

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 7, 2006**

REGULAR X CONSENT _____ EFFECTIVE DATE March 1, 2007

DATE: October 24, 2006

TO: Public Utility Commission

FROM: Lori Koho

THROUGH: Lee Sparling, Ed Busch and Bonnie Tatom

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: Requests Commission approval to allow automatic extension of the Grant Agreement between the PUC and the Energy Trust of Oregon to March 1, 2009.

STAFF RECOMMENDATION:

Staff recommends that the Commission allow the automatic extension of the Grant Agreement between the Commission and Energy Trust of Oregon, Inc.

DISCUSSION:

The Oregon Legislature passed ORS 757.612, which established public purpose funding to be used for new cost-effective local energy conservation, new market transformation efforts, and the above-market costs of new renewable energy resources. ORS 757.612(3)(d) authorizes the Public Utility Commission of Oregon (PUC) to direct the manner in which these public purpose funds are collected and spent, and further provides the PUC with authority to direct the funds collected, be paid to a nongovernmental entity for investment in the public purposes. The Energy Trust of Oregon, Inc. (Energy Trust or Trust) was formed as a tax-exempt nonprofit corporation to act as the nongovernmental entity and the Commission has entered into a Grant Agreement with the Trust for use of the funds.

Section 4.a. of the Agreement states that, “[u]nless written notice that a party does not wish to automatically extend the term of this Agreement is provided to the other party on or before the date that is 90 days prior to each anniversary of the Effective Date, the parties agree that the term of this Agreement will be automatically extended for one additional year on each anniversary of the Effective Date.”

The Trust has been providing regular updates to the PUC on its performance, and copies of all reports to the PUC are available in the “library” area of the Trust’s website. The Trust has met or exceeded the performance measures set by OPUC as documented in the Trust’s annual report for 2005. Quarterly reports for the first two quarters of 2006 indicate the Trust is still on track this year.

Staff requested comments on whether to allow automatic extension of the Grant Agreement between OPUC and the Trust and received very little feedback, other than two comments in support of extending the agreement.

Therefore, Staff recommends that the Commission allow the automatic extension of the Grant Agreement to March 1, 2009.

PROPOSED COMMISSION MOTION:

Commission take no action under Section 4.a. of the Grant Agreement and thereby allow the automatic extension of the Grant Agreement between the PUC and the Energy Trust of Oregon to March 1, 2009.