research/into/action inc

Final Report

PROCESS EVALUATION OF THE OPEN SOLICITATION PROGRAM

Funded By:

EnergyTrust

Submitted To:

Ben Bronfman, Ph.D.
Energy Trust of Oregon, Inc.

Prepared By:

research/into/action inc

Marnie McPhee
Dulane Moran
Jane S. Peters, Ph.D.
Research Into Action, Inc.

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EXECUTIVE SUMMARY

Energy Trust of Oregon, Inc., (Energy Trust) was incorporated as an Oregon nonprofit public benefit corporation in March 2001, to fulfill a mandate to invest "public purposes funding" for new energy conservation, the above-market costs of new renewable energy resources and new market transformation in Oregon. It receives funding from a three-percent public purposes charge to the rates of the two largest investor-owned utilities in the state—Pacific Power and Portland General Electric (PGE). The Energy Trust has responsibility to communicate with the Oregon Public Utility Commission on how it is spending its funding and what it achieves.

In May 2003, the Energy Trust contracted with Research into Action Inc. to conduct an evaluation of the Open Solicitation program, an open funding process for renewable energy projects. The program is considered experimental in that there were no models to follow and yet there seemed to be a need to have a process to allow diverse and undefined renewable resource projects to emerge. The Energy Trust was at the same time evolving its own organizational and operational plans, and made intentional decisions to run the organization with a very lean staff and to keep its marketing presence low. This evaluation covers the initial 18 months of the program, January 2002 through June 1, 2003, which coincides with the Energy Trust's larger start-up activities.

The Open Solicitation program was established following discussion by the Energy Trust Board of Directors in early 2002. The Board authorized the program after considering a recommendation from the Renewable Energy Advisory Council (RAC) to create a process through which the Trust could support diverse demonstrations of renewable energy that did not fit into its other programs. Advisory Council members were concerned that good projects and renewable energy opportunities might slip by during the time required for the Trust to develop more comprehensive programs and policies to manage investments in new renewable resources.

The program was managed entirely by one staff person in 2002; additional program staff was not added until early 2003. Processes by which applications were accepted, reviewed and authorized were established and implemented as possible by the Director of Renewable Energy—who was also busy with start-up activities, program design and development and stakeholder outreach to support other renewable resource programs. Proposals submitted through the Open Solicitation program had to vie for attention with a host of sometimes higher priorities.

Regardless of constraints on time for program management and implementation, contacts and applicants interviewed as part of this evaluation are very supportive of the program and see value in having a process for considering projects that otherwise don't "fit in the box." It is easy to imagine the Energy Trust will continue to rely on the Open Solicitation program as a way to receive, consider and fund innovative renewable resource projects outside standard program offerings.

In the course of this evaluation, we interviewed key contacts involved in internal program management, contracting and marketing, as well as external stakeholders involved in renewable resource programs statewide through the Oregon Office of Energy and through participation on the Renewable Advisory Council. In general, contacts involved in proposal review were pleased with the level of project review and due diligence, although several noted that clearer processes of analysis and a more transparent review would help applicants understand why their proposals were rejected or accepted and how to improve their applications. This clarity and transparency will help the program maintain credibility, ensuring that applicants feel they are treated equally and that decisions are not arbitrary.

One of the most critical issues to emerge in discussions with key contacts centered on the low level of promotion and outreach for the program. One of the stated goals for Open Solicitation is to allow for maximum diversity—representing all renewable energy resources, locations and project sizes. One way to ensure that the program is attracting the best, most diverse and most innovative projects is to reach out to various sectors, promoting it in direct and indirect ways, appealing to entrepreneurs and others willing to take risks on renewable energy projects; promotion can help assure a steady flow of quality applications.

Interviews with applicants and potential applicants revealed an almost universal appeal for clarity. Clearer definitions, unambiguous timelines for review and approval, well defined statements of restrictions and priorities, and better communication between applicants and the Trust all emerged as issues for program participants. Some of the lack of clarity in criteria was described by key contacts as intentional. Those involved in drafting the original criteria acknowledged that they were intentionally vague, assuming that the Trust would re-visit the criteria and application to more accurately reflect the organization's priorities and to elicit the specific information program staff need to assess proposals. That iteration is happening now, both through this evaluation and through efforts by program staff to improve the application—perhaps develop a program guide—and to systematize contacts between applicants and the Trust.

The program may choose to offer more support for applicants in the future, encouraging them to fully develop proposals and helping them overcome whatever

barriers may emerge. With added renewable program staff and more systematized organizational processes, the program may be able to offer a higher level of support to applicants. However, it is important to note that this level of support is staff-intensive, involving significant "hand-holding" and technical assistance.

Ultimately, the Open Solicitation program walks a fine line—providing an open process appealing to a less-technical audience with good project ideas, while assessing and funding highly technical renewable power generation projects. The staff, Board, and Advisory Councils are aware of the requirements for due diligence and public accountability and expect a thorough investigation of all projects, regardless of size. Analysis of proposals includes assessing technical and financial feasibility as well as efforts to maximize leverage in funding. The information required to accurately assess project merit may include technical, engineering and feasibility studies and an understanding of utility costs and the market price of power, effectively eliminating less experienced applicants. How program staff address this tension will determine what the program looks like in the future.

Our recommendations are to:

- Develop systems and procedures to ensure transparency in the proposal application and project selection process, including clearly stated timelines, restrictions, and data needs of proposal reviewers
- Develop an outreach strategy that ensures that a wide audience throughout the Energy Trust's territory is aware of the Open Solicitation program and other renewable energy options.
- Continue the Open Solicitation program as a way to ensure that innovative ideas emerge and to test and demonstrate renewable energy opportunities.

1. INTRODUCTION

Energy Trust of Oregon, Inc., (Energy Trust) was incorporated as an Oregon nonprofit public benefit corporation in March 2001, to fulfill a mandate to invest "public purposes funding" for new energy conservation, the above-market costs of new renewable energy resources and new market transformation in Oregon. It receives funding from a three-percent public purposes charge to the rates of the two largest investor-owned utilities in the state—Pacific Power and Portland General Electric (PGE). The Energy Trust has responsibility to communicate with the Oregon Public Utility Commission on how it is spending its funding and what it achieves.

In May 2003, the Energy Trust contracted with Research into Action Inc. to conduct an evaluation of the experimental Open Solicitation program, an open funding process for renewable energy projects. This first process evaluation covers the first 18 months of the program, which coincided with the Energy Trust's start-up; the intent is to facilitate continuous improvement through providing feedback about the program's operations during that time.

PROGRAM DESCRIPTION

The Open Solicitation program was established following discussion by the Energy Trust Board of Directors at its January 30, 2002 meeting. At this meeting, the Board considered a recommendation from the Renewable Energy Advisory Council (RAC) to create a process through which the Trust could support diverse demonstrations of renewable energy that did not fit into its other programs. RAC members were concerned that good projects and renewable energy opportunities might slip by during the time required for the Trust to develop more comprehensive programs and policies to manage investments in new renewable resources. The Open Solicitation program was seen as a way to screen and fund good projects that might languish for want of funding.

A core team of RAC members developed the selection criteria and application form for the Open Solicitation program in early 2002. The Energy Trust Board of Directors authorized staff to create the program and dedicated $1.5 million (or 20% of the anticipated renewables funding) to it in the FY 2002 budget. The RAC and Board anticipated that the budget would reduce over time as the Energy Trust developed new programs into which proposals might fit. [The FY 2003 budget

approved by the board September 27, 2002, includes $925,000 for unsolicited proposals, less than 10% of the funds allotted for renewable energy programs.][1]

The program began immediately after the Board discussion in January 2002, funding the first project before a Director of Renewable Energy was hired. A process was identified by the RAC and an application was posted on the website after the Director was put in place. This program was the first offered by the Energy Trust and the only one managed directly by its staff in 2002.

Energy Trust staff told us they had fielded at least 29 contacts from various parties about the Open Solicitation program and potential funding through it by May 31, 2003. These contacts included eighteen official applications; others may have simply received information, submitted a query or made an informal proposal. Proposals were submitted for solar thermal, solar electric, wind, hydroelectric, biogas and hydrogen projects; no geothermal proposals were received.

EVALUATION PURPOSE AND METHOD

The Energy Trust contracted with Research into Action, Inc. to conduct a process evaluation of its Open Solicitation program during the spring and summer of 2003. This evaluation assesses the effectiveness and efficiency of the program's administration and implementation, including participant response to Open Solicitation and its evolution and history.

Energy Trust staff provided a list of potential interview subjects, including those who had inquired about the program or submitted an application before May 31, 2003. Additionally, staff provided copies of many of the applications, additional information about the program and names of other potential interview contacts.

The evaluation included the following data collection activities:

- ***Review of Applications and Other Program Documents:*** We reviewed documentation from nine applications, two contracts, five documents describing proposal details and five letters or informal proposals received by the program. We also reviewed board minutes, briefing papers and documents from RAC meetings.

[1] *Briefing Paper* – Proposed Review Process for Open Solicitation Renewable Energy Projects, The Energy Trust of Oregon, Inc. March 5, 2003

- ***Key Contact Interviews***: In April 2003, we designed a survey instrument and began interviewing ten individuals involved in program design, planning, management and contract negotiations. These interviews included the Renewable Energy Program Director, the Renewable Energy Program Manager, the Director of Communications and Marketing, the Communications and Marketing Manager and two contract managers at the Energy Trust. We also interviewed Oregon Office of Energy (OOE) staff and RAC members. The survey instruments are located in Appendix A.

Table 1

INTERVIEW SAMPLE

ROLE	NUMBER INVOLVED IN PROGRAM	NUMBER INTERVIEWED
Energy Trust Program Staff	3	2
Energy Trust Administrative Staff	5	4
Office of Energy Renewables Staff	4-6	2
Renewable Advisory Council Members	9	3*
Program Applicants	18	17
Program Queries	9	5

* *One RAC member is also an OOE staff member*

- ***Applicant and Query Interviews:*** Energy Trust staff gave us a list of 28 potential projects, with 26 unique individuals who had either: 1) submitted an application and were approved for funding; 2) submitted an application but were not approved for funding; or 3) inquired about the program but did not submit an application. (Two had applied for funding for more than one project.)

We created a survey instrument for program participants and potential applicants to assess their experiences with the application, selection and contracting processes (Appendix B). In June and July 2003, we interviewed 22 of these 28 individuals. These interviews are divided into two groups: the seventeen who submitted a

complete application ("applicants") and five others who only asked about the program or submitted a query ("non-applicants"). The Energy Trust's list included three organizations or individuals whom we could not interview, because names and other contact information were unavailable for them.

REPORT OUTLINE

This report summarizes our findings and recommendations. It is intended to provide insights into the program's history and status, identify key strengths and weaknesses, and provide information to guide program improvements.

In Chapter 2 we present a program overview based on interviews with Energy Trust and Oregon Office of Energy staff, and RAC members. Applicant and non-applicant experiences and perceptions are compared and explored in Chapter 3. In Chapter 4, we provide recommendations for program improvements.

