# Board Decision
# Approving Terms of Funding for the Juniper Ridge Hydropower Project

February 13, 2008

## Summary

Approve basic terms of an agreement providing $1,000,000 in incentive funds for the Central Oregon Irrigation District's Juniper Ridge hydropower project.

## Background

- Central Oregon Irrigation District (COID) proposes to construct the Juniper Ridge Hydroelectric Project. The project will have a nameplate capacity of 3.27 megawatts, will operate during a 6.5 month irrigation season, and generate 13,435 megawatt-hours (MWh) per year.

- The Facility will be installed at the end of an irrigation pipe that COID is installing in its Pilot Butte Canal, which runs from Bend north to near Terrebonne, Oregon. The project is expected to be completed in April, 2010.

- The piping will eliminate water loss through the canal and restore over 20 cubic feet per second of water to the Deschutes River permanently. This water will benefit the river habitat and the ESA listed steelhead recently reintroduced downstream from Bend. Increased flows will also enhance water quality conditions.

- The total project cost is $22,305,593. Because the piping portion of the project carries watershed benefits beyond the ability to generate hydropower, COID has $7 million in grants either pending or secured in support of the project from sources including the city of Bend and the Oregon Watershed Enhancement Board.

## Discussion

- Like the Swalley project, Juniper Ridge is another example of a multi-partner/multi-benefit hydropower project in a water-challenged part of the state.

- Capital and installation costs for the project are expected to total $22,305,593. A $1,000,000 Energy Trust's incentive would cover 73.8% of the above-market costs of the project. At a cost of $653,594 per average megawatt, the project would be the most cost-effective hydropower project Energy Trust has funded.

- Payment of the incentive would be made upon project commissioning or over time Energy Trust would take title to the first 75% of the project's green tags over 20 years.
- The Renewable Advisory Committee endorsed the request.

## Recommendation

Approve funding for the project by adopting resolution number 466:

**RESOLUTION #466**

**FUNDING FOR THE JUNIPER RIDGE HYDROPOWER PROJECT**

**WHEREAS:**

1. **Central Oregon Irrigation District proposes to construct the Juniper Ridge Hydroelectric Project. The project will have a nameplate capacity of 3.27 megawatts, will operate during a 6.5 month irrigation season, and generate 13,435 megawatt-hours (MWh) per year.**
2. **The piping will eliminate water loss through the canal and restore over 20 cubic feet per second of water to the Deschutes River, which will benefit the river habitat, ESA-listed steelhead, and water quality.**
3. **At a cost of $653,594 per average megawatt, the project would be the most cost-effective hydropower project Energy Trust has funded.**

**It is therefore RESOLVED:**

**The board of directors of Energy Trust of Oregon, Inc., authorizes the Executive Director to amend and execute a contract with the Central Oregon Irrigation District (COID) to pay up to $1,000,000 of the above-market costs of the electric generation aspect of this project, consistent with the following terms:**

1. **Payment of the incentive may be made upon commissioning of the project or over time. COID will agree to the standard Energy Trust security arrangements appropriate for the final form of the incentive payment.**
2. **Energy Trust will take title to the first 75% of the project's green tags over 20 years.**

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]