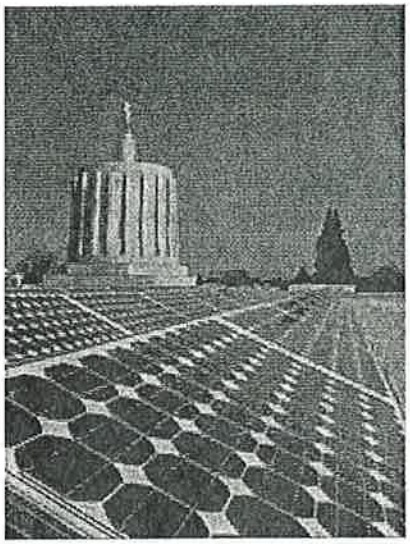

Ten Year Energy Plan

The Ten Year Energy Action Plan Task Force is an advisory committee appointed by the Governor.

The Task Force is charged with making recommendations to Governor John Kitzhaber on coordinated actions and initiatives that the State of Oregon can take to:

- Reduce our dependence on carbon-intensive fuels and foreign oil,
- Develop home-grown renewable energy resources,
- Mitigate greenhouse gas emissions,
- Improve energy efficiency and create rewarding local jobs, and
- Boost Oregon's economy through investment and innovation.

Email Updates

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Timeline

The Task Force will submit its recommendations to the Governor in early 2012. Based upon those recommendations, the Governor will develop a draft document which will be open to six weeks of stakeholder review in the Spring of 2012. After considering stakeholder input, the Governor will issue a completed Ten Year Energy Action Plan by mid-2012.

Task Force Structure

The Ten Year Energy Action Plan Task Force will be comprised of the Task Force Leadership and members of five Design Teams: Energy Efficiency and Demand Management; Resource Mix; Siting Issues; Transportation; and Governance.

Task Force Leadership

The Task Force Leadership is comprised of a Chairperson, three Vice Chairs, a Coordinator from the Governor's staff, and the Governor's Policy Advisory Team,

Energy Efficiency and Demand Management Design Team

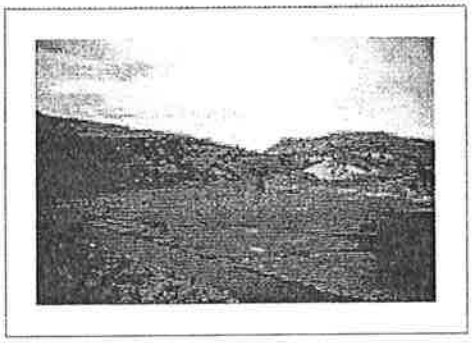
The Energy Efficiency and Demand Management Design Team will consider aggressive energy efficiency targets, such as those set out by the Northwest Power and Conservation Council's Sixth Northwest Power Plan, and lay out a framework for how Oregon can meet or exceed those goals.

Resource Mix Design Team
The Resource Mix Design Team will identify achievable future energy mix scenarios relative to existing state law.

Siting Issues Design Team
The Siting Issues Design Team will examine the existing processes for siting transmission and energy supply projects in Oregon on both state and federal lands.

Transportation Design Team
The Transportation Design Team will examine potential additional legislative, regulatory and market changes that can be made to achieve a lower carbon transportation future.

Governance Design Team
The Governance Design Team will consider how to integrate all state policies and programs, such as transportation, energy, agriculture, land use planning and others, that have relevance to climate change and energy issues, and to position the state to execute effectively against the proposals put forward in the plan.



Ten Year Energy Plan - Task Force Leadership and Staff

Chair

Michael Jung	Silver Spring Networks / Smart Grid Oregon

Vice Chairs

Andrea Durbin	Oregon Environmental Council
Roy Hemmingway	Energy Consultant
Kevin Lynch	Iberdrola Renewables, Inc.

