working Group. Mr. Thompson helped initiate Sherman County's proposal for a locally owned wind project. He would bring to the committee both an Eastern Oregon and county government perspective, neither of which has previously been represented. A farmer, he also would bring another business viewpoint. If appointed to the committee, he is committed to travel to the group's meetings.

Public/Regional Interest Groups

Natalie McIntire is a senior policy associate with the Renewable Northwest Project. An engineer, Ms. McIntire works on green power, resource planning and transmission issues. The Commission appointed Ms. McIntire to the committee in April 2003.

Jeff Bissonnette has been a committee member since November 2002 and has served as the committee's chair since that time. He is the organizing director of the Fair and Clean Energy Coalition and is a Citizens' Utility Board employee.

PROPOSED COMMISSION MOTION:

The following individuals be appointed to the Portfolio Options Committee for the Nov. 1, 2004, to Oct. 31, 2006, term: Lisa Schwartz to represent Commission staff, Justin Klure to represent the Oregon Department of Energy, Paul Wrigley and Doug Kuns to represent the electric companies, Dave Tooze and Gary Thompson to represent local governments, Jason Eisdorfer and Cindy Olmstead to represent residential customers, Lowell Gibson and John Graham to represent small nonresidential customers, and Natalie McIntire and Jeff Bissonnette to represent public/regional interest groups.

PUBLIC NOTICE

June 24, 2004

SB 1149 Service List:

The Oregon Public Utility Commission is seeking nominations for individuals to serve on its Portfolio Advisory Committee from Nov. 1, 2004, to Oct. 31, 2006. Specifically, the Commission is seeking nominations for:

- two local government representatives,
- two residential customer representatives,
- two small nonresidential customer representatives, and
- two public or regional interest group representatives.

The Portfolio Advisory Committee makes recommendations to the Commission about the portfolio of energy options offered to the 1.2 million Oregon residential and small business customers of Portland General Electric and PacifiCorp. In addition to a basic service (cost of service) option, these customers currently have a choice of three renewable resource options and a time of use rate.

For more information on portfolio options, visit the Commission's Web site at <http://www.puc.state.or.us/erestruc/consumer/resident.htm>. For more information on the Portfolio Advisory Committee, see <http://www.puc.state.or.us/erestruc/indices/pac.htm>.

In accordance with Oregon Administrative Rule 860-038-0005(2), the Committee must include representatives from the Commission's staff, the Oregon Department of Energy, local governments, electric companies, public and regional interest groups, and eligible customer groups. Except for Commission staff, Energy, PGE and PacifiCorp, group affiliations are *not* limited to the organizations currently represented on the committee. Residential and small nonresidential customer representatives need not be affiliated with any organization.

Current committee members are:

<u>No.</u>	<u>Representing</u>	<u>Current Member</u>	<u>Group Affiliation of Current Committee Member</u>
One	Commission staff	Lisa Schwartz	Public Utility Commission Staff
One	Oregon Department of Energy	Justin Klure (proxy)	Oregon Department of Energy
Two	Local governments	Dave Tooze Andrea Fogue	City of Portland League of Oregon Cities
Two	Electric companies	Doug Kuns	Portland General Electric

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August 26, 2004
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		Paul Wrigley	PacifiCorp
Two	Residential customers	Jason Eisdorfer <i>Vacant</i>	Citizens' Utility Board
Two	Public/regional interest groups	Natalie McIntire Jeff Bissonnette	Renewable Northwest Project Fair and Clean Energy Coalition
Two	Small nonresidential customers	John Patterson <i>Vacant</i>	None

Please provide your nominee's name, address, phone number, e-mail address and a brief description of qualifications by Aug. 10, 2004, to lisa.c.schwartz@state.or.us or:

Lisa Schwartz
Senior Analyst, Electric Rates and Planning
Oregon Public Utility Commission
PO Box 2148
Salem, OR 97308-2148

Direct questions or comments to Lisa Schwartz at 503-373-8718 or lisa.c.schwartz@state.or.us.

Portfolio Options Committee Nominations
August 26, 2004
Attachment B

Members Sought for Portfolio Advisory Committee

July 16, 2004 (2004 - 021)

Contacts: Lee Beyer, Chairman 503-378-6611; Ray Baum, Commissioner, 503 378-6611; John Savage, Commissioner, 503 378-6611; Bob Valdez, Public Information Officer, 503 378-8962

Salem, OR – The Oregon Public Utility Commission is seeking nominations for individuals to serve on its Portfolio Advisory Committee. The term extends from November 1, 2004, to October 31, 2006. The Commission is seeking nominations for:

- * two local government representatives,
- * two public or regional interest group representatives,
- * two residential customer representatives, and
- * two small business customer representatives.

Customer representatives need not be affiliated with any organization. The Committee also includes representatives from the PUC staff, the Oregon Department of Energy, and the electric companies.

The Portfolio Advisory Committee makes recommendations to the Commission about energy options offered to the 1.2 million residential and small business customers of Portland General Electric (PGE) and PacifiCorp in Oregon. For more information, visit the Commission's Web site:

www.puc.state.or.us/erestruc/consumer/resident.htm

Please provide your nominee's name, address, phone number, e-mail address and a brief description of qualifications by August 10, 2004. Nominations or comments can be e-mailed to lisa.c.schwartz@state.or.us or sent to:

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