2. PROGRAM OVERVIEW

INTERVIEWS WITH KEY CONTACTS

This chapter summarizes interviews with RAC members and staff from the Energy Trust and Oregon Office of Energy about the Open Solicitation program's history, evolution, and internal management. These key contacts are involved in program design, planning, management and contract negotiations. They include: the Renewable Energy Program Director and Manager, two communications program staff, two contract managers, Oregon Office of Energy (OOE) staff, and members of the Renewable Energy Advisory Council. (Survey instruments are in Appendix A.)

Summary

Key contacts were universally supportive of the program, describing it as a "jewel" and an opportunity for renewable resource projects to move forward in Oregon. Contacts described having a positive impression overall of the program, especially for those projects that have received funding. Those involved in approving proposals noted that the staff effectively analyzes proposals before submitting proposals to the RAC or Board.

One contact noted: "The Energy Trust uses these as demonstrations or pilot projects to identify the best opportunities (and help develop and improve its programs). It's cheaper than a full market analysis." Contacts reported that the application process might also help applicants identify opportunities they had not considered.

While contacts reported a generally positive impression of the program goals and the staff, almost everyone we spoke with had suggestions for improvement. Internal contacts were more likely to suggest improvements in the application and review process. All but one contact mentioned the lack of marketing and promotion as a potential issue for the program's future success. Indeed, it appears that applications have dwindled over the last six months—something that may be related to the development of other renewable programs through which projects may receive funding or to the low level of outreach and promotion.

Several internal contacts raised issues related to the review process generally, noting that there was no clear point system and transparency in the review process, and occasionally there were long delays in project approval. These issues may

reflect the absence of staff time during the Energy Trust's busy start-up year. With the addition of renewables program staff and more stable organizational processes established, this evaluation offers an opportunity to fine-tune and improve these program management issues.

INITIAL PROGRAM DEVELOPMENT

At RAC meetings in early 2002, members and Energy Trust staff grappled with how to quickly launch a program capable of capturing good projects in the near term, given the organization's limited capacity and the length of time required for more in-depth program development. The RAC advised the Board to consider a process by which the organization could receive and review unsolicited proposals for renewable energy projects. The Board agreed and dedicated 20% of the renewable energy budget ($1.5 million) to fund unsolicited proposals.

The Open Solicitation program was launched as a way to consider good ideas and fund projects that the Energy Trust might otherwise miss, including those that did not fit easily into other programs. It was experimental as there was no model for this approach to renewable projects. Key contacts involved with the program's inception describe its original goals as:

- Allowing projects to get off the ground quickly;
- Engaging customers/participants/market actors directly,
- Capturing good ideas that had been languishing for want of money or expertise;
- Finding new uses for existing technologies or uses for new technologies in existing applications; and
- Creating a forum for thinking—exploring all options organizationally through the proposal review process itself.

The program began with limited staff support. A Renewable Energy Program Director was hired in April 2002, after the first open solicitation project was in process. The program director managed the entire program until the Energy Trust hired a program manager in January 2003, and a program coordinator in April 2003. Now, the program director develops programs at a high level, the program manager reviews applications, handles outreach and facilitates implementation, and the renewable energy coordinator manages program and project details. Energy

Trust contract staff negotiate the contracts; a contract administrator tracks funds and project updates using a tracking system.

In early 2002, while the Open Solicitation Process was being implemented, the organization decided to intentionally keep staff levels lean and marketing profiles low, instead relying on external stakeholders, Advisory Council expertise and subcontractors to support program development and implementation.

Guidelines and Criteria

The first proposal was submitted before the Energy Trust had established program guidelines or hired renewable program staff. As the organization ramped up in January 2002, an Office of Energy staff person under contract to the Energy Trust created the application form. The form was modeled after those used by other energy programs in Oregon, and allowed Open Solicitation to launch quickly. RAC members discussed various criteria and developed guidelines, official criteria and an application form (Figure 1).

No one assumed that any project would meet all criteria. The original goal was to achieve as many as possible through a variety of demonstration projects in the PGE and PacifiCorp service territories. One contact described considering the legal requirements of renewable resource investments described in the OPUC Grant Agreement while keeping an eye on the Energy Trust's long-term renewable resource goals. Another described "trying to create a window that was not pre-defining what could come through it, a relatively unstructured window where things that we did not anticipate, but that we collectively agreed had value could come through."

Contacts involved in program's inception and design acknowledged that they wrestled with the least-cost dilemma from the beginning and were reluctant to direct all of the Energy Trust's renewables funding toward the most cost-effective technology: currently large wind. Instead, they setup criteria to acknowledge other important outcomes and to support less cost-effective technologies that may prove valuable five, ten, or even twenty years from now. It appears that the process has allowed a certain diversity of proposals, both in terms of technology type and in geographic diversity.

Figure 1

PROJECT SELECTION CRITERIA

Accepted Projects Should:

- Offer quick implementation
- Not fit into other programs
- Be successful on their own, or have potential for expansion, replication or broader deployment
- Produce maximum kWh/investment
- Leverage other funding sources
- Present appropriate risk
- Produce long-term (10-year) impacts
- Bring grid-tied resources online
- Be diverse, representing all renewable energy resources, locations, project sizes, etc.
- Have environmental integrity and meet high environmental standards, including energy efficiency
- Provide effective demonstration value
- Will not occur without Energy Trust funding

Contacts involved in drafting the criteria acknowledged that they expected an iterative process—that the Energy Trust would re-visit the criteria and change them as needed to reflect evolving interests and new organizational priorities. Contacts acknowledged that the original guidelines and criteria were fairly vague. Several said this had the benefit of attracting diverse proposals and enabling the program to respond to various renewable energy options. On the other hand, contacts also acknowledged that the lack of clarity might make it harder for applicants to determine the Energy Trust's priorities—increasing the time required to review inappropriate or incomplete applications. (See Table 4 for a description of proposed technologies.)

Initial Outreach

This program was launched quickly to accommodate good renewable proposals and to offer a vehicle for renewable energy project funding prior to more detailed program development. As part of other organizational start-up activities, the program was promoted as part of Energy Trust "road shows," held throughout PGE and PacifiCorp service territories in April, May and September 2002. These presentations were designed to introduce the organization to Oregonians and to assess interest in energy efficiency and renewable energy programs in order to guide further program development.

An initial list of interested parties to invite was created from various sources, including Internet research, Office of Energy databases, those who had expressed interest in the Energy Trust and other potential stakeholders. Names were added following the "road shows." According to one staff member, since the "road shows," the Energy Trust gets some information about additional constituencies through "e-mail, common sense, site visits and cross-referrals."

We understand these efforts resulted in a sort of master contact list. Unfortunately, the list did not differentiate renewable resource constituencies from those invited for other reasons (energy efficiency, opinion leaders, self referrals), so it is difficult to assess how broadly the program reached into the renewable community.

Key contacts confirmed that there was no official or effective database for Open Solicitation. According to Energy Trust staff, until February 2003, when contact management software was purchased, contact data was recorded informally and contacts between applicants and Energy Trust staff were informally documented. Since contacts between potential and actual applicants and renewables program staff were informal in the past, the information is likely buried in emails or simply undocumented, making it unavailable for database creation without significant effort. This lack of centralized information makes it difficult, if not impossible, to retrieve the names of all the people whom staff has reached or who have contacted the Energy Trust about the Open Solicitation program.

Although the Energy Trust did not capture this information earlier, staff has recognized the need for a better contact tracking system. In spring 2003, an Energy Trust staff person was assigned to create and manage a database using newly installed Goldmine (contact management software). Communications staff reports working to formalize the way that contacts are documented, however the Open Solicitation program had not been added as a program officially tracked in Goldmine as of this evaluation.

While several key contacts mentioned that it would be difficult to create a complete and accurate database for this program because the pool of potential applicants is so dispersed and varied, they described such a list as having great value. According to one key contact other renewables programs have been in the same boat, "It's always been a hither-dither sort of database OOE, OSEIA, SEAO and others have…It should almost be a self-created database, perhaps via the website, though that doesn't become really valuable until you reach a critical mass."

Others acknowledged the need to integrate and communicate with staff involved in promoting similar programs around the state, involving utility representatives, and reaching out to equipment manufacturers and distributors. Several contacts offered to help develop a list, suggesting Energy Trust staff ask the Oregon Solar Energy Industries Association and other renewable trade organizations for assistance.

Ongoing Communications, Outreach and Marketing

When the Energy Trust introduced the Open Solicitation program during its "road shows" in 2002, the Trust had one marketing and communications staff person. The communications and marketing staff had grown to a team of three by April 2003 and is now responsible for handling program promotion and outreach activities for the Energy Trust.

Open Solicitation was designed without a specific process for getting projects in the door and according to key contacts, it appeared that even without a specific marketing plan, adequate numbers of proposals were being submitted. Energy Trust staff confirm that there has been no marketing plan for the program; marketing and outreach generally have been passive and minimal. There is no brochure or communications piece about Open Solicitation and there are no current plans for marketing the program.

A description of Open Solicitation and an application are available on the Trust's website, www.energytrust.org, although key contacts familiar with the information available acknowledge that more instructions about the application would be helpful. The level of detail available about the Renewable Energy Program in general increased dramatically with the launch of the Energy Trust's solar program in May of 2003. The website also includes case studies of Open Solicitation program projects. Additionally, communications staff believes that word-of-mouth awareness of the program is very good.

While there is no formal marketing plan, communication efforts consist of:

- Some trade journal advertising about the program and specific open solicitation projects.
- Information provided at public presentations through Energy Trust staff, program management contractors (PMCs), RAC members and OOE staff.
- Listing of the Energy Trust by the Oregon Office of Energy in its *Oregon Solar Electric Guide*.
- Media promotion of projects by successful applicants.

Marketing and promotion of the program emerged as a significant issue during interviews with external stakeholders and program staff. Key contacts almost universally stated that additional outreach would be good for the program, and described wanting to see the program promoted widely.

Contacts repeatedly cited the lack of advertising and promotion as a concern and something that may ultimately impact the success of the program. They reported being concerned that the program may not be reaching a broad enough population, that specific sectors may be missed, and that broader advertising may be needed to generate a steady flow of quality proposals.

According to an external contact, "This program is in the same boat as all Energy Trust programs: not one knows about them! Maybe ETO thinks they shouldn't be spending money on marketing; they think they need to be buying power. But they need to get the word out and there are cheap ways to do that."

Another commented: "I don't hear complaints about the program; I hear 'I didn't know that existed!' You can't ever really do enough marketing."

There appears to be a correlation between the "road shows" and the number of proposals submitted to the Energy Trust. By June 11, 2002, thirteen project proposals had been submitted.[2] Another eight were submitted between June 15 and November 30, 2002. One was submitted in December 2002, and another in the Spring of 2003.[3] This may indicate how effective the "road shows" and other start-up promotions were, or it may indicate a backlog of projects waiting for funding.

