

Oregon's Renewable Energy Action Plan and Renewable Energy Working Group

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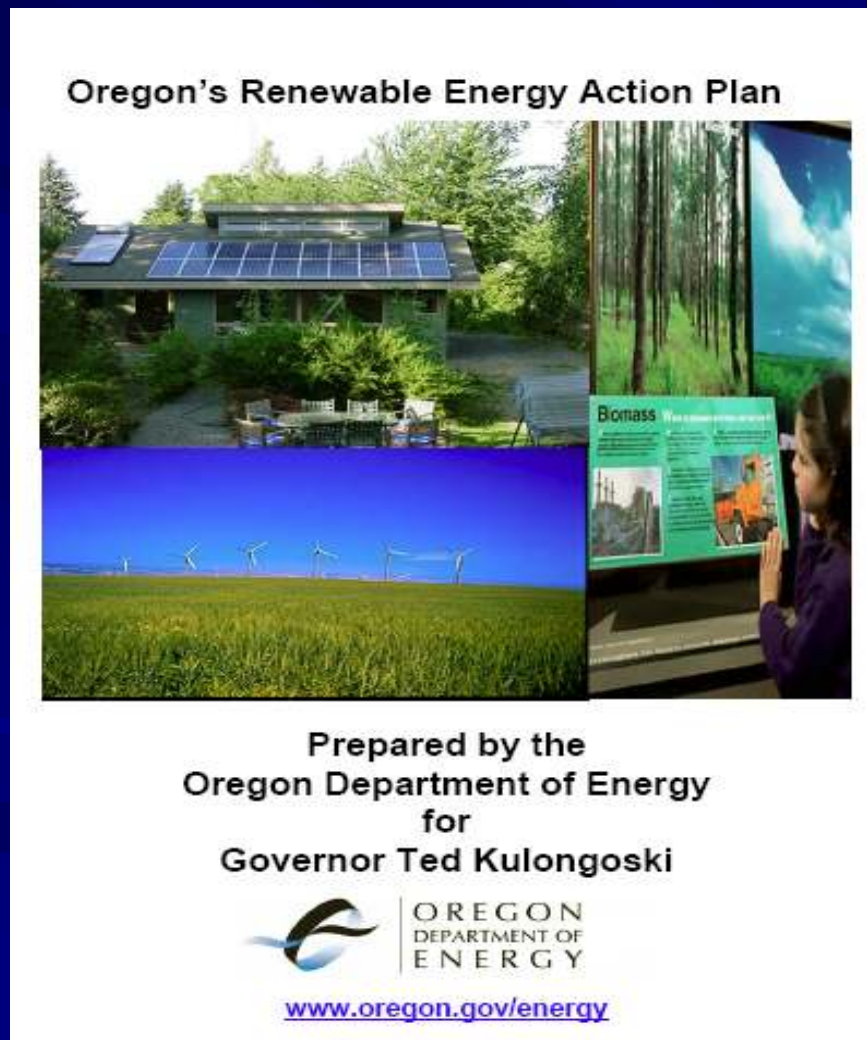
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Oregon's Renewable Energy Working Group (REWG)

- Reports to Governor Kulongoski
- 44 members, including 4 legislators
- Began meeting in February 2006
- 21 meetings to date
- Charter is to guide implementation of Oregon's Renewable Energy Action Plan (REAP)
- Primary focus has been legislative

Renewable Energy Action Plan (REAP)



- Developed in 2005
- Delegates 51 specific action items to the REWG (6 solar & 11 biomass items were adopted later)
- Many other tasks are given to additional groups

Why a REAP?

- The Governor recognized the importance of developing renewable and energy efficiency resources
 - To further economic development
 - Because oil and natural gas supplies are becoming more constrained
 - Because investments in renewables & efficiency have environmental benefits
- Oregon's Goal: to promote the efficient use of energy resources and to develop permanently sustainable energy resources

REAP Structure

- Goals: Short Term (before 2006) & Long Term (2007 - 2025)
- Initiatives: Legislative and those initiated by the Governor's Office
- Actions: General (cross-cutting) and Resource Specific for the REWG, state agencies, and the university system. Some are tasked to other working groups.

