



Early Draft 2017 Action Plans

Renewable Advisory Council, September 7, 2016





Budget and action plan development process





Themes for 2017-18 RE budget

- Flexibility in programs is key to managing uncertainty in policy picture and the many influences in the RE market.
- Build initiatives that can be part of changing programs.
- Solid foundation in irrigation modernization initiative and biopower to build on.
- Be proactive in addressing potential budget pressures resulting from market and policy changes.



Other Renewables



Other Renewables Overview

What we do: Provide support for renewable energy projects that generate electricity using biopower, wind, hydropower and geothermal technologies.

Goal: Expand Energy Trust's renewable energy portfolio across a range of technologies and improve market conditions.

How we do it: Project Development Assistance (PDA) and Project Installation Incentives**

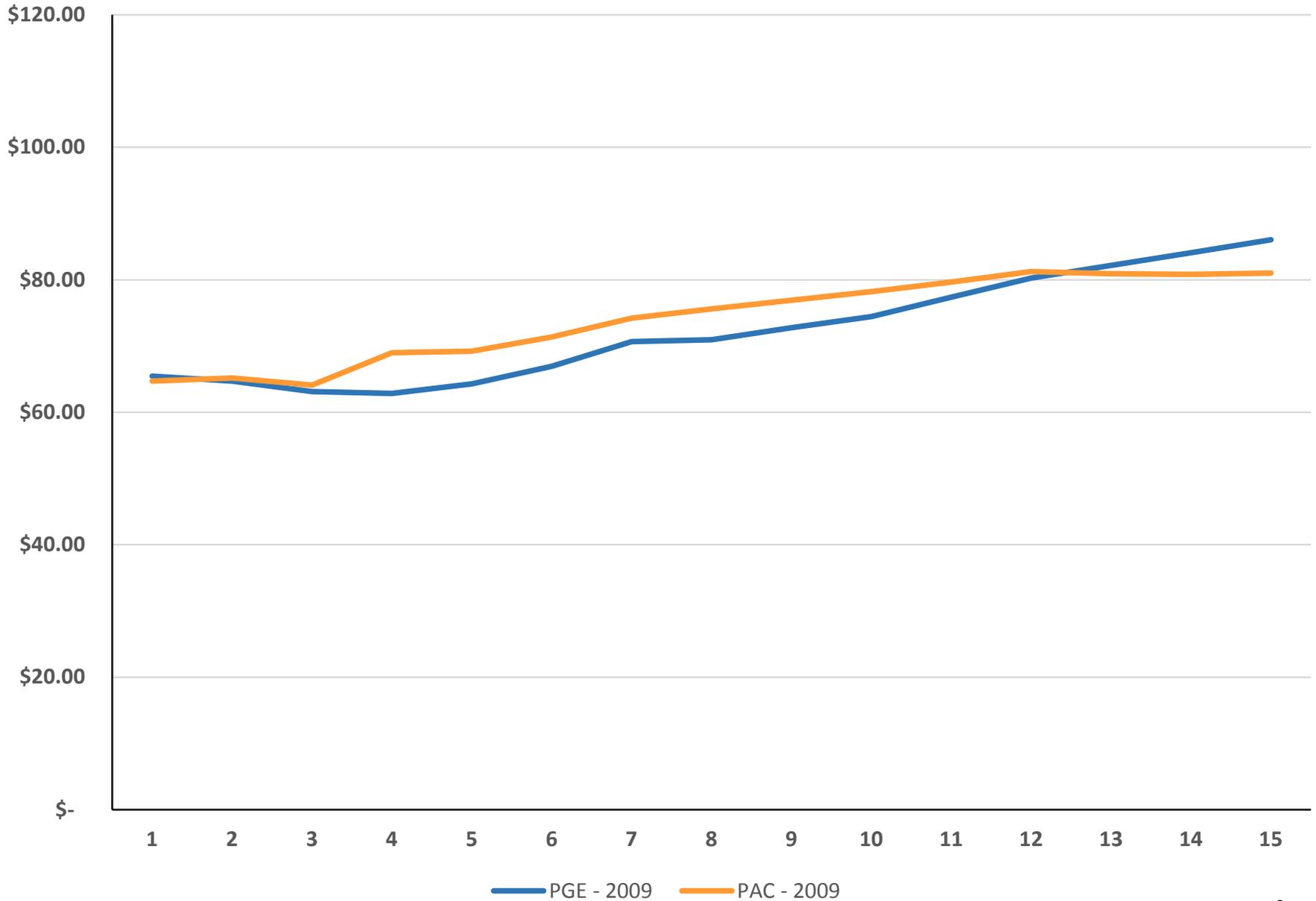
**These also happen to be our OPUC benchmarks