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2 Renewable Resources Advisory Council minutes 6/11/02

3 Includes general proposal letters that did not evolve to complete, official applications.

Program staff confirmed this, noting that the proposals "come in waves," not in regular intervals: "After we did the 'Walk Around Oregon' we received big chunks of applications. Whenever we get visible, we get lots of applications." During 2002, staff feels they had as many or more applications than they could handle.

Our key contacts suggested the following improvements to the program's communications and outreach efforts:

- ***Increased Outreach:*** Staff should create and distribute a program brochure and press releases, including press releases/case studies about individual open solicitation projects. Consider additional promotion through staffed booths at selected trade fairs.

- ***Targeted Marketing:*** Market the program to specific sectors, such as agriculture, industry, engineering and municipalities. Some contacts felt it would take time and effort to identify and reach target audiences, citing the lack of existing outreach networks in some sectors. One contact suggested funding feasibility studies before launching sector-specific programs, especially for agriculture.

- ***Promotion:*** Develop a "promotional commons," so Energy Trust staff; program management contractors (PMCs), board members, utility staff and others can represent all programs in an integrated, coherent way. Avoid piecemeal presentations. Cross-promote the open solicitation program and the Energy Trust's other renewable and efficiency energy programs.

- ***Leverage Energy Trust Programs:*** Consider offering incentives for cross-referrals by PMCs and utility representatives.

- ***Network:*** Some contacts recommended that Energy Trust staff continually inform OOE, OSEIA, the American Wind Energy Association, solar manufacturers and others about the program, so those organizations will market it to their constituencies at presentations and events and through their websites. Another contact specifically recommended that Energy Trust communications and marketing staff meet with communications staff at OOE to integrate media events and websites, and discuss how best to reach Oregonians about both organizations' programs.

There are issues related to increased marketing for this program, and several emerged in interviews. First, increased marketing would (hopefully) result in increasing numbers of applications, something potentially labor-intensive for the small renewables program staff. Program staff report that exploring the options

represented by each proposal is time-intensive, noting that the RAC and Board reviews require a high degree of analysis, regardless of the size of the project.

Second, processes are not explicit regarding proposal review, and increased applications may aggravate the informal processes. One contact pointed out that improved marketing would require a program that is "better defined and in place, with a point person who is up to speed."

APPLICATION REVIEW AND APPROVAL PROCESS

Application Form

As described in previous sections, the application was developed to get the program launched as quickly as possible—mindful of the criteria the RAC had discussed at meetings in early 2002. The application form allowed the limited staff and experience of the Energy Trust to get a process running by which renewable energy projects could be considered for funding. We asked key contacts involved in program development and management about the form itself and what, if any, improvements should be made.

Contacts almost universally agreed that the form needs improvement, that it had served its purpose in terms of getting the program up and running, but that the specific needs of the Trust, the program staff, the RAC and the Board were clearer now. Suggestions for improvement centered mainly on clarity about exactly what the Trust is looking for and the level of information required by reviewers. According to one contact, the process was developed to reach out to the general public, to those without technical expertise who may not know to supply technical data unless asked specifically for it. Additionally, in order for staff to determine how realistic a proposal is the application must elicit complete technical information, including information about system components and energy calculations

Other recommendations for clarity centered on definitions. For example, contacts noted that the application form inadequately defines "open solicitation" projects, program guidelines, acceptance criteria, and financial data. The application does not indicate the "right" answers. Consequently, Energy Trust staff has spent considerable time communicating with applicants, weeding out inappropriate proposals, and seeking additional information. At times, this exchange may provide a helpful human touch, particularly with applicants who have not made any or many similar proposals, or for those without technical expertise.

One contact suggested moving the legal language to the back of the application and removing language stating that the Energy Trust does not guarantee that the application will be reviewed – stating instead that the Trust will review all applications and give applicants feedback about them.

Other suggestions included:

- Giving applicants more information about the size of the grants it provides.
- Defining what qualifies as an unsolicited proposal (grid-tied, no venture capital).
- Asking for more detailed cost data, perhaps a complete budget.
- Explaining performance contracting and the expectation that equipment will meet energy output goals.
- Questioning whether or not applicants can or should attempt to calculate the above-market costs.

Discussions with program staff and other contacts indicated that the Energy Trust staff computes the above-market costs for applicants; however blanks on the application continue to ask applicants to calculate the costs themselves. When applicants ask, Energy Trust staff report telling them not to calculate the above market costs.

The usefulness of the other criteria section of the application was questioned by several contacts, who questioned whether or not it could be simplified. This section asks applicants to consider other benefits through checkbox questions with space for short answers. One reviewer, who was also an applicant, stated it was difficult to know how important the items are…"The format tries to break everything down in the proposal. Typically, funders don't spell these criteria out as obviously, or ask for a specific discussion of each point. Instead, they describe their criteria in general and assume that applicants will respond to them in their narrative." Contacts acknowledged that this more detailed approach might help those who haven't written proposals before by pointing out key items. Others indicated that this is a long section of the application and its importance does not appear to match the amount of time it takes to review and answer the questions.

Program staff report that, predictably, the small-scale proposers usually have the hardest time filling out the form, particularly because they don't understand why they should be concerned with marketability, replicability, etc. Larger firms are

more familiar with this kind of program, and tend to call ahead and ask specific questions.

Energy Trust staff is aware of shortcomings with the current application and is planning improvements. They are developing a program guide, and have considered creating a dummy completed application form to show applicants the kinds of information the Energy Trust seeks.

Review Process

During the initial months of the program, the renewable energy program director fielded, reviewed and replied to all inquiries. The director reported looking for feasibility and financibility, checking that applicants' resource analyses were thorough and credible and that equipment plans were solid. He reports, "We try to ask what would happen to the proposed project without ETO funding…the truth is these projects won't happen without us; they're coming to us for a reason."

One of the program's stated criteria is to fund projects that would not otherwise happen (without Energy Trust funding). This criteria presents a challenge in program implementation—the best projects are likely to be able to find other funding, while the riskier, more innovative projects may struggle to go forward without Trust funding. However, funding these projects also means more risk-taking on the Trust's part. The program director reports being confident that ultimately the program funded the best projects. He acknowledged occasionally receiving a proposal for a great idea, but for something the Energy Trust isn't ready for yet.

Several external contacts reported that it appeared the proposal review and approval process took too long, especially for such small grants. Several internal contacts noted that the analytical component of the review process is a "black box" right now. "What are the assumptions and calculations? Without that information, it cannot be consistent and replicable." Similarly, others advocated more transparency in the selection process, with a stated point system and a write-up describing why applications were rejected. Some comments fall in the area of customer service—personal phone calls and/or follow up letters were suggested by one contact as a way to assure that the Trust is responding to each applicant.

Contacts who suggested a value/criteria-based system or a point-scale noted that this is the easiest way to compare projects. However, such a point-scale may need to be approved by the Board and RAC and, as one noted, may not adequately take into account the diverse goals of the program (visibility, demonstration value, replicable technology). One contact discussed developing such a system and noted that the

criteria (and point-scale, if appropriate) could be described on the application form, with information about how to earn "extra points." In further discussion, many contacts acknowledged that if the Energy Trust receives a few proposals a year, the review process could remain somewhat informal.

Proposal review relied on one staff person for all of 2002, and moved slowly for several applicants. The process appears to have improved since additional program staff was hired in 2003. Staff reports some delays due to incomplete information provided by applicants and describe needing to seek additional—and frequently significant—information from applicants, something that can be time consuming. Internal contacts involved in the application review process noted that with improvements to the application form, much of the needed information could be elicited up front.

Currently, after an initial review, staff determine if a proposal merits further consideration. If so, the details of the proposed project are presented to the RAC for input. Program staff conduct due diligence with colleagues and experts and begin the process of developing contract terms. The final step in approval is presenting a report describing the project to the RAC and possibly the Board for final approval. The review process has continued to evolve as program staff, RAC members and the Board gain experience reviewing and approving these types of projects. One contact felt the review process has worked extremely well, noting that participation on the RAC has never felt perfunctory, and crediting the Trust and the OPUC for setting up advisory councils that are relevant.

Program staff confirms the critical role of the RAC in proposal review, particularly in light of low staff levels for the program. The program director reports relying heavily on the RAC to help screen projects, describing the RAC as playing a huge role and a helpful role in helping to screen projects.

There is no application deadline or funding cycles, so proposals come in somewhat randomly. This maximizes applicants' flexibility but can affect the amount of time it takes to review proposals and reply to applicants—as staff may be unavailable to review an application due to other organizational or programmatic priorities. Several contacts suggested that the Trust consider implementing a regular application and review cycle. A funding cycle will not likely simplify review of individual applications, but it may allow staff time to be budgeted for proposal review while also giving applicants a framework in which they can expect response, review and decision. It is not clear that creating a regular funding cycle would

result in a more manageable workload, and may be contrary to the program's intent to create an "undefined window" left open for unanticipated good ideas. [4]

Contract Negotiations

The contracting process is the final step for approved projects. Generally, the terms of the contract will have been defined through conversations between the Director of Renewable Energy and the applicant prior to beginning negotiations. The program director reported that he prepares a "term sheet" that both sides agree to prior to contract negotiations, and while objections may emerge about different pieces of the contract, parties have not objected to the term sheet.

The Energy Trust has two staff charged with negotiating contracts[5] and seeks legal advice from Miller Nash LLP as needed. After a contract is signed, a contract administrator tracks funds and updates using the contract tracking system.

Contract staff report that negotiations vary case-by-case, as each contract is unique. Similarly, the time involved in negotiating the contract can range from days to months depending on the complexity of the project and the players involved. After a project is approved, contract staff receives information about the proposed project, and seeks a statement of work and records of Board and RAC discussions about the project.

Contract staff report that contracts have proceeded smoothly when they have adequate time and all of the information they need. The Energy Trust has a small staff and contracts out many of its services and programs, consequently the contract staff report being extremely busy, however not directly due to the Open Solicitation program.

Program staff report that proposers get frustrated by the length of time it takes to negotiate a contract and report that feedback about the process has included words like "difficult," "voluminous" and "one-sided." Issues around the insurance and liability concerns of the Trust's lawyers also emerged.

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4 Based on an interview with the manager of the Northwest Energy Efficiency Alliance Open Solicitation Program, more structured processes tend to result in fewer innovative ideas and more proposals with limited value. Best Practices from Energy Efficiency Organizations and Programs, September 2002, pgs 28-30,

5 One of the Energy Trust's contract managers has since been named general counsel.

Several internal contacts reported that the internal contracting process is changing, as one contract manager is now Acting General Counsel for the Trust, hopefully leading to a more streamlined process without the loss of control that happens in using external counsel. Similarly, the Board approved a process in April 2003 that allows the Energy Trust's executive director to sign open solicitation contracts under $500,000.

When asked for suggestions to improve the contract negotiation process, contract staff suggested involving them earlier in the process, allowing them to retain flexibility in negotiations and improve their representation of the Energy Trust's interests. Another suggestion included getting legal help to draft the terms and conditions section of the application.

Contract staff reported that green tag negotiations were complex the first time the issue emerged, but that the Trust has since established a process for handling green tags. No one described "deal breaker" issues in the contracting process.

