



# Wind Energy Development in Oregon Public Policy

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OREGON  
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Carel DeWinkel  
Renewable Energy Division  
[carel.dewinkel@state.or.us](mailto:carel.dewinkel@state.or.us)

# Overview of Presentation

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- History of state policy on renewable energy
- Low interest financing, Business and Residential energy tax credits
- Public Purpose Charge / Energy Trust of Oregon
- Net metering
- State PURPA
- Renewable Portfolio Standard
- Uniform Interconnection Standards
- Energy Facility Siting Council
- Western Climate Initiative



## Oregon's Energy Mission

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Insure Oregon has an adequate supply of reliable and affordable energy and is safe from nuclear contamination, by helping Oregonians save energy, develop clean energy resources, promote renewable energy and clean up nuclear waste



# History of Oregon's Renewable Energy Policies

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- 1975: Energy Facility Siting Council (all energy resources)
- 1979: Small Scale Energy Loan Program
- 1980: Business Energy Tax Credit
- 1981: Residential Energy Tax Credit
- 1985: Property tax exemption for renewable resources
- 1999: Net metering legislation
- 1999: Electric utility restructuring / Public Purpose Charge funding
- 2007: Renewable energy resource tax incentives increased
- 2007: Renewable Portfolio Standard plus community-based and small scale energy development goal

# State Incentives

- Energy Loan Program
  - \$350 million portfolio
  - \$20,000 to \$20 million
  - 5 to 20+ year terms
- Business Energy Tax Credit
  - 7,500 completed projects
  - \$900 million dollars in projects since 1980
  - **50% credit** for renewable resources
- Residential Energy Tax Credit
  - Wind: maximum of \$6,000, with a maximum of \$1,500 per year spread out over 4 years
- Renewable Energy Feasibility Study Grants from ODOE and OECDD



Courtesy: Gipe

# Net metering

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- For customers of PGE, PacifiCorp and Idaho Power:
  - Maximum capacity is 2 MW for commercial customers, 25 kW for residential.
  - Annual net metering: surplus is donated back to the utility for low income customers.
- For customers of the Consumer Owned Utilities:
  - Maximum capacity is 25 kW
  - Rules vary



# Public Purpose Charge/ Energy Trust of Oregon

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- Electric Utility Restructuring law (1999)
- 3 % Public Purpose Charge for the customers of PGE and PacifiCorp
  - For efficiency, renewables, low-income housing and K-12 schools
- Energy Trust of Oregon (ETO) to manage energy efficiency and renewables funds (2002):
  - ETO pays up to 100% of above-market costs for renewables
  - Limit eligible renewable project capacity to 20 MW (change made in 2007, part of the RPS legislation to promote smaller scale distributed energy resources)

# State PURPA

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- Public Utility Regulatory Policy Act of 1978
  - Small Power Production Facilities of 80 MW or less (owned by a non-utility for more than 50%)
- State of Oregon: for systems of 10 MW or less:
  - Standard contracts of 20 years
  - Published rates, to be updated every two years (next update in 2009); No Power Purchase Agreement negotiations needed!
  - For wind: agreed upon rule on “separate sites”:
    - five-mile radius, shared interconnection and infrastructure allowed, passive investor rule



Courtesy: Gipe

# Renewable Portfolio Standard of 2007

Type of utility	Year 2011 Percent of load by new renewables	Year 2015 Percent of load by new renewables	Year 2020 Percent of load by new renewables	Year 2025 Percent of load by new renewables
Large: 3% or more of total retail sales	5%	15%	20%	25%
Smaller: (1.5% or more, but < 3%)	No interim targets	No interim targets	No interim targets	10%
Small: (< 1.5%)	No interim targets	No interim targets	No interim targets	5%

- Eligible renewable resource types based on facility operational date
- Utilities that buy new coal plants or power have to meet the standards for large utilities
- Cost cap of 4 percent
- **Legislative non-binding goal to meet 8% of RPS goal for 2025 by community-based and small-scale projects of 20 MW or less**

# Uniform Interconnection Standards

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- Adoption of rules governing the interconnection of small generator facilities of 10 MW or less to transmission or distribution systems of investor owned utilities
- **Rule making in progress** before the Oregon Public Utility Commission, final comments were submitted on August 20, 2008
- Sets timelines for various stages of the interconnection process
- Sets application fees
- Different rules for simple to complex interconnections
- Contains specific guidelines for telemetry
- Includes Dispute Resolution

