



2014 Budget Themes

RAC meeting

September 11, 2013



Agenda

- Program Activity for 2013
- Budget Themes for 2014
- Budget Calendar

Other Renewables



2013 Other Renewables summary

- Biopower
 - 2 projects to complete
 - 1 project delayed
- Hydro
 - One project funded
 - 10 projects receiving project development assistance



2013 summary (cont.)

- Geothermal
 - One project delayed
 - One project receiving project development assistance
- Wind
 - 3 projects completed
 - One project under construction
 - 2 projects receiving project development assistance



2013 Competitive Processes

- Q1 RFP
 - Five applications
 - One project funded
 - One turned down our offer
 - Three rejected
- Q3 RFP still open
- RFP for larger PDA allocations
 - Four applications
 - Two awards, still in conversation with the other two
 - Opportunity for learning



Current market dynamics

- Challenges
 - Difficult fundamentals
 - Challenges for small wind
- Opportunities
 - Occasional federal and state funding opportunities that can be leveraged
 - Improved regulatory environment for conduit hydro
 - Biopower work aligns with Governor's energy plan



Key actions and initiatives for 2014

- Primary focus on pipeline-building
- Leverage other incentives and opportunities (CHP incentives, water conservation \$, direct-use, net-metered projects)
- Top priority on bio, followed by hydro
- Outreach, outreach, outreach – Identify and assist potential projects
- Continue RFPs in Pacific Power territory and expand competitive solicitations to PGE



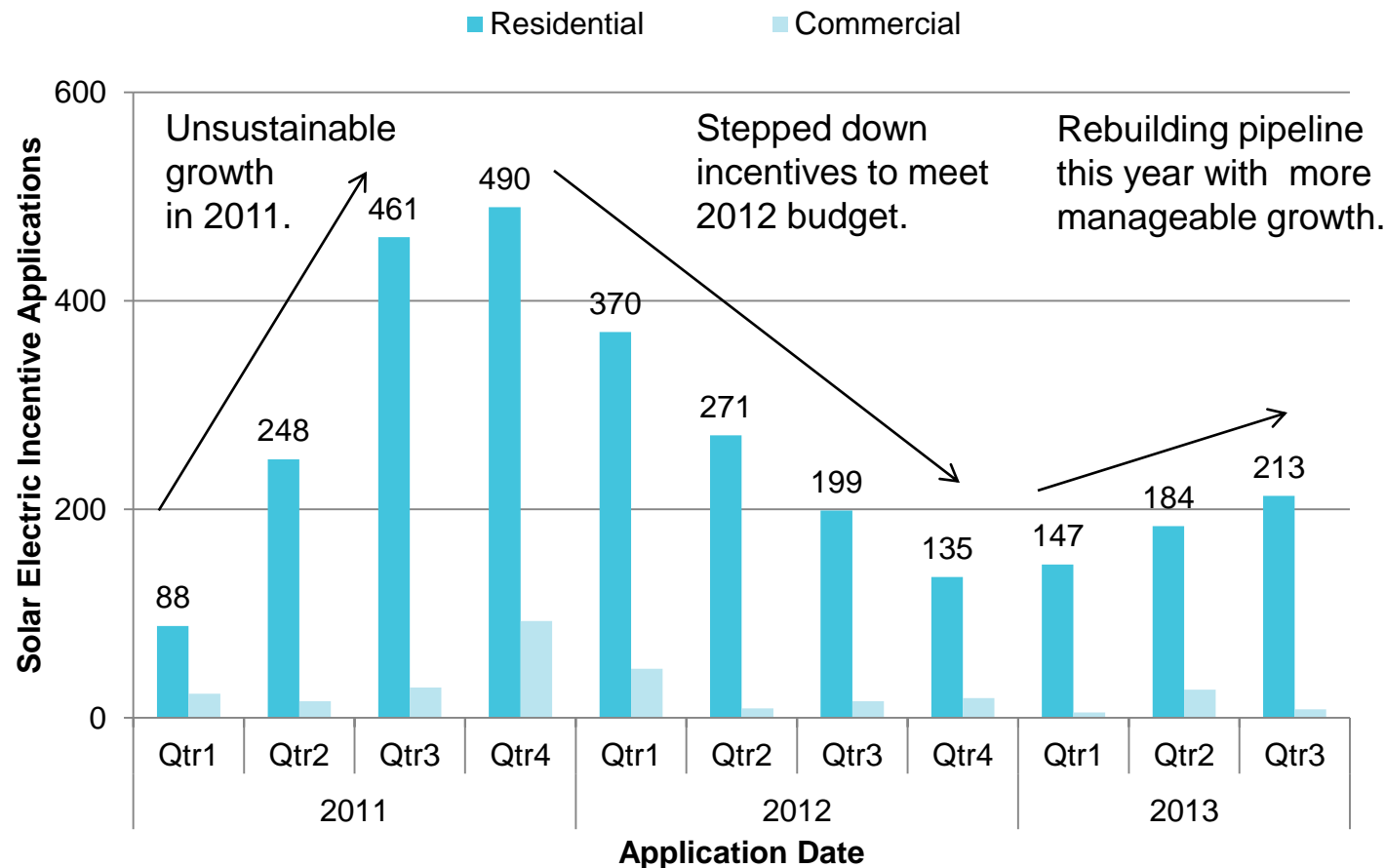
Key actions and initiatives for 2014

- Continue offering both larger and smaller amounts of PDA – utilize lessons learned to modify
- Developer education – best practices, what we're looking for
- Expand developer capacity

