

## Renewable Energy Advisory Council Meeting Notes

Friday, November 30, 2018

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### Attending from the council

Bruce Barney, Portland General Electric  
Frank Vignola, University of Oregon  
Les Perkins, Farmers Irrigation District  
Kendra Hubbard, Solar Energy Industries Association  
Jaimes Valdez, Spark Northwest  
Anna Kim, Oregon Public Utility Commission

Oriana Magnera, NW Energy Coalition  
Adam Schultz, Oregon Department of Energy  
Michael O'Brien, Renewable Northwest  
Dick Wanderscheid, Bonneville Environmental Foundation  
Susanne Leta, SunPower (by phone)  
Alexia Kelly, Electric Capital Management

### Attending from Energy Trust

Betsy Kauffman  
Dave McClelland  
Jed Jorgensen  
Zach Sippel  
Lizzie Rubado  
Jeni Hall  
Dave Moldal (by phone)  
Peter West  
Thad Roth  
Julianne Thacher

Jay Ward  
Hannah Cruz  
Sue Fletcher  
Kate Hanson  
Samuel Girma  
Matt Getchell  
Lily Xu  
Fred Gordon  
Cameron Starr  
Amanda Potter

### Others attending

Henry Lorenzen, Energy Trust Board of Directors  
Roland Risser, Energy Trust Board of Directors  
Kate Hawley, TRC

Kari Greer, Pacific Power  
Rebecca Smith, Oregon Department of Energy  
Rich Kessler, University of Oregon  
Ryan Cruz, member of the public

### Executive Summary:

1. 2019 Budget Update
  - Staff provided an update on Energy Trust's 2019 budget, identifying anticipated generation and project completions, the retirement of the Residential Energy Tax Credit and the subsequent changes in incentives.
2. Three Sisters Irrigation District McKenzie Hydropower Project Update
  - Staff provided an update on key challenges and solutions to the irrigation modernization project in the Three Sisters Irrigation District.

### 1. Welcome, Introductions, Announcements

Jed Jorgensen called the meeting to order at 9:30 a.m. The agenda, notes and presentation materials are available on Energy Trust's website at: <https://www.energytrust.org/about/public-meetings/renewable-energy-advisory-council-meetings/>.

Jed announced this meeting as the final meeting for 2018.

Adam Schultz announced that this meeting would be his last Renewable Energy Advisory Council meeting, as part of the council. Rebecca Smith will be replacing his position on the council, pending board policy committee approval.

Betsy Kauffman announced that, as a result of earlier Renewable Energy Advisory Council discussions regarding renewable energy certificate policies, the Oregon Public Utility Commission has decided to support a change to Energy Trust's REC policy. Energy Trust is proposing to stop taking contractual ownership to RECs for all net-metered and on-site energy use projects under a specific size (360 kilowatt alternating current or 500 kW direct current). This will streamline the process and enable Energy Trust to provide incentives to projects under that size cap participating in the state's community solar program. The proposed change will go to the board in December.

Michael O'Brien: Would this apply to new RECs only or also past projects?

Dave McClelland: This would not impact current contracts. Energy Trust currently has 14,000 projects operating, which makes it difficult to retroactively adjust REC allocation. This new approach, if approved, would not be rolled-out immediately and would require changes to incentive agreements and discussion with stakeholders.

## **2. 2019 Budget**

Jed presented updates on Energy Trust's 2019 budget.

Dick Wanderscheid: If the overall budget has gone up, then why has the renewables budget gone down?

Jed Jorgensen: Energy Trust has multiple funding sources. The renewable energy programs are funded through SB 1149, which is a static funding source (set at a specific percentage of public purpose funding) and cannot shift. However, Energy Trust's efficiency programs are funded by an additional source, through SB 838, which can fluctuate based on available cost-effective energy efficiency. The overall budget can therefore move around depending on the need, but the renewable energy budget remains around \$14.5 million in revenue each year, plus some carryover from year-to-year.

Bruce Barney: What is the \$2.4 million for Other Renewables?

Jed Jorgensen: Those are funds for project development assistance and a pool of competitive funds.

Rebecca Smith: Have you considered how a high or low resource value of solar (RVOS) will impact solar incentives?

Dave McClelland: It's not clear yet how the RVOS might change net-metering.

Les Perkins: Can you explain what RVOS is?

Dave McClelland: RVOS stands for "resource value of solar." It has been an ongoing docket at the OPUC, intended to help determine the net value of costs and benefits of solar to the utility system. We don't expect immediate changes once the RVOS docket is complete. We expect that there would be an additional stakeholder process before there were any changes to net metering.

Jaimes Valdez: How will the passage of the Portland Clean Energy Fund impact the incentive levels, and what consideration is Energy Trust making?

Dave McClelland: The Portland Clean Energy Fund had not yet passed when Energy Trust's budget was being developed. Energy Trust will have to determine how the fund will interact

with our renewables programs. The challenge is that PCEF is localized to Portland, and Energy Trust is a nearly statewide organization.

Jaimes Valdez: Some customers who may access the fund might not be able to leverage other benefits, like the Investment Tax Credit. Considering this, I would caution against an incentive reduction for projects using those funds.

