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April 18, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

RE: Motion by the Consumer's Council of Canada ("CCC") and Aubrey LeBlanc in relation to s. 26.1 of the *Ontario Energy Board Act, 1998* (the "Act") and Ontario Regulation 66/10

Board File No.: EB-2010-0184

Attorney General of Ontario, Response to matters taken Under Advisement and Undertakings from the Cross-Examination of the Government's Witness

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Please find enclosed the Attorney General of Ontario's Response to matters taken under advisement/undertakings from the cross-examination of the Government's witness, which took place on November 16, 2010. Enclosed are responses to questions JT 1.1, 1.2, 1.3, 1.5a, 1.8, 1.9, 1.10, 1.11(1), 1.11(2), and 1.12.

Please also note that this material was provided to counsel on November 26, 2010. It was inadvertently not provided to the Board or uploaded onto the web portal at that time.

Yours truly,

Arif Virani
Counsel

Encl.

cc. All parties, by email (cover letter only)

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Ontario

Via e-mail

November 26, 2010

Mr. Robert Warren
Weir Foulds
Suite 1600, P. O. Box 480
130 King St. W.
Toronto, ON M5X 1J5

Mr. Ian Mondrow
Gowling Lafleur Henderson
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Macleod Dixon
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Toronto, ON M5K 1H1

Mr. George Vegh
McCarthy Tetrault
TD Bank Tower, Box 48, Suite 4700
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Dear Sirs and Madam:

RE: Motion by the Consumer's Council of Canada ("CCC") and Aubrey LeBlanc in relation to s. 26.1 of the *Ontario Energy Board Act, 1998* (the "Act") and Ontario Regulation 66/10

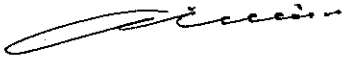
Board File No.: EB-2010-0184

Attorney General of Ontario, Response to matters taken Under Advisement and Undertakings from the Cross-Examination of the Government's Witness

Please find enclosed the Attorney General of Ontario's Response to matters taken under advisement/undertakings from the cross-examination of the Government's witness, which took place on November 16, 2010.

Please note that the responses to certain questions taken under advisement (Items JT 1.4, 1.5, 1.5B (p.78), 1.6, and 1.7) are not contained in the enclosed package. Those responses are forthcoming, and will be provided to counsel at the earliest opportunity.

Yours truly,



Arif Virani
Counsel

cc: Remaining Intervenors (by e-mail)

RESPONSE TO MATTERS TAKEN UNDER ADVISEMENT/UNDERTAKINGS, FROM THE CROSS-EXAMINATION OF THE GOVERNMENT'S WITNESS, NOV. 16, 2010

Number	
JT 1.1	**Undertaking**: To advise if there are any other changes between contents of the Affidavit of Barry Beale, Exhibit A, to the grant table amounts located at exhibit KT 1.1, p.12. Transcript p. 20, lines 18-20 **Response**: The content of the information in Affidavit Exhibit A and the federal Grant Table found at KT 1.1, p.12 is consistent. The differences in the publications are: • The federal information covers federal rebates only, while the provincial brochure provides rebate numbers that include both federal and matching provincial rebates. • The "Notes" have been condensed in the provincial brochure due to space requirements. • Due to a printing error, the version of the provincial brochure at Exhibit A failed to include one measure (relating to mobile furnace replacements). This was corrected in future versions.
JT 1.2	**Undertaking**: To provide analysis of the Peak Demand reductions brought about by the HESP and OSTHI programs. Transcript, p.47, lines 24-25 **Response**: • HESP: Reduction of 11,912 KW, calculated for Fiscal Year 2009/10, for all households • OSTHI: Reduction of 39 KW, calculated for Fiscal Year 2009/10, for all institutions

