

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1020

In The Matter of)	
)	
PORTFOLIO OPTIONS COMMITTEE)	ORDER
)	
Recommendations from the Portfolio)	
Options Committee.)	

**DISPOSITION: PORTFOLIO COMMITTEE
RECOMMENDATIONS APPROVED**

The Portfolio Options Committee (Committee) recommends portfolio options to the Public Utility Commission of Oregon (Commission) in accordance with ORS 757.603(2) and OAR 860-038-0220. At the Commission's March 10, 2009 Public Meeting, the Committee made a recommendation that the Commission allow one year extensions of the contracts that both Portland General Electric Company and PacifiCorp, dba Pacific Power, have with The Nature Conservancy. A detailed analysis of the recommendation is contained in the Commission Staff Report, presented on behalf of the Committee, which is attached as Appendix A and incorporated by reference.

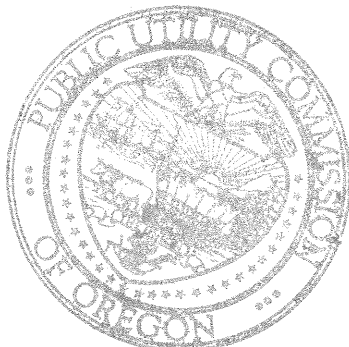
The Commission adopts the Committee's recommendations.

ORDER

IT IS ORDERED that Portland General Electric Company and Pacific Power are allowed to extend the existing contracts with The Nature Conservancy for one year with a requirement to solicit bids for the habitat restoration provider during that one-year extension.

Made, entered, and effective MAR 16 2009.

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. CA8

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 10, 2009**

REGULAR _____ CONSENT X EFFECTIVE DATE _____ n/a

DATE: February 23, 2009

TO: Public Utility Commission

FROM: Bonnie Tatom *bbt*

THROUGH: *in* Lee Sparling and Ed Busch *EB*

SUBJECT: PORTFOLIO OPTIONS COMMITTEE: (Docket No. UM 1020)
Recommendations from Portfolio Options Committee.

STAFF RECOMMENDATION:

The Portfolio Options Committee (POC) recommends that the Commission allow one year extensions of the contracts that both Portland General Electric (PGE) and PacifiCorp have with The Nature Conservancy (TNC).

DISCUSSION:

Customers who participate in either PGE or PacifiCorp's renewable options can choose to include a contribution directed towards habitat restoration. PGE customers can enroll in the "Habitat Option" when they enroll in either the Green Source or Clean Wind renewable options. PacifiCorp customers can choose to enroll in the Blue Sky Habitat program which is a usage based renewable product that includes a contribution for habitat restoration.

TNC has held the contract with both utilities for habitat restoration programs since 2004 when it was chosen as part of a competitive bidding process. These initial contracts were effective through December 2005. The contracts were then extended for one year through December 2006. On July 12, 2005, the Commission allowed extension of the contracts with TNC through December 2009 based on the recommendation of the POC.

The POC is now asking the Commission to allow a final one-year extension of the TNC contracts. Both utilities will be soliciting bids for green power marketers this year and conducting a request for proposals (RFP) for a new habitat restoration provider at the same time would be challenging for the POC to oversee. TNC updates the POC on a

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quarterly basis and both the utilities and the POC are satisfied that TNC is a conscientious steward of customer dollars. The POC concluded that delaying the competitive bidding process for the provider of habitat programs by one year is reasonable.

On February 6, 2009, the POC unanimously approved the following motion (PacifiCorp and NW Natural abstained):

The POC recommends that the Commission allow the utilities to extend the contract with TNC for one year and then be required to solicit bids for the habitat restoration provider after that one-year extension.

Staff confirmed that although the language of the motion may seem to say that the bidding activity would commence *after* the one-year extension, that activity will take place *during* the one-year extension so that a habitat restoration provider will be in place beginning January 1, 2011.

PROPOSED COMMISSION MOTION:

PGE and PacifiCorp be allowed to extend the existing contracts with TNC for one year with a requirement to solicit bids for the habitat restoration provider during that one-year extension.

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