Governor's Coordinator

Karen Joyce	Interim Energy Policy Advisor

Governor's Policy Advisor Team

Dan Carol	Director of Multi-State Issues
Cylvia Hayes	First Lady of Oregon
Scott Nelson	Jobs and Economy Policy Advisor

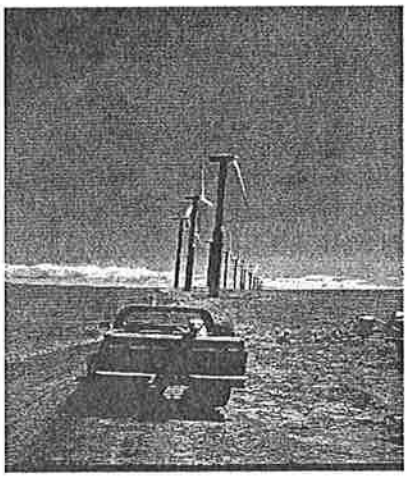
Email Updates

To be notified about updates to the timeline and opportunities for stakeholder input, click here.

Lynn Peterson	Sustainable Communities and Transportation Policy Advisor
Curtis Robinhold	Chief of Staff
Richard Whitman	Natural Resources Advisor
Greg Wolf	Intergovernmental Relations and Regional Solutions Advisor

Task Force Staff

Diana Enright	Oregon Department of Energy (ODOE)
Matt Hale	Oregon Department of Energy (ODOE)



Ten Year Energy Plan - Energy Efficiency and Demand Management

Chair

Susan Ackerman	Public Utility Commission

Members

Roger Gray	Eugene Water and Electric Board
Jeff Harris	Northwest Energy Efficiency Alliance
Margie Harris	Energy Trust of Oregon
Marty Sedler	Intel Corporation
Derek Smith	Clean Energy Works Oregon
Phil Welker	Portland Energy Conservation Institute

Design Team Staff:

Email Updates

To be notified about updates to the timeline and opportunities for stakeholder input, click here.

Theresa Gibney	Oregon Department of Energy (ODOE)
Vijay Satyal	Oregon Department of Energy (ODOE)

Charge

Energy conservation and efficiency are the foundation of Oregon energy policy.

Although further analysis is required to understand how the Northwest Power and Conservation Council's Sixth Power Plan's energy efficiency targets align with Oregon's climate change and renewable energy goals, it is reasonable to use the Plan's goals as a starting point with respect to the electric sector. Although it appears that Oregon is already exceeding its share of the Sixth Power Plan's energy efficiency targets, significant changes may be necessary in order for the state to continue to aggressively develop cost-effective energy efficiency.

The team should also consider how fundamental changes in the NW energy market and large amounts of new variable renewable generation make demand management a critical component of the plan. Energy efficiency has and will remain a foundational element, but demand management will be a growing element with different sorts of requirements.

The State must also adopt appropriate targets for natural gas savings and should target the most efficient end uses when considering all fuel types used in the state (i.e., including diesel, wood and propane).

The State's 10 Year Plan should contain an integrated vision and targets for energy efficiency and demand side management that ensure that the state captures all cost-effective savings. In doing so, the state should look across all energy sources to find the most efficient energy source depending on the desired end use. The goal of the state's efforts should be to maximize the efficiency of the entire market across all fuels. To avoid waste in the energy sector the plan should consider the full fuel cycle of the energy used.

While the state is building from programs that are performing well, there may be new and innovative methods to promote efficiency that deserve consideration. To the extent that a financing tool for private capital, regulatory support, consumer education, removal of barriers and market mechanisms can be developed that can accelerate energy efficiency retrofits, the Plan's goal should not be seen as a limitation. As the team explores the possible deployment of private

capital, it should consider creating investment opportunities on the demand side that parallel those on the energy supply side.

The team, along with the other Design Teams, should also consider how energy-related policies will impact the economy, with particular focus on accelerating job growth in Oregon.