Energy/Capacity and Green House Gas calculations
For HESP, OSTHI

HESP:

a. Based on NR Can (Hot 2000) information, we estimate annual electricity savings from electricity attributable to HESP measures undertaken in fiscal 2009 = 2.91 GJ/household
b. We estimate the number of HESP retrofit files in FY 2009 at 107,209
c. We estimate the total electricity savings at 311,978 GJ
d. We discount by 12% free-ridership, yielding 274,540.6 GJ or 76,239,917 kWh
e. We estimate this to be equivalent to removing 7,942 houses off the grid at an average of 9,600 kWh per house per year
f. We estimate the peak demand removed off the grid at 11,912 kW, calculated as 7,942 house at 1.5kW each at peak (undertaking JT 1.2)
g. We estimate the average demand suppressed at 9,530 kW, calculated as 7,942 houses at 1.2 kW each average (undertaking JT 1.8)
h. We estimate the reduction in CO_2 to be 12,961 T calculated as 76,239,917 kWh * 170 g/kWh (Environment Canada's factor for 2008 – the most recent available figure) (undertaking JT 1.10)

OSTHI:

a. We estimate total electricity savings attributable to OSTHI measures undertaken in FY 09/10 at 898 Gj, or 249,500 kWh.
b. Using the same house hold assumptions as in HESP, we estimate this to be the equivalent of taking 26 homes off the grid
c. We estimate the peak demand removed off the grid at 39 kW (undertaking JT 1.2) and the average demand removed at 31kW (undertaking JT 1.9)
d. We estimate the reduction in CO_2 to be 42 T calculated at 170 g/kWh (Environment Canada's factor for 2008—the most recent available figure) (undertaking JT 1.10)

<u>Caveats and limitations:</u>

1. The originating data for HESP was accepted from NR Can based on, their HOT 2000 software model, considered an industry standard for this kind of work. We believe that the electricity savings are underestimated by their model since it does not account for the significant AC load reduction caused by the installation of 32,585 Energystar central air conditioners under HESP in FY 09/10--the largest source of peak MW savings.

	2. Some of the input assumptions are sources in general Ministry use and correspondence from the OPA, including the use of 9,600 kWh/year for the average house in Ontario, 1.5 kW per house at peak, and 1.2 kW per house average. We believe these are reasonable for this purpose 3. The methods used are not intended for precise calculations, but rather reasonable estimates. For example, the OSTHI energy savings have been converted to peak savings using residential input assumptions, as analogous commercial input assumptions are not available. 4. The OSTHI originating data is from estimates provided by the OSTHI applicant at application time and may be inaccurate for this reason. 5. The net free rider ship factor used in HESP (12%) is an estimate based on recent program review undertaken by NRCan for this purpose. 6. The 9,600 kWh per house used in the calculations is a current (2010) estimate but the 1.5kW at peak and 1.2kW average per house are the latest available figures (from the OPA, 2005). 7. The OSTHI demand data may be underestimated since most output of the solar water panels is at and around peak time.
JT 1.3	**Undertaking**: To make best efforts to advise if written estimates exist for the program funding allocation for HESP and OSTHI. Transcript p.65, lines 15-22 **Response**: There were no written estimates provided, only verbal advice was provided in June 2007 based on an estimate of Ontario's anticipated share of the federal program, which was to be matched by the province.
JT 1.5a	**Undertaking**: To confirm why O. Reg. 66/10 was not published in the Environmental Registry for comment. Transcript p.77, lines 2-12

	Response: Answered at Transcript p.79, lines 22-24
JT 1.8	**Undertaking**: To make best efforts to provide the number of megawatts saved from the HESP program. Transcript, p.143, lines 6-28, p.144, lines 14-15 **Response**: Demand suppressed = 9,530 kW, calculated for Fiscal Year 2009/10, for all households. (For calculation methodology, see Response to Undertaking JT 1.2)
JT 1.9	**Undertaking**: To make best efforts to provide the number of megawatts saved from the OSTHI program. Transcript, p.143, lines 27-28, p.144, lines 1-15 **Response**: Demand suppressed = 31 kW, calculated for Fiscal Year 2009/10, for all institutions. (For calculation methodology, see Response to Undertaking JT 1.2)
JT 1.10	**Undertaking**: To provide calculation of anticipated quantified greenhouse gas emissions reduction associated with HESP and OSTHI. Transcript p.150, lines 14-16

