

MARCH 9, 2005

RENEWABLE ENERGY ADVISORY COUNCIL PROGRAM UPDATES

I. Biopower

- The preliminary market assessment for biopower was completed and presented to the board. As was the RAC, the board was supportive of the effort and the next steps outlined by staff.
- Following a mini-RFP, CH2Mhill was selected to do the follow-up analyses identified by staff and the initial study.
- Staff met with ODOE staff to review the state of knowledge and next steps. ODOE staff were supportive of the draft approaches and priorities proposed.
- The board-approved Douglas County Forest Product's biomass CHP project is proceeding with interconnection studies and PPA negotiation underway. The target is to be on-line by year-end.
- With the help of an outside contractor, staff completed a preliminary analysis of a proposal for a 2.5-MW landfill gas project in Medford. The application was accepted and additional financial and technical data has been requested. Staff anticipates presenting this project to the board in April, assuming ETO support is viable.
- A new application for a 250 KW expansion to an existing biogas project was received from the Gresham Wastewater Treatment Facility. Staff and PGE worked with the applicant earlier to aid them in applying for Energy Trust funding. Further analysis is underway for another biomass CHP project, with another pending.
- Staff contracted with a marketing and outreach expert to assist in drafting and implementing the outreach and communication efforts associated with launching a biopower program. The contractor will also assist with the Open Solicitation Program.

2. Solar

- Installation was completed on three more of the seven solar electric demonstration projects funded by Energy Trust. First, the City of Portland hosted a media event on November 9th to announce and celebrate the installation of two new PV systems on Fire Station 16 in southwest Portland and Fire Station 25 in southeast Portland. Second, the Bend LaPine school district unveiled the new PV system installed on Summit High School at a November 18th ribbon cutting event. Third, on February 25th Solar CREEK (Clean Renewable Energy for Everybody's Kids) in Corvallis celebrated the completion of 3 PV installations. The systems are installed on two First Alternative cooperative grocery stores and on Lincoln Elementary. Additionally, Bonneville Environmental Foundation has selected 4 schools to receive PV systems through their Solar 4R Schools program.
- A solar electric trade ally training held in December attracted 42 attendees, 7 of whom have since applied to become trade allies.
- In January and February solar staff traveled around the state for the first annual trade ally meetings. Program updates, installation practices and data from monitoring stations was reviewed and discussed.
- Solar program has begun a search for an intern.

- Currently, in discussion with builders considering PV systems on the Dornbecker houses in both the Street of New Beginnings and the Street of Dreams.

3. Utility Scale

- The 41 MW Combine Hills wind project completed its first year on target. Work on the 75 MW Klondike expansion has been initiated.
- Staff met with PacifiCorp and the sponsors of the 104 MW Arlington wind project, which is the Oregon finalist from the PacifiCorp resource RFP. Staff and PacifiCorp are finalizing their analyses in light of changing market conditions for both wind turbines and prices

4. Wind

- Staff launched a program to provide financial assistance for developing applications to the USDA Value-Added Producer Grant (VAPG) program, which provides funding for feasibility studies that support farm or ranch generated renewable energy projects. ETO will provide up to \$2,000 as a cost-share with the applicant to hire an ETO pre-screened consultant to assist in writing the application.
- Parallel with the USDA VAPG initiative, staff launched a program to provide up to four 60-meter anemometer towers and data collection systems for use in VAPG wind energy feasibility studies. The tower and data systems will be purchased and installed by ETO. Data analysis will be provided through the Energy Trust Anemometer Loan Program. Both of these programs were coordinated with ODOE.

5. Open Solicitation

- Staff completed the re-launch of the Open Solicitation Program, following the guidance of the last evaluation. The re-launch includes a new, more efficient process, updated web site content and revised forms.
- Renewables staff contracted with RHT Energy Solutions, a Production Development Contractor (PDC's) from the Energy Trust Production Efficiency program, to assist Open Solicitation Program applicants from southern Oregon in developing biopower projects. This approach to cross-program marketing takes full advantage of near-term opportunities and responds to emerging demand and maximizes leverage with Energy Trust efficiency programs. Staff is also exploring expanding this approach to other PDC's and engineering firms to help identify, screen and qualify Open Solicitation Program projects.
- Also through RHT Energy Solutions, staff offered to co-fund a feasibility analysis for an additional biomass cogeneration project at Rough and Ready Lumber Company of Cave Junction, representing potentially 1.5 MW in capacity. A response is pending.
- An application for a 150-kW PV system at Encore Ceramics was received. Agreement was reached with the applicant to defer further analysis until we can identify appropriate funds for it. At present, staff has received more applicants for funding in the PacifiCorp service area than budgeted for the Open Solicitation Program. If history is our guide, some of the current applications in the queue may drop out, creating funding options for the Encore Ceramic application. Staff will continue to monitor whether shifts from other renewable budget categories, such as the solar electric, biomass or utility-scale budgets, are warranted. Each of

these program budget transfers would present trade-offs for staff and board to consider. In the interim, staff is retaining a contractor to provide targeted outreach and marketing of the Open Solicitation Program within PGE service territory.

- Staff participated in a forum on wave energy and a potential project in Oregon. The technology is largely untested and expensive. Significant permitting issues face the project and staff will be monitoring the opportunity.
- Received a notice from Helen Hull that the wind turbine approved for her project would not be available. She proposed to substitute a new turbine that would be manufactured by Abundant Renewable Energy. The application amendment was rejected, as the project would be materially different from the project originally proposed and no longer compatible with our policy of funding projects employing established commercial technology.
- An initial application for a reconditioned 120kW wind turbine was received from the Hood River Cherry Company. The initial application was not approved due to lack of wind data for the site and poor performance estimates as provided in the application. An anemometer has recently been installed and the applicant has been advised to resubmit after collecting enough data to make a correlation between this site and the Apeasay site where the contractor has several years' worth of data.