

# State production incentives

- Enhancing our economy
- Improving the payback for solar and wind

Sept. 18, 2006



# Overview

- Adopting state incentives for solar and wind generation
- Information only
- Resolution
  - Add incentive to Rate Schedule 19
  - Include net metered systems



# How state incentives work

- Approved by state Legislature in 2005
- PUD pays solar, wind and biogas generators a premium for energy they produce
- PUD subtracts these payments from its state public utility tax



# How incentives work

- Tax credit is limited to 0.25 percent of PUD's taxable revenue
- Works out to additional production payments of \$92,500 per year
- Applies to power produced after June 30, 2005
- Program extends through June 2014



# Advantages

- Spurs economic development (manufacturing)
- Benefits existing and future SNAP producers

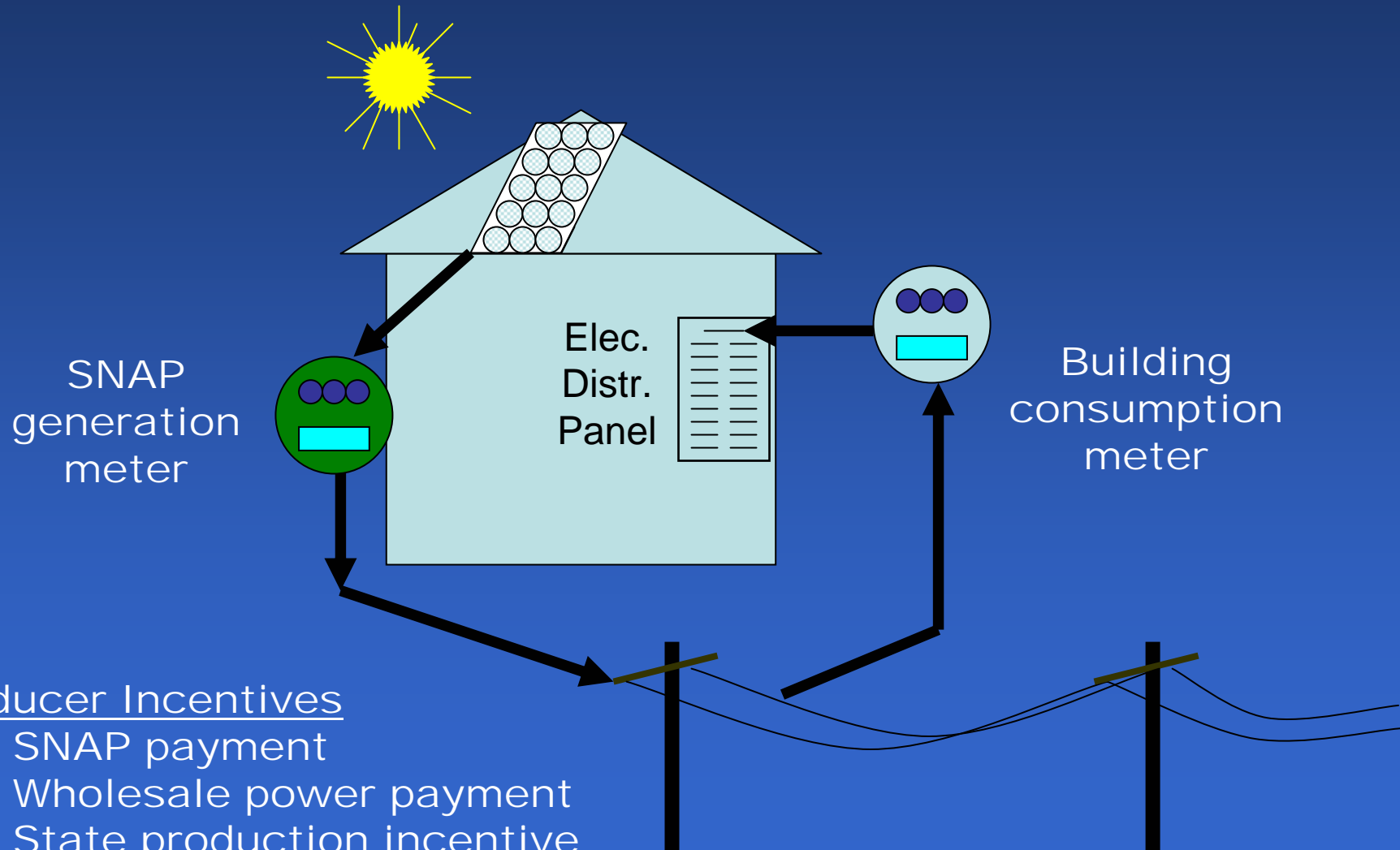


# SNAP benefits

- Increases payments to SNAP producers by adding 12 to 54 cents per kWh produced
  - Existing SNAP producers will receive total of \$9,000 more per year
  - Example: Bank of America Performing Arts Center: \$2,000 per year extra