	Response: • HESP: Reduction of 12,961 tonnes CO_2, calculated for Fiscal Year 2009/10, for all households • OSTHI: Reduction of 48 tonnes CO_2, calculated for Fiscal Year 2009/10, for all institutions (For calculation methodology, see Response to Undertaking JT 1.2)
JT 1.11 (1)	**Undertaking**: To provide cost estimates for the incentive costs under each of the HESP and OSTHI programs for government fiscal year ended March 31st, 2011. Transcript, p.158, lines 4-7 **Response**: Answered at Transcript p.158, lines 11-28
JT 1.11 (2)	**Undertaking**: To provide a date for the year-end estimates of incentive costs, for Fiscal Year 2010-11. Transcript, p.159, lines 12-13 **Response**: In accordance with the Standing Orders of the Legislative Assembly, the Estimates must be tabled in the Legislature within 12 sitting days following the release of the Provincial Budget. The Provincial Budget is normally released towards the end of March. Due to Spring Break/Constituency Week, typically Estimates are tabled between April and early May. The current year's Printed Estimates were tabled on April 22, 2010 (considered the date of publication).

JT 1.12	**Under Advisement**: To take under advisement whether to provide details of the legislative context Mr. Beale relied on in making recommendations on how to define the special purposes in s. 26.2. Transcript, p. 162, lines 5-12, p.163, lines 1-3 **Response**: Information from the United States was reviewed at the time as background with respect to the purposes/activities related to the public benefits funds employed in other jurisdictions. The Affiant was aware of this information, but did not rely upon it. The particular legislative or regulatory requirements within each jurisdiction were not reviewed. The specific information from the US jurisdictions reviewed at the time is not available. Attached are summaries of the information pertaining to each of the relevant 22 US jurisdictions, generated in response to this question taken under advisement. (See Exhibits 1-22, attached)

UNDERTAKING NO. JT1.12:

22 EXHBITS ATTACHED

EXHIBIT 1: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. MICHIGAN: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

DSIRE™
Database of State Incentives for Renewables & Efficiency

ENERGY | Energy Efficiency & Renewable Energy
North Carolina Solar Center
IREC

11/18/10

Michigan

Incentives/Policies for Renewables & Efficiency

Low-Income and Energy Efficiency Fund (LIEEF)

Last DSIRE Review: 03/12/2010

Program Overview:

State:	Michigan
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Photovoltaics, Wind, Biomass, Fuel Cells, CHP/Cogeneration, Anaerobic Digestion
Applicable Sectors:	Commercial, Industrial, Residential, Nonprofit, Schools, Local Government, State Government, Tribal Government, Agricultural, Institutional
Types:	Energy efficiency, low-income assistance (renewable energy projects have been funded, but the LIEEF is not required to fund renewables)
Charge:	Varies by utility ($83.8 million annually in total)
Web Site:	http://www.michigan.gov/lieefund

Summary:
The Low-Income and Energy Efficiency Fund (LIEEF), a statewide public benefits fund, is administered by the Michigan Public Service Commission (PSC), which issues periodic requests for proposals (RFPs) for prospective projects. The LIEEF was authorized by the state's restructuring legislation (Act 141), enacted in June 2000.* The purpose of the LIEEF is to provide energy assistance for low-income customers, to provide conservation and efficiency measures to reduce energy use and energy bills of low-income customers, and to promote energy efficiency among all customer classes. **However, the PSC has emphasized that the fund does not provide any direct funding to homeowners or renters. Interested applicants should review currently available requests for proposals to ensure they qualify before contacting the PSC for additional information.** Some recent RFPs include $8.1 million for the development of an energy efficiency and renewable energy financing system; $8.5 million for renewable energy investments and energy efficiency upgrades by non-profits, schools, and public agencies; and $2 million for investigations into the feasibility of offshore wind technologies. Current RFP information is available on the program website listed at the top of this page.

The original source of funding for the LIEEF resulted from securitization savings that exceeded the amount needed to achieve a 5% electric-rate discount for residential and business customers. Detroit Edison was the only electric utility with securitization savings that exceeded the amount necessary to fund the required rate reduction under Michigan's restructuring legislation. Detroit Edison remitted approximately $45 million annually to the LIEEF until the PSC determined in February 2004 that there were no longer any excess securitization savings to support the fund. As a result, the PSC established a surcharge on Detroit Edison's distribution rates; this surcharge generates $39.9 million annually. In addition,

in a rate-case settlement with Consumers Energy in December 2005, the PSC directed the utility to contribute $26.5 million annually to the LIEEF from its electricity customer base. Further PSC ratemaking action in November 2006 directed Consumers Energy to contribute an additional $17.4 million annually from its natural gas business. Thus total annual funding now amounts to roughly $83.8 million.

