

MEASURE: HB 3582

EXHIBIT: T

Joint Committee on Tax Credits 76th Session

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SUBMITTED BY: Michael Early

Report to Legislative Assembly on Public Purpose Expenditures

January 2009 – June 2010

Final Report

ECONorthwest

ECONOMICS • FINANCE • PLANNING

222 SW Columbia Street, Suite 1600
Portland, Oregon 97201
503-222-6060

www.econw.com

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Summary of PPC Expenditures and Results (1/2009 – 6/2010)

Agency / Program	Expenditures	Results		
		kWh Saved or Generated	aMW	MMBtu
Energy Trust – Conservation	\$61,699,293	271,223,330	30.96	925,685
Energy Trust – Renewables*	\$21,177,529	28,256,833	3.23	96,412
Education Service Districts**	\$17,269,269	10,415,339	1.19	89,850
OHCS Low-Income***	\$21,113,046	12,197,703	1.39	41,631
Self-Direct Customers****	\$3,690,089	152,370,646	17.39	520,041
Total Expenditures	\$124,949,226	474,463,851	54.16	1,673,648

* Energy saved includes savings from reduced transmission and distribution losses. Renewable energy savings are from currently operational projects.

** MMBtu includes natural gas, propane and oil savings, in addition to electricity savings.

*** Expenditures for the OHCS Low-Income program include expenditures from the Housing Trust Fund, which does not track energy savings for its projects.

**** Expenditures listed for Self-Direct represent public purpose charges retained by the participating sites in lieu of making payments to the utilities, which are then distributed among the other agencies (e.g., Energy Trust).

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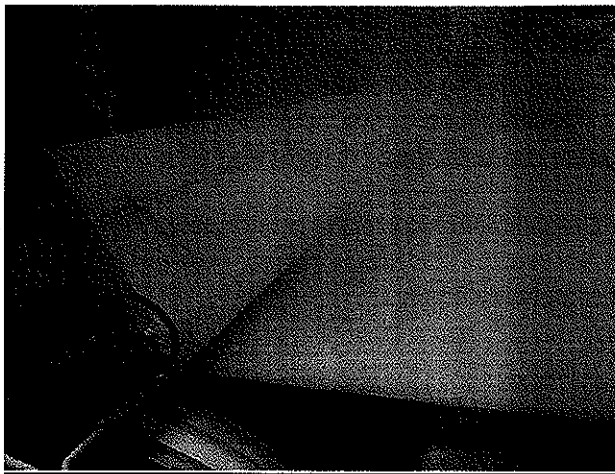
INDUSTRIAL CUSTOMERS
OF NORTHWEST UTILITIES

West Linn Paper Company Conservation BETC: Steam Box Installation

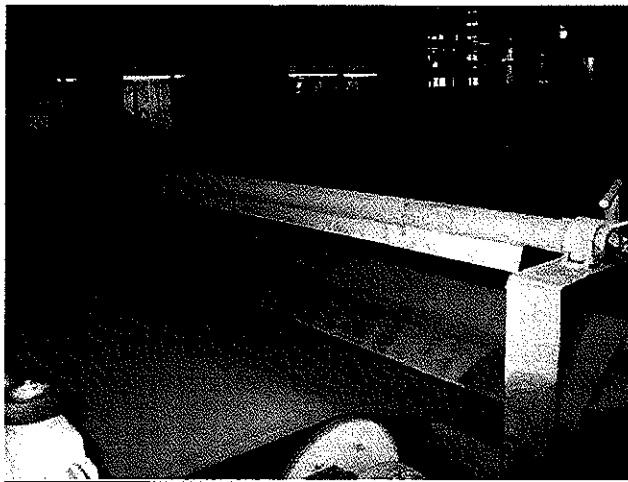
Increased Paper Quality and Production Capacity

- Total Cost: \$565,000
- Conservation BETC Investment: \$144,000
- West Linn Paper Investment: \$421,000

Pre-Steam Box Optimizer: Energy Waste



Post-Steam Box Optimizer: Energy Savings, Increased Quality and Faster Production



For More Information Contact Mark Nelson or Erica Hagedorn at 503-363-7084



The Conservation BETC Helps Oregon's Industrial Facilities Reduce Energy Use to Remain Competitive

The **Conservation BETC** provides Oregon manufacturers with a unique tool to maintain and enhance their competitiveness and to continue to maintain and expand employment opportunities in their communities.

Responding to aggressive competition from both foreign and out-of-state businesses, Oregon manufacturers are working hard to control their costs. The cost of doing business in Oregon is normally higher than in other locations because of many factors including labor and environmental regulations and our geographical location.

Prior economic advantages have been eroded in the last few years due to costly environmental policies and other factors. For example, PGE's previously attractive industrial rate has fallen to the middle of the pack nationally and PGE's industrial rate now ranks the 67th highest among 164 investor-owned utilities in the nation.

There are three major ways for Oregon manufacturers to reduce costs so they remain competitive:

- Reduce environmental compliance costs;
- Reduce labor costs; or
- Reduce energy use.

Reducing energy use is the only cost driver that Oregon manufacturers can truly control themselves.

The **Conservation BETC** has provided the final piece of the financing puzzle in many cases to enable Oregon manufacturers to reduce their energy use. Reducing energy use enables Oregon manufacturers to produce more products for less money, which makes them more competitive in the marketplace and spurs more orders.

In addition, reduced energy use will render Oregon products "greener" and more sustainable. This has allowed some local products to be sold into new, more environmentally sensitive markets and to reach new consumers.

The **Conservation BETC** has been invested in a variety of industrial processes from boiler controls to high efficiency electric motors. These investments enable companies to (1) reduce energy consumption, (2) reduce associated greenhouse gas emissions, and (3) reduce associated industrial water use.

The financial reality is that "but for" the **Conservation BETC**, the additional investment necessary for many larger, more impactful projects would not be committed by manufacturers and these investments would not pencil out. Without the **Conservation BETC**, many businesses would – and have— inevitably lose out to competitors outside Oregon that have access to other cost advantages such a lower labor costs, less restrictive environmental regulations, or lower power costs.

Oregon Manufacturers Ask You to Please Support the Conservation BETC

For More Information Contact Mark Nelson or Erica Hagedorn at 503-363-7084