Solar Electric Incentive Change for Pacific Power Customers

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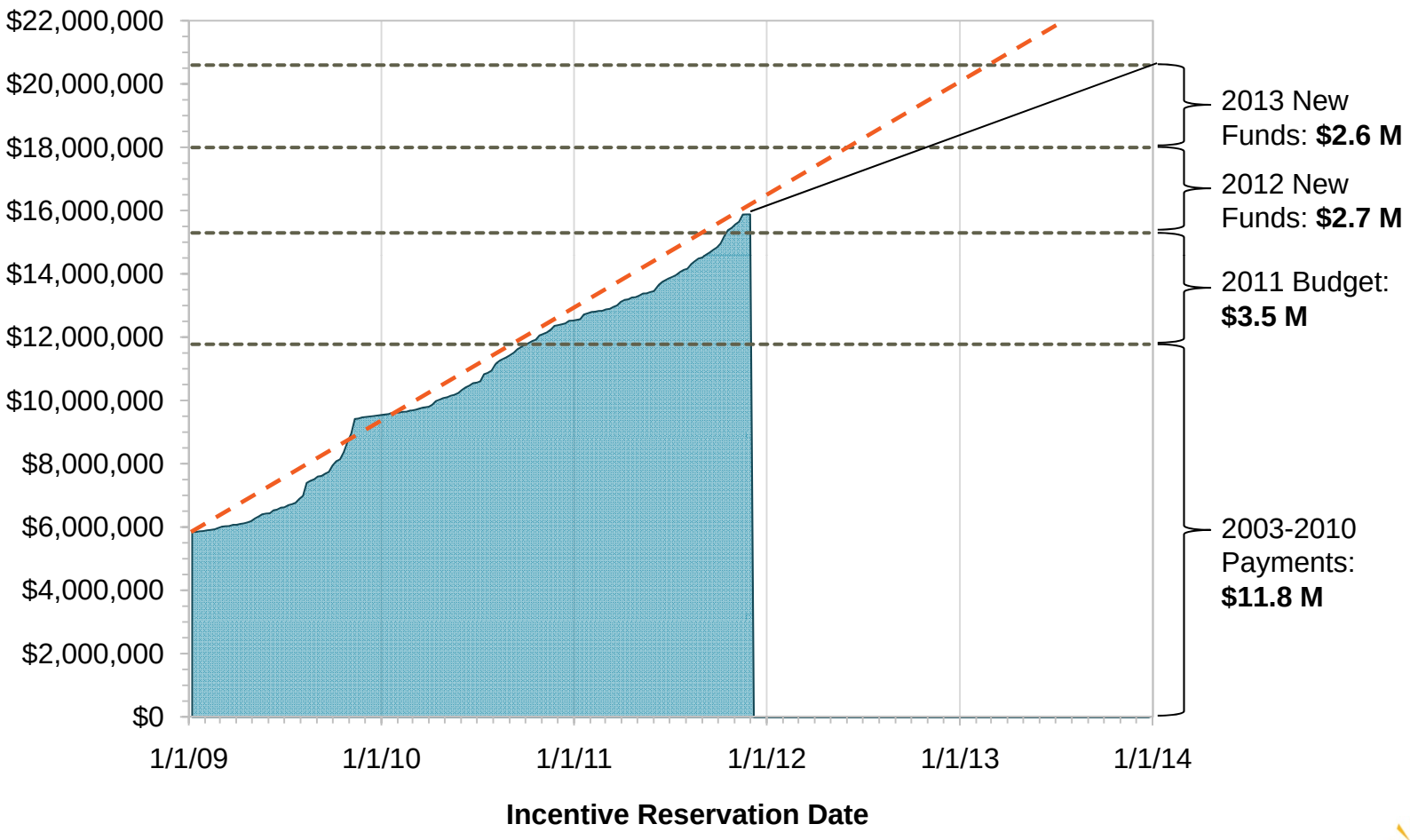
EnergyTrust of Oregon

Pacific Power PV Commitments



Tools for managing the budget

1. Incentive rate
2. Incentive cap
3. # of reservations allowed at one time

Incentive background

- Energy Trust incentives have not changed since Nov 2009
- Provided stability and predictability to market during RETC/BETC uncertainty
- Held steady until after legislative session and RETC rulemaking
- RETC dropped Jan 1, 2011
- Prices have continued to decline – market is ready for another drop

Pacific Power stepped incentives

	Funding available	Residential incentive	Commercial incentive	Expected timing
Step 0	$450,000	$1.50/watt, up to $20,000	$0.50-$1.00/watt, up to $100,000	Approx end of Dec 2011
Step 1	$1,000,000	$1.25/watt, up to $5,000	$1.00/watt, up to $30,000	Approx May 2012
Step 2	TBD	TBD – expected to be $1.00/watt	TBD	TBD

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Impact of decrease in rate and cap

Market activity will remain strong

- $0.25 rate decrease = $0.175 impact (Energy Trust incentive reduces ITC)
- Average price has dropped $0.30/watt in 2011 (currently $6.07)
- $5,000 cap will support average 4 kW size at $1.25/watt, larger sizes as rate decreases over time

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Active project limit

- Raise the number in PGE, lower the number in Pacific Power
- Impose these new limits immediately

Utility	Residential	Commercial
Pacific Power	15	5
PGE	60	15

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What about PGE?

- Under spending 2011 budget – no urgency
- Effective Jan. 1, drop cap from $20,000 to 10,000 to align with third party
- Activity very strong Q4, but wait to see if Q1 slows
- Plan for stepped incentives to begin in or after Q1 2012

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