Contract negotiations in general can be difficult and complex, and it appears that the Energy Trust is no exception. Our interviews uncovered no extraordinary issues related to the Open Solicitation program. However, it was difficult for program staff and others to state clearly where each project was in the process. We found it challenging to determine which contracts have been negotiated and signed, and to identify which contract staff person had been involved in each contract. Energy Trust staff were unable to identify, quickly and easily, the status of each proposal, and the staff responsible for each step in the process.

3. APPLICANT INTERVIEWS

The Energy Trust provided Research Into Action with a list of 28 names, including:

- Ten that had submitted an application and received funding (two on the same project);[6]
- Six that had submitted an application but did not receive funding;
- Three that had submitted an application that was still under evaluation; and
- Nine that inquired about the program but had not submitted an application (three had no contact information available).

Table 2

SAMPLE DESCRIPTION

STATUS	LIST	SAMPLE
Successful Proposal[1]	10	10
Unsuccessful Proposal[2]	6	4
Proposals Under Evaluation	3	3
Interested, Did Not Apply[3]	9	5

1 *Two respondents were involved in one project.*

2 *The original list included three people who had both successful and unsuccessful proposals—we interviewed them only about the former.*

3 *The original list had eight entities who contacted the Energy Trust in some way about the program (including informal proposals and queries); names and contact information was provided for five.*

6 This total includes two projects that applied as part of the Open Solicitation program, but were ultimately transferred to other programs—one to the solar electric program, the other (anemometer loans) was established as a separate program.

3. Applicant Interviews

We interviewed 22 people. For analysis, we sorted them into two groups: those who had submitted official applications (regardless of whether or not their projects were approved) and those who investigated the program, but had not submitted an official application.

Table 3

SAMPLE DISPOSITION *

DISPOSITION	COUNT
Original List	29
Completed Interviews	22
Message Left/Unable to Contact	7

* *Twenty interviews were conducted by phone; two applicants responded via e-mail, including one applicant who now is in Korea.*

A copy of the survey instrument is included in Appendix B. Much of the information we sought was qualitative and responses were highly varied. This is appropriate for an open solicitation program with broad application guidelines. Questions were designed to move from general information about the applicant through their awareness of and experience with the program, including the application form, the application review process, and contract negotiations. We also asked applicants to recommend program improvements. In most cases, we did not ask for information about the applicants' proposed projects. However, when germane, we noted that information during the interviews.

APPLICANT PROFILES

This program was designed to attract a wide range of projects, and after 18 months appears to have succeeded in eliciting a diverse batch of proposals. Applicants represent a diverse population of interested parties, ranging from energy developers to farmers, schools and municipalities to non-profit organizations. This diversity is a strength of the program, but it does increase the time required by staff to assess and compare applicants, as each project is slightly different. It also makes comparisons challenging for evaluation purposes.

These varied applicants proposed a similarly broad range of projects. For sixteen official proposals, requests ranged from $3,100 to $6.5 million (mean = $650,866; median = $158,500). The proposal for $6.5 million is an outlier; the next largest dollar amount is for $1.5 million. When this outlier is excluded, the mean is $260,924 and the median value is $150,000.

Table 4

TECHNOLOGIES CONSIDERED

RESOURCE	OFFICIAL APPLICANTS[1] (N=17)	NON-APPLICANTS[2] (N=5)
Solar Thermal or Photovoltaic	59%[2]	40%
Wind	29%	20%
Biogas	6%	--
Hydrogen	--	20%
Hydro	6%	--
Other[3]	--	20%

[1] *includes two respondents involved on the same proposal*

[2] *includes those that submitted informal proposals, and queries*

Proposed projects included system installations, educational and outreach activities, a comprehensive regional resource conservation/renewable energy program, wind and solar resource monitoring, and a PV test facility. A majority of the proposals were for solar thermal and solar electric (photovoltaic) projects. The only major resource not represented was geothermal. Some applications have stimulated the Energy Trust to create separate wind and solar programs. (See Appendix C for a description of the proposals, and their status.)

Determining the status of each query or proposal was challenging because:

- Staff records were inconsistent or incomplete,
- Some applicants were uncertain if the Energy Trust had made a decision about their proposal, and

- Some applicants submitted two proposals and one proposal was broken into at least three parts.

According to documents presented to the Energy Trust Board in March 2003, seventeen requests for funding submitted through the program had been judged sufficiently complete for consideration. One project (Bend Habitat for Humanity solar hot water heating) was funded through the Energy Trust's energy efficiency program. Of the remaining sixteen, six were rejected (two after review by the RAC), two have been approved by the Board after RAC review, three were in the process of coming to the Board for approval after review by the RAC, one was approved by the staff after informal RAC conversation and four are in the review phase.[7] Table 5 notes the status of those interviewed for this evaluation.

Table 5

PROPOSAL STATUS (N=16)

STATUS	PERCENT
Proposal Accepted (9)	56%
Don't Know/Under Consideration (4)	25%
Not Accepted (3)	19%

Regardless of the status of their application, we asked respondents how they had heard about the program (see Table 6). A majority (59%) of applicants cited other sources. Of these thirteen, seven (54%) received their information from a personal connection or an industry contact while six (46%) reported attending early Energy Trust meetings or being involved in developing the program. There is likely some overlap between these two sources, as those who attended early meetings are likely to have heard about it through connections with the renewable resource community.

Very few learned of the program from the Energy Trust website. These responses confirm observations of key contacts described in the previous chapter—word of

[7] From a briefing paper; "Proposed Review Process for Open Solicitation Renewable Energy Projects" presented to the Energy Trust Board of Directors on March 5, 2003.

mouth appears to be the primary source of program information for those that applied in 2002. Several respondents noted that they were involved in various aspects of program design and implementation for this, as well as the solar program.

Table 6

HOW RESPONDENTS HEARD OF THE PROGRAM

VENUE	OFFICIAL APPLICANTS (N=17)	NON-APPLICANTS[1] (N=5)
Other Source*	53%	80%
Heard from Colleague	24%	--
Energy Trust Road Show	12%	--
Presentation (at an event or to an organization)	12%	--
Website	--	20%

* *Includes personal contacts, early involvement, other professional sources (OOE, CH2MHill).*

Expectations

Applicants' expectations about the types of projects that would be considered and the type of funding available varied considerably. Taken as a whole, they described many of the project criteria as envisioned by the RAC and others in the program's genesis. They expected that the program would provide funding for investing in renewables, would support renewable market transformation efforts, would create an opportunity for projects to come on line quickly and would offer a window for good ideas that did not fit other Trust programs. Additionally, respondents expected that there would be support for high visibility installations and that some program funds would be available for resource assessment, system installation and program development. It is important to remember that many of the applicants also reported being involved in early Energy Trust meetings and in program development efforts—signaling a high likelihood that they would have had a good understanding

of what the Energy Trust was looking for in Open Solicitation projects (see Figure 2).

Figure 2

APPLICANT EXPECTATIONS – CONSISTENT WITH PROGRAM

The Open Solicitation Program Should:

- Provide funding for investing in renewables
- Support renewable market transformation efforts
- Create an opportunity for projects to come on-line quickly
- Create a window for good ideas that do not fit other Energy Trust programs
- Support projects with high visibility, a good cause and a good return

All respondents were aware that there was some amount of funding available, but exactly what it was for and how much was less clear. Responses reflected the diversity of applicants and their differing levels of familiarity with SB 1149, with the Energy Trust, and with the Open Solicitation program. Respondents reported understanding that the Energy Trust was new, had some funding available and had created an open application process. However, some applicants, even those who had discussed their proposed project with Energy Trust staff before applying, were surprised to learn that their ideas did not fit program guidelines. Most applicants recommended that the Energy Trust clarify the kinds of projects it will fund, and the amount of funding available.

Some expectations cited by applicants were vague or inconsistent with the program's goals, and may indicate areas needing clarification (Figure 3). These expectations included believing that renewable projects would be handled like energy efficiency projects, that incentives would be in the range of BETC, and that funding for large-scale renewables would be funneled through the Open Solicitation program. These expectations suggest a need for additional clarity.

Figure 3

APPLICANT EXPECTATIONS – INCONSISTENT WITH PROGRAM

The Open Solicitation Program Should:

- Treat energy-efficiency projects the same as renewables, based on their net impact
- Provide incentives in the range of BETC
- Promote large-scale uses of renewables

Applicants' Previous Proposal Writing Experience

As shown in Table 7, thirteen applicants (77%) had experience writing proposals to fund projects in general, although only six (35%) had written to request funding for a renewable resource project. Of these six, all but one had succeeded in securing funding for at least one of their proposals. This indicates that most applicants have experience writing proposals and those that had experience with renewable resource funding mechanisms were relatively successful in their funding applications. While non-applicants reported less experience in general proposal writing, the difference between applicants' and non-applicants' experience is statistically significant.

Table 7

PREVIOUS EXPERIENCE WITH PROPOSAL WRITING

EXPERIENCE	OFFICIAL APPLICANTS (N=17)	NON-APPLICANTS[1] (N=5)
Writing Proposals to Fund Other Types of Projects	77%	40%
Writing Proposals to Fund Renewable Resource Projects	35%	40%

Application Process

We asked those who submitted a proposal how they obtained an application form. Eleven of the seventeen applicants (or 65%) obtained their application from the Energy Trust website.

Table 8

REPORTED SOURCE OF THE APPLICATION (N=17)

HOW APPLICATION WAS OBTAINED	PERCENT
Downloaded from Website	65%
Other*	29%
Called and Asked	6%

* *Includes those who applied before there was a form.*

We asked applicants about their experience downloading the application form from the website. Of the eleven who obtained the form this way, only one had trouble with the download. That person reported that earlier versions of the website were harder to navigate.

Obtaining Additional Information from the Website

Consistent with its start-up status, the Energy Trust's website has evolved over the past year, including several complete overhauls and the addition of significant amounts of information. These iterations make it difficult to draw clear conclusions about respondents experiences with the website as a whole; those who applied early in the program had less information with which to work, while a more recent potential applicant said simply, "It's a great website!"

Regardless of when they applied, we asked applicants if they had sought additional information from the website while working on their application. Six of seventeen (or 35%) reported looking for information they needed to complete the application on the Energy Trust website. Additionally, 11 of the 17 applicants (65%) suggested other information they would like to have seen.

Of these eleven, a majority (64%) requested greater clarity—clear restrictions, clear definitions, examples of successful projects—anything to help potential applicants determine the Energy Trust's expectations. Respondents reported looking for information about how to fill out the application and how to judge the merit of and improve their project idea. Two applicants (18%) specifically requested more clarity about financial aspects, including a formula for calculating "above-market costs." One recommended providing a glossary of terms. Others suggested providing sample applications or successful proposals, as well as a list of successful projects. Finally, one applicant suggested setting up a self-screening process for applicants through the website: "Include simple questions for potential applicants to answer. If applicants meet most or all of the Energy Trust's criteria, the site could indicate that they have a reason to apply and could link them to an application form or other information sources."