Betsy: It is still too early to know how Energy Trust will be impacted by the fund. These type of strategic decisions will come to the Renewable Energy Advisory Council for discussion.

Dave McClelland: Energy Trust would like to provide more targeted incentives for low- and moderate-income customers such as a Solar Within Reach offering—higher incentives for moderate income homeowners. We anticipate that some additional projects will come out of our low- and moderate-income solar innovation grants. These are capacity building grants that will help community organizations develop a program model to bring solar benefits to low- and moderate-income customers. Results are expected next year along with opportunities for new projects.

Les Perkins: Is there funding through Energy Trust for training for diversity, equity and inclusion efforts?

Betsy Kauffman: The purpose of the solar innovation grant opportunity is to help community groups figure out how to deploy solar to benefit low- and moderate-income families. The grants are between \$5,000-10,000. If groups come to Energy Trust to deploy solar in a way that required staff training, then we might be able deploy the funds that way. However, it is not purely a training grant.

Betsy Kauffman: Energy Trust received several comments on the original draft budget. The full budget document will be published online on December 7, 2018.

Hannah Cruz: There will be another joint meeting with Renewable Energy Advisory Council and Conservation Advisory Council in January 2019, where Energy Trust will bring diversity, equity and inclusion program goals to both groups and explain what Energy Trust is planning to do in the next few years.

### **3. Oregon Department of Energy Biennial Energy Report**

Adam Schultz delivered a presentation on the Oregon Department of Energy Biennial Energy Report. Adam announced that Governor Kate Brown published a budget proposal stating she plans to grow and expand Oregon Department of Energy into the Oregon Climate Authority. It would be the first state-agency dedicated to climate and would absorb Oregon Department of Energy. It would also manage carbon cap and trade if that passes out of the legislature.

Adam talked through the key highlights of the biennial report using the interactive web page.

Adam summarized key takeaways, including:

- Oregon's population and gross domestic products have gone up while energy use has continued to decrease, due to energy efficiency measures.
- Wind energy has increased 741 percent from 2004-2016.
- Transportation is the dominant source of greenhouse gas emissions within the state. There is a goal to have 50,000 electric vehicles in Oregon by 2020, with currently only 14,000. Oregonians currently spent \$5.6 billion annually on transportation fuels. Most of these funds go out of state or country.

- The report considers the drivers of renewable energy development and consumption in Oregon and how the drivers are beginning to shift.

Anna Kim: What does "out of state" mean?

Adam Schultz: This refers to fuel manufacturing originating and coming from other states or countries.

Anna Kim: Are you suggesting transportation fuels should be regulated?

Adam Schultz: As the transportation sector electrifies, the fuel will be regulated. There are benefits associated with this regulation.

Betsy Kauffman: What kind of benefits?

Adam Schultz: For example, consumer protection and the cost of fuel can be regulated.

Jaimie Valdez: How will the report be used or presented to the legislature?

Adam Schultz: This has yet to be determined.

Alexia Kelly: Is there a separate report covering future energy trends?

Adam Schultz: Not yet. The specific scope of this report was to assess Oregon's energy landscape and not to forecast.

Alexia Kelly: It is difficult to talk about resilience if we are not looking forward.

Adam Schultz: Oregon Department of Energy does look at future risks at a high-level.

However, we do not have demand forecasts or prices.

#### **4. Three Sisters Irrigation District McKenzie Hydropower project update**

Jed presented on the Three Sisters Irrigation District McKenzie Hydropower project. The presentation was also delivered to Energy Trust's board of directors earlier this month. Energy Trust typically brings projects to the advisory council prior to seeking approval from the board of directors, however in the case of the McKenzie project, the developer required a quicker timeframe and so Energy Trust went directly to the board for approval.

Jed summarized project highlights, including:

- Irrigation modernization is changing how we manage and move water across the western U.S. For example, old infrastructure results in 5 to 60 percent loss of water from seepage and evaporation. Introducing piped systems eliminates these losses and can result in local energy savings and generation through pressurized systems.
- Water quality is hard to maintain in open systems, resulting in E. coli and other harmful qualities for farmers and crops, typically from septic systems or runoff. However, once you close the system, that challenge goes away.
- Energy Trust has 20 irrigation districts currently participating in the modernization program and expects another five to seven more in the next few months. The potential for large energy savings serves as an enormous economic driver in the Three Sisters Irrigation District.
- Challenges and delays with the project stem from issues with wheeling, moving power from one service territory to another, and scheduling. Scheduling is delivering a set amount of power at a given time.
- Energy Trust proposed that the board of directors revise the incentive offered to the McKenzie project due to the successful track record and long-term leadership of the Three Sisters Irrigation District throughout the state to keep the project financially viable.

Michael O'Brian: Will these issues be considered upfront now?

Jed Jorgensen: The general theme is to learn as we go.

Lizzie Rubado: Energy Trust plans to input lessons learned into its 2020-2024 Strategic Plan.

**5. Public comment**

There was no public comment.

**6. Adjourn**

The meeting adjourned at 11:52 a.m. The next scheduled meeting of the Renewable Energy Advisory Council will be Wednesday, January 30, 2019.