OR Community Renewable Energy Tariff
City of Bend Visioning Session

March 10, 2022





PACIFICORP

POWERING YOUR GREATNESS

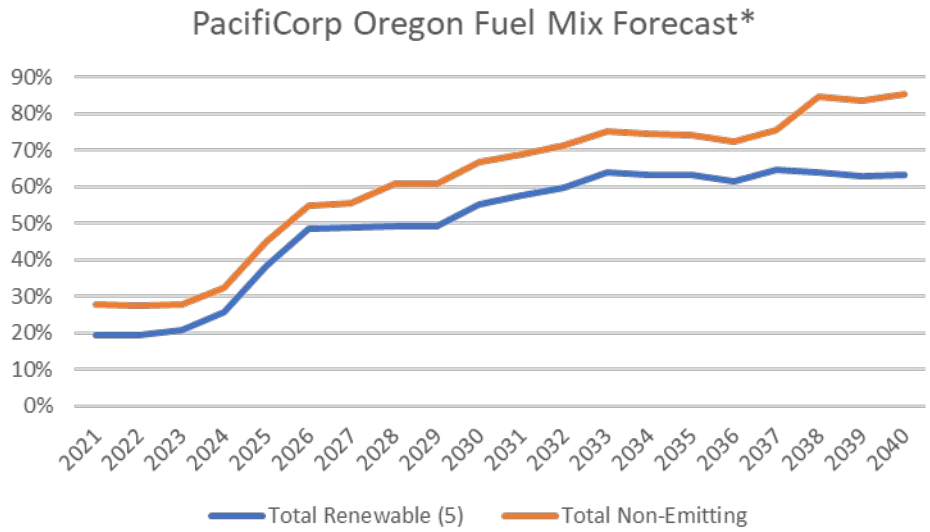
Pacific Power- 2021 Integrated Resource Plan

The 2021 IRP continues significant shift from emitting to renewable resources

- By 2024: 1,700 MW Wind , 1,300 MW Solar
- By 2026: 745 MW Wind, 600 MW Solar + Storage
- By 2040: 5,600 MW Solar, 3,600 Wind, 6,100 MW Storage, 2,400 MW Demand Response, 4,290 MW Energy Efficiency

Retirement of Emitting Resources

- By 2025: 1,300 MW
- By 2030: 2,200 MW
- By 2040: 4,000 MW



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Oregon Legislative and Regulatory Changes

House Bill 2021

- **Approves the development Community Renewable Energy Tariffs**
- Establishes Emission Reductions Targets
- Establishes Community Renewable Energy Project Grant Program ($50 Million)
  - Currently accepting proposals $12m due June 10
- Increase Small Scale Renewable Mandate from 8% to 10%

  Also
- Mandates development of a Clean Energy Plan
- Develops Community Benefits and Impacts Advisory Group
- DOE Study on how to increase Small Scale Renewable Energy Projects
- Developed renewable energy project labor standards

OR HB 2021 Emissions Reduction Trajectory

80 percent below baseline emissions levels by 2030
90 percent below baseline emissions levels by 2035
100 percent below baseline emissions levels by 2040

OPUC AR 622: Small Scale Renewable Mandate

Clarified how utilities meet the mandate

- 20 MW and below, RPS compliant resources
- Will lead to the development of a minimum of 800 MWs of small projects