Sources of Assistance

We asked applicants if anyone had helped them complete their application, and if so, who (Table 9). Sixteen (94%) of those submitting applications sought some help from at least one source. The majority (69%) reported seeking assistance from Energy Trust staff. Thirty-eight percent received assistance from a colleague, while 19% hired a paid consultant. Two applicants said they were lucky to have had engineering studies or other technical data available to help them complete the generation section.

Table 9

SOURCES OF ASSISTANCE (N=16)

REPORTED SOURCE OF HELP	PERCENT USING
Energy Trust staff	69%
Colleague (no fee)	38%
Consultant (fee)	19%
Other*	19%

* *Includes other organizations, professional installers and utilities.*

One applicant commented, "I don't feel it could have been explained well online. The website gave the big picture. But, regardless of who applies, there will be questions of interpretation. Meeting with [Energy Trust staff] answered our questions."

THE APPLICATION FORM

We asked applicants about various parts of the application form: clarity of the threshold criteria, above-market cost methodology, estimated generating capacity, and about the questions relating to other program goals (creating momentum, having expansion capability, demonstrating workability, leveraging other resources, being environmentally sound, etc.). For the purposes of analysis, the project with two interviewees is counted just once; we included only the information from the person primarily responsible for completing the application. Applicants reported having the most trouble with the section dealing with above market cost calculations. (Table 10.)

Table 10

CLARITY OF APPLICATION AND REQUIREMENTS (N=16)

APPLICATION QUESTION	YES	NO	NO COMMENT*
Does the section defining the above-market costs of a renewable project need to be improved?	63%	25%	13%
Does the section relating to estimating the generating capacity, the life of the project and other generation features need to be improved?	38%	44%	19%
Does the portion asking for explanations of how project would meet other criteria (workability, replicability, environmental benefits, etc.) need to be improved?	19%	56%	25%
Did you feel the application was clear as to what type of projects would meet threshold criteria?	67%	33%	--

* *Includes projects that were proposed prior to a standard application.*

Above-Market Costs

The above market cost restrictions are important for the Energy Trust as it is statutorily authorized to invest only in the "above-market costs of new renewable resources." Therefore, it is a threshold criteria as well as a complex calculation. The staff report recalculating the above-market costs for each proposal—most renewable resource projects have an adequate above-market margin with which to work.

The application form used for the 18 month period covered by this evaluation contains a section on project cost that asks applicants to fill in the total cost, the above market cost, the amount requested and the applicant cost share. Applicants can fill in the lines relating to each amount without providing a project budget or other source of cost data, something that must later be provided as part of proposal review. Program staff report that the initial expectation was that applicants would determine the above market component of their total funding request, but it soon became clear that the Energy Trust would need to calculate the market cost of the power generated by each project.

Regardless of the ultimate source of above-market calculations, we asked applicants how they calculated the above-market costs of their projects, and if they thought this aspect of the application needed improvement. If they answered "yes," we asked how they would change it.

A majority (12) of applicants reported that this section of the form needed to be improved and offered suggestions ranging from clearer language to example formulas. Seven of the 12 (58%) recommended developing better definitions, clearer language and/or a glossary. Two of those offering suggestions recommended providing clear procedures and examples of above-market cost calculations.

Computing the above-market cost of renewable energy projects a complex process, requiring calculations of levelized costs and an understanding of the market value of various energy attributes. Most applicants reported that the instructions footnoted on the application were not helpful. The application explains that the Energy Trust will confirm funds requested are for above-market costs and defines the above-market cost as "the difference between the present value cost of your renewables project and the levelized present value cost of a market-priced energy resource." Nine applicants reported using cost data they thought made sense to determine their above-market costs, including consideration of actual equipment costs, payback estimates, and average prices per kWh multiplied by expected generation. Several said they relied on colleagues, partners or consultants to determine the project's above-market costs.

Three respondents reported that their projects had *only* above-market costs. Four (25%) said explicitly that they were uncertain about the Energy Trust's definition of above-market costs and the methodology used to determine them. Five applicants (29%), including several who reported having only above-market costs for their project, did not attempt the calculations[8].

The final above market costs may need to be calculated by Energy Trust staff; however applicants will likely need some placeholder numbers to develop project budgets, making examples or clearer definitions valuable. The above-market costs of a project determine how much an applicant can request and may be an important part of deciding how much to ask for and even whether to apply. However, providing examples or formulas is difficult. It could help applicants improve their application, or it could help them contrive a better story. For example, one applicant reported that had he known how the above market costs were calculated, he would have tailored his application differently.

When discussing the general complexity around determining the market price for power, several applicants also noted that the definitions of renewable resources and conservation seemed arbitrary. The Trust may want to consider explaining the origin of their definitions, if it can be done simply.

Simplification emerged as a theme in conversations about the above-market cost requirement, and there may be ways to streamline the process. One applicant suggested creating an "express checkout" for small applicants—whereby the Energy Trust could say that for smaller projects, the above-market costs will be X¢/kWh. This is likely not possible for all resources.

The responses from applicants suggest that an explanation of above market costs is still needed so that small and larger developers understand what project cost data to include and how it will be used.

Generating Capacity and Other Technical Issues

When we asked applicants how they estimated generating capacity, the life of the equipment and other energy-generating features, 38% indicated they used manufacturers' or warranty information, industry standards and Web-based information. Four (25%) supplied engineering studies, and the same number used

8 Energy Trust staff report telling applicants who contacted them not to calculate the above-market costs.

utility-type calculations, including benefit/cost analysis, power bills, expected kilowatt-hour use and ratepayer benefits.

Table 11

HOW APPLICANTS ESTIMATED GENERATING CAPACITY (N=16)*

STRATEGY	PERCENT (COUNT)
Used Industry Standards, Manufacturers Warranties, Web-Based Information	38% (6)
Worked With An Engineering Firm (Had Engineering Data) Or Contractor	25% (4)
Used Benefit/Cost Analysis, Power Bills And Estimated kWh Use, Ratepayer Benefits	25% (4)

* *Respondents may have mentioned more than one strategy.*

This is a relatively technical section of the application. Six applicants reported relying on the expertise of contractors and engineers to obtain information about generating capacity, life of the equipment and the estimated electricity their projects could expect to produce. Applicants with access to technical expertise and familiar with web-based models offered by turbine manufacturers and others reported that this section was straightforward.

Six of sixteen applicants (38%) felt the generation section of the form needed improvement, and seven (44%) offered suggestions. These almost universally focused on providing an explanation of equipment life estimates, sources of additional information and instructions about developing appendices to explain applicants' calculations. Three specifically mentioned that most applicants will need the help of a consultant, and that the process needs to be simpler for small, less sophisticated applicants. One suggestion included putting general information (at a high-school level) on the website with calculations of kWh output.

Since the program seeks to be open to all possible projects, posting approved or reviewed equipment lists may be perceived as limiting or pre-defining acceptable technologies or projects. On the other hand, providing links to helpful sites dealing with renewable technologies and equipment specifications may be a simple way to help potential applicants find technical information.

One applicant recommended that Energy Trust staff direct applicants to the University of Oregon's Solar Radiation Monitoring Lab for solar projects and Oregon State University's wind database for wind, and to Energy Trust staff for additional resource information. Another applicant spontaneously noted that describing this information clearly should be a goal of the Trust, stating, *"Educating people about what the Energy Trust is doing is very important. If they're seen to be locking that information behind someone's door, they are shutting out lots of people. It seems there are only a very few outlets where people can get this kind of information."*

Other Program Goals

The application contains a series of questions (in the form of check boxes with room for short responses) about other criteria related to the proposals (see Figure 4).

Figure 4

OTHER CRITERIA

Additional Project Attributes Explored:

- Creates momentum
- Expansion capability
- Demonstrates workability of a technology
- Environmentally sound
- High likelihood of success
- Long-term impact on market for renewable resources
- Education and marketing benefits
- Integration with utility systems
- Is compatible with its site

Applicants were more likely to respond positively to the section asking how their project would meet other program goals. Less than 20% felt it needed improvement. Five (31%) were enthusiastic about this section and the opportunity it gave them to

describe the important attributes other than power generation. Applicants described this section as an opportunity to really sell their project and to consider other facets.

> *"I think the project covers all of that perfectly. Every one of the aspects, our project meets to a 'T'."*
>
> *"We turned it into a training and educational piece for the entire community," he said, "and even had people show up from out of state to attend seminars that went along with these projects."*

Other applicants reported that this section of the application was long and highly qualitative. One stated that the criteria were somewhat redundant, while others simply found it difficult to complete. Said one, "This was hard…what is the purpose of all those issues they mention? It's basically the same as for all proposals. They want to know about the features of the project, which projects stand out, and how the proposed projects meet the Energy Trust's criteria."

Other feedback included:

- Surprise at how unlike the BETC application the form was; how much was not quantifiable.
- *"These criteria were not well articulated, creating significant back-and-forth as the Energy Trust asked for first one thing and then another."*
- *"Beware creating needless friction, if this is a generation program, the application should be simplified – it's a lot for those who just want to put solar on their building."*

Threshold Criteria

The threshold criteria include questions designed to assure that the Energy Trust is meeting its requirements as described in the OPUC grant agreement and in SB 1149. The Trust may only fund projects that are one of eight clearly defined renewable resources. Similarly, the Trust is statutorily allowed to fund only the above-market portion of the renewable resource investment, and asks that the resource be put into service after March 1, 2002.

While ten applicants (67%) reported understanding the threshold criteria as expressed in the application form, several also noted that the criteria were not entirely clear. For example, those with projects that are only slightly above-market

may view the restrictions as arbitrary without explanation of the restrictions within which the Energy Trust operates. There may be a fine line between explanation and confusion regarding these criteria, but clarifying the "right" answer offers a good start.

Future Submissions

Six of the seventeen applicants we interviewed indicated that they would likely submit another application in the future. Three reported that they did not know exactly when, two reported expecting to do so within the next three months and another reported "soon."

APPLICATION REVIEW

As a start-up, the Energy Trust spent much of 2002 staffing up, developing processes, planning and connecting with potential stakeholders. The Open Solicitation program was the first program launched by the Trust and as such, forced the organization to work through process issues related to accepting, reviewing and responding to applications. Not surprisingly, several applicants mentioned significant delays and confusion in their submission process.

In order to assess applicants experience with the proposal review process we asked several questions about when and how the Energy Trust contacted them for information, how long it took, and what types of information were required (Table 12). Timelines for reported initial contact ranged from one-to-two weeks to more than eight weeks. The category 'more than eight weeks' includes two applicants that reported not hearing back from the Energy Trust at all about their applications. Of the five applicants who heard from the Energy Trust within one-to-two weeks, none had their proposal rejected (although one is waiting for final determination). Several respondents did report understanding that responses were slow because the Energy Trust was new, was understaffed and was working through its processes.

