

Energy Funding Resources for Publicly Owned Treatment Works in Oregon

Wastewater and water treatment plants across Oregon face challenges of growing demand, rising energy costs, increased regulatory requirements and outdated equipment and facilities. The Oregon Association of Clean Water Agencies (ACWA), Energy Trust of Oregon, Bonneville Power Administration (BPA) and state and federal agencies are working together to help municipalities meet these challenges.

Below is a summary of funding resources available to wastewater and water treatment plants in Oregon to implement energy efficiency and renewable energy technologies. All funding agencies are actively involved in supporting efficiency and renewable projects. Contact the individual agency for current program details.



Energy Trust of Oregon

Energy Trust provides cash incentives to operators of treatment plants to improve production and energy efficiency and invest in renewable energy technologies, including biomass, solar, wind and hydroelectric. Energy Trust serves Oregon customers of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas. The following are provided:

Production and Energy Efficiency

- Cash incentives for energy efficiency improvements at water and wastewater systems, including blowers, pumps, motors and lighting. Cash incentives for system improvements are \$0.32/annual kilowatt hour saved, up to 50 percent of eligible project costs. Other incentives are available for lighting and premium efficiency motors.
- Free technical assistance or partial-funding for efficiency portions of feasibility studies is also available.
- Incentives are available for projects completing in 2009, 2010 and 2011. Between 2003 and 2009, Energy Trust distributed more than \$10 million in incentives for water and wastewater efficiency improvements.

➔ For more information, visit <http://energytrust.org/public-sector/incentives/water-wastewater-treatment-facilities/equipment-upgrades/>

➔ Solar Electric Systems

- Cash incentives for one or more solar electric systems with a total combined capacity of 200 kilowatts. Incentives vary based on the local electric utility and range from \$1.15 to \$2.00 per kilowatt. The maximum incentive is \$280,000.
- Multi-site solar incentives may also be available for a solar electric system with a total combined capacity up to 800 kilowatts or a maximum incentive of \$800,000.
- Energy Trust also provides assistance in evaluating third-party financing arrangements for solar installations that can help municipalities realize the benefits of state and federal tax credits and accelerated depreciation. Working with a business partner, you can lock in a stable, long-term price, comparable to today's utility rates, from power generated on your roof.

➔ For more information, visit <http://energytrust.org/public-sector/incentives/Other/equipment-upgrades/SolarElectric/SolarElectric2/>

Methane Production from Anaerobic Digestion

- Matching funds up to \$30,000 to study the feasibility of generating electricity by burning methane from wastewater treatment plant anaerobic digesters. The study fully identifies potential system flaws, determines project costs and provides next-steps for engineering and permitting.

- Cash incentives are available for installation of electricity generation projects utilizing methane produced from anaerobic digestion installations. Incentives are based on a project's above-market costs. There is no cap or fixed percentage. Eligible projects include both new installations as well as increasing capacity on existing projects.

➔ For more information, visit <http://energytrust.org/public-sector/incentives/Other/equipment-upgrades/Biopower/Biopower/>

Hydroelectric Generation

- A free, initial determination of whether you have the appropriate conditions for hydroelectric generation. In municipal water systems the energy loss at a pressure-reducing valve may represent an opportunity to generate electricity, while maintaining the valve's critical function.
- Matching funds up to \$30,000 for a hydroelectric feasibility study to fully identify potential system flaws, determine project costs and provide next steps for engineering and permitting.
- Cash incentives for hydroelectric installations are based on a project's above-market costs. There is no cap or fixed percentage.

➔ For more information, visit <http://energytrust.org/public-sector/incentives/Other/equipment-upgrades/Hydro/HydroelectricPower/>

Small Wind Generation

- Cash incentives for small wind turbines up to 50 kilowatts based on \$3,750 per meter of rotor blade diameter or \$4,000 per rated kilowatt, whichever is less, up to \$60,000.
- For larger community wind installations, Energy Trust funds a no-cost Anemometer Loan program to assess wind quality at proposed sites. Anemometers are measuring devices that provide valuable data on wind quality and speed to evaluate a site's suitability.