Short-Term REAP Goals

- Find and implement effective solutions to the transmission capacity bottleneck between eastern and western Oregon
- All utilities in Oregon will offer customers a “stable-price” renewable energy product
- An assessment of the feasibility of a renewable portfolio standard (RPS) for the state will be completed

Short-Term REAP Goals

- 300 MW of new wind energy resources will be developed, of which 10% will be from community or locally owned wind energy projects
- 500 additional solar PV electric systems will be installed in the years 2005 & 2006 for a total of about 1 MW



Short-Term REAP Goals

- 5 MW of new biogas generation facilities will be obtained from wastewater treatment, dairies & landfills
- 25 MW of new biomass-fueled electric generation will be built or be under construction
- 25 MW of new combined heat & power generation systems



Short-Term REAP Goals

- 200 5kW fuel cells will be installed
- 20 MW or more of geothermal electric generation will be in the process of being developed
- 1-4 MW of new environmentally sustainable hydroelectric generation will be on line or in the process of being developed

Short-Term REAP Goals

- Diesel sold in Oregon will contain 2% biodiesel & Oregon gasoline will contain 2% ethanol
- 15 million gallons of biodiesel will be produced annually from Oregon crops or products & waste oils collected in Oregon
- 100 million gallons of ethanol will be produced annually