Remembering that a significant amount of work has been done by the Global Warming Commission, the Northwest Energy Efficiency Alliance and others on these subjects, please address the issues below.

Targets for Sectors

In order to meet or exceed the Plan's goals, different sectors of energy use (residential, commercial, industrial) will require different tools. Please identify the relevant differences in the sectors.

Incentives

What incentives will be needed, perhaps even by sector, to meet the Power Plan's goals and, if possible, to go beyond those goals? How much of the cost of energy efficiency and demand management retrofits and upgrades should be borne by taxpayers and ratepayers (e.g., how much benefit of such activities runs to those groups as opposed to private capital)? Recognizing fiscal limitations, what market incentives could be provided beyond what already exists? Are new financing mechanisms needed to pay for efficiency improvements? What mechanisms are most likely to succeed in the different sectors?

Regulatory Change

The Governor has called for significant changes in our regulatory structure in order to reach a point where a kWh (or equivalent) saved is treated the same as a kWh (or equivalent) generated. For both investor and consumer owned utilities, what changes must be made to make this a reality?

Legislative Change

Given the incentives and regulatory changes identified above, what legislative fixes may be necessary? Are there additional legislative frameworks that must be changed?

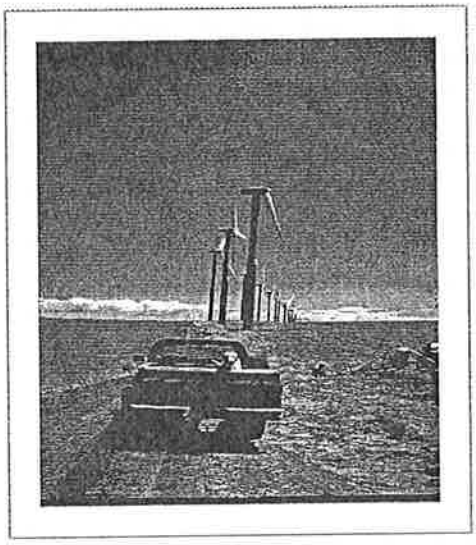
Smart Grid

Improved demand-side management has real benefits for energy use and the transmission system generally. What is the role of smart grid in meeting the Plan's energy efficiency targets? Please identify achievable advances in Smart Grid technology over the next ten

years. What are the necessary steps to making those advances?

Accelerating an Industry in Oregon

Oregon already has a substantial industry in advanced services and materials for the built environment. How can the state ensure that advances identified above help it accelerate this industry, leading to more traded sector opportunities, clean energy jobs and job retention?



Ten Year Energy Plan - Resource Mix

Chair

Rachel Shimshak	Renewable Northwest Project

Members

Bill Edmonds	NW Natural
Bob Jenks	Citizen Utility Board
John Mohlis	Oregon State Building and Construction Trade Council
Dave Robertson	Portland General Electric
Whitney Rideout	Oregon Association of Nurseries
John Savage	Public Utility Commission

Design Team Staff:

Email Updates

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Rebecca Sherman O'Neil	Oregon Department of Energy (ODOE)
Tom Stoops	Oregon Department of Energy (ODOE)

Charge

Considering Oregon's climate change goals alongside projected population growth and subsequent growth in energy demand, the Design Team should identify possible scenarios (including conservation and supply-side energy efficiency investment) that can align these two factors and other recent changes to the regional resource mix, such as the loss of low carbon hydro contracts from the Mid-C dams.

Regarding a goal of keeping electric and natural gas rates low, the Energy Efficiency and Demand Management design team will look at new forms of consumer-facing rate innovations; the Resource Mix design team should, however, help identify key cost and rate uncertainty factors (from BETC changes to national gas market disruptions or technology innovations) that could threaten the goal of keeping rates low.