Both Detroit Edison and Consumers Energy -- Michigan's largest utilities -- recover costs through customer charges. In a November 2001 order that established the procedural framework for the LIEEF, the PSC decided that 75% of monies awarded will support grants for energy-efficiency projects and energy assistance for low-income residents, and the remaining 25% will support grants for energy-efficiency projects to benefit all customer classes. The PSC began distributing LIEEF awards in February 2002. Note that some renewable energy projects -- including wind turbines, photovoltaic (PV) systems, anaerobic digesters and other biomass projects -- have received funding from the LIEEF.

According to the October 2009 LIEEF Report, approximately $488 million** in grants has been awarded over the lifetime of the fund, of which roughly $124.7 million (26.9%) has been for energy efficiency projects (including renewables). As of March 2010, two RFPs (out of 29 in total) have been issued to specifically support the installation of end-use renewable energy technologies, with ultimate awards totaling $11.5 million. Several others have addressed other aspects of renewable energy development (e.g., the feasibility of offshore wind). There is no expiration date for the LIEEF.

**The language relating to utility funding of the LIEEF was originally contained in MCL §460.10d. This section no longer applies and has been removed from the code, but the LIEEF continues to receive funding from Detroit Edison and Consumers Energy through PSC rate-case settlements.*

***The $488 million figure includes a $25 million in special allocations from the state legislature.*

Contact:

Cornell Pettiford
Michigan Public Service Commission
Management Sergices Division, Energy Grants Section
P.O. Box 30221
Lansing, MI 48909
Phone: (517) 241-6140
E-Mail: pettifordc@michigan.gov
Web Site: http://www.michigan.gov/mpsc

EXHIBIT 2: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. ILLINOIS: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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Illinois

Incentives/Policies for Renewables & Efficiency

Energy Efficiency Trust Fund

Last DSIRE Review: 05/19/2010

Program Overview:

State:	Illinois
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Lighting, Duct/Air sealing, Building Insulation, Windows, Custom/Others pending approval, Appliances, Other Efficiency Measures
Applicable Sectors:	Utility, Multi-Family Residential, Low-Income Residential
Types:	Energy Efficiency, low-income energy assistance
Total Fund:	$54 million (total for 18 years from 1998-2015)
Charge:	Utilities contribute annually a pro rata share of a total amount of $3 million

Authority 1:
§ 20 ILCS 687/6-1 et seq.
Date Enacted:
12/16/1997 (amended 2007)
Date Effective:
12/16/1997
Expiration Date
12/12/2015

Authority 2:
§ 220 ILCS 5/16-111.1
Date Enacted:
06/30/1999
Date Effective:
06/30/1999

Summary:
Illinois's 1997 electric-industry restructuring legislation created separate public benefits funds that support renewable energy and residential energy efficiency. The efficiency fund is known as the Energy Efficiency Trust Fund. Electric utilities and alternative retail electric suppliers contribute annually a pro-rata share of a total amount of $3 million, based on the number of kilowatt-hours sold during the previous year. The funding mechanism was established for 10 years in January 1998 and was renewed until December 12, 2015 in August 2007.

The Energy Efficiency Trust Fund is administered by the Illinois Department of Commerce and Economic Opportunity (DCEO), which is authorized to determine how funds are used. Projects eligible for funding include energy-efficiency upgrades for low-income residents, new construction and building retrofits, window upgrades, appliance upgrades, lighting upgrades, insulation and other efficiency measures approved by the DCEO. Currently, the Energy Efficiency Trust

Fund supports the Illinois Energy Efficient Affordable Housing Construction Program, which provides funding to not-for-profits to support energy efficiency in low-income housing (both new construction and retrofits), as well as several other energy efficiency initiatives. For details regarding the Energy Efficiency Trust Fund's programs and projects funded, see the 2007 Annual Report.

It should be noted that DCEO also administers programs mandated through Illinois' Energy Efficiency Portfolio Standard (SB 1592 in 2007). Funding through that source supports additional energy efficiency programs on public buildings. Programs funded through this source began in 2008.

