Energy Trust of Oregon, Inc.

Revised Renewable Energy Budgets

Renewable Advisory Council

December 3, 2008

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2003-2008 RE Budget Allocations

Programs	Program Basis		Resource Basis	
	$ million	% Total	$ million	% Total
Biopower	$10.83	18%	$10.83	18%
Open Solicitation	12.97	22%	4.21	7%
Solar Electric	17.92	30%	26.67	45%
Utility Scale	15.93	27%		
Wind	1.97	3%	17.90	30%
Total Renewable Energy	$59.62	100%	$59.62	100%

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2009-2010 RE Budget Themes

- RE faces large uncertainties
  - Financial disruptions
    - Tighter credit, greater standards, higher rates
  - Economic slowdown
    - Less equity to invest & less tax liability to leverage
- Tax credit extensions are positive but uneven
  - Significant for solar and small wind
  - Modest for biomass, hydro, geothermal
  - Little help for community wind
- Staff proposing only modest program changes
  - Less carryover to use to bolster revenues
    - No new program offerings
    - Limit support for community wind
    - Limit expansion of solar program
      - No support for large-scale PV
    - Use some funds from 2009 to bolster 2010

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2009-2010 RE Budget Themes

- Good range of successful programs
- Biomass, hydro, municipal, solar and small wind efforts are working
- Positive reception for niche applications in small geothermal
- Provide a deeper reach for dairies and wastewater treatment plants
- Respond in incremental ways to the market in solar
- Re-structure OSP to focus on small and niche markets
  - De-emphasize new technologies
- Focus innovation on new ways to deploy incentives
- Some expansion in project development support, adding
    - » Financial reviews
    - » Interconnection studies
    - » Matchmaking
- More cross-promotion with EE

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2009 RE Revised Activity Budget Summary

- New Revenues for 2009
  - Pacific Power : $ 5.1 million (-$159,000)
  - PGE: $ 8.7 million

- Non-contracted funds from prior years
  - Pacific Power: $ 4.3 million (-$853,054)
  - PGE: $ 10.1 million (-$1,048,016)

- Total budgets for 2009
  - Pacific: $ 7.9 million (-$485,972 or 6%)
  - PGE: $ 14.3 million (-$579,651 or 4%)

- Proposed carryover from 2009 to bolster 2010
  - Pacific: $ 1.5 million
  - PGE: $ 4.6 million

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Actions to align budgets to lower starting funds

- Spread the impact over 2009 and 2010
  - Reduce carryover from 2009 to 2010
  - Reduce ending balances in 2010 to near zero
  - Keep most cuts proportional to program size
- Keep most programs at previous, 2009 levels
- Continue balance of programs,
  - Aligning to opportunity
- Make largest cuts in community wind in 2009
- Delay cuts to solar to 2010
  - Provide industry time to respond
  - Expect cancelled projects in 2009 can re-fill the 2010 cuts

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2010 RE Draft Activity Budget Summary

- New Revenues for 2010
  - Pacific Power : $ 5.23 million (-$163,724)
  - PGE: $ 9.0 million
- Non-contracted funds from prior years
  - Pacific Power: $ 1.5 million
  - PGE: $ 4.6 million
- Total budgets for 2010
  - Pacific: $ 6.7 million (-$691,109)
  - PGE: $ 13.6 million (-$515,261)
- Comparison to Draft
  - Reduction
    - 4% for PGE
    - 9 % for Pacific Power

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2009-2010 Revised Activity Budget

Programs	Overall ($ millions)			
	2009	2010	2009+2010	% Total
Biopower	$ 4.68	$ 4.84	$ 9.52	22.4%
Open Solicitation	3.63	3.22	6.85	16.1%
Solar Electric	10.28	9.84	20.12	47.4%
Utility Scale	0.15	0.01	0.16	0.4%
Wind	3.43	2.34	5.77	13.6%
Total Renewable Energy	$ 22.18	$ 20.25	$ 42.43	100%

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2009 RE Draft Activity Budget Pacific & PGE

Programs	Pacific Power		PGE	
	$ million	% Total	$ million	% Total
Biopower	$ 2.21	27.9%	$ 2.48	17.3%
Open Solicitation	1.87	23.7%	1.76	12.3%
Solar Electric	2.68	34.0%	7.60	53.2%
Utility Scale	.14	1.8%	0.01	0.1%
Wind	0.99	12.6%	2.44	17.1%
Total Renewable Energy	$ 7.89	100%	$ 14.29	100%

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2010 RE Draft Activity Budget Pacific & PGE

Programs	Pacific Power		PGE	
	$ million	% Total	$ million	% Total
Biopower	1.94	29.2 %	2.89	21.3 %
Open Solicitation	1.54	23.1 %	1.68	12.3 %
Solar Electric	2.09	31.4 %	7.75	57.1 %
Utility Scale				
Wind	1.08	16.2 %	1.26	9.2 %
Total Renewable Energy	6.65	100 %	13.58	100 %

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2009-2010 Challenges

- Large uncertainties in the markets
- Facing the 2011 cliff in funds
  - Managing the carry forward from cancelled projects
  - Addressing the significant demand in solar
  - Defining which program(s) to reduce
- Innovating how we use the incentives
- Taking a bigger role in project development
  - Biomass
  - Hydro
  - Small wind and geothermal

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