Board Decision
Amending Board Open Solicitation Policy

August 22, 2012

Summary

Rename the board's program Open Solicitation policy and update it to reflect the project types that are included now in the "mature technologies" track of the program.

Background

- In 2002, the board adopted an Open Solicitation policy to deal with unusual technologies or applications. Because of their novelty, these projects undergo more extensive review than established technologies and applications.
- In 2009, the board created two tracks for Open Solicitation projects:
    - One for "mature technologies" involving less than $500,000 in incentives, which the executive director could approve; and
    - One for projects not included in other Energy Trust renewable programs, for which the current Open Solicitation process is followed: RAC review and board approval of $50,000 or more in incentives.
- Initially, only traditional hydropower projects were included in the "mature technologies" track. The board later included wind projects.

Analysis

- "Open Solicitation" no longer describes what the policy entails. Staff suggests changing the name to the "Other Renewables" policy to reflect the policy's dual functions: for renewable technologies the board finds to be well-established, and for other projects.
- Staff also suggests amending the policy to reflect the fact that wind is also a "mature technology."
- The Policy Committee reviewed and endorsed these recommendations on May 13.

Recommendation

Amend the board's Open Solicitation policy by adopting resolution 638, below.

RESOLUTION 638

AMENDING BOARD POLICY ON OPEN SOLICITATION PROGRAM

WHEREAS:

1. **In 2002, the board adopted an Open Solicitation policy to deal with unusual technologies or applications. Because of their novelty, these projects undergo more extensive review than established technologies and applications.**
2. **In 2009, the board created two tracks for Open Solicitation projects:**
    a. **One for "mature technologies" involving less than $500,000 in incentives, which the executive director could approve; and**
    b. **One for projects not included in other Energy Trust renewable programs, for which the current Open Solicitation process is followed: RAC review and board approval of $50,000 or more in incentives.**
3. **Initially, only traditional hydropower projects were included in the "mature technologies" track. The board later included wind projects.**
4. **"Open Solicitation" no longer describes what the policy entails. Staff suggests changing the name to the "Other Renewables" policy to reflect the policy's dual functions: for renewable technologies the board finds to be well-established, and for other projects.**
5. **The policy should also reflect the fact that wind is also a "mature technology."**
6. **The Board Policy Committee reviewed and endorsed these recommendations.**

It is therefore RESOLVED, that the board of directors of Energy Trust of Oregon, Inc. authorizes the changes in the board's Open Solicitation program policy shown in Attachment A to this resolution.

Moved by: Seconded by:

Vote: In favor: Abstained:

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

ATTACHMENT A

4.13.0001-A Review Process for ~~Open Solicitation~~Other Renewable Energy Projects

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	April 30, 2003	Approved (R183)	April 2006
Board Policy Committee	April 2006	No change	April 2009
Board Decision	May 6, 2009	Approved (R513)	May 2012

Purpose

To clarify and establish a formal review process for renewable energy projects proposed through the ~~Open Solicitation~~Other Renewables Program.

Background

The Open Solicitation Program was established following discussion by the board at its January 30, 2002, meeting.

In early 2002 the Renewable Energy Advisory Council recommended establishing a procedure for considering and funding unsolicited proposals. Their intentions included:

- Quick implementation
- Fund good ideas that languish for want of a little push
- Fund new technologies in established applications
- Fund old technologies in new applications
- Establish an ongoing path for projects that do not fit criteria for subsequent Energy Trust programs

The application form establishes both general and specific criteria for evaluation. These criteria include: location, viability, replicability, energy generation, leverage/partnership, expansion potential, market transformation, environmental benefits, best practices, education and capability expansion. Staff evaluates the proposals based on these criteria and the guidelines above. The staff review includes resource, engineering and financial data as appropriate to evaluate project feasibility and chances for success. Staff generally requests additional information for about half of the proposals received.

If the final information is complete and the proposal meets the criteria, staff calculates the above- market costs of the proposed project and compares these to the request. We use the approved methodology but also calculate alternate views of the market value of the power (if the appropriate data exist). Typically, recommendations are presented to the Renewable Energy Advisory Council for discussion. This has been presented in a structured format for larger projects and as general conversations for smaller projects. On occasion, the council has taken straw votes to help draw wide-ranging discussions to a conclusion.

In 2009, the board created two tracks for project approval in the Open Solicitation program: (1) a "mature technologies" track in which the executive director could approve projects involving less than $500,000 in incentives; and (2) the current Open Solicitation process (RAC review and board approval for projects involving $50,000 or more) for other projects. Initially, only traditional hydropower projects would be included in the "mature technologies" track; later in 2009, the board ~~could~~ added wind projects to this track, and may add new technologies later~~:~~.

In 2012, the board renamed this program the "Other Renewables" program, and amended the policy to reflect that fact that wind is included in the mature technologies track.

ESTABLISHING ~~TWO TRACKS FOR OPEN SOLICITATION~~OTHER RENEWABLES PROGRAM PROJECT APPROVAL

WHEREAS:

1) The Open Solicitation Program was established by the board in 2002 to deal with unusual technologies or applications; because of their novelty, these projects undergo more extensive review than established technologies and applications;

2) ~~In recent years~~By 2009, the Open Solicitation Program had~~s~~ become more focused on ~~more~~ established technologies such as hydropower generation. Because these projects are relatively well understood, it wa~~i~~s appropriate to re-configure the program to reflect different levels of review for different project types.

~~2)~~3) The board later included wind in the mature technologies track.

Therefore, BE IT RESOLVED: That the Energy Trust of Oregon, Inc., Board of Directors:

1) Authorizes two tracks for approval of projects within the ~~Open Solicitation~~Other Renewables Program and not covered by other Energy Trust renewable energy programs:
   - **a. Mature technologies, i.e., traditional hydropower projects, wind projects, and such other technologies as the board may designate in the future: The executive director may approve projects involving incentives less than $500,000; board approval is required for projects involving $500,000 or more.**
   - **b. Other projects:**
     - **i. Projects involving incentives of $50,000 or less may be approved by the executive director. A summary of any such project will be provided subsequently to the board and Renewable Advisory Council.**
     - **ii. Projects entailing incentives of $50,000 to $125,000 require review by the Renewable Advisory Council and will be placed on a consent agenda for board action unless a member of the board asks to have the project placed on the regular agenda.**
     - **iii. Projects involving incentives of more than $125,000 will be reviewed by the Renewable Advisory Council and placed on the regular agenda for board approval.**

2) Replaces the current Open Solicitation Policy with this resolution.