# Energy Facility Siting Council (EFSC)

- EFSC process required for wind facilities of 105 MW or larger
- Timeline for five wind facilities with EFSC site certificate:

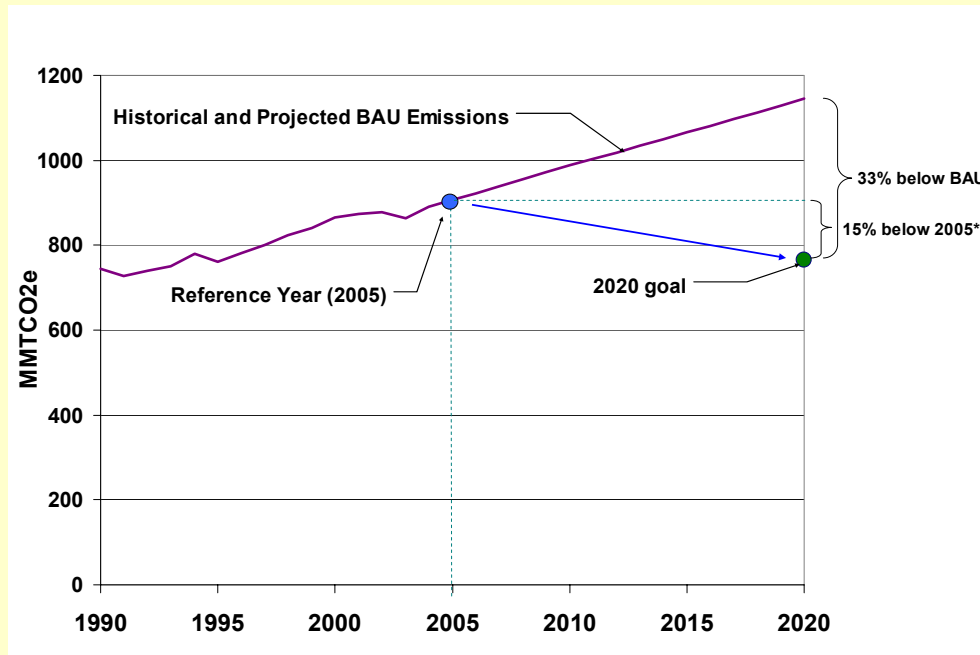
Wind farm name	Wind farm owner	Application received	Application completed	Approved certificate
Stateline 307.5 MW	FPL (expedited)	1/11/2001	5/11/2001 (4 months)	9/14/2001 (4 months)
Biglow, 450 MW	PGE	10/12/2005	3/20/2006 (5 months)	6/30/2006 (3 months)
Klondike III 375 MW	PPM (expedited)	5/13/2005	2/6/2006 (9 months)	6/30/2006 (5 months)
Leaning Juniper II, 279 MW	PPM (expedited)	Prelim. on 2/1/2006, Amended on 10/4/2006	5/15/2007 (7 months from Amended)	9/21/2007 (4 months)
Shepherds Flat, 909 MW	Caithness Shepherds F.	2/14/2007	11/19/2007 (9 months)	7/25/2008 (8 months)

# The Western Regional Climate Action Initiative

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- In February of 2007 the Governors of the five states (WA, OR, CA, AZ, NM) sign joint MOU to form the Western Regional Climate Action Initiative “**Western Climate Initiative**” (WCI) for short.
- WCI partners have agreed that the focus through August of 2008 will be on designing a **regional cap-and-trade program**.

# WCI Sets Regional Goal (August 2007)



- WCI partners agree to reduce greenhouse gas emissions in the WCI region to **15 percent below 2005 levels by 2020** (the combined impact of the WCI partner's existing goals).



# Federal Policy

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- Production Tax Credit Extension: 1 year, through the end of 2009
- Tax credit for small wind turbines of 100 kW or less, through Dec 31, 2016
  - 30% of total cost, not to exceed \$4,000
  - for residential: the lesser of \$4,000 or \$1,000 per kW
- Renewable Portfolio Standard

# How to reach us:



**Carel C. DeWinkel,  
Senior Policy Analyst**

Renewables Division

Phone: (503) 378-6099 or

in Oregon (800) 221-8035

Fax: (503) 373-7806

E-mail: [carel.dewinkel@state.or.us](mailto:carel.dewinkel@state.or.us)

Web site: [oregon.gov/ENERGY/](http://oregon.gov/ENERGY/)



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