

Renewable Energy Action Plan Tasks

WORKING DRAFT - (5-5-06)

	Geothermal:	Purpose and Context	Status
36	Work with the federal government and others to provide a forgivable loan or grant program for drilling exploratory holes.	Up-front costs are high and risky. Some argue that federal assistance would be helpful. Others argue that with an attractive PPA, projects will be developed with private capital that is willing to take the risk.	The President's federal budget proposal eliminates the geothermal program for 2007. If this program is revived in some form, small chance that there will be federal funds available for drilling exploratory holes.
37	Work with the Energy Trust, the utilities, BPA and others to expedite a Power Purchase Agreement with added incentives based on above-market costs for a 20 MW or larger demonstration project.	In general, geothermal plant costs are currently higher than large wind farms, even if the extra cost of "shaping" the intermittent nature of wind is taken into account to better compare the power with the baseload power of geothermal plants.	There are currently no geothermal electric generating facilities operating or under construction in Oregon. But a private company is actively evaluating the Crump Geyser area just north of Adel in Lake County. This site looks promising.
38	Review the royalty and tax implications of geothermal production facilities and explore funding means to help promote geothermal development.	The more royalties flow to local governmental entities, the more attractive these projects will be and the easier siting will take place	Royalties in old law were 50/50 split between feds and state governments. Energy Act of 2005: 50% state, and feds and locals each 25%. For funding, see item #36.
39	Help develop a partnership plan between state and federal agencies for further development of projects on federal land or involving federal leases.	Work with USDA Forest Service and BLM will assure that policy is developed that will assure access to federal forests over the long term. It also adds stakeholders with forest health interest.	Fed's old law: BLM often failed to process lease applications or hold lease sales. Most leases were applied for non-competitively. Energy Act of 2005: regular lease sales at least every 2 years and all leases are subject to competitive bidding. There is a negative impact on small independent explorers that needs to be corrected. State Lands will review and if needed revise its administrative rules.