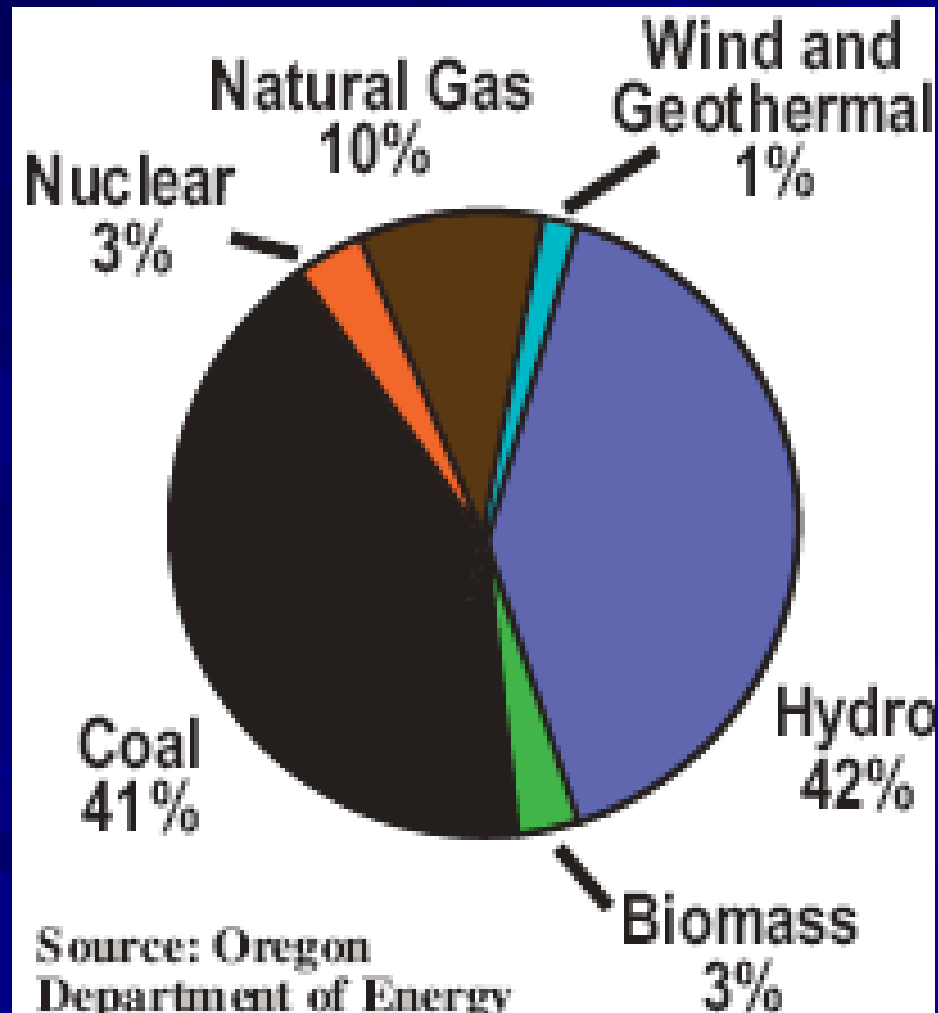


Long-Term REAP Goals

- New (i.e., post-1999) renewable energy generation will meet 10% of Oregon's total load by 2015 & 25% of the load by 2025
- 25% of state government's total electricity needs will be met by new renewable energy sources by 2010 & 100% by 2025



Oregon's Electric Fuel Mix



Long-Term REAP Goals

- All diesel fuel sold in Oregon to contain 5% biodiesel by 2010, growing to 20% by 2025
- All standard gasoline sold in Oregon to contain 10% ethanol by 2010
- 5% of all gasoline sold in Oregon to be an E-85 blend of ethanol & gasoline by the year 2015, growing to 15% by 2025

2005 Legislative Initiatives

- Energy Loan Program changes (SB 735, SB 5503) for more renewable energy projects
- Residential Energy Tax Credit (RETC) changes for solar electric systems that allow total credit up to \$6,000 over four years (SB 31)
- Net metering changes (SB 84) allow for biomass energy & other modifications

2007 Legislative Initiatives

- Biofuels package including renewable fuel standard & tax credits (HB 2210)
- Tax Credit Changes - BETC increased from 35% to 50% for renewable projects; RETC increased maximum credit for fuel cells & wind generators to \$6,000 (HB 3201)
- Renewable Portfolio Standard (RPS) of 25% renewables by 2025 (SB 838)

Governor's Office Initiatives

- Support the REWG (to be coordinated through the Governor's office) & the Oregon Department of Energy to guide the implementation of the REAP
- Coordinate the REAP with Western Governor's global warming & renewable energy efforts
- Play an active role in recognition of programs, projects & policies that help promote the REAP's objectives

REAP Working Groups

- For the Resource Specific actions, the REWG is utilizing existing networks:
 - Biomass Coordinating Committee
 - Wind Working Group
 - Geothermal Working Group
 - Solar Energy Groups
 - Ocean Energy Groups
 - Small Hydro Working Group



Oregon REWG

- On hiatus from Fall '07 - Spring '08
- Reorganized with new membership & direction from the Governor's office in Spring '08
- Set up 4 new subcommittees
- Worked in process parallel to Energy Efficiency Working Group



REWG Proposals for 2009

- Developed 9 legislative proposals that were submitted to the Governor in fall '08
- Two REWG proposals chosen for the Governor's '09 Climate Change Package:
 - HB 2180 (was LC 598) → Changes & expansion of BETC
 - HB 2121 (was LC 604) → Production-based incentive pilot project for solar



REAP Action Item Breakdown

- 15 Cross-cutting tasks
- 15 Biomass
- 7 Biofuels
- 7 Hydroelectric
- 6 Solar
- 4 Fuel cells
- 4 Geothermal
- 3 Wind
- 2 Ocean wave
- 1 Combined heat & power



REAP Update

- The REWG & other groups have made progress on REAP tasks:
 - 16% Significant progress
 - 32% Some progress
 - 51% Little or no progress
- Key areas of progress: RPS, biofuels work, net metering, wind integration, expanded BETC, zero net energy homes
- Still much to accomplish in the REAP!

Next Up for REWG

- The REWG should continue to
 - Help to set Oregon's direction for Renewable Energy
 - Get updates from energy working groups
 - Oversee the implementation of REAP tasks & goals
 - Report progress to the Governor
- Set priorities for 2009 or beyond
 - Review goals & tasks from the REAP
 - Need to look into transmission issues, among others
- Determine whether full-scale update of the REAP is warranted
- Oregon Energy Planning Council interaction