In considering resource mix, a reasonable starting point for consumer -owned utilities may be the Northwest Power and Conservation Council's Sixth Power Plan. However, for investor-owned utilities, the more robust discussion is found in their individual integrated resource plans filed every two years with the Public Utility Commission. Each utility is different and basing recommendations on averages and high-level assumptions can lead to erroneous results. Cost-effective energy efficiency is the first resource of choice for meeting demand for investor-owned utilities and should play an important role for the state's public utilities as well. With the exception of supply-side energy efficiency investments, energy efficiency will be addressed by the Energy Efficiency and Demand Management Design Team. Further guidance will be found from SB 1149 that resulted in the creation of the Energy Trust of Oregon, and SB 838, which fostered the RPS.

In addition to efficiency and demand-side management measures, significant expansion of the supply of cost-effective renewable resources will be necessary in order to achieve Oregon's goals and meet demand growth. These resources will be geographically distributed and include additional large scale wind development, ocean energy sources, solar PV, geothermal electricity, biomass and small-scale hydro.

Integrating these resources will likely include an emphasis on research and development, changes and improvements to

transmission and scheduling infrastructure, and consideration of natural gas power plants both as a tool for integrating intermittent renewables and as a bridge fuel to meet remaining base load to meet remaining needs that cannot be met by renewable options while cautiously avoiding long-term investments into conventional base load natural gas plants that will make it harder to transition away from fossil fuels.

Oregon is taking a historic step to close its only coal-fired power plant in Boardman no later than 2020. But the steps taken to replace that energy will be key for determining Oregon's energy future. How can the majority of that power generated by the Boardman coal plant be replaced by supply side energy efficiency? What are the best options for replacing the energy with renewables with the least impact on Oregon's environment?

With respect to increasing the RPS targets, the plan should address the integration and reliability issues associated with integrating large amounts of intermittent wind and solar into the grid reliably.

The team, along with the other Design Teams, should also consider how energy-related policies will impact the economy and improve health, with particular focus on accelerating job growth in Oregon and reducing health costs to the state

State policies should point towards a more fully integrated energy system. The Global Warming Commission, in its 2020 Roadmap, paints a picture of an energy system that is decentralized, dynamic and integrated. The Roadmap describes a future where idle electric vehicles can feed energy back to the grid, where renewable natural gas from waste water treatment plants is used for refueling vehicles and serving homes, and industrial waste heat is meeting the needs of other customers through a district system. The State's 10-Year Plan should build towards this future through modifications in the state's regulatory structure and appropriate incentives that guide the way towards this vision.

Recognizing that significant work has been completed by the Oregon Department of Energy, the Investor Owned Utilities and the OPUC, the Northwest Power and Conservation Council, the Global Warming Commission and others, please address the following issues:

Targets for Resource Mix

Please identify achievable energy supply mixes that would meet (or exceed) Oregon's climate change goals and RPS. This should address both the role of utility scale projects and distributed generation. The first focus should be the renewable energy resources necessary to meet Oregon's future needs (or needs in displacing carbon-intensive resources), while addressing the intermittent nature of some technologies. Besides renewable generation, an integrated supply system for the future should avoid waste by supporting Combined Heat and Power (CHP) applications where waste heat can be readily used. The

state should have targets for CHP and a program to adequately incent these projects.

The Supply team should also take into consideration the increasing energy demand created as personal vehicles and heavy duty trucks migrate away from conventional fuels to alternative energy sources (including electricity, natural gas and propane).

Incentives for Achieving Resource Mix

With the uncertainty of Oregon's current incentives for development of generation facilities, what should the next generation of incentives look like to help achieve the desired resource mix? How do incentive programs align with mandates, such as the RPS? What role does a feed-in-tariff play?