Table 12

HOW LONG BEFORE APPLICANTS RECEIVED A RESPONSE FROM THE TRUST (N=16)

LENGTH OF TIME	PERCENT*
One to Two Weeks (5)	31%
Three to Four Weeks (2)	12%
Five to Six Weeks (2)	12%
Seven to Eight Weeks (2)	12%
More Than Eight Weeks (4)	25%
Don't Remember (1)	6%

* *Total does not equal 100 due to rounding*

Additionally, we asked applicants how they were first contacted. Table 13 differentiates between those who heard directly from the Energy Trust and those who initiated contact.

Table 13

HOW ENERGY TRUST RESPONDED (N=16)

TYPE OF RESPONSE	PERCENT
In Person (3)	19%
By Telephone (3)	19%
E-Mail (3)	19%
Mail (2)	12%
Not Contacted By Energy Trust, I Initiated Contact (2)	12%
Not Contacted as of June 1, 2003 (2)	12%
Don't Remember (1)	6%

Of some concern is the four (24%) who either never heard back or initiated contact with the Trust after waiting to hear. A more systematized approach to receiving, reviewing and responding to applications would likely reduce the variation in response time.

Those who were rejected heard by mail or e-mail. Of those whose proposals were accepted, a majority (six of eight) were equally likely to hear either by phone or in person. The numbers in Tables 12 and 13 indicate that the experience of applicants has been somewhat variable regarding communication from the Energy Trust about their application.

Once contact was made, twelve respondents (75% of the unique proposals) reported needing to provide additional information to the Trust about their proposals. Predictably, of those who reported having to provide additional information, the most common requests involved technical clarifications (67%), followed by issues related to costs/budget projections (50%). Other information requests involved issues relating to community support, inspections, and how a given proposal related to the stated goals of the program (particularly for those that made presentations to the RAC).

For the most part, respondents indicated that the information requested of them was reasonably easy to provide. Ten (83%) of those providing additional information reported that they could supply the information easily (caveats included that they had the technical data already from engineering studies or relied on installer expertise). Only two indicated that the information was not provided easily—one indicating that it was simply difficult to predict installation costs accurately due to uncertainties and the other indicating that it was difficult to manage the communication loop between the Energy Trust and his own staff.

Responses illustrated the general complexity surrounding renewable resource projects. One applicant who reported that the information required of him was generally easy to provide also mentioned some aspects were hard to resolve:

> *"They had to do with hydroelectric operations. We had gone through the FERC approval process already and were licensed. Then [the Energy Trust] asked us about gas build-up at the base of the dam. I had to talk with a consultant to address that. It seemed to me that that already had been adjudicated by the Federal government."*

We also asked applicants how many times they were asked for additional information as part of their application. Responses ranged from zero to twelve. (One applicant could not remember, and another said simply "multiple times, there was

give and take.") Applicants reported having to provide information an average of 3.5 times, with a median of 2.5. All of the accepted proposals had to provide additional information at least twice. Factors influencing how many times applicants were contacted likely include the complexity of the project, the completeness of the application, its fit with program guidelines, and staff's expertise with the proposed technology or approach, and perhaps lack of clarity in the application form

A majority reported that the requests for information occurred during the proposal acceptance phase of their application. (Only approved projects would have progressed to the contract negotiation phase). Twenty-five percent reported the requests were part of contract negotiations, and three (25%) reported having to provide information in both stages (Table 14).

Table 14

REQUESTS AT WHAT POINT IN PROCESS (N = 12)

PROCESS STAGE	PERCENT
Proposal Acceptance	50%
Contract Negotiations	25%
During Both Proposal and Contract Stages	25%

Changes to the Application Review Process?

Eight of the successful applicants offered specific changes to the review process. Most did not add substantive comments to earlier responses. Suggestions centered on communication and clarity, notifying applicants quickly about their applications, and describing what to expect regarding the review process.

Specific suggestions included:

- Contact applicants up front when the Trust receives an application.
- Commit to a certain proposal review schedule—45 days, 90 days, or whatever is needed—and stick to it.

- Assign one person as a contact for each proposal, someone available to give information and track proposals throughout the process.
- Speed up the review process.
- Have more communication with applicants, notifying them that their proposal has been received and roughly when they can expect to hear back.

Two respondents advocated structural changes to the application process. One recommending a two-step process designed to weed out the least likely proposals, allowing the Energy Trust to "go deeper" with more serious applications. This has drawbacks as well, as this respondent went on to note, "This might make some applicants mad; they might feel that they already had filled out an 'application,' and wonder why they have to fill out another form."

The other recommended two processes—one for regular customers and another for utilities. This recommendation emerged from an understanding of the difference between the market-cost of power for customers versus utilities: "It appears from the literature that utilities have benefits that exceed the costs of PVs if they were to install and own them themselves. I think the program should be open to utilities to participate and to buy and own and install systems and get rebates like anyone else."

AFTER THE FINAL DECISION

Reasons for Decision

Of the seven applicants whose proposals had not been accepted (including the three that were waiting for final determination), six responded to a question about why their proposal had been rejected. Four were unclear as to the reasons; of these four, two indicated that they had heard nothing from the Energy Trust. On the other hand, two respondents were very clear about why their proposals had not been accepted, explaining that the decision related to where the Energy Trust's programs ultimately will come to rest, what strategies will be used and what investments are eligible.

Projects Completed Without Energy Trust Funds

Six (67%) of the nine applicants with accepted proposals reported that they would have been unable to complete the project without Energy Trust support. Respondents reporting that they would not have completed their projects universally stated that Energy Trust funds made it possible. This is consistent with the program's goal of funding projects that would not otherwise happen.

Table 15

WOULD PROJECT HAVE HAPPENED WITHOUT ENERGY TRUST? (N=9)

HOW WOULD PROJECT HAVE BEEN FUNDED WITHOUT TRUST	PERCENT
Would Not Have Been Able to Fund Project (6)	67%
Would Have Found Other Funds (3)	33%

One-third said they would have found other funding sources, including the Bonneville Environmental Foundation, private grants, USDOE, or their own or their organization's funds.

Only one of the rejected projects has gone forward; 80% of the remaining proposers (4) stated they intended to try to secure the funding they need elsewhere (Table 16).

Table 16

STATUS OF UNAPPROVED PROJECTS

STATUS OF FUNDING	UNAPPROVED APPLICANTS (N=6)	NON-APPLICANTS (N =5)
Completed Project Without Energy Trust Funding	17% (1)	0% (0)
If Not Complete, Intend to Try?	80% (4)	20% (1)

Those whose applications were not accepted but who intended to complete the project without Energy Trust support reported a variety of sources for other funding. Responses ranged from second mortgages, to venture capital, to proceeding as planned, just more slowly. Others indicated they may get the funding they need from Federal tax legislation or from other, smaller proposals to the Energy Trust. One respondent indicated he would consider a scaled-down approach: "I may apply to the Energy Trust for another, smaller project, which is what they seem to want to fund. But I just don't know what they want."

Contract Negotiations

We asked those whose projects were accepted about the contract negotiation process. A majority of respondents with approved projects reported that they were still in contract negotiations, making a final timeline difficult to develop (Table 17).

Table 17

DURATION OF CONTRACT NEGOTIATIONS (N=9)

LENGTH OF TIME	PERCENT
Two weeks (2)	22%
Twelve weeks (1)	11%
Fourteen weeks (1)	11%
Still in progress (5)	56%

Negotiation Points

Eight of the nine applicants whose proposals were approved answered a question about whether or not they had encountered any surprises in the contract negotiation process. One had not begun negotiations. Two applicants had specific issues with the Trust's process, citing problems involving funding eligibility, reporting, budgeting and copyright concerns.

Other applicants reported a variety of technical, financial and legal issues, many of which were project-specific and related to the complexity of proposed projects. While applicants reported a range of complicating factors in negotiations, many had little

to do with the Energy Trust—the availability of 25 kW wind turbines, the payment arrangements of BP Solar, power purchase agreements tied up in Enron's disarray, and the limits of the net metering law. Another applicant mentioned statutory issues related to green tags, stating the markets are controlled by too few people and this hampers their value, "We have just a few markets we can go to, and they are controlled pretty tightly."

While issues such as these can complicate the negotiation process, it appears there is little the Open Solicitation program could have done to avoid these issues.

Applicants desired clarity across the board, and the negotiation process was no exception. While controlling for the impact of Enron, the requirements of solar suppliers and the availability of specific turbine sizes is beyond the ability of the Energy Trust, the Trust should continue to make every effort to assure that their contracting and negotiation processes are as simple as possible.

> *"One thing that bothered us was negotiating the amounts of the available subsidy. As we went through the process, the Trust tried to get us to apply for other funding sources (BETC and Pacific Power) in addition to Energy Trust funds. But if you have a program that is willing to buy down the costs, you shouldn't say, 'Go to these other funding sources first, then come back to us.' I'm a government employee. From my perspective, we don't have time to chase other options first. This may work better for private firms."*

One applicant urged the Trust to begin negotiations sooner so projects are not delayed, "The Energy Trust doesn't seem to realize that applicants have to plan ahead, about staff and other resources and purchases."

THE EXPERIENCE OF NON-APPLICANTS

Five respondents did not actually officially apply for funding. Their experience with the program ranged from submitting a one-page fax inquiring about potential funding to a more fully developed proposal outline that did not rise to the level of application. One simply explored the information on the website and considered applying for funding.

Since the experience of these non-applicants with the program is somewhat limited, we asked them fewer questions and avoided specifically inquiring about the application, the review process and/or contract negotiations. We did ask them about their expectations, future submissions and about suggestions for improving the process that might increase interest in submitting an application.

Two of the five reported having previous experience with renewable resource proposals, one reported receiving funding. The non-applicants had less experience writing proposals to fund other types of projects than the applicants—only two (40%) reported having previous proposal writing experience, although both reported securing funding through their proposals.

The non-applicants (like the applicants) are a diverse group, containing farmers and entrepreneurs as well as seasoned, politically savvy policy people and those steeped in the Oregon renewables community.

The experience of the non-applicants mirrors the applicants in several ways—the two most common concerns involved the limited promotion of the program and a perception that the restrictions, expectations and review process are not transparent and clear.

Regarding the limited approach to promotion, respondents advocated that the Energy Trust increase the marketing and promotion of this program. One said, "Promote it! It's the world's best-kept secret." Another respondent had stronger words, including a warning about the repercussions of keeping a low profile:

> *"Basically, the Energy Trust is invisible. When I think about the Energy Trust and their mission, I can't understand it. I'm probably reading more broadly in the area of sustainable resources than 90 percent of the population and I haven't heard anything about the Energy Trust in about eight months. I think it's a great program, but they could lose it."*
>
> *"The Energy Trust also needs better communication and outreach, to build a network of people who think the Trust is their partner. It's especially important when you're a political organization, which the Trust is."*

While these respondents may not have submitted an official application, several put significant time into proposals and queries, and had feedback about the review process. Four of the five non-applicants we spoke to reported being dissatisfied with the communication process, one reporting that he never heard from the Trust regarding his letter, another described unanswered phone calls and emails and one describing feeling "disenfranchised" by the Trust, explaining they were "not sure how to get inside of the organization." Respondents complained about the lack of feedback and/or guidance about how to improve their proposals.

