

Briefing Paper

Redesign of the Open Solicitation Program

October 13, 2004

Purpose

To brief and solicit input from the Renewable Energy Advisory Council on proposed revisions to the ETO Open Solicitation Program. The revised materials follow this summary paper.

Background

The Open Solicitation Program (OSP) plays two roles in ETO's renewable energy activities. First, it allows ETO to fund initiatives that merit support but which do not fit into currently established programs. Second, it serves as a test-bed in which to learn about new markets and technologies, determine price points, and identify avenues for new, targeted programs.

In October, 2003, a process evaluation of the OSP concluded that there would likely be a continuing need for the program, and that it could better serve ETO's constituents by rationalizing its processes and stepping up its marketing (see http://www.energytrust.org/Pages/about/library/reports/OpenSolicitat_Process.pdf, p 49).

Summary of Proposed Revisions

After considering the recommendations of the evaluation, ETO staff have undertaken three major actions to improve the OSP.

- **Acquire increased technical support:** In April, 2004, through an RFP process, ETO selected a group of renewable energy consultants to provide analytic support. Staff now have adequate resources to evaluate the technical merit of applications to the OSP much more quickly. These consultants are also available to support feasibility studies and related work to move key projects along.
- **Accelerate marketing plan:** ETO's Communications and Marketing staff are developing a more aggressive approach to marketing the OSP in 2004 and will expand to targeted audiences in 2005. These potentially include municipalities, selected biopower segments, and the small (i.e., net-metered) wind power business sector.
- **Redesign application materials and process:** With the key assistance Brian Hedman of Quantec, we have reviewed the materials and processes employed by other public benefit, state and regional programs. Following this review, we re-designed the process and supporting application materials. The following table summarizes key points:

Change	Purpose
Offer two-part application	Preliminary <i>Initial Application</i> identifies threshold conditions for funding, and allows staff to assess maturity of project and filter obviously inappropriate proposal
Increase precision of information requested	Enhanced <i>Full Application</i> and specific <i>Technology Addenda</i> reduce (but do not remove) need for additional informal information requests
Identify timeline and process that applicants may expect	Allows applicants to plan more realistically
Limit PV projects to those above the net-metering limit (25 kW) or which are otherwise unsuitable for a standard offer	Responds to staff proposal to create standard offer in Solar Electric Program for projects up to 25 kW in capacity

Issues

With respect to **timing**, after considering the possibility of accepting OSP applications during strictly defined windows during the year, we opted to leave the Program as “open” as possible. However, consideration of the steps necessary to evaluate a proposal and secure RAC and Board approval, combined with the probability of reduced funds in the last part of the year, suggests that ETO cannot commit to process applications in the latter part of the calendar year for larger projects. After September there simply is not enough time.

We have also tried to strike the a balance of required information in the application, and particularly in the *Technical Addenda*. However, the OSP receives applications involving technologies ranging from home-sited wind turbine under 10 kW to biomass cogeneration at wood processing plants up to 10 MW. The applications must be able to accommodate all eligible projects, without becoming an obstacle to deserving small projects.

Next steps

We expect to launch the re-designed forms and processes before the end of the year. Toward that end, we envision the following major steps before the end of 2004:

- Seek **RAC** input and review of the attached materials.
- Finalize application **materials**, per RAC responses.
- Develop *Addendum* for PV projects;
- Edit and format all materials; and design online forms.
- Refine **marketing** plan, including website.

List of new materials

Energy Trust of Oregon staff, supported by technical consultants, have prepared drafts of the following materials, which will be developed into formal applications and text for the OSP website:

- Initial Application
- Full Application
- OSP Questions & Answers (including timeline information)

In addition, the following draft items are available for RAC review on request:

1. Technical Addendum for Hydropower
2. Technical Addendum for Wind Power
3. Technical Addendum for Wastewater Treatment Plants
4. Technical Addendum for Anaerobic Digesters
5. Technical Addendum for Direct Biomass Combustion
6. Technical Addendum for Landfill Gas
7. Technical Addendum for Geothermal
8. OSP Application Tips