Research and Development; Economic Development

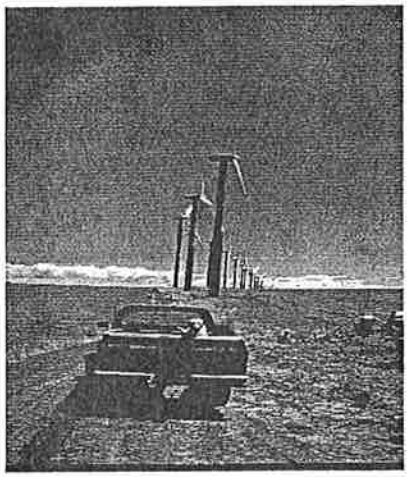
In reaching the standards discussed above, what kind of support for R&D and economic development can help maximize economic activity in Oregon? How can Oregon further develop an advanced manufacturing industry for renewable energy generation technologies?

Mandates

Please examine the current state mandates and identify any areas for change. This should include an examination of whether to include conservation and energy efficiency investments as a supply option under a next generation of the RPS. Please examine the current state mandates, including the RES standards, the HB 3039 solar mandate, and Feed-in Tariff in relation to achieving Oregon's greenhouse gas reduction goals, maintaining reasonable electric rates and providing business development opportunities for electric and gas customers, renewable developers and communities. Identify any areas for change. What risks are there in including energy efficiency as a supply-side option under the renewable energy standard and what are the difficulties that other states that do include EE in their RES have experienced? What is the purpose for the renewable energy standard and is it still limited to the original three purposes of fuel diversity, economic development and environmental benefits? Also, the group should consider the relationship of federal mandates, such as the mandated power purchase from qualifying facilities under PURPA. Current state policies/practices often do not recognize these resources as "renewable" or recognize their greenhouse gas content.

Supply-Side Energy Efficiency Investments

Address the barriers to implementing supply-side energy efficient investments, including regulatory disincentives, the need for outside assistance, lack of verification protocols to prove savings, and organizational challenges within utilities.



Ten Year Energy Plan - Siting Issues

Email Updates

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Chair

David Stewart-Smith	Pacific Energy Systems

Members

Scott Bolton	PacifiCorp
Mark Brown	Bureau of Land Management
Dan Ericksen	former Wasco County Commissioner
Karen Green	former Chair, Energy Facility Siting Council
Margaret Kirkpatrick	NW Natural
Monty Knudsen	U.S. Fish and Wildlife Rep
Tamra Mabbott	Umatilla County
Bruce Taylor	Defenders of Wildlife

Chris Taylor	Element Power

Design Team Staff

Hillary Dobson	Oregon Department of Energy (ODOE)
Todd Cornett	Oregon Department of Energy (ODOE)

Charge

Taking into account the charge for the Resource Mix team, examine the processes for siting transmission and energy projects in Oregon. How can we achieve long-term energy goals, while balancing social, environmental and economic issues?

How can current siting processes become more efficient and reduce conflicts? What projects should be reviewed by local government, and what projects by state government? What are the current jurisdictional thresholds for state facility siting and are they appropriate? How can we eliminate or minimize inappropriate incentives for project developers to "forum shop?" What role should other governmental agencies and entities play in the siting processes, if any?

What is the status of coordination with federal land management agencies where projects require both federal regulatory authorization and state or local approvals? What obstacles are there to aligning federal reviews with state and local processes? What process improvements are needed in the US Forest Service and Bureau of Land Management, and what can be done by the regions without rule or legislative changes?

How can the state work with local governments and federal agencies to develop and implement a mitigation framework that can be used to address environmental impacts on both private and public lands?

What role should regional solutions teams play in the siting processes, if any?

What additional policies or mechanisms are needed to address the additive, cumulative and landscape-level effects of existing and potential future energy development projects?

What are the tax issues with respect to siting energy facilities?

What are the opportunities for siting large scale wind and solar jointly on the same site? What are the barriers and opportunities for using brownfields as sites for solar or waste to energy plants?

What guidelines and standards should be in place to ensure that waste to energy is environmentally sound, and not degrading for the environment?

Oregon also has an emerging wave energy industry with an untested regulatory regime. What state regulatory framework is most appropriate for development of marine energy?