In June 1999, Illinois and ComEd reached a settlement as part of the state's approval of ComEd's merger with PECO Energy. Through a one-time payment by ComEd, the settlement created a $250 million fund to support renewable energy and energy efficiency, and to preserve and enhance natural areas and wildlife habitats throughout the state. This fund, known as the Illinois Clean Energy Community Trust (CECT), is administered by the Illinois Clean Energy Community Foundation. Of the $250 million, approximately $200 million - $225 million is allocated to energy-efficiency projects, renewable-energy projects and wildlife-habitation projects, while at least $25 million is allocated to "clean" coal projects.

Contact:

David Baker
Illinois Department of Commerce and Economic Opportunity
Bureau of Energy and Recycling
620 East Adams Street
Springfield, IL 62704
Phone: (217) 785-3948
E-Mail: david.s.baker@illinois.gov
Web Site: http://www.commerce.state.il.us/dceo/Bureaus/Energy_Recycling/Energy/

EXHIBIT 3: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. CALIFORNIA: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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California

Incentives/Policies for Renewables & Efficiency

Public Benefits Funds for Renewables & Efficiency

Last DSIRE Review: 07/22/2010

Program Overview:

State:	California
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Municipal Solid Waste, (Note: small hydro is 30 MW or less), Anaerobic Digestion, Small Hydroelectric, Tidal Energy, Wave Energy, Ocean Thermal, Fuel Cells using Renewable Fuels
Applicable Sectors:	Commercial, Industrial, Residential, General Public/Consumer, Utility, Institutional
Types:	Renewables, Energy Efficiency, RD&D
Total Fund:	Renewables: 2002-2006: $135 million annually*; 2007: $135 million annually*; 2008-2011: $65.5 million annually* Efficiency: $228 million annually RD&D: $62.5 million annually Beginning 2005, natural gas subaccount baseline funding of $12 million with increase of up to $3 million annually, capping at $24 million
Charge:	Rates vary by utility and customer type: Renewables: ~1.6 mills/kWh Efficiency: ~5.4 mills/kWh RD&D: ~1.5 mills/kWh

Summary:
California's 1996 electric industry restructuring legislation (AB 1890) directed the state's three major investor-owned utilities (Southern California Edison, Pacific Gas and Electric Company, and San Diego Gas & Electric) to collect a "public goods surcharge" on ratepayer electricity use from 1998 through 2001 to create public benefits funds for renewable energy ($540 million), energy efficiency ($872 million), and research, development & demonstration (RD&D) ($62.5 million).
Subsequent legislation in 2000 (AB 995 and SB 1194) extended the programs for 10 years beginning in 2002, with annual funding of ~$135 million* for renewable energy programs (at the time projected to be ~$150 million annually for 2007-2011), $228 million for energy efficiency programs, and $62.5 million for RD&D. In September 2005, the California Public Utilities Commission (CPUC) boosted energy efficiency funding to $2 billion for 2006 – 2008.

SB 1036, enacted in 2007, made changes to renewable energy programs consequently reducing collections to $65.5 million annually* (projected to be ~$72 million annually) for 2008-2011. Calendar year 2007 actual collections totaled ~$145.8 million.

Renewable Energy Program
Beginning 2008, the California Energy Commission manages the renewables funds through three programs:

- Existing Renewable Facilities Program - 20% ($14.40 million/year)
- Emerging Renewables Program - 79% ($56.88 million/year)
- Consumer Education Program - 1% ($720,000/year)

The Existing Renewable Facilities Program provides production incentives, based on kilowatt-hours generated, to support existing renewable energy facilities. Under SB 1250's revised program structure, effective January 1, 2007, facilities must reapply for funding on an annual basis in order to establish that calendar year's target price and production incentive cap. Although existing wind facilities are technically eligible for funding, they currently do not require assistance. Therefore, all Existing Renewable Facilities Program funds are available for eligible existing solid-fuel biomass facilities and solar thermal electric facilities.

The Emerging Renewables Program is administered through a rebate program. Through 2006, photovoltaics, solar thermal electric, fuel cells that use renewable fuels, and wind turbines were eligible under this program. However, effective January 1, 2007, only small wind and fuel cells using renewable fuels are eligible, with the program's solar component replaced by the New Solar Homes Partnership program. As part of the $3.35 billion California Solar Initiative, the 10-year, $400 million New Solar Homes Partnership Program is focused on encouraging solar installations in the residential new construction market. Its goal is to install 400 MW of solar capacity by the end of the program and have 50 percent of new homes at that time built with solar systems.

