



RENEWABLE ENERGY IN THE STATE OF OREGON

RATEPAYER FUNDED PROGRAMS

- Customers of Portland General Electric (PGE) and PacifiCorp — which account for about 70 percent of the customers in Oregon — pay a three percent charge on their bills for energy efficiency, renewable resource and low-income energy programs.
- The Energy Trust of Oregon administers about three-quarters of the funds, including about \$12 million per year for “above market” costs of new renewable generation facilities. Beginning 2008, funds are limited to projects no larger than 20 MW.
- Including projects planned through 2008, Energy Trust programs supported 340 MW of wind, 18 MW of biomass and more than 1,000 solar energy projects.

GREEN PRICING PROGRAMS

- PGE and PacifiCorp offer green power rates for all of their customers. PGE has more than 50,000 participants (6.7% of small customers) and is second in sales nationwide. PacifiCorp has about 29,000 Oregon participants (5.1% of small customers) and is fourth in sales nationwide.
- Under the state’s new Renewable Portfolio Standard, all utilities must offer a green power rate for their customers.

STATE PROGRAMS

- Oregon offers a comprehensive set of tax and loan incentives to:
 - Encourage residents and businesses to use renewable resources
 - Promote development of renewable energy facilities in the state
 - Lure renewable energy equipment manufacturers to locate in Oregon
- Businesses can get a tax credit of 50% of eligible project costs (up to \$10 million in credits) for facilities that use renewable energy resources and plants that manufacture equipment used for renewable energy projects.
- Residents can get up to \$6,000 in tax credits for solar energy systems, wind systems and fuel cells for their homes.
- General obligation bonds provide funding for low interest, long-term loans for renewable energy projects for individuals, businesses, schools and governments

RENEWABLE PORTFOLIO STANDARD

- Under the newly passed law, Oregon utilities must meet a percentage of their retail electricity loads with renewable resources.
 - For the three largest utilities (PGE, Pacific Power and Eugene Water and Electric Board), the targets are 5% in 2011, 15% in 2015, 20% in 2020 and 25% in 2025.
 - For the other utilities in the state, the targets are 5% or 10% by 2025, depending on utility size. If any of these utilities builds or signs a new contract with a coal-fired plant, the targets for the large utilities apply.
- Eligible resources include wind, geothermal, biomass, solar, wave, tidal, ocean thermal, some hydro, and hydrogen from these sources. Only facilities in operation after Jan. 1, 1995, qualify, except for efficiency improvements.
- Flexibility is provided through banking provisions, an alternative compliance payment path, and broad geographic eligibility for generating facilities.

PROGRAMS

REGULATORY POLICIES

- **PURPA QUALIFYING FACILITIES**
 - The Oregon Public Utility Commission updated its PURPA policies in 2005 to provide standard rates and a Commission-approved 20-year standard contract for facilities up to 10 MW.
 - The Commission recently established negotiating guidelines for larger facilities.
- **NET METERING**
 - Recently adopted rules expand net metering to 2 MW for nonresidential customers.
 - The new rules provide for annual netting against retail rates, instead of crediting excess generation monthly at PURPA avoided cost rates.
 - The rules include expedited procedures for utility interconnection.
- **OTHER POLICIES**
 - By year-end, the Commission expects to establish interconnection standards and procedures for generators up to 10 MW.
 - Rates for backup and supplemental power were updated to ensure they are cost-based and provide options for customer-generators.

RENEWABLE ENERGY DEVELOPMENT

- **PROJECTS IN OREGON**
 - More than 425 MW of renewable generation facilities have been built in Oregon since 2001.
 - 413 MW of wind (6 projects) and 13.2 MW of biomass (3 projects)
 - Another 500 MW is under construction or scheduled for construction by 2008.
 - 446 MW of wind (3 large scale projects) and 36 MW of biomass (7 projects)
- **PROJECTS SERVING OREGON CUSTOMERS**
 - In 2003, PacifiCorp set a goal of adding 1,400 MW of renewable resources system-wide by 2015. The company now expects to reach that goal by 2010, including 500 MW in 2008 alone. The company's new resource plan increases the commitment to 2,000 MW by 2013.
 - PGE met its earlier goal of adding 195 MW of renewable resources by 2007. The company's 2007 resource plan includes another 325 MW of capacity at its new wind plant plus 200 MW of additional renewable resources by 2012.
 - Idaho Power met its goal of acquiring 200 MW of wind by 2007. The company's 2007 resource plan includes 100 MW of geothermal resources in 2009 and another 150 MW of wind in 2012.