Working with the Resource Mix team, and acknowledging known significant economic development plans that are particularly energy-intensive (e.g., growth of data centers in Central Oregon), please examine projected transmission needs for both electricity and gas as related to future energy mix.

Siting of new transmission capacity will have a profound influence on future patterns of energy development in Oregon. How can the state most effectively influence siting of transmission facilities – including projects that may span multiple states – to ensure that new capacity supports development consistent with the priorities of the governor's 10-year energy plan?

Ten Year Energy Plan - Transportation

Chair

Jon Ruiz	Eugene City Manager

Members

Charlie Allcock	Portland General Electric
Angus Duncan	Oregon Global Warming Commission
Neil McFarlane	TriMet
David Patterson	Mitsubishi Motors
Derek Rotz	Daimler Trucks North America
Barry Woods	Drive Oregon

Design Team Staff:

Email Updates

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Bob Cortright	Department of Land Conservation and Development (DLCD)
Travis Brouwer	Oregon Department of Transportation (ODOT)
Bill Drumheller	Oregon Department of Energy (ODOE)
Rick Wallace	Oregon Department of Energy (ODOE)

Charge

The Governor's transportation energy goals have been organized around increasing the travel and freight options for businesses and households that are cost-efficient, energy efficient and low carbon.

With this guiding principle in mind, along with the Oregon Sustainability Act of 2001, examine potential legislative and regulatory changes that can be enacted to achieve a lower carbon transportation future, which includes on- and off-road vehicles, rail, ports and aviation, as cost-effectively as possible. Consider how this would play out across Oregon's diverse geography.

The team, along with the other Design Teams, should also consider how energy-related policies will impact the economy, with a particular focus on accelerating job growth in Oregon.

Targets

Recognizing the existing and ongoing work of the Oregon Global Warming Commission, the Transportation Electrification Executive Council, the Oregon Transportation Commission, the Land Conservation and Development Commission, Metro, DEQ and the Non-roadway Transportation Funding Task Force please propose a comprehensive package that will incent and increase the use of advanced technology vehicles.

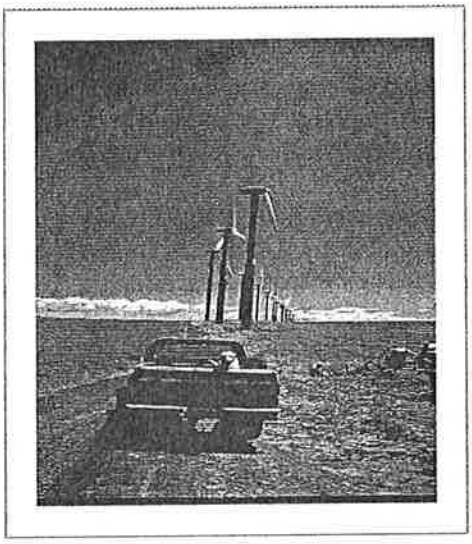
Use the following guidelines in developing this package.

- Propose a strategy for funding and allocation of transportation dollars to support compact land use and help accelerate the development of low-carbon vehicle technology and fuels, while also considering environmental justice (access to jobs, costs of systems to households and businesses). This requires identifying a more stable and long-term way to fund diverse transportation options, including a road and congestion pricing approach.

