

Open Solicitation Program

Questions & Answers

What is the Energy Trust of Oregon, Inc.?

The mission of the Energy Trust of Oregon, Inc. is to change the way Oregonians produce and use energy. On behalf of Oregon customers of Pacific Power, Portland General Electric, the Energy Trust invests in renewable energy technologies to help Oregonians save energy, increase the comfort of their homes and businesses, and move toward energy self-reliance.

In 1999, the Oregon legislature adopted, and the governor approved, a comprehensive amendment to Oregon Revised Statute 757.612 establishing public-purpose funding to be used for new cost-effective local energy conservation, new market transformation efforts, the above-market costs of new renewable energy resources, and new low-income weatherization. The Oregon Public Utility Commission (OPUC) was authorized to direct the manner in which the collected funds would be spent. The Energy Trust of Oregon, Inc. was formed as a nonprofit corporation and, in November 2001, signed a grant agreement with the OPUC (the OPUC Grant Agreement). The OPUC Grant Agreement governs the manner in which Energy Trust receives and expends collected public purpose funds.

What is the Open Solicitation Program?

Energy Trust implemented the Open Solicitation Program to provide an opportunity for renewable resource sponsors to seek Energy Trust assistance with their projects. Specifically, the Open Solicitation is designed to:

- Establish an ongoing path for projects that do not fit criteria for other Energy Trust renewable resource programs
- Help Energy Trust learn what renewable energy concepts might merit separate, technology-specific programs in the future
- Fund good ideas that languish for want of a little push
- Fund new technologies in established applications
- Fund existing technologies in new applications

What renewable energy technologies are eligible for Energy Trust funding?

Eligible renewable technologies include new electricity generation facilities, or new additions to existing facilities, fueled by: wind, solar or geothermal energy; low-emission, non-toxic, solid biomass from wood, forest and field residues; dedicated energy crops available on a renewable basis; landfill gas; digester gas; and hydroelectric facilities located outside protected areas as defined by Federal law in effect in 1999.

“New renewable resource” may not include any portion of a renewable energy resource project under contract to the Bonneville Power Administration on or before July 2001.

What level of funding is available?

The Energy Trust currently provides approximately \$1 million per year for the Open Solicitation Program. There is no funding cap for projects, but the projected program budget is expected to fund approximately 4 – 6 projects each year.

What portion of the total project cost is eligible for funding?

The OPUC Grant Agreement under which the Energy Trust operates requires that public purpose funds expended for new renewable resources be utilized to offset all or a portion of the project's “above-market costs”. This is the difference between current wholesale or retail electricity prices and the cost of electricity generated by the project. (See below.) The Energy Trust may fund all or a portion of the above-market costs of a given project. The Energy Trust Board has not set a fixed percentage for the amount of the above market costs the Energy Trust will pay.

How does Energy Trust determine the above-market costs?

Energy Trust staff determines the above market costs through three steps:

- 1) Determine the levelized present value of the renewable energy generated.
- 2) Calculate the levelized present value of electricity sold on the open market (i.e., “plain old” electricity) and delivered to the customer’s site according to the production pattern of the proposed project.
- 3) Derive the above-market costs by subtracting the levelized present value of the non-differentiated resource from the levelized present value of the renewable resource.

The levelized present value of the renewable resource is generally based on the information provided in the Open Solicitation application. This information consists of:

- The fixed and operating costs of the project, including financing costs, ancillary services, delivery, overhead and profit
- Other incentives and tax credits

- Site lease or ownership costs
- Credits for non-electric energy or other salable by-products
- The expected life of the project
- Interconnection, ancillary service and delivery costs

We may adjust these values by comparing them to reasonable, usual and customary costs for similar projects.

We use the Aurora Model, utility forecasts, rate filings and listed tariffs to derive the levelized present value of the non-differentiated resource. The Aurora Model is a widely used proprietary software package that forecasts energy market values by season and time of day. To determine the market value of the renewable energy produced, we match its value by hour to the values predicted by Aurora or otherwise established.

How do I apply for Energy Trust assistance?

First, review the *Program Guidelines* ([web link](#)).

If you believe that your project is eligible for funding download and submit the Open Solicitation *Initial Application* form.

When should I submit an application?