The Consumer Education Program provides funds to promote renewable energy and help build the market for emerging renewable technologies.

Energy Efficiency Programs
The California Public Utilities Commission (CPUC) oversees the allocation of energy efficiency funds for program implementation to each of the four investor-owned utilities in California: Pacific Gas & Electric (PG&E), Southern California Edison, Southern California Gas Company, and San Diego Gas & Electric. (The original restructuring legislation did not address surcharges on natural gas companies; AB 1002, signed in 2000, established a gas surcharge for energy efficiency, low income assistance, and RD&D, beginning in 2001.) Every year, the CPUC approves each utility's plan for efficiency programs, which the utility then carries out within its service territory. A number of programs are also coordinated on a statewide basis.

See the financial incentive section of DSIRE's California page for individual utility energy efficiency incentive programs.

Energy efficiency programs are designed to provide a fair distribution of funds among residential and nonresidential customers, while maximizing energy savings. There are special programs overseen by the Low-Income Oversight Board, to provide energy efficiency services specifically for low-income households.

Public Interest Energy Research (PIER) Program
The PIER Program annually awards funds to support electricity and natural gas RD&D projects focusing on the following program areas:

- Building Efficiency
- Demand Response
- Advanced Grid Technology
- Advanced Electricity Generation
- Renewable Energy Technologies
- Energy-Related Environmental Research
- Industrial/Agricultural/Water End-Use Energy Efficiency
- Transmission and Distribution
- Transportation
- Energy Innovations Small Grant Program

- Climate Science

**The total amount collected each year is adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as defined by the gross domestic product deflator.*

Contact:

Energy Efficiency Program
California Public Utilities Commission
4th Floor - 505 Van Ness Ave
San Francisco, CA 94102
Phone: (415) 703-2776
Web Site: http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/

Tony Goncalves
California Energy Commission
Renewable Energy Program
1516 9th St.
MS-45
Sacramento, CA 95814
Phone: (916) 651-2917
Phone 2: (916) 653-8251
E-Mail: tgoncalv@energy.state.ca.us
Web Site: http://www.energy.ca.gov/renewables

EXHIBIT 4: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. COLORADO: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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Colorado

Incentives/Policies for Renewables & Efficiency

Boulder - Climate Action Plan Fund

Last DSIRE Review: 12/17/2009

Program Overview:

State:	Colorado
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Technologies not specified
Applicable Sectors:	Commercial, Industrial, Residential
Types:	Renewable energy, energy efficiency, transportation
Total Fund:	$860,265 in the first year and up to $1,342,000/year thereafter through 3/31/2013
Charge:	Maximum tax rates for electricity customers: Residential: $0.0049/kWh Commercial: $0.0009/kWh Industrial: $0.0003/kWh
Web Site:	http://www.bouldercolorado.gov/index.php?opti...

Authority 1:
Ballot Issue 202 (Climate Action Plan Tax)
Date Enacted:
11/7/2006

Authority 2:
Boulder Revised Code 3-12
Date Effective:
4/1/2007
Expiration Date
3/31/2013

Summary:
In November 2006, citizens of Boulder, Colorado, voted to approve Ballot Issue No. 202, authorizing the city council to levy and collect an excise tax from residential, commercial and industrial electricity customers for the purpose of funding a

climate action plan to reduce greenhouse gas emissions. The plan outlines programs to increase energy efficiency, increase renewable energy use, reduce emissions from motor vehicles, and take other steps toward the goal of meeting the Kyoto Protocol.

Beginning April 1, 2007, and expiring March 31, 2013, the initial tax rate is set at $0.0022/kWh for residential customers, $0.0004/kWh for commercial customers, and $0.0002/kWh for industrial customers. The city council has the authority to increase the tax after the first year up to a maximum permitted tax rate of $0.0049/kWh for residential customers; $0.0009/kWh for commercial customers; and $0.0003/kWh for industrial customers. Voluntary purchases of utility-provided wind power are exempt from the tax.