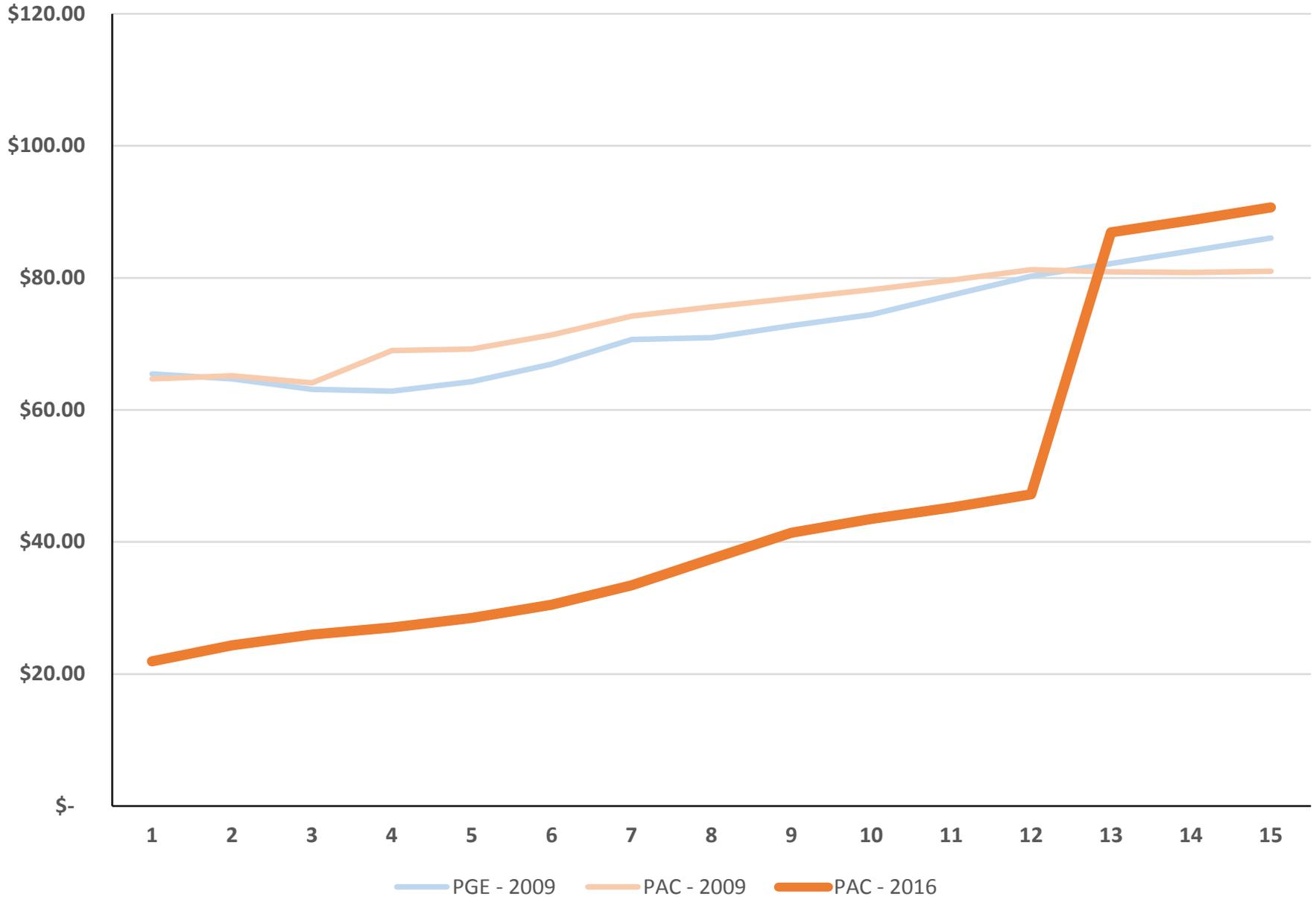
Other Renewables: Context

- The projects we work with are complex, typically require more than two years to develop, and are often owned by proponents with non-energy jobs and goals.
- Strategy of working further upstream by deploying project development assistance continues to be important for reducing barriers to development.
- Market conditions remain challenging and dynamic, with many potential changes on the horizon
 - Above-market costs for QF projects will likely rise in Pacific Power territory due to lower rates.

