



## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

POWER BUSINESS LINE

August 29, 2005

In reply refer to: PT-6

To Parties interested in BPA's Renewable Rate Credit Program:

The Bonneville Power Administration's Power Business Line has released for comment, the proposed implementation guidelines for the renewable option to the Conservation Rate Credit Program for fiscal years 2007-2009.

Proposed changes to the renewable rate credit are a direct result of a shorter rate period and the \$6 million/year cap on renewable rate credit claims to the conservation rate credit program. The major changes to the existing rate discount program include:

- **Rate credits for renewable resources have been updated to reflect changes in renewable generation technologies, generation costs and the market.** Rate credits for renewable energy facilities will be based on the difference between Northwest Power and Conservation Council's Project cost estimates and a Proxy for Avoided Costs, and capped at \$27 a megawatt hour (MWh).
- **The definition of "New" Renewable Energy Facilities has been changed to encourage incremental renewable development during the FY 2007-2009 rate period.** "New" means energized after Jan. 1, 2006, rather than May 1, 1999. New facilities will be eligible for the rate credit for only one year of generation, but the amount of credit available to new facilities is generally much greater than that available in the existing program (with the exception of large utility-scale wind projects). Claims on new facilities can be made before the facility is energized, as long as the facility is on-line before the end of the rate period.
- **Existing facilities (on-line after May 1, 1999) will be eligible for a production-based credit for energy produced during the rate period.** The amount of the credit will be based on the difference between project costs and a Proxy for Avoided Costs, and capped at 33 percent of that allowed for New Facilities.
- **Only incremental projects/activities are eligible for the rate credit.** Incremental is defined as not being required by law, legislation or public utility commission regulation.
- **"New" solar is eligible for the rate credit, but at a lower level than the existing program.**

For more information and to review the proposed changes, please visit the Regional Dialogue Web site at [www.bpa.gov/power/pl/regionaldialogue/renewables.shtml](http://www.bpa.gov/power/pl/regionaldialogue/renewables.shtml). BPA invites you to submit comments, which will be accepted through Sept. 29, 2005. Comments can be submitted on-line at [www.bpa.gov/comment](http://www.bpa.gov/comment); e-mailed to [comment@bpa.gov](mailto:comment@bpa.gov); or mailed to Bonneville Power Administration, Public Affairs Office - DM-7, P.O. Box 14428, Portland, OR, 97293-4428. Please include the name of this program: BPA's renewable rate credit program with your comments.

If you have questions about renewable rate credit program, please call our toll-free line at 1-800-622-4519, or contact Debra Malin at 503-230-5701.

Sincerely,

/s/

Elliot Mainzer  
Acting Vice President Bulk Marketing