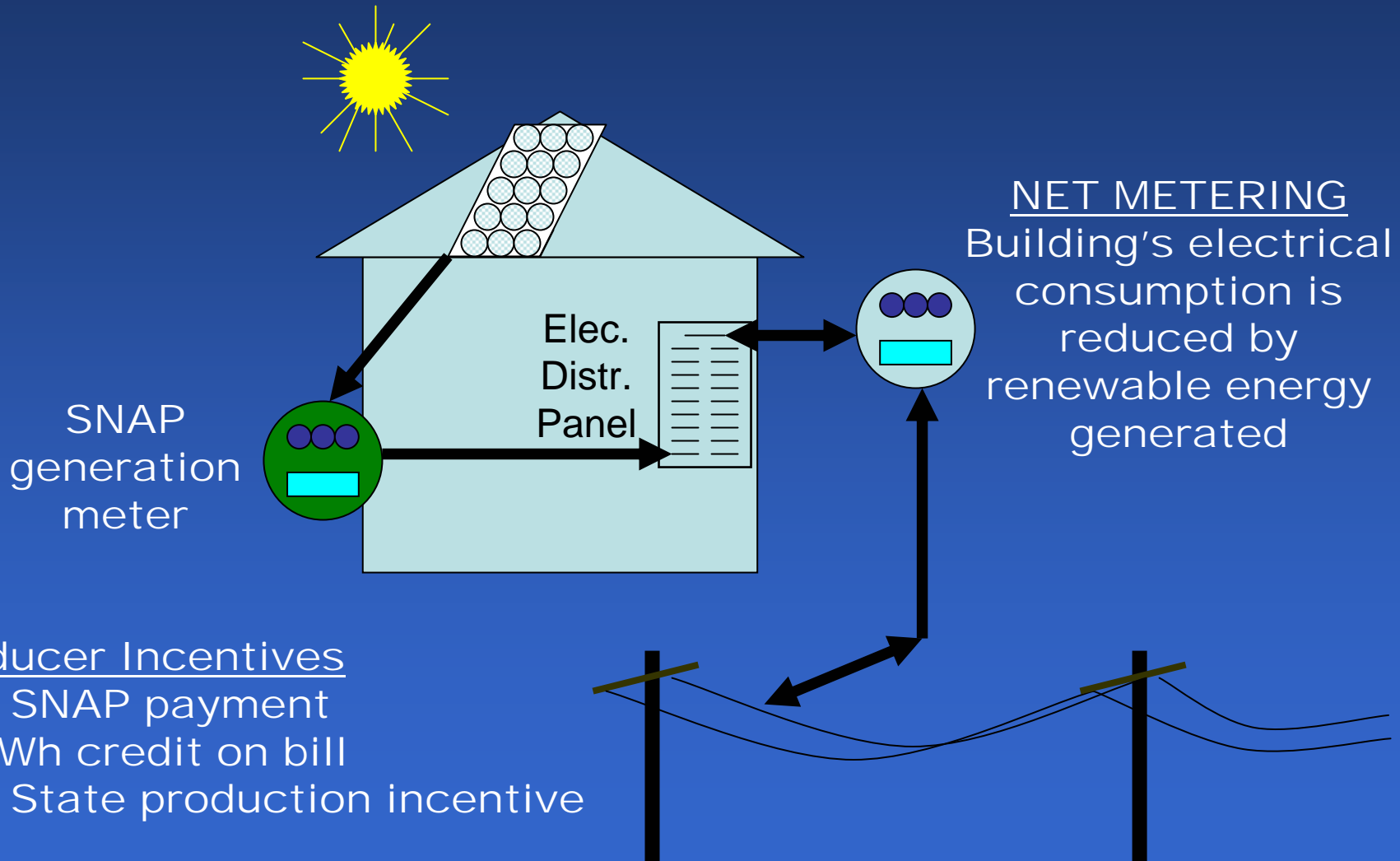
# Existing SNAP metering policy



## Producer Incentives

- \$ SNAP payment
- \$ Wholesale power payment
- \$ State production incentive

# Add net-metering option to SNAP



# Balanced scorecard

- Manage our assets and natural resources
- Leverage best practices and innovation
- Listen and respond to customers



# Next steps

- No net impact to customers or District
- Resolution
  - Notice Policy for Rate Proceedings
  - Oct. 23

• *Questions?*

