Energy Trust of Oregon

Biofuel Efficiency Project Measure Discussion

Conservation Advisory Council
January 23, 2008

Energy Trust of Oregon, Inc.

Question

- Should Energy Trust efficiency programs fund projects that use renewable biofuels or biogas to supplant the thermal load supplied by natural gas or electricity?
- **Biofuel** can be broadly defined as solid, liquid, or gas fuel consisting of, or derived from biomass (living and recently dead biological material that can be used as fuel or for industrial production)

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Context

- OPUC definition for conservation:
  - Conservation means any reduction in electric power or natural gas as a result of efficiency of energy use, production, or distribution and includes cost-effective fuel conversion
- Solar thermal precedent
  - Programs currently provide efficiency funding for solar thermal projects that reduce electric and natural gas consumption
- Why not extend this policy to other renewable sources of energy that can reduce natural gas and electric consumption?

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Issues

- Biofuel involvement:
- Maintains fuel neutrality by not converting systems to a competing utility's energy source thereby putting increased load on competitor's system
- Projects will presumably have electricity and/or natural gas onsite as backup
- Biofuel energy source is not seasonal dependent and will help reduce system peaks
- Complements gas and electric utility green product initiatives

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Environmental questions

- Do we care about the ancillary costs of biofuel delivery?
  - Local bio-waste product vs. commercially produced biofuels
- Emission requirements
  - BioPower requires all regulatory permits in place (DEQ)
- Social, economic and ecosystem impacts vary by source – do we specify which sources are acceptable?
  - Local source hog fuel off-sets NG to heat drying kilns
  - Manure biogas off-sets NG to provide hot water at dairies
  - Biodiesel off-sets NG in building boilers to provide space heat

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Rules of Engagement

- Should the project site be a current contributor to public purpose funding?
- Should the project site be required to continue to contribute to public purpose funding?
  - New construction projects may never have a meter installed

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