- Cash incentives for community wind installations are based on a project's above-market costs. There is no cap or fixed percentage.

➔ For more information, visit the website at <http://energytrust.org/public-sector/incentives/Other/equipment-upgrades/WindSmallScale/WindSmallScale/>

State of Oregon

Oregon Department of Energy, Oregon Economic and Community Development Department and the Department of Environmental Quality provide a number of programs to support energy efficiency and renewable resources at publicly owned treatment plants.

Business Energy Tax Credits (BETC) are available for a variety of conservation and renewable energy projects through the Oregon Department of Energy. Investments in energy conservation projects may be eligible for a tax credit of 35% of total eligible project costs. Renewable energy projects may qualify for a tax credit of up to 50% of eligible project costs. New BETC rules include program caps, a tiered system with established funding cycles, and project criteria.

➔ For more information, visit the website at www.oregon.gov/energy

Business Energy Tax Credit Pass-through Option

Project owners that receive a Business Energy Tax Credit (BETC) may transfer the tax credit to a pass-through partner in return for a lump-sum payment upon completion of the project. This option allows non-profit organizations, governments, tribes, and other public entities and businesses without tax liability to use the BETC incentive.

➔ For more information, visit the website at www.oregon.gov/energy

Energy Trust contacts

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Small Wind: Erin Johnston
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Community Renewable Energy Feasibility Fund

Grants of up to \$50,000 are available to study new projects that generate renewable energy, heat or fuel in Oregon. Anyone can apply. Contact the Oregon Department of Energy for the next available opportunity to apply.

➔ For more information, visit the website at <http://oregon.gov/ENERGY/RENEW/CREFF.shtml>

State Energy Loan Program provides low-interest loans for Oregon projects that promote energy conservation and renewable energy resource development. The Energy Loan Program can loan to individuals, businesses, schools, cities, counties, special districts, state and federal agencies, public corporations, cooperatives, tribes and nonprofits.

➔ For more information, visit the website at www.oregon.gov/ENERGY/LOANS/selphm.shtml

➔ For more information about Oregon Department of Energy programs, contact Matt Krumenauer; matt.krumenauer@state.or.us, 503.378.6043.

Special Public Works Fund

Loans for planning and construction projects to support economic and community development, including expansion of water or wastewater lines to new industrial development. Construction grants up to \$500,000 based on immediate job creation at \$5,000 per job. Sixty percent of grants must be in rural or distressed communities. Beginning in 2010, communities in all Oregon Counties, except Benton and Gilliam, are distressed.

➔ For more information, visit www.orinfrastructure.org/Learn-About-Infrastructure-Programs/Interested-in-a-Water-or-Wastewater-Improvement-Project/Special-public-works-fund/

Planning grants for renewable energy feasibility studies are available on an annual competitive basis, with grants up to \$50,000, or 75 percent of project cost, whichever is less. These studies must be for municipally-owned facilities that generate electricity or heat from a renewable resource or that produce a renewable fuel.

➔ For more information, visit www.orinfrastructure.org/Learn-About-Infrastructure-Programs/Interested-in-a-Special-Project/

Water/Wastewater Financing Program

Loans are available for water or wastewater system construction projects to achieve and maintain water quality standards, including minimizing full life-cycle costs of operation, maintenance and replacement. Some construction grants are available for distressed areas, up to \$750,000, or 50 percent of the financial award, whichever is less, depending on local median household income and user rates. Sixty percent of grants must be in distressed areas or nonurban communities.



Grants (up to \$20,000) and loans (up to \$50,000) for water master plans and wastewater facilities plans are available for communities under 15,000 in population.

➔ For more information, visit www.orinfrastructure.org/Learn-About-Infrastructure-Programs/Interested-in-a-Water-or-Wastewater-Improvement-Project/water-wastewater-financing/

➔ For more information about Business Oregon Infrastructure Finance Authority (IFA) programs, visit www.orinfrastructure.org/ or contact Jim Zelenka at Jim.Zelenka@state.or.us, 503.986.0138.