We encourage you to submit your completed *Initial Application* as early as possible in the calendar year – ideally, prior to August. Once all available funding has been committed for the current fiscal year, Energy Trust staff may defer evaluation of new projects until the following year.

- The Energy Trust welcomes *Initial Applications* for **up to \$50,000** in funding from January 1 through September 15. Applications submitted after September 15 may be considered for funding in that fiscal year if program funds are still available.
- The window for submitting *Initial Applications* for **over \$50,000** in funding is January 1 through July 31. Applications may be accepted after that date, but due to the typical complexity of such projects, it is likely that they will not be considered for funding until the following fiscal year.

What happens after I submit an *Initial Application*?

If your *Initial Application* appears to meet program requirements, Energy Trust staff will invite you to submit a *Full Application*. There may be **several rounds of questions** after you submit your *Full Application*, as Energy Trust staff seek to understand the technology, business structure and financing underlying your unique project.

If your *Full Application* is endorsed by Energy Trust staff, they will present it to the Energy Trust's Renewable Advisory Council (RAC). [\(web link.\)](#) This Council will recommend approval to proceed, suggest modifications or recommend that the proposal not proceed. Their recommendations are advisory rather than binding on the Energy Trust. However, staff weighs RAC input heavily in the decision-making process.

The next step in the approval process depends on the level of support requested of the Energy Trust:

- Proposals under \$50,000 may be approved by Energy Trust staff.
- Proposals between \$50,000 and \$125,000 will be placed on the consent agenda for approval at the next meeting of the Energy Trust Board of Directors.
- Proposals greater than \$125,000 will be placed on the regular agenda of the next Energy Trust Board meeting for discussion and Board motion.

What timeline should I expect after I submit my application?

The following guidelines describe the process for most applicants. However, where unique circumstances dictate, Energy Trust staff may approve an altered timeline.

- Within **14 days of receipt of the *Initial Application***, the Energy Trust will confirm receipt of your application. If it appears that your project meets the program guidelines you will be invited to complete a *Full Application*. [\(web link.\)](#)
- If invited to submit a *Full Application*, you will have **60 days** to complete and submit it. If you are unable to complete the application in this time period, you must request an extension from Energy Trust staff if you wish your application to remain active. If you do not contact staff to request an extension, you may lose your eligibility for the current year's solicitation.
- Within **45 days**, Energy Trust staff will review your *Full Application*.
- If necessary, during the following **45 days** Energy Trust staff will work with you to complete your *Full Application*, resolve any outstanding questions, and fill in any missing data.
- After completion of your application, Energy Trust staff will present your project to the Energy Trust's Renewable Energy Advisory Council (RAC). Because the RAC currently meets 6 times per year, the length of time associated with this step will depend on when you complete your individual application, varying from **14 to 60 days**.
- Funding requests over \$125,000 must go on the consent agenda for the Energy Trust's Board of Directors. Requests over \$250,000 must go on the Board's full agenda for discussion. Like the RAC, the Board meets six times per year, so the length of time

associated with this step will depend on when you complete your individual application, varying from **30 to 60 days**.

What criteria are used to evaluate an application?

The Energy Trust staff will review applications based on at least the following criteria, without limitation:

- Reasonableness of costs, the proposed installation time schedule, and the amount of cost-share requested
- Completeness and accuracy of energy calculations
- Readiness to proceed with project (e.g., completion of feasibility studies, financing agreements, permits, power purchase agreements)
- Reliability of energy production, based on available resources, maturity of the technology employed, soundness of applicant's financial plan, and similar factors
- Adequacy of financial proforma
- Benefits to Pacific Power or Portland General Electric customers
- Capacity of the project to advance renewable energy markets and the replicability of the project
- Stable and accountable legal structure (ownership, operator, investors)
- Experience and ability of project team
- Secondary environmental and economic benefits

What happens if my application is approved?

If Energy Trust's approves your *Full Application*, Energy Trust will negotiate a contract with you detailing the terms and conditions of Energy Trust's support. No award will be considered a commitment, and no obligations or legal relations shall exist between Energy Trust and an approved applicant until a contract has been fully executed in writing by and between Energy Trust and the approved applicant.

Where can I get more information?

For questions regarding, contact:

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