Solar



Energy Trust Solar Activity, 2011-13





2013 Summary - Solar

- Rebuilding pipeline:
 - Commercial
 - Q1: 62 kW new of reservations
 - Q2: 1.3 MW after new incentives
 - Residential
 - Q3: 1.1 MW of new reservations to date
 - Strongest quarter since Q2, 2012
- On track to meet OPUC goal and commit 100% of Pacific Power and 80% of PGE budget



Current solar market dynamics

- Challenges
 - Module costs have stabilized or gone back up
 - Direct-purchase residential contractors having trouble competing with third-party options
 - Insufficient activity to attract new players
 - Customer perception that they missed out on a good deal or should wait around for a better deal
- Opportunities
 - Prices are about 50% lower than 2008
 - Non-hardware soft cost reduction can be addressed at the regional and local level

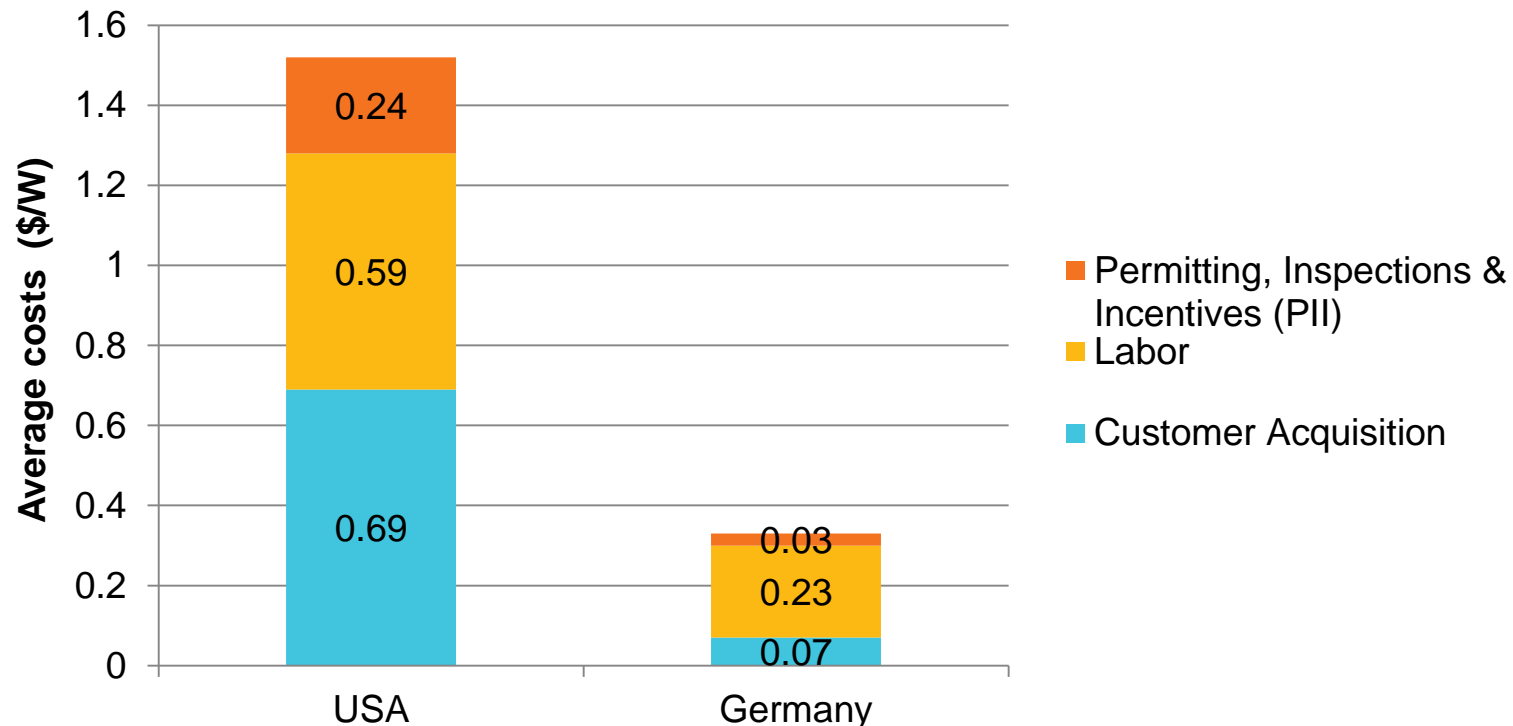


Areas of Focus for 2014

- Incentives
 - Targeting predictability with smaller adjustments to respond to the market
 - Develop improved forecasting & longer-term planning
- Market transformation
 - Focus on the next area of price reduction: “soft” costs (non-hardware balance of system costs)