Two non-applicants reported making multiple, frequent calls to follow up on their submission, both ultimately used other connections to set up personal meetings. The projects represented by the non-applicants may have not reached application status because the project proposals did not meet threshold criteria, were vague or

fell outside the purview of the program, however respondents were not entirely clear about this, and one simply never heard back.

3. *Applicant Interviews*

4. CONCLUSIONS AND RECOMMENDATIONS

The Open Solicitation program was implemented as a way to facilitate funding for renewable resource projects that would otherwise have to wait for more comprehensive program development, or that might not fit into the parameters of existing renewable programs. In many ways, the program has served its purpose well by allowing those with ideas for renewable resource projects to solidify proposals and apply for funding. While the Energy Trust has continued to develop its other renewable resource programs and priorities, it is easy to imagine there will continue to be a role for an open solicitation process for projects that otherwise do not "fit in the box."

Overall, stakeholders and staff are supportive of the program and describe being proud of the opportunity it represents. Many describe an on-going desire to support innovative, visible renewable projects and see this program as a way to do that. External contacts described being satisfied with the level of review and reporting completed as part of the approval process.

The program suffered from issues related to understaffing, start-up activity and lack of processes in 2002, including a lack of clear and transparent review protocols. However, applicants described understanding that the program and the organization are young, that processes were evolving and that the proposals themselves had occasionally forced the Energy Trust to consider a particular issue related to broader program development.

Applicants with approved projects were predictably pleased with the funding and the support offered by the Energy Trust. One stated that the Energy Trust's support was crucial to project approval, noting that the Energy Trust should realize it has a lot of clout to sway some of the siting and project issues.

The projects proposed to the Energy Trust via the Open Solicitation program are those related to power generation and resource assessment via renewable resources. These are complex, generally expensive projects emerging from a fledgling industry. Unsurprisingly, the proposals themselves present a myriad of issues related to power generation ranging from financing and equipment to power purchase agreements and siting issues. While it may be difficult to ever completely simplify the application and review process, ideas that emerged as part of this evaluation may help simplify and clarify the procedures for both applicants and staff, hopefully improving the program for everyone.

The other main issue that emerged was the need for more aggressive promotion of the program, including networking, advertising and sector-specific outreach. There is currently very little marketing done for the program—no brochure, no marketing plan, and no system for tracking interested parties or potential applicants.

PROPOSAL REVIEW AND APPROVAL

This process evaluation revealed issues with program implementation and the application review processes that reflect the reality of a hectic start-up year for the program and the Energy Trust in general. Applicants described communication gaps and lengthy delays in the application, review and contracting processes. Applicants and other key contacts report issues related to lack of clarity regarding the program's priorities and restrictions.

Recommendations also emerged from conversations with program staff and others involved in proposal review. Primarily these dealt with obtaining the detailed financial and technical information required to judge the merit and feasibility of a proposal earlier in the process.

The review process could be simplified through a two step process by which applicants describe their project idea qualitatively and assure the Energy Trust that they meet the threshold criteria. If the project appears to qualify, the applicant would be invited to complete a more in-depth application eliciting a project budget, proposed equipment, and expected generation capacity. The determination of above market costs and resulting award would be the last step of the proposal review. This strategy has the added benefit of providing program staff with the information they need to calculate above-market costs without immersing applicants in a complex description of the methodology used by the Energy Trust.

Even without moving to a two-step process, applicants proposing wind, geothermal and hydro projects should be warned that they will be expected to provide long-term, site-specific resource data. Similarly, those proposing solar projects must provide a solar site analysis. The program application materials should also direct applicants to technical assistance resources.

Application Form

The need for better clarity regarding exactly what information the Energy Trust needs to assess applications and make decisions emerged in discussions with program staff and the applicants themselves. Clarity can be achieved in several ways, suggestions included:

- Provide more information about the application review and approval process, including anticipated timelines and additional sources of technical support.
- Consider an on-line glossary that clearly defines terms for those unfamiliar with the Energy Trust—include broad terms like "renewable energy," "market transformation," and "above market costs."
- Clearly state the threshold criteria, any restrictions, and any times of year that are too busy for rapid response.
- Revise the criteria section to reflect the most important information program staff need to assess applications. Clarify the expectations related to the "above-market costs," including whether or not applicants should attempt to calculate. Dropping the request for above-market costs from the application and instead focusing on the raw information required for the calculation may alleviate applicant confusion.

Review Process

Clarity and transparency in the application review process also emerged as an issue for both key contacts and those who were interviewed as participants. Several suggested a point system or other formulaic approach to assessing proposals, provided it not limit or pre-define what the program will consider. It is not clear that a point system is needed at the current rate of applications. Added clarity, including formal responses explaining why a proposal was accepted or rejected can also protect the Energy Trust from accusations of arbitrary decision-making.

Program staff can reduce the perception of a "black box" by clearly stating what the review process entails and how long each step will take (at a maximum), and through systematizing the correspondence between the Energy Trust and applicants. Establishing and articulating turn-around deadlines offers predictability to applicants and helps assure that all proposals are treated equally.

With this kind of program the Energy Trust will risk dissatisfaction among those whose proposals are rejected, or whose applications do not qualify. Regardless, every effort should be made to assure that all applicants have an impression of the Trust as open, responsive and committed to clear communication.

MARKETING, COMMUNICATIONS AND PROMOTION

Marketing and promotion of the program was cited almost universally as an opportunity by key stakeholders and was mentioned quite clearly by some applicants and non-applicants. Assuring that promotion efforts reach beyond the known renewable stakeholder groups already affiliated with the Energy Trust and percolate deeply into rural and Southern Oregon and into the consciousness of ranchers, entrepreneurs and other innovators will be important if the Energy Trust wants to be sure it is reviewing the best possible ideas.

Those we spoke with say that the word needs to get out. The Energy Trust can only assure it is tapping the statewide interest in renewable resources and evaluating the best projects if it is actively reaching out to other organizations and individuals working across the state, collaborating with other advocates and integrating the program with other energy program offerings.

Communication needs also include a process for consistent, accurate collection of names for a list of interested parties, potential applicants, and outreach into other sectors. There may be a way to allow visitors to the website to sign directly up to a renewables list, something that could evolve into a listserv. One contact noted that this type of list could allow for self-selection and grow via word of mouth. A current renewable resources list would allow for frequent contact and notice of all opportunities related to the Open Solicitation program specifically and the renewables program generally. Even without a listserv, the Energy Trust is establishing processes for tracking interested callers for its other programs in a centralized database (Goldmine); the Open Solicitation program could be added to that list.

MARKET TRANSFORMATION

Several contacts noted larger issues within renewable resource policy in general, including problems with the supply chain, green tag marketing and issues with the net metering law. While these only affected some projects in the Open Solicitation program, they indicate the need for the Energy Trust to continue to participate in market transformation efforts for renewable resources. The Open Solicitation program appears to provide an important process for testing different delivery issues in renewable energy equipment and exposing barriers in installation, siting and marketing.

RECOMMENDATIONS

Our recommendations are to pursue these issues directly:

- Develop systems and procedures to ensure transparency in the proposal application and project selection process, including committing to a response timeline.
    - Describe the history and theory of the program, the threshold criteria and where they came from on application materials and the website.
    - Set out options for assistance (for example any technical assistance available from staff).
    - Consider adding an initial screening application with qualitative project description and threshold requirements
    - Note any restrictions clearly, including any times of year when staff are too busy to accept proposals.
    - Specify in the full application what information is needed so the Energy Trust can conduct an above- market cost calculation, this could be a different list for each resource type.
    - Create and use form letters for notify applicants of progress in review.
    - Examine models available in energy efficiency programs, including the Northwest Energy Efficiency Alliance's Open Solicitation Program. (Best Practices Survey, September 2002)
- Develop an outreach strategy that ensures that a wide audience throughout the Energy Trust's territory is aware of the Open Solicitation program and other renewable energy options.
    - Develop a way to collect contact information from potential applicants, interested parties, stakeholders and others that might be encouraged to apply for project funding
- Continue the Open Solicitation program as a way to ensure innovative ideas emerge and for testing and demonstrating renewable energy opportunities.

APPENDICES

Appendices

APPENDIX A

Key Contact Interview Guide

Appendix A

STAFF PROCESS QUESTIONS
UNSOLICITED PROPOSAL

Date _____

Contact: _____

Title: _____

Phone: _____

Email: _____

Program Design (all involved in design process)

1. What was the process that you used to develop the unsolicited proposal application? (Did you consult with others, did you use a template from other agencies?

2. What were the key factors that you considered important in setting the unsolicited proposal application? (Guiding principles from the board or your own)

3. How did you implement each of these in the application (this should be a long discussion, with probing to clarify how each factor works)

   – What are the criteria? Where are they described? Do you believe applicants understand them? Have they asked you questions about them? What have they asked you? How have you answered them? Have you changed the criteria in response to their input? If so, how?

   – Do applicants need to meet a certain number of criteria? Is there a point scale? If so, where is that described?

- Is anything missing? (we wondered if you would want proof that the project is necessary)

- Do you ask if other funding sources are available, and for information about them, including their status? If so, where do applicants list that information? If you don't ask for that information, why not?

- Do you ask proposers to list project partners/sponsors, and their financial and in-kind contributions? If so, where do applicants list that information? If you don't ask for that information, why not?

4. What do you think was most and least effective of the solutions you used?

Application Review And Selection Process (all involved in review and selection process)

5. What were the issues that you focused on in the application review and selection process? How long does the review and selection process take? Does this vary by resource?

6. Do you feel applicants understand the Energy Trust's review and selection process? What type, if any, information have applications asked for about the process? Have applicants suggested ways to improve the process?

7. How are you thinking to change the process?

Contract Negotiation Process (all involved in contract negotiations process)

8. Please describe the contract negotiation and management process. Please describe who does it, their roles and responsibilities,

9. What have been the key issues in the contract negotiations process? How long does it take.

10. Which ones were most difficult to resolve? (did this vary by contract or was it a common problem in all contracts? How have you resolved them?

11. Which ones were easy to resolve, but took some time to accomplish? How have you resolved them?

12. Have you been unable to resolve any issues? If so, please describe them.

13. Would you like to change the contract negotiation process? If so, please describe your recommended improvements.

14. Does the Trust have the staff and resources to make these changes?

15. Why did the Trust believe that the unsolicited proposal process was necessary? Do you still believe that to be the case?

16. In your estimation would these projects have happened without Trust support?

Appendix A

APPENDIX B

Applicants Survey Instrument

Appendix B

QUESTIONNAIRE PROPOSERS
RENEWABLE OPEN SOLICITATION PROCESS

Date _____

Name: _____ Title: _____

Phone: _____

Email: _____

This is Marnie McPhee; I am working with Research Into Action to conduct an evaluation of the renewable energy open solicitation program for the Energy Trust of Oregon. I understand that you

- Submitted an application to the program
- Discussed submitting a project with someone at the Energy Trust.