ODOE Solar + Storage Rebate

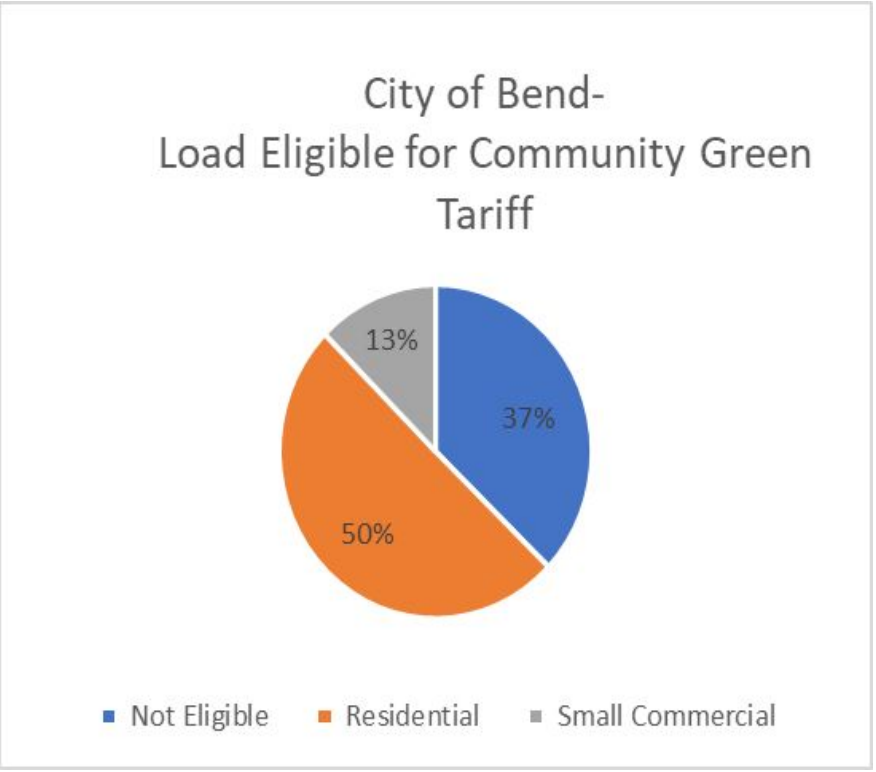
- Legislature reappropriated $10m additional funding to the program

What is a Community Green Tariff?

- Local government “ordinance” triggers automatic enrollment of all residential and small commercial customers into a new tariff, with the ability for the customers to opt out
- New tariff provides the community an opportunity to invest in renewable energy facilities, resiliency projects or RECs to meet the community goals
- The price of the new tariff reflects the investment choices of the community
- Community based resources can leverage existing tariffs and programs and any options created from the Tariff.
- Protection for low income customers must be included in the program

Scope of Community Green Tariff in Bend

Eligible customers:
Retail electricity consumers within the boundaries of the government that are connected to the distribution system and whose electricity demand at any point of delivery is less than 30 kilowatts



City of Bend CY'21 Load* (MWh/year)	Not Eligible	Residential	Small Commercial	Total
City of Bend	265,984	360,098	89,861	717,503

Total Eligible Load	451,519 MWH
Approx Equivalent Renewable Resource Size**	172 MW

**Assumes 30% Capacity Factor and no accounting of renewables inherent to the grid

Community Green Tariff: Proposed Blended Resourcing Model

- Offer communities blend of resources at weighted $/MWh
- Each community can determine the resources that meet their needs.

	Utility-scale new build	**Community-scale new build(s)**	**Unbundled RECs**
Cost	Relative low cost per MWh	Relative high cost per MWh	Relative high cost per MWh
Cost certainty	Fixed	Fixed	Variable
Applicability	Requires aggregation of community load	Addresses community-only load	"Top up" community-only load
Size	Large (~20+MW)	Small	Small, flexible
Term	Long-term	Long-term	Short-term
Costs borne by	All OR participants	Individual community	Individual community

Community Scale Resource- Funding Options

Grant Style Funding

- Upfront grant buys down capitol costs
- No ongoing support
- Project leverages existing programs (net metering, QF Avoided Cost, utility PPA)
- Renewable Energy Certificates may not transfer automatically to community

Production Based Funding

- Ongoing contract tied to energy generation
- Community pays difference between energy rate and the system value
- Less upfront cost
- Government entity provides backstop should residents opt out
- Renewable Energy Certificate May not transfer automatically

Balancing Account

Why?

- Allows for a smooth customer price experience over the life of the program

How it works:

- Acts as a savings account where expenses from the program are paid. Allows collections to diverge from expenses within each year.
- Program spend and collections are forecast so that the program ends with no balance
- Collections can be adjusted if required over time.

Preliminary Questions for the Community

- Who: Which government entity is leading the discussion (County, City, Irrigation District, ?)
  - What does community engagement in the development process look like?
- What: What are the specific targets of the community (Renewable, Local, ?)
  - How is success to the target measured (RECs, ?)
  - How is the grid mix of emissions free resources incorporated or excluded from the goal
  - How are existing Blue Sky participants and net metering facilities considered in the goal