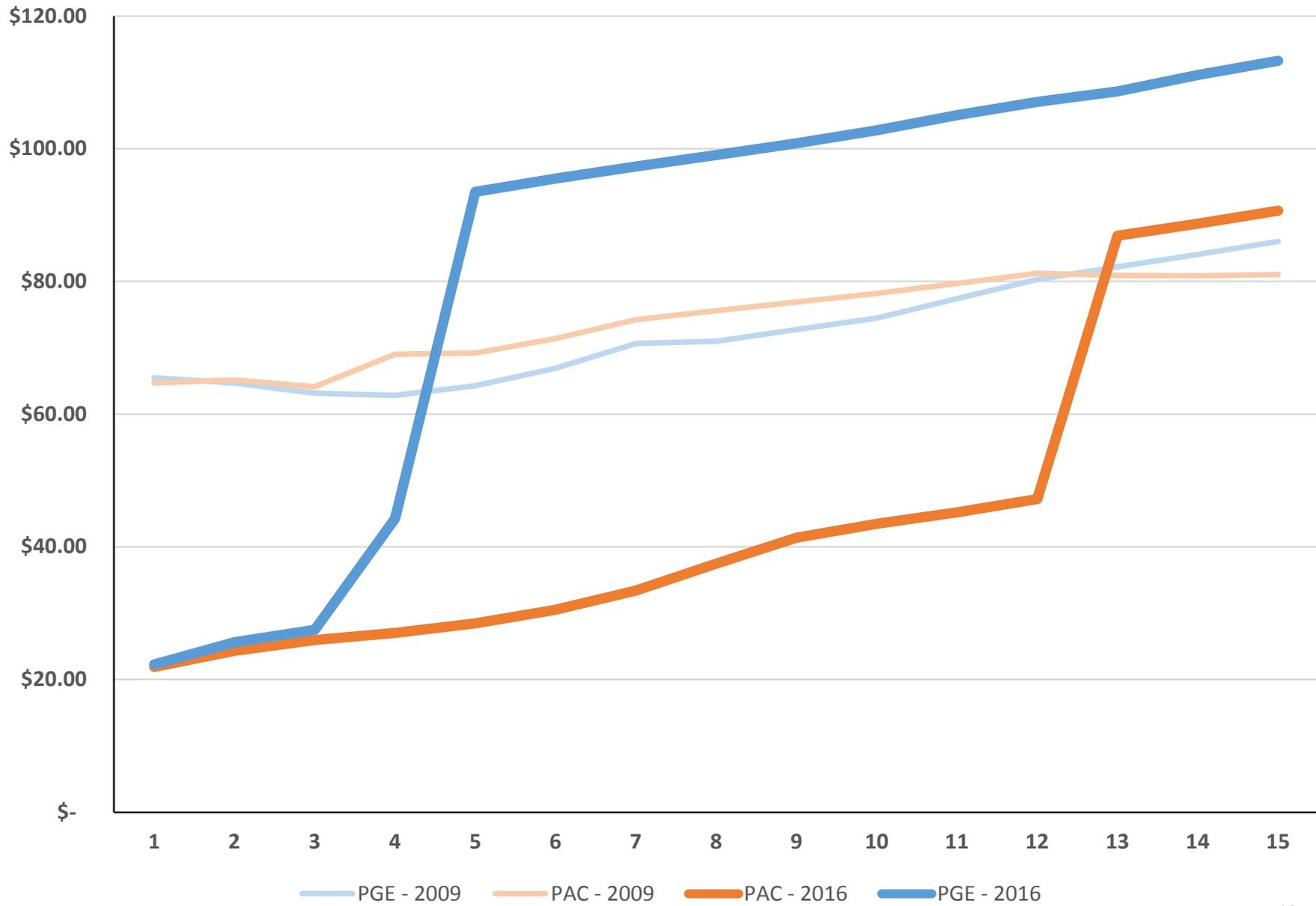
15 Year Avoided Cost Rate Schedules - PGE vs Pacific Power



15 Year Avoided Cost Rate Schedules - PGE vs Pacific Power



15 Year Avoided Cost Rate Schedules - PGE vs Pacific Power





Other Renewables: Strategies

- Maintain broad technology portfolio support
- Focus pipeline development on projects able to offset on-site load or leverage and create co-benefits
- Continue using innovative delivery models to increase project pipeline and accelerate project completions
- Continue efforts to optimize the performance of operating projects



Other Renewables: Activities

Existing

- Focus pipeline development and outreach on irrigation hydro & anaerobic digestion
- Continue efforts to optimize REC delivery and management with operating projects
- Expand PDA deployment from current ~40 active projects to ~55 projects

New

- Expand Irrigation Modernization participation to meet increasing interest
- Pursue net-zero opportunities at wastewater treatment plants



Solar



Solar Program Overview

Goal: the solar program aims to create a vigorous and sustainable market for solar in Oregon that will ultimately thrive without incentives.

- **Standard incentives** managed in response to market behavior and delivered internally
- **Education and marketing** to increase consumer awareness
- **Quality standards** to ensure system performance and longevity
- **Industry support** to drive down soft costs and ensure a qualified installer base
- **Custom incentives** for more innovative projects, when funds are available



Solar: Context

- The residential market continues to grow as costs and incentives are coming down.
- Energy Trust commercial installations on par with 2010 to 2012 peak, but demand has not grown this year.
- Program has shifted focus away from utility-scale projects due to cost reductions and the expected availability of the HB 4037 program.
- There is significant policy and market uncertainty over the next two years.



Solar: New activities

- Provide project development support to customers exploring the feasibility of solar plus storage.
- Along with the Clean Energy States Alliance and other state incentive programs, the program has applied for a U.S. Department of Energy grant to expand participation of low- to moderate-income customers. Decision is due late in 2016.
- Support the OPUC's development of a community solar program by providing expertise and market data.



Current Challenges/Considerations

While there is significant uncertainty in the solar market, 2017 program structure and relative budgets will remain consistent:

- Net metering policy may be subject to change, but no impact assumed until after 2017.
- The scheduled Residential Energy Tax Credit expiration at the end of 2017 may drive heightened activity, possibly leading to accelerated incentive step reductions and/or other budget actions.
- Budget does not presume a direct programmatic or incentive role in 2017 for Energy Trust in community solar program under development. Role, if any, to be determined.



Thank you

1.866.368.7878

www.energytrust.org

