



September 23, 2007

Dear solar electric trade allies and interested parties,

Energy Trust is excited to announce the following positive changes to our commercial solar electric incentives:

- 1) An increase in the cap on commercial incentive to 100 kW system size
- 2) A new, higher incentive for nonprofit or government entities
- 3) An application process for third party owned systems

These new incentives are available immediately for all new commercial systems. The new incentive application forms and descriptions of these incentives have been posted to our website for your use. The details of each change are described below.

1) Standard commercial incentive

Incentives are still based on the rated power capacity of the solar array in watts_{DC}. One per-watt incentive rate will be multiplied by the system size. We no longer have a two-tiered incentive. The following new commercial per-watt incentive amounts depend on system size and utility:

	Less than 30,000 watts	30,000 -100,000 watts	100,000 watts	Maximum incentive (100,000 watts)
Pacific Power	\$1.25/watt	\$1.25 - \$1.00/watt	\$1.00/watt	\$100,000
PGE	\$1.50/watt	\$1.50 - \$1.25/watt	\$1.25/watt	\$125,000

The per-watt incentive rate declines linearly for systems sized between 30 and 100 kW, and can be calculated using the new incentive estimator on our website, or by looking up the incentive rate in the attached table.

For systems sized up to 100 kW, businesses will still own green tags during the first 2 years of operation, and Energy Trust will own green tags during years 3 through 20. For systems significantly larger than 100 kW, we can negotiate fewer years of green tags for Energy Trust while complying with Energy Trust's green tag policy.

The maximum incentive is a per-site lifetime cap. You may not apply for a second incentive for adding capacity at a site unless the first incentive was below the cap. In that case, the sum of all incentives for a site will be capped at the current maximum.

The commercial incentive application **Form 220C** has been updated to calculate the incentive rate automatically when you choose the utility (Pacific Power or PGE).

2) Nonprofit/government incentive

We now offer a special incentive rate for 501(c)(3) nonprofit organizations and government entities. This incentive has been designed for tax-exempt entities that cannot benefit from the federal tax incentives.

The nonprofit/government incentive is structured the same way as for standard commercial projects, based on the rated power capacity of the solar array in watts_{DC}. The new nonprofit/government per-watt and maximum incentive amounts are listed below:

	Less than 30,000 watts	30,000 - 100,000 watts	100,000 watts	Maximum incentive (100,000 watts)
Pacific Power	\$2.50/watt	\$2.50 - \$2.00/watt	\$2.00/watt	\$200,000
PGE	\$2.75/watt	\$2.75 - \$2.25/watt	\$2.25/watt	\$225,000

Energy Trust will own all of the green tags produced for the first 20 years.

There is a new page on our website describing these nonprofit/government incentives, which includes an incentive estimator that will provide the per-watt rate and total incentive for a given system size.

We are making a portion of our incentive budget available for this higher incentive. Depending on nonprofit/government participation levels, we may need to adjust the incentive in the future or limit its availability, especially in Pacific Power territory.

The nonprofit/government incentives have been added to the commercial incentive application **Form 220C** and will automatically calculate the incentive when you choose the utility (Pacific Power or PGE).

3) Third party ownership

Third-party ownership allows an investor to capitalize a solar electric system installed on a host property. The host is often a nonprofit/government entity without tax liability and therefore unable to claim state and federal tax benefits, or may be a commercial business that prefers not to own and maintain a system or lacks the financial capital to invest in solar.

We have created a process that makes it easy to apply for Energy Trust incentives for third party owned solar electric systems. Both the host and the third party must complete, with the help of the solar trade ally, a **Form 220T** and a **Third Party Ownership Guide**. On the Form 220T, choose the incentive type (nonprofit/government or standard commercial) and the utility (Pacific Power or PGE) and the incentive rate will be calculated automatically.

Feel free to contact me at 503-445-7623 if you have any questions about this change.

Sincerely,



Kacia Brockman
Solar Program Manager