- Develop a next steps strategy for implementation of a Least Cost Planning Process as well as the recommendations by Oregon Sustainable Transportation Initiative to meet GHG reduction goals.
- What is the proper balance between emphasizing the energy needs of freight movement and the needs of passenger transport?
- Determine how to use land use planning as a mechanism to reduce reliance on single occupancy vehicles, including (but not limited to) assisting cities in adopting the 20 minute neighborhood concept, revisiting the Oregon Statewide Planning Goal 13, considering a health goal, and addressing land use/zoning/code issues surrounding alternative fuel charging or refueling stations.
- Explore incentives in State and local policy for low carbon development options and creation of complete communities that support such development
- Examine the role of rail in reducing energy consumption and emissions and identify potential public-private partnerships.
- Consider the use of Intelligent Transportation Systems in the management of the interstate systems throughout the state, including information provision to different users such as freight. Can open data platforms, create new and innovative 'apps' – how to unleash the creativity of the developer segment (trip plans, with built in congestion or incident alerts, etc).
- Explore policy recommendations to reach our advanced technology vehicle deployment and infrastructure needs. Can state procurement policies play a role? How can we increase public and private adoption of high efficiency vehicles like electric, natural gas and propane? What public/private opportunities exist for large fleets? Which technology is best for large fleets and should be incentivized? How do specific infrastructure needs differ across technologies and how do we encourage the needed advanced technology infrastructure? (Are incentives needed? What role will local distribution companies play in infrastructure development?) How can we increase public awareness of highly efficiency vehicles like electric, natural gas and propane? What kind of incentives will be necessary to encourage consumers to purchase advanced technology vehicles? What kind of incentives will be necessary to encourage the construction of necessary advanced technology infrastructure? Are there further grant opportunities to explore?
- What specific role does the state have in adopting advanced technology vehicles? Can state procurement policies play a role? Can infrastructure development be encouraged on public lands? Will tax abatement (e.g, avoid or reduced road tax) for advanced technologies promote vehicle purchases?
- What is the role of the state in expediting the manufacturing of low carbon fuel commercial fleet vehicles? How do we incent local manufacturing and local purchasing of low carbon vehicles?
- In addition to adoption of a low-carbon fuel standard, what is the role of the state in expediting the development of advanced

low-carbon fuels beyond recommendations related to electric vehicles and EV infrastructure?

- How can Oregon attract and leverage outside or foreign investment to finance alternative transit and rail?
- Recommend the most effective education and flexible employer programs, such as workplace-oriented Transportation Demand Management programs, or an in-state and cross-border ridesharing program, utilizing the latest in advanced technologies and social marketing



Ten Year Energy Plan - Governance

Andrea Durbin	Oregon Environmental Council
Roy Hemmingway	Energy Consultant
Kevin Lynch	Iberdrola Renewables, Inc.

Email Updates

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Design Team Staff:

Andrea Fogue	Department of Administrative Services (DAS)
Sarah Gates	Department of Administrative Services (DAS)

Charge

In the campaign energy plan, Governor Kitzhaber wrote:

I will also create the authority to integrate all state policies and programs, such as transportation, energy, agriculture, land use planning and others, that have relevance to climate change and energy issues. This body will have a clear directive to oversee implementation of the state Energy and Climate Strategic Plan and the climate change communications and outreach strategies and the staff support to do so. Unlike prior attempts to coordinate agencies for consistent energy and climate change policies, this will be a cabinet-level effort with executive authority.

Recommend a structure for the State that would help meet this goal, taking into account the following principles:

1. Bring climate and energy discussions together under one umbrella because they are integral to one another and achieving GhG reductions must be a central part of the state's energy policy;
2. Streamline these processes to have a more integrated, economy-wide approach to develop a cross-sector 'least-cost' GhG emissions reduction plan with clear benchmarks, strategy and responsibilities delineated for key agencies;
3. Integrate climate change mitigation and adaptation (where appropriate) into agency missions, giving them full authority to act upon climate change in their decision-making.
4. Lessen the demand on agency and Governor staff by reducing the number of advisory bodies, while providing a longer-term basis for energy and climate choices that is accountable to both the Governor and the Legislature;
5. Increase effectiveness of advisory process by linking their work directly to Agencies, the Executive Office and the Legislature where implementation occurs; and
6. Recognize that an equally important discussion needs to happen around adaptation and preparedness for climate change, but this often involves different stakeholders than the energy and emission reduction conversation and deserves its own process.