Farm Power Misty Meadows, LLC
Renewable Advisory Council
Project Proposal Review
April 18, 2012

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Program Generation Potential - Agriculture Biogas

- Existing Capacity
  1.04 MW

- Under Development
  8.4 MW

- Energy Trust projects
  1.795 MW

- Technical capacity
  45 MW

Farm Power Misty Meadows

Project Proposal

Technology Type:	Biogas (2500 cows)
Capacity:	750 kW
Annual Generation:	5,400 MWh
Total capital cost:	$4.85 million
Date of Commercial Operation:	12/31/2012
Utility:	TPUD/Pacific Power
Power delivery (net-metered, QF):	QF

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Proposed Incentive

<u>Evaluation Criteria</u>	
Project Term:	15 Years
Above Market Cost (NPV):	$1.3 million
<u>Proposed Offer</u>	
Total Incentive:	$1 million;
Payment Terms:	Four uniform payments of $250,000 beginning with commercial operation;
NPV Incentive	$792,466, 61% of above market cost;
REC Allocation:	Minimum of 65% of the RECs for term of contract (15 years)

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Existing Project Development

Operating Projects

Lynden Project

Capacity: 1000 KW

Utility: Puget Sound Energy

Rexville Project

Capacity: 750 KW

Utility: Puget Sound Energy

FP Tillamook

Capacity: 1000 KW

Utility: Tillamook PUD

Under Construction

Rainier Biogas

Capacity: 1000 kW

Utility: Puget Sound Energy

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Technical Review

- Proven technology
  - GHD process design
  - 60+ US installations
- Experienced development team
  - Andgar, Inc – Construction
  - GHD – Process Design
  - OnePacific Bank – Financing
- Independent Review
  - Capex and Opex reasonable
  - Gas production reasonable
  - Independent verification of energy production at existing facilities.

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Off System Qualifying Facility

- Executed PPA with Pacific Power
- Executed Use of Facilities Agreement – BPA
- Balancing Area Authority Services Agreement – BPA being finalized
- Interconnection agreement being finalized

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Project Incentives

- 1603 Federal Grant
- USDA Grant
- Bonus Depreciation
- State Biomass Tax Credit
- BETC

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Comparison with other projects

Project (NPV)	$ million/aMW
RES Phase 2	$1,930,000
City of Medford	$ 729,000
Green Lane Energy	$1,510,000
Rough and Ready	$1,600,000
Farm Power Misty Meadows	$1,286,000

Project Benefits

- Advances Biopower strategy to support third party development of agriculture biogas plants;
- Supports our short term goal of leveraging projects with BETC precertification;
- Provides multiple benefits (methane destruction, additional revenues streams for dairy, reduces environmental impacts, job creation).

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Next Steps

- Board Authorization

  May 23, 2012

- Milestones

- Contract Negotiations

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