EnergyTrust of Oregon, Inc.

Board Decision
Transferring Funds from the Community Wind Program to the Solar Electric Program Budget

June 13, 2008

Summary

Staff proposes to shift $1.5 million of PGE and $1.0 million of Pacific Power funds from the Community Wind program budget, where they cannot be used this year, to the Solar Electric program budget where they can be used.

Background

- Due to lack of available wind turbines and difficulty in extending federal tax credits for wind, all potential 2008 Community Wind program projects have been cancelled, which will mean Energy Trust's 2008 goal for this program will not be met.
- At the same time, activity in the solar program is surging, particularly in third-party-owned commercial and government projects. These projects allow government or nonprofit entities to finance solar energy systems through third-party investors who are attracted by the federal tax benefits. The surge in interest is due in part to the expiration of the federal investment tax credit for solar the end of this year.
- The 2008 solar budget is nearly 100% committed in PGE and Pacific Power territories, and there are more solar projects in the pipeline than can be funded from this year's solar program budget. These projects could use at least $2.5M in 2008 incentive dollars.

Discussion

- The 2008 budget forecasted that the wind program would deliver projects that generate 1.24 aMW. Given the lack of available turbines, little if any of this generation will be secured.
- Reallocating funds from the Community Wind program to the solar program will offset this loss of generation by 0.34 aMW.
- Staff's proposal would leave $1.95 million in the Community Wind program to allow us to fund community-scale wind projects if we can find used, reconditioned turbines for them.
- This proposal is supported by the policy committee and the RAC.

Recommendation

Staff recommends the board adopt Resolution #481to shift 2008 funds from the wind to the solar program, and adjust the generation goal accordingly.

RESOLUTION #481

AUTHORIZING MOVEMENT OF FUNDS FROM THE COMMUNITY WIND PROGRAM TO THE SOLAR PROGRAM

WHEREAS:

1. **Due to the lack of available wind turbines and difficulty in extending federal tax credits for wind, all of Energy Trust's 2008 Community Wind program projects have been cancelled.**
2. **At the same time, there is more demand for solar projects than can be satisfied from the 2008 Solar Program budget. The 2008 Solar Program could use at least $2.5M in additional incentive dollars.**

It is therefore RESOLVED that the board of directors of Energy Trust of Oregon, Inc. authorizes staff to:

1. **Shift $1.5 million of PGE and $1.0 million of Pacific Power funds from the Community Wind program budget, where they cannot be used this year, to the Solar Electric program budget, where they can be used.**
2. **Adjust the 2008 renewable energy generation goal to reflect the loss of 1.24 aMW from the Community Wind Program, offset by the gain of .34 aMW from additional solar projects.**

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]