EnergyTrust of Oregon, Inc.

Board Decision
Amending Resolution #480 Approving Funds for the ProLogis Solar Project

September 3, 2008

Summary

Authorize staff to complete a funding agreement for the ProLogis photovoltaic project with a party or parties different from those previously named and authorized.

Background

- The board originally authorized funding for this project in October, 2007. At that time, the board authorized an incentive of up to $3,405,000 to ProLogis for a photovoltaic (PV) project of up to 3.5 megawatts. The project entails installation of a number of separate PV facilities on ProLogis warehouse roofs.
- The project is of particular interest because it would demonstrate a model that could be used to develop modular renewable energy projects in urban areas, where renewable energy potential is otherwise limited.
- The costs of the project are also attractive. Energy Trust funding of an estimated $0.97/watt falls within the range of the standard incentives of $0.80 – $1.50/watt. The RAC and Policy Committee both reviewed and support the project.
- In June, 2008, ProLogis determined that it would not own the project itself. Instead, MMA Renewable Ventures would build the project on ProLogis roofs and own the generation facilities. To accommodate ProLogis, the board approved changing the name of the funding recipient to MMA Renewable Ventures.
- Since then, MMA Renewable Ventures has determined it needed a greater level of funding from Energy Trust to develop the project Instead, ProLogis proposes to proceed with an LLC led by PGE and including US Bank. The new LLC would be able to utilize the approved level of support from the Energy Trust. MMA would no longer be a part of the project.
- The new LLC will develop and own the project and sell the project power to PGE. As with MMA, ProLogis will be involved solely as owner of the roof space occupied by the PV facilities.
- PGE will need to do an informational filing with the Oregon Public Utility Commission. The project must also be reviewed and approved by the Portland General Electric board of directors' finance committee. In the interest of time, those processes will move forward concurrently with the Energy Trust board resolution process.
- The project will be installed in two stages with approximately 1.1 MW being installed in 2008 and the remaining 2.4 MW installed in 2009, pending extension of the federal Investment Tax Credit (ITC). If the ITC is not extended the second phase may be cancelled.

Discussion

? Except for the name of the counter-party and the sequencing of the installation, none of the basic terms of the proposed agreement would change. Energy Trust would provide the same incentive for the same-size project, and other terms would remain as previously authorized.

Recommendation

By approving resolution #483, the board would allow funding for an LLC consisting of PGE and an outside investor on the same terms as previously authorized.

RESOLUTION #483
AMENDING RESOLUTION #480
APPROVING FUNDS FOR A SOLAR PROJECT

WHEREAS:

a. On June 13, 2008, the board approved Resolution #480 authorizing up to $3,405,000 in funding for at least a 3.5 megawatt PV project owned by MMA Renewable Ventures on multiple buildings owned by ProLogis.

b. ProLogis now wishes to have the project built and owned by an LLC formed by PGE.

c. In all other respects, the terms of the project would be unchanged.

It is therefore RESOLVED that the board of directors of Energy Trust of Oregon, Inc. amends Resolution #480 approving an agreement with an LLC formed by PGE and an investor, and consistent with the following basic terms included in previous resolutions:

1. **The LLC will deliver a project up to 3.5 MW.**
2. **Energy Trust will provide a maximum of $3,405,000 for 3.5 MW.**
3. **The funds provided by Energy Trust will be reduced on a proportional basis if the completed project is less than 3.5 MW.**
4. **Green tags will be delivered to PGE and held in trust by PGE for the benefit of ratepayers for compliance with Renewable Energy Act obligations.**

Moved by: Seconded by:

Vote: In favor: Abstained:

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