Energy Trust of Oregon, Inc.
733 SW Oak Street, Suite 200
Portland, Oregon 97205

Telephone 1 866 368-7878
Facsimile 503 546-6862
www.energytrust.org

For Immediate Release
Contact:
Jan Schaeffer
503-445-7603
jan@energytrust.org

Deston Nokes
503-813-7291
newsdesk@pacificorp.com

NEWS

December 14, 2004

Pepsi Cola of Klamath Falls unveils 172 kilowatt solar electric system for 'net zero' energy use

Tax credits, incentives, utility agreements make Northwest's largest solar array a reality

KLAMATH FALLS, Ore. – December 14, 2004— It all started by updating an out of date lighting system. Pepsi Cola General Manager John Bocchi decided to improve the energy efficiency of the lighting systems at one of the company's facilities in Klamath Falls. When it was all finished, they had installed the largest solar electric system in the Northwest, 172 kilowatts at three locations — a system that will generate all of the energy that the facilities will use over the course of a year.

It was a combination of tax credits, financial incentives, attractive loan terms — and the prospect of eliminating all of their electric bills — that attracted Pepsi to solar energy. "The tax benefits for installing a solar electric system are substantial and the prospect of making all the electricity we need is appealing," said Bocchi. "I don't know why more businesses aren't taking advantage of this. It makes financial sense and it's the right thing to do."

Pepsi Cola of Klamath Falls is a 50-year-old family owned business. Currently there are eight siblings with ownership in the company.

The package of incentives and tax credits that closed the deal for the Bocchi family included $210,000 in financial incentives from Energy Trust of Oregon, Inc., $444,412 in Business Energy Tax Credits from the Oregon Department of Energy, an accelerated state and federal tax depreciation schedule and a financing package from the Oregon Energy Loan Program.

Pacific Power was a valuable partner in making this innovative project a reality. "We pre-purchased green tags from Pepsi's solar facility for Oregon Blue Sky customers," said Bill Edmonds, Pacific Power's director of environmental policy. "That helped provide start-up funds for the project." Under the utility's Blue Sky options, Oregon customers voluntarily can purchase one of three renewable power options.

"I am sure this is the first of many opportunities to take advantage of the ample sunlight resources available in Southern Oregon," said Vickie Liskey, board member, Energy Trust and Klamath Falls resident. "I'm so pleased that the Energy Trust has been able to assist in this great energy savings project here in Klamath Falls."

"This project shows that solar is more than a clean resource choice for Oregon's environment, it's a good business decision for Oregon businesses," said Peter West, director, renewable resource program, Energy Trust of Oregon. "The Oregon Department of Energy, Energy Trust and Pacific Power worked together to make this project work for Pepsi. We hope to see many more projects like this."

Solar array technology is first in the region

The solar installation is actually three systems in three different locations. The first completed system is at the company's warehouse at 1275 S.12th St. in Lakeview. This 11 kilowatt system features 64 photovoltaic panels and started generating power in September. Another warehouse at 3930 Miller Ave in Klamath Falls that the company shares with Frito Lay is 29 kilowatts, generated by 165 photovoltaic panels. These two systems are net-metered, so that excess power generated by the system flows back to the local electricity grid for a credit on Pepsi's bill from Pacific Power.

The largest installation is at the company's main office and warehouse at 4033 Miller Avenue, Klamath Falls. The 132 kilowatt system features building-integrated photovoltaic technology (BIPV), with 1,042 laminated solar panels that are literally bonded to the entire metal roof.

"The material used for building-integrated systems is extremely lightweight and unbreakable, making it a good choice for metal roof structures that cannot hold the weight of more common framed PV panels," said David Parker of Advanced Energy Systems, Eugene, Ore., whose company designed and installed the system. "This is the best technology available today to integrate solar panels into a building's roof. We have created a solar project which will generate all of the electricity Pepsi needs on an annual basis to run its operations in Klamath and Lake Counties."

As a condition of the contract with Energy Trust and the State of Oregon, all solar electric systems receiving incentives and tax credits must be connected to the local utility grid. Bocchi estimates that Pepsi will export about 50,000 kilowatt hours of electricity to the Pacific Power grid per year after satisfying its own internal loads.

The project contained many firsts, according to Parker. "Pepsi Cola of Klamath Falls has now taken the lead in the Pacific Northwest by installing 172 kW of solar electric panels on three commercial buildings. Plus, it has installed the largest individual system at 132 kW and the largest building-integrated photovoltaic system in the region, being a pioneer for this revolutionary solar technology to be adopted on a large scale."

Energy Loan Program, energy tax credits help fund project

The Oregon Department of Energy's State Energy Loan Program is providing a $950,000 loan to finance the project over six years. Business Energy Tax Credits are also available to help offset the cost of the investment in renewable energy technologies.

"The owners show great concern for the environment in installing this solar electric project," said Hal Simms, loan officer with the Oregon Department of Energy's Loan Program. "We are pleased that we can assist and look forward to helping other business owners with their renewable energy projects."

According to Simms, the Energy Loan Program is currently reviewing two other large solar electric loan applications.

The Energy Loan Program provides low-interest, fixed-rate loans for projects that promote energy conservation or renewable energy resources. Since the program's first loan in 1981, it has financed 606 projects for $315 million. The Energy Loan Program issues state general obligation bonds and borrowers pay for the cost of the program.

Lighting retrofit started the energy savings ball rolling

In August, the company completed a lighting retrofit at their main warehouse in Klamath Falls that will save more than 30,000 kilowatt hours of electricity each year, worth more than $1,800 on the firm's annual electric bill. For this energy measure, Pepsi received an Energy Trust incentive of nearly $2,000 and Business Energy Tax Credits of more than $2,300, enabling a payback of just over one year for the improvements.

"Combined with the energy efficiency upgrade to the lighting system, the building reached a remarkable benchmark. On an annual basis, the sunlight on the building's roof will produce as much electricity as the building uses," said Christopher Dymond, energy analyst with the Oregon Department of Energy.

"When I went to the Energy Trust website for information about the lighting program, I clicked on 'solar incentives,' thinking that it might be a good idea for my home here in Klamath Falls," said Bocchi. "One thing led to another and now we have a great solar electric system, good tax benefits and we'll be exporting excess electricity to the grid."

Energy Trust of Oregon, Inc., is a nonprofit organization dedicated to changing how Oregonians use energy by promoting energy efficiency and clean renewable energy for Oregon customers of Pacific Power, Portland General Electric and NW Natural. For more information, visit the Energy Trust website, www.energytrust.org, or call 1-866-ENTRUST (368-7878).

END