



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

April 12, 2016

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street, S.E.
P.O. Box 1088
Salem, OR 97308-1088

Re: UM 1020 Portland General Electric Company's Compliance with Order No. 16-123

Enclosed for filing is PGE's Revised Renewable Development Fund (RDF) Guidelines. The Revised Guidelines provide a criteria and process for disbursing RDF funds to eligible projects. Following its March 22, 2016 regular meeting, the Commission issued Order 16-123. During the meeting, the Commission did not approve PGE's RDF Guidelines and directed PGE to work with Staff to remove utility owned projects from the guidelines and present the guidelines at a future public meeting. The Revised Guidelines are a result of working with Staff to remove references to utility owned projects and are on the agenda for the April 21, 2016 public meeting.

Should you have any questions or require further information, please contact me at (503) 464-8718.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,

A handwritten signature in black ink, appearing to read "Karla Wenzel". The signature is fluid and cursive, written over a white background.

Karla Wenzel
Manager, Pricing and Tariffs

cc: Service List – UM 1020
Cindy Dolezel



Renewable Development Funds' Guidelines - 2016

Clean Wind and Green Source Development Funds

Thank you for your interest in PGE's Renewable Development Fund program - a program made possible by contributing customers participating in Portland General Electric Company (PGE) renewables offerings. PGE's Renewable Development Funds come from a portion of the payments that renewable customers voluntarily pay in addition to their standard PGE light and power bill. Please review the eligibility guidelines, project requirements, and evaluation criteria below. Applications will be reviewed by a committee of PGE representatives and community members based on these considerations and subject to availability of funds.

Eligible for Funding

1. Selected projects will be allocated funds to provide all or part of the costs of new "steel in the ground" renewable energy projects that are either directly interconnected to PGE's grid or delivered to PGE pursuant to a Power Purchase Agreement (PPA). Eligible renewable project types include:
 - Wind
 - Geothermal
 - Solar PV
 - Low-Impact hydro certified by the Low Impact Hydro Institute (LIHI)
 - Pipeline or irrigation canal hydropower
 - Wave energy
 - Tidal energy
 - Low-emission biomass or biogas based on digester methane gas from landfills, sewage treatment plants or animal waste and biomass energy based on solid organic fuels from wood, forest or field residues or dedicated crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol or copper chrome arsenic.
2. Research and development projects that facilitate renewable energy market transformation or the emergence of new renewable technologies.

3. Educational components directly associated with a Clean Wind/Green Source funded renewable project.

Ineligible for Funding

1. Renewable energy project types:
 - Passive solar or thermal solar systems
 - Geothermal heat-pump systems
 - Geothermal or biomass heat generation systems
 - Single-family residential projects
 - Off-grid projects with no additional educational benefits
2. Activities not directly associated with the capital costs of new renewable energy systems:
 - Structural or site improvements required prior to project construction, including:
 - o Canopies
 - o Roofing
 - o Tree removal
 - o Lighting
 - o Flooring
 - o Structural reinforcement
3. Fees incurred for project estimates or bids.
4. Site evaluation expenses.
5. Landscaping costs.
6. Construction Bond Costs.
7. Facility maintenance or repair costs.
8. Interest or warranty charges.
9. Donated, in-kind, or volunteer materials or labor.

Project Requirements

1. Project must be either directly interconnected to PGE's grid or delivered to PGE pursuant to a PPA.
2. Project must be new or an expansion of an existing project.
3. Project completion (defined as delivering power) within 18 months of funding approval. Extensions may be considered on a case-by-case basis.
4. Commercial or utility scale, with capacity less than 10 MW.

5. In the event that any project receives over \$400,000 in grant funds applications must be reviewed and approved or denied by the Oregon Public Utility Commission (OPUC) before any funds are assigned to a proposed project.
6. Projects receiving less than \$400,000 require the OPUC Staff to receive a list of funded projects for review. Following a one-week waiting period, PGE will notify the selected applicants of the funding decision.
7. Equipped with production monitoring equipment to collect and report facility output, with data made available via both a production history electronic database and a public web link, to PGE for a period no less than five years.
8. Follow interconnection guidelines as required by PGE, the OPUC, the Federal Energy Regulatory Commission (FERC), or any other relevant regulatory agencies.

Project Preferences

Projects meeting the following criteria may be given priority:

1. Site is located within PGE service territory.
2. Site and/or system is owned by a PGE customer.
3. If customer-sited, host customer is either a public or non-profit entity or is proposing a project in a meaningful partnership with a public or non-profit entity.
4. Renewable Energy Certificates (RECs) from project are not sold to third parties.
5. Multi-family and low-income housing projects are encouraged to apply.
6. Constructed with local materials or labor (preference for materials and labor from PGE's service territory, Oregon or the Pacific Northwest).
7. Provide a substantial benefit to the community in the form of educational engagement and public visibility.
8. Nominated or sponsored by a PGE customer or community in PGE's service territory.
9. Provide significant environmental and economic benefits to local communities and PGE customers.
10. Applicant has demonstrated efforts to obtain all other available funding sources, incentives, federal grants, and tax credits.

11. Projects that have pledged their own funds, secured in-kind donations, or shown a willingness to engage in creative fund-raising efforts which contribute to the overall appeal of the project
12. Projects in which the entirety of overhead, administrative, or project management costs are born by the project owner. In rare instances, PGE may consider requests for funding of administrative costs, depending on the circumstances and qualifications of the applicant.
13. Projects which provide direct financial benefit to the host customer, where the host customer is a for-profit business may be considered, but only if the host customer is purchasing renewable power through a Green-e certified renewable power program.

Funding Parameters

No single applicant or project will be eligible to receive more than 33% of total development fund balance at the outset of each funding cycle. Available funding will be made known at outset of each year/application round. Available funding for the 2016 process is \$11.6 million (as of February 29, 2016).

1. All applicants are expected to secure all other forms of available funding, including grants, incentives, and state/federal tax credits.
2. PGE's primary interest is to provide enough funding such that a project is economically feasible; the development funds pay down the above market costs. This may result in funding of anywhere from a few hundred dollars to millions of dollars.
3. Funding may differ from the amount requested.
4. PGE will allocate funding based upon qualified applications, with no guaranteed total amount to be released in any given round.
5. In rare instances, PGE may elect to fund up to 100% of the remaining capital costs of a project. Only projects which have explored all other funding options and which meet a majority of above-stated preferences will be considered in these rare instances.
6. PGE will not provide development assistance, or assistance in obtaining co-funding.

Additional Considerations, as further defined in accompanying Project Evaluation & Selection Criteria document¹

1. Diversity of projects and locations: PGE will seek to fund a diverse mix of small and large projects
2. Reasonableness of the application
3. Thoroughness of project design
4. Feasibility of project budget
5. Qualifications of project team
6. Project complexity & technical feasibility
7. Project readiness

¹ PGE will present an informational update on projects at a regularly scheduled Portfolio Option Committee meeting.