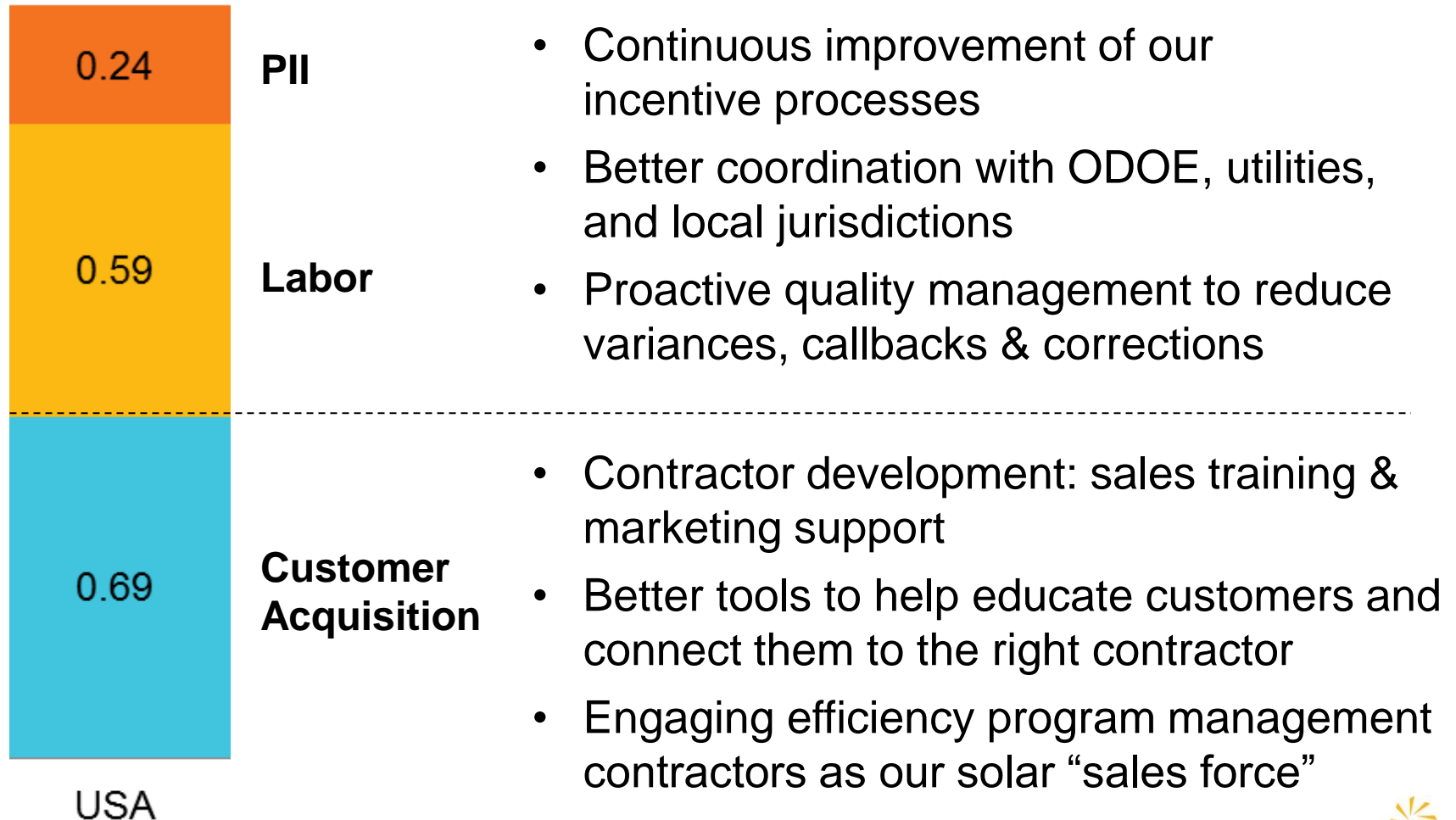
Addressing solar soft costs



Soft costs are now a larger percentage of the installed cost than modules, and are a primary difference between our market and Germany's more mature market. Source: [LBNL, Seel, Barbose & Wiser. Why Are Residential PV Costs in Germany So Much Lower Than in the United States?](#)



Addressing solar soft costs



Schedule



2014-15 Budget Calendar

- Oct. 23 - RAC Meeting
Draft Budget Presentation
- Nov. 6 – Board meeting
Draft budget presentation
- Nov. 20 - RAC Meeting
Final Budget Presentation
- Dec. 13 Board Meeting
Budget Approval



More budget information

- Budget and action plan materials will be posted online a week before the Nov. 6 board meeting
 - Email to RAC/CAC
- Public hearing – OPUC – Nov. 26
- Written comments due by Nov. 27
 - info@energytrust.org