Clean Water State Revolving Fund

- Six different types of low-cost loans for planning, design, construction, emergencies, urgent repairs and community projects, including wastewater system plans and studies and secondary or advanced wastewater treatment facilities.
- Loan terms of five to 20 years, depending on the type of loan.
- Interest rates change quarterly, based on a percent of the national average municipal bond rate.

➔ For more information, visit www.deq.state.or.us/wq/loans/loans.html or contact Larry McAllister; mcallister.larry@deq.state.or.us, 503.229.6412.

Bonneville Power Administration

BPA is a wholesaler of electric power in the Northwest with a long history of supporting and advancing the role of industrial energy efficiency in the region. Through its more-than 100 utility customers, BPA offers financial incentives for cost-effective energy efficiency. Check with your local public utility to learn more about the incentives and programs they offer. To find your local utility, visit www.bpa.gov/corporate/contact/links.cfm

Energy Smart Industrial Program

The Energy Smart Industrial (ESI) program is designed to deliver cost-effective energy efficiency savings in the industrial sector through its expert staff and network of energy professionals. The program offers wastewater and drinking water treatment plants technical assistance and financial incentives for capital projects, as well as for low-cost/no-cost operations and maintenance activities. In addition, training is available for energy management best practices. For more information, visit www.energysmartindustrial.com

United States Department of Agriculture, Rural Development

USDA Rural Development (RD) delivers a variety of assistance programs to public bodies (e.g. municipality, county, district or authority), nonprofit organizations and Indian tribes for water and wastewater system predevelopment planning, construction, improvements, expansions and repairs. Several RD programs specifically target energy efficiency and renewable resource projects within these facilities.

Community Programs

Water & Waste Disposal Loans & Loan Guarantees (WWD Loans) are available to finance water and waste disposal projects in rural areas. Eligible areas include unincorporated areas and cities with service area populations of 10,000 or less. Funds can be used for water, sewer, solid waste or storm wastewater disposal facility construction, renovation and associated project costs. Projects must be modest in size, design and cost. Assistance amounts typically range from \$250,000 to \$5 million.

Water & Waste Disposal Grants (WWD Grants) are available to finance water and waste disposal projects in financially needy communities in rural areas. Eligible areas include unincorporated areas and cities with service area populations of 10,000 or less, and where median household income (MHI) of the service area does not exceed \$41,230. Funds can be used for water, sewer, solid waste or storm wastewater disposal facilities and professional service fees. Funds are used to reduce the end user cost of services. Assistance amounts typically range from \$100,000 to \$2 million.

Emergency Community Water Assistance Grants (ECWAGs) are available to finance water projects in rural areas that have experienced a significant decline in water quality or quantity. Eligible areas include unincorporated areas and cities with service area populations of 10,000 or less. Funds can be used for water system improvement to

alleviate source or distribution problems and restore safe drinking water. Priority is given to rural areas under 5,000 population and communities with a MHI below \$37,000. Assistance is limited to \$150,000 for water distribution systems and \$500,000 for water source systems.

Predevelopment Planning Grants (PP Grants) are available to assist in developing application for RD financial assistance. Eligible areas include unincorporated areas and cities with service area populations of 10,000 or less, with priority being given to populations under 1,000. Funds can be used to cover the costs associated with developing a complete application for an RD loan or grant. Priority is given to the smallest communities having MHI below \$32,984 and for projects with greater than 50 percent non-federal funding. Assistance amounts typically range from \$10,000 to \$15,000.

→ For more information on the USDA Community Program Assistance programs, visit www.rurdev.usda.gov/or/util.htm or contact USDA directly:
Sam Goldstein, Community Programs Director, sam.goldstein@or.usda.gov, 503.414.3362
Brian Otten, Community Programs Specialist, brian.otten@or.usda.gov, 503.414.3336

→ For more information on the Oregon Association of Clean Water Agencies, visit www.oracwa.org or contact Janet Gillaspie, gillaspie@oracwa.org, 503.236.6722.



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