

# 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plants across Oregon face challenges of growing demand, rising energy costs, increased regulatory requirements and outdated equipment and facilities.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 on water and wastewater systems, including but not limited to blowers, pumps, motors and lighting. Incentives for capital improvements are \$0.32/annual kilowatt hour saved, up to 50 percent of eligible project costs. Incentives for O&M (behavioral) improvements are \$0.08/annual kWh saved up to 50% of eligible project costs. Incentives for most custom lighting projects are \$0.17/annual kWh saved up to 35% of eligible project cost. Prescriptive lighting incentives are also available.
- Free technical assistance or partial-funding for efficiency portions of feasibility studies is also available.



- 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 \$1.00 to \$1.50 per watt. The maximum incentive is \$200,000.
- 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 \$40,000 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

Reservoirs, pressure reduction valves and aquifer storage and recovery wells may represent opportunities to generate electricity within municipal water systems.

Energy Trust may pay up to 50% of the cost of project development assistance activities such as grant writing, feasibility studies, design, permitting, or interconnection, up to a maximum of \$40,000.

Project installations may be eligible for cash incentives based on a project's costs in comparison to the market value of the energy produced (above-market cost). In return for our funding contribution, we ask for a negotiated share of the project's Renewable Energy Certificates, which are held in trust for the ratepayers who contribute to Energy Trust.

➔ For more information, visit: <http://energytrust.org/hydro>

## Small Wind Generation

- Cash incentives for eligible small turbines in locations with wind speeds and site conditions that meet minimum requirements.
- All installations of small turbines must be done by trade ally contractors.

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



## State of Oregon

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

### New State Energy Incentive Programs Offer Businesses Energy Support

The 2011 Oregon Legislature passed House Bill 3672, which created three new incentive programs within the Oregon Department of Energy.

The former Business Energy Tax Credit program has ended and in its place is the Energy Incentive Programs. These programs offer three options to support Oregon businesses: renewable energy grants, conservation tax credits and transportation tax credits.

- **Renewable energy grants** are capped at \$3 million per biennium and are scheduled to end on January 1, 2018. No more than \$250,000 will be issued to any one project. The Department of Revenue holds an annual auction of tax credits to raise grant funds for the program.
- **Conservation tax credits** are capped at \$28 million for each biennium. The first year energy savings must yield a simple payback of more than three years. A competitive process will be used to determine awarded projects, with the program scheduled to end on January 1, 2018.
- **Transportation tax credits** are capped at \$20 million for each biennium. Only public or nonprofit transit services, or alternative fuel vehicle infrastructure, qualify for the credits. Credits for transportation projects end on January 1, 2016 and infrastructure credits end on January 1, 2018.

➔ For more information about these new programs, visit ODOE online at [www.Oregon.gov/energy](http://www.Oregon.gov/energy)

### Biomass Producer or Collector Tax Credits

The state of Oregon provides tax credits for the production or collection of biomass that is used for energy or biofuel production. The credit is based on the amount and type of biomass that is delivered to a biofuel producer.

➔ For more information about this program, visit ODOE online at <http://www.oregon.gov/ENERGY/RENEW/Biomass/TaxCdt.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](http://www.oregon.gov/ENERGY/LOANS/selphm.shtml)

## 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. Communities in all Oregon Counties, except Benton, Gilliam, Hood River, and Washington are distressed.

➔ For more information, visit [www.orinfrastructure.org/Learn-About-Infrastructure-Programs/Interested-in-a-Water-or-Wastewater-Improvement-Project/](http://www.orinfrastructure.org/Learn-About-Infrastructure-Programs/Interested-in-a-Water-or-Wastewater-Improvement-Project/)

Low interest loans are available for renewable energy feasibility studies. These low interest loans 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/](http://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/](http://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/](http://www.orinfrastructure.org/) or contact Mike Solt, [mike.solt@state.or.us](mailto:mike.solt@state.or.us), 541.388.9238.

## Safe Drinking Water Revolving Loan Fund

Low-cost financing for public and private water systems to plan and construct improvements needed to ensure public health and safety. Principal Forgiveness may be offered up to \$250,000 for all eligible projects. An additional \$500,000 dollars may be awarded to projects in communities that qualify as disadvantaged. Projects with elements that meet EPA Green Project Reserve criteria in the categories of energy efficiency, green infrastructure, or environmental innovation may also be eligible for up to \$500,000 in additional principal forgiveness.



To receive funding, all prospective recipients must submit a letter of interest that is rated and ranked by the Oregon Health Authority (OHA) and be placed on OHA's Project Priority List. For additional information please contact Robert Ault: [robert.ault@state.or.us](mailto:robert.ault@state.or.us), or Adam DeSemples: [adam.desemples@state.or.us](mailto:adam.desemples@state.or.us)

## 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, secondary or advanced wastewater treatment facilities, and eligible green projects. DEQ reviews and ranks eligible project applications three times per year, and updates the Intended Use Plan that includes a project priority list.
- 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 <http://www.deq.state.or.us/wq/loans/loans.htm> or contact Manette Simpson: [simpson.manette@deq.state.or.us](mailto:simpson.manette@deq.state.or.us), 503.229.5622.

## 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 more than 100 public utility customers, BPA offers financial incentives for cost-effective energy efficiency. If you purchase electricity from a municipality, a cooperative, or other public utility, 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](http://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 or to get started, visit [www.energysmartindustrial.com](http://www.energysmartindustrial.com) or email Layne McWilliams, ESI's Water/Wastewater Sector Specialist, [Layne.McWilliams@energysmartindustrial.com](mailto:Layne.McWilliams@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/utl.htm](http://www.rurdev.usda.gov/or/utl.htm) or contact USDA directly:

Sam Goldstein, Community Programs Director;  
[sam.goldstein@or.usda.gov](mailto:sam.goldstein@or.usda.gov), 503.414.3362

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➔ For more information on the Oregon Association of Clean Water Agencies, visit [www.oracwa.org](http://www.oracwa.org) or contact Janet Gillaspie, [gillaspie@oracwa.org](mailto:gillaspie@oracwa.org), 503.236.6722.