

**RENEWABLE RESOURCE ADVISORY COUNCIL**

Notes from meeting on August 20, 2003

***Attending from the council:***

Angus Duncan, Bonneville Env. Foundation  
Doug Boleyn, Cascade Solar Consulting  
Frank Vignola, U of Oregon  
Jeff King, NW Power Planning Council  
Katherine Hardy, Oregon Office of Energy  
Sonja Ling, Renewable Northwest Project  
Thor Hinkley, PGE  
Virinder Singh, PacifiCorp

***Attending from Energy Trust:***

John Reynolds, UO and Board  
Lynn Kittilson, Oregon PUC and Board  
Peter West  
Anna Parry  
Christian Conkle

***Others attending:***

Jon Miller, OSEIA

**I. Introductions**

Katherine is Lisa Schwartz's temporary replacement, because Lisa has moved jobs.

**2. Review of notes from June 18, 2003 meeting**

Peter suggested deferring review of minutes.

**3. Strategic Plan Review**

Peter gave highlights of the Energy Trust board retreat and reviewed the strategic plan. He also gave an update on the success of the solar seminars in Medford and Bend, where Kacia and Maureen were. Peter said that the key question for the board was, "Are we on the right course? Should we change our focus to fewer resources and larger scale?" Peter said we are top-heavy on large scale projects right now because that's where the opportunities are. Peter said the board recommended switching the timing of smaller scale wind to the fall and biomass later. With this we would still do biomass through our open solicitation program. We should remain positioned to leverage opportunities in geothermal and hydro where other programs or funding sources exist.

Program status – the Renewable Resource programs have a total of 14.72 a MW of new installed capacity, which is 3.3% of the total 10-year goal. The action plan targets 35 MW by the end of 2004.

Angus asked how much been committed, and Peter answered that large wind is \$3.8 million. Angus asked, what are the corresponding dollar numbers to the megawatt numbers? Peter said he would look at the numbers and get back to the RAC. The group then discussed distributed generation – it appears that the price benefit is between 1 and 8 cents per kWh. Peter said he made a conscious decision to use a balanced approach.

After the board retreat, Peter reported that the renewables program is strategically on the right course, and that he plans to stay on the course. Comments about renewable program implementation so far:

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- Get into community more (particularly on open solicitations)
- The lead time for renewable energy program development is creating negative perceptions. People don't understand why it takes so long. We need to speed this up and are looking at strategies to better allocate resources to get programs up and running.
- Process for open solicitations, since they come in sporadically and take up much staff time. We can lower costs by creating a more standard approach, including a standardized RFP.
- Develop standard utility contracts – we need to work with utilities to make a more standard contract. Anything larger than one MW is unique and a longer process. We haven't had the opportunity to approach PGE and Pacific.
- Insurance for trade allies is going through the roof after 9/11 which is problematic for small scale projects
- Low near-term avoided costs in IRPs are a challenge in making renewables cost-competitive
- Develop multiyear funding signals for utility scale projects, particularly in the wind industry
- Identify marketable biomass opportunities – more technology and application focus
- We should partner with the Climate Trust

### Strategic Questions to consider

Should we change our focus to fewer resources and larger scale? Peter said that the Board liked this balanced approach, but should we accept the risk of not getting as many MW?

What's the role in encouraging cooperative programs with consumer owned utility?

Peter says there are many questions about this. We are still trying to drive all of our money to benefit customers of PGE and PacifiCorp. John said the fact that NWN has joined opens a window.

Lynn added that sensitivity about HBI 149 came about because consumer-owned utilities were adamant that this not include them. They don't want ETO to engulf them. It's up to them to want to participate with the Trust. Frank agreed, but added that if we see opportunities, we can explore them. Peter says we'll be reactive more than proactive.

Peter presented a map of current projects. John asked for bigger pin heads. Virinder said we should put this map on the web.

## **4. City of Portland Open Solicitation – Sunderland Yard 10kW Wind Turbine**

### Overview:

- City recycles to this facility
- Sunderland Yard is a PacifiCorp customer
- Project 10kW
- OSU involved
- Offset = 140 tons of CO2 per year
- Contributions: City - \$5,000; PacifiCorp - \$14,000; ETO - \$29,970

Peter introduced Tom Hollman, who presented the proposal. It has gone through FAA review and has been accepted. The recycling center director wants the site to be renewable friendly.