A. Is that true?

1. Yes
2. No

B. If no, ask if anyone else at their organization might have considered submitting a project to the energy trust. Get their name and talk to them, or if not, thank them and terminate.

C. Would you be willing to spend about 10-20 minutes talking with me about your experience?

1. Yes
2. No

D. If no, can we find a time that would be convenient?

1. How did you hear about the open solicitation process? (Do not read, use for coding as many as apply)
    1. Energy Trust Road Show
    2. Presentation to an organization I belong to (which one___)
    3. Saw it on the website
    4. Heard about it from a colleague
    5. Presentation at an event (specify in Q1A)
    6. Other (specify in Q1A)

1A. Where did you hear about it?

2. What was your expectation of the types of projects that would be considered and the type of funding available?

3. Have you had previous experience writing proposals to fund renewables projects?

    1. Yes go to 4
    2. No go to 5

4. If yes, have any of your proposals been funded?

    1. Yes
    2. No

5. Have you had experience writing proposals to fund other types of projects?

    1. Yes go to 6
    2. No go to 7

6. If yes, have any of your proposals been funded?

    1. Yes
    2. No

7. Which of the following categories best describes your experience with the application form for the open solicitation program?

    1. Submitted an application (go to 12)
    2. Attempted to complete an application, but did not submit (go to 12)
    3. Obtained an application but did not attempt to complete (go to 9-11)
    4. Did not obtain an application (go to 8-11)

8. If 7=3 ask > 8. If did not obtain a copy, why did you not obtain a copy of the solicitation application form?

9. If 7=3 or 4 ask > 9. Do you expect to pursue a project on your own or with some other funding? (If they actually are in the proposal process but did not obtain an application go to 17)

    1. Yes on own
    2. Yes with Energy Trust
    3. Not at all

10. If 7=3 or 4 ask > 10. Is there anything about the open solicitation proposal program that you think should be changed to increase your interest in submitting an application?

    1. Yes
    2. No

11. If 7=3 or 4 and 10=yes ask> 11 - What do you think should be changed? (After recording response, thank them for their time and terminate)

12. If 7=1 or 2 ask> 12. How did you obtain a copy of the application?

    1. Energy Trust Road show
    2. Called and asked for one
    3. Downloaded off the website
    4. Other

13. If 12=3 ask > 13. Did you have any problem locating and downloading the application?

    1. Yes
    2. No (go to 15)

14. If 12=3 and 13=1 ask> 14. What type of problems did you have?

15. Did you look for information you needed to complete the application on the energy trust website?

    1. Yes
    2. No
    3. I don't use the Web (go to 17)

16. Is there information that you would have liked to see on the website?

17. Did you obtain any assistance, such as from the Energy Trust staff, a consultant or colleague, while working on the application?

    1. Yes
    2. No (go to 20)

18. If 17=1 ask 18. From whom did you receive assistance? (Check as many as apply)

    1. Energy Trust staff
    2. A consultant (for a fee)
    3. A colleague (not for a fee)
    4. Other

19. If 17=4 specify other

20. Now I want to ask about the application form. The Energy Trust's threshold criteria for the Open Solicitation Program request all projects to use one of eight resource types, begin after March 1, 2002 and use the Energy Trust funds to cover a portion or all of the above market costs. Did you feel that the application was clear as to what type of projects would meet the threshold requirements?

    1. Yes (go to 22)
    2. No

21. If 20=2, what would have made the requirements more clear to you?

22. The application states that above market costs are the difference between the present value cost of the renewables project and the levelized present value cost of a market priced energy resource, as determined by the Energy Trust of Oregon. How did you estimate what the above market costs would be for your project? (*Be sure to capture whether they felt they could do it and whether they understood the concept*)

23. Does this aspect of the application need to be improved?

    1. Yes
    2. No

23A. If so how would you change it?

24. The application form required that you estimate the generating capacity, the life of the project, the life of equipment and other energy generating features of your project. How did you develop the estimates for this portion of the application? (*Be sure to capture whether they felt they could do it and whether they understood the concept*)

25. Does this aspect of the application need to be improved?

    1. Yes
    2. No

25A. If so how would you change it?

26. The application also asked you to provide an explanation of how the project meet certain criteria such as: creating momentum, having expansion capability, demonstrating workability, leverages other sources, environmentally sound, likelihood of success, education and marketing benefits, Integratable resources, etc. How did you decide how to respond to this portion of the application? (*Be sure to capture whether they felt they could do it and whether they understood the concept*)

26A. Does this aspect of the application need to be improved?

    1. Yes
    2. No

26B. If so how would you change it?

27. Did you submit the application?

    1. Yes go to 31
    2. No ask 28 – 30 and terminate

28. If no, why not,

29. Do you anticipate submitting one in the future?

    1. Yes
    2. No

30. If yes, when? (Record response and then thank them for their time and terminate)

If 27=1 ask

31. How many weeks did it take before you heard from the Trust about your application? _____ Weeks

    9999 DK

32. How were you first contacted?

    1. Mail
    2. Telephone
    3. E-mail
    4. In-person

33. Were you contacted and asked for more information?

    1. Yes (ask 34-37)
    2. No (go to 38)

34. If yes what did they ask for?

35. Were you able to provide it easily?

    1. Yes
    2. No

36. If not describe what it took to respond to the questions. (Be sure to capture how long it took as well as how much work they had to do to respond)

37. How many times were you asked for additional information?
    _____#Times

38. Were these requests for information part of the proposal acceptance process or part of contract negotiations?

    1. Proposal Acceptance
    2. Contract negotiations
    3. Don't know

39. Was your proposal accepted?

    1. Yes (go to 46)
    2. No

    If 39=2 > ask 40 – 45 and then terminate

40. What is your understanding of the reasons your proposal was not accepted? (Be sure to capture how they learned and whether it was clear to them.)

41. Do you have any suggestions to improve the proposal review process?

42. Have you been able to complete the project without the funding?

    1. Yes
    2. No

43. If no, do you intend to try and complete the project?

    1. Yes
    2. No

44. If yes, how do you anticipate obtaining funding?

45. If no, why not

    (Record responses to 44 or 45 and then thank them and terminate)

    If 39-1 > 46 to end

46. How many weeks did contract negotiations take?
    _____Weeks

    9998. Still in process

    9999. DK

47. What were the key points to be negotiated?

48. Were there any surprises in the negotiations process?

    1. Yes
    2. No

49. If yes what was surprising to you?

50. When was the contract signed?
    _____Date

    9998. Still in process

51. If 50=9998 (not yet) > 51. Do you expect it to be signed?

    1. Yes
    2. No (go to 53)
    3. DK (go to 53)

52. What is the planned date for completion of your project?
    _____

53. Is there anything you feel needs to be changed in the application review process?

54. How about in the contracting process?

55. How would you have funded your project without the Energy Trust funds?

Those are all my questions, thank you for your time.

E. In the event we do more research on this topic, may we contact you again by phone?

1. Okay to contact again by phone
2. Not okay to contact again

F. May we contact you by e-mail?

1. Okay to contact by e-mail E. _____
2. Not okay to contact by e-mail

APPENDIX C

Proposed Projects

Appendix C

ENERGY TRUST OF OREGON RENEWABLES PROJECTS

PROJECT NAME	PROJECT DESCRIPTION	DATE APPLIED	AMOUNT REQUESTED	DATE APPROVED	AMOUNT APPROVED	STATUS
Apeasay Orchards	25-kilowatt small wind turbine to help power an irrigation system for an orchard in Hood River producing 40,000 kilowatts per year.	11/25/02	$35,000	3/5/03	$23,119	Pending local regulatory approval
Applegate Irrigation Corp.	Conversion of 800-acre farm from flood irrigation to pressurized sprinkler system irrigation, and installation of four wind turbines to pay pump energy costs.	5/13/02	$200,000		$0	Still under evaluation
Bend Habitat for Humanity	Solar hot water systems for eight Habitat for Humanity homes in Bend.	6/1/02*	$15,000	9/1/02*	$14,360	Completed
Bonneville Environmental Foundation Solar Schools	Solar demonstration program focused on installing photovoltaic panels on schools; also includes resource monitoring and curriculum.	3/1/03*	$583,010		$0	Still under evaluation

Continued

PROJECT NAME	PROJECT DESCRIPTION	DATE APPLIED	AMOUNT REQUESTED	DATE APPROVED	AMOUNT APPROVED	STATUS
Brewery Blocks	22.4 kilowatt photovoltaic installation on an office building in Portland's Brewery Blocks development.	1/25/02	$167,000	1/30/02	$167,000	Completed
City of Albany	Hydro project to revive 511 kilowatts of generation, producing 2,561,000 kilowatts per year at the municipal water facilities.	7/23/2002	$450,000	3/5/03	$475,000	
Clean Water Services	60-kilowatt microturbine demonstration project using waste biogas from the Durham water treatment facility in Tigard to produce 442,000 kilowatt hours per year.		$0	3/5/03	$90,000	
Culp Creek School - Child's Way	Installation of a 7.5 kilowatt photovoltaic system with grid-tie inverter as a Lane County student research project.	5/1/02*	$50,000		$0	Not approved

Continued

PROJECT NAME	PROJECT DESCRIPTION	DATE APPLIED	AMOUNT REQUESTED	DATE APPROVED	AMOUNT APPROVED	STATUS
Diamond Cubic Corp.	To support business development activities leading to construction of Diamond Cubic's photovoltaic silicon production capacity.	12/20/02	$300,000		$0	Not approved
Natural Building Convergence	Five renewable energy/demonstration projects located in separate high-profile SE Portland public spaces to highlight appropriate technologies.	6/6/02	$3,100		$0	Not approved
Solar Schools (PSU)	Installation of photovoltaic systems ion all 1,222 Oregon k-12 public schools.	6/3/02	$6,500,000		$0	Not approved
Sunderland Yard Wind Turbine	Installation of 10 kilowatt wind turbine on 100-foot-tall tower near airport to produce electricity for a city facility on that site.	10/15/02	$30,000		$0	Still under evaluation
Threemile Canyon Farms	Construction of a 4.1 MW renewable biogas generating facility.	5/1/02		5/22/2002	$1,500,000	

Continued

Appendix C

PROJECT NAME	PROJECT DESCRIPTION	DATE APPLIED	AMOUNT REQUESTED	DATE APPROVED	AMOUNT APPROVED	STATUS
U of O Solar Radiation Monitoring Laboratory (SRML)	To augment the SRML's activites, and to enable the SRML to provide customers in PGE and Pacificorp service territories with information needed to make preliminary assessments of the solar electric potential at their locations.	5/16/2002	$23,902		$25,630	Completed
Calapooia Crossing Affordable Housing	3.9 kilowatt solar photovoltaic system in Sutherlin to produce 4,700 kilowatt hours per year to power laundry facilities in an affordable housing project.	5/3/02	$131,400	12/2/02	$20,664	Completed
OSU Anemometer Loan Program	Wind anemometer loan program to measure and test suitability of wind for small to mid-sized wind turbines.		$0	7/24/02	$210,000	Running

research/into/action inc

P.O. Box 12312, Portland, Oregon 97212

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