John asked Tom about biomass opportunities. Tom said they want to capture the heat and try biomass generation and next year will have compost, which will be available to the

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public. Peter said that the project needs to move to contracting and to the board as the next steps. Sonja asked when the project will begin. Tom said hopefully October.

### **5. City of Hillsboro Open Solicitation for Micro Hydro**

#### Project overview:

- City of Hillsboro has a 200 kW turbine and they are in the process of reconstructing and expanding it.
- PGE customer
- This project is a water treatment system to reduce water pressure and capture energy through pressure release valves.
- Produce almost million kWh per year – at current rate of water use
- Intent of this – opportunity for new hydro

Peter introduced Bill Keto from CH2M-Hill, who presented the proposal. One advantage is capacity to do technology transfer to other communities – at least a dozen could be eligible to use the same system, half in Washington County. The technology is well tested, but the application in Oregon is not. We are beginning to create relationships with municipalities, which will let us take advantage of hydro projects, This is going to be the lead project in that initiative.

CH2M-Hill and BETC will pay the market value and the Energy Trust will cover the above market cost. Jeff said that he is interested in an above market cost of 15 years. Peter said that the cost to recondition it is not going to be anywhere near first cost of construction.

Angus said there would be a simple way to deal with the uncertainty – if it continues to be operable, you do some kind of a shared savings deal – the city agrees to put half the saving back into a renewable energy project. That way the Energy Trust can capture a back end benefit.

Angus asked if Peter has a preference for matching other sponsors. Peter said we don't – we take them as they come. Angus pointed out that we have a limited amount of money and every time we do a deal there is an opportunity cost. He suggested Peter look for ways to extend the money as far as possible. Virinder said we realize multiple benefits there is no hard and fast rule.

Lynn asked if the Trust would be collecting data on results for each of the demonstration case studies. Peter responded that monitoring is part of every deal. Otherwise we can't report results to the utilities.

Bill says it's reasonable, if you can keep it simple. Thor stated that the potential for replication is pretty high.

Virinder said that the Open Solicitations system should be cleaned up. He thinks it is increasingly essential to have a tighter evaluating process with all of the criteria clearly stated. Peter asked if we can we come back to this, since there is a process review in the works by Jane Peters. Peter said he would add this as an agenda item in the October meeting.

### **6. New RAC Member Nomination**

Peter recalled that in a previous RAC meeting the council requested a consumer-owned utility representative, a BPA representative and a representative for renewable technology other than solar. BPA has identified two people in a tag-team approach – a large and small scale person.

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John identified Jim Mahoney of EWEB as a possible consumer-owned-utility rep. He talked to Jim, who is very interested. Jim is managing EWEBS management resource file. Angus strongly seconded this suggestion.

John brought a name into the conversation from the efficiency side – Matt Northway. John says he has been very valuable. Frank seconds this thought and says he has more than 15 years' experience. The group supported inviting Matt to join the RAC.

Angus made another BPA suggestion. See if George Darr is tired of retirement and interested in coming back on a volunteer basis as member of the RAC. George would not represent BPA, but would be able to bring that viewpoint in. Also, he has the enhanced ability to look at the institution critically.

Jeff suggested a representative from a transmission organization. In the next few years transmission will help renewables with power. He will follow up.

### **7. Activities Update**

- BPA Brightway – use of the brand is under continuing negotiations. Due to some legal issues, we may not use Brightway as a logo.
- Oregon Preferences for projects/companies – the governor's office approached ETO about an Oregon preference. Peter asked the RAC to help him think it through – what we would propose back to the governor? Peter said he would add this to the agenda for the next meeting.
- Sonja asked about the PGE renewable RFP. Peter – reported that PGE wrote a press release that identified somewhere between 0 – 100% their portfolio as renewables. The projects coming in represent wind, biomass and geothermal technologies.

The next meeting is scheduled for September 17.

### **8. Public Comment**

There was no additional public comment.

### **9. Adjournment**

Peter adjourned the meeting at noon.