Contact:

Kara Mertz
City of Boulder
Local Environmental Action Division
1300 Canyon Blvd.
P.O. Box 791
Boulder, CO 80306
Phone: (303) 441-4900
E-Mail: mertzk@bouldercolorado.gov

EXHIBIT 5: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. CONNECTICUT: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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North Carolina Solar Center
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11/19/10

Connecticut

Incentives/Policies for Renewables & Efficiency

Connecticut Clean Energy Fund (CCEF)

Last DSIRE Review: 11/14/2010

Program Overview:

State:	Connecticut
Incentive Type:	Public Benefits Fund
Eligible Renewable/Other Technologies:	Photovoltaics, Biomass, Hydroelectric, Fuel Cells, CHP/Cogeneration, Hydrogen, Tidal Energy, Wave Energy, Ocean Thermal, Ethanol, Biodiesel, Other Distributed Generation Technologies
Applicable Sectors:	Commercial, Industrial, Residential, Utility, Institutional, All
Types:	Renewables
Total Fund:	$20 million annually
Charge:	$0.001 per kilowatt-hour for Connecticut Light and Power (CL&P) and United Illuminating (UI) customers
Web Site:	http://www.ctcleanenergy.com

Authority 1:
Conn. Gen. Stat. § 16-245n
Date Enacted:
4/1998
Date Effective:
1/1/2000
Expiration Date
None specified

Summary:
Connecticut's 1998 electric restructuring legislation (Public Act 98-28) created separate funds to support energy efficiency and renewable energy.* The efficiency fund is known as the Energy Efficiency Fund, and the renewables fund is known as the Connecticut Clean Energy Fund.

A surcharge on Connecticut ratepayers' utility bills provides the funding for the Connecticut Clean Energy Fund. In 2000-2001 the charge was set at $0.0005 per kilowatt-hour (0.5 mill per kWh), rising to $0.00075 per kWh (0.75 mill per kWh) in 2002-2003 and "not less than" $0.001 per kWh (1 mill per kWh) beginning July 1, 2004. The Connecticut Clean Energy Fund is administered by Connecticut Innovations, a quasi-governmental investment organization granted a significant amount of flexibility by the Connecticut General Assembly to develop programs and fund projects that meet the fund's

mission. Connecticut Innovations receives guidance from the Clean Energy Advisory Committee, whose members are appointed by the Connecticut General Assembly, Connecticut's governor and the chairman of Connecticut Innovations. The Connecticut Clean Energy Fund is governed by the Renewable Energy Investment Board, which is statutorily appointed. The Department of Public Utility Control (DPUC) is required to approve a comprehensive plan for the fund.

The Connecticut Clean Energy Fund is authorized to invest in solar-electric energy, solar-thermal energy, wind energy, ocean-thermal energy, wave or tidal energy, fuel cells, landfill gas, hydrogen production and hydrogen conversion technologies, low-impact hydropower, low-emission advanced biomass conversion technologies, alternative fuels produced in Connecticut and used for electricity generation (including ethanol and biodiesel), usable electricity from combined heat and power (CHP) systems with waste-heat recovery systems, thermal storage systems, geothermal, and "other energy resources and emerging technologies which have significant potential for commercialization and which do not involve the combustion of coal, petroleum or petroleum products, municipal solid waste or nuclear fission."

Programs began in earnest in January 2000. Connecticut Innovations has utilized a variety of funding mechanisms to support the mission of the Connecticut Clean Energy Fund, including grants and rebates, convertible debt, equity investments and subsidies for various ventures. With Connecticut Clean Energy Fund funding, Connecticut Innovations has created and currently administers the Solar PV Rebate Program, the Solar Lease Program, Fuel Cell Performance Monitoring Program, the CT Clean Energy Communities Program, the CT Clean Energy Community Innovations Grant Program, the Clean Energy Climate Solutions Program, the Operational Demonstration Program, and the On-Site Renewable DG Program. For details on most of these programs -- including funding awards -- see the most recent Connecticut Clean Energy Fund annual report and the individual program records on DSIRE.

In addition, each of Connecticut's municipal electric utilities is required by statute (Conn. Gen. Stat. § 7-233y) to establish a fund to provide renewable energy, energy efficiency, conservation and load-management programs. To support these funds, a surcharge is imposed on the customers of electric municipal utilities according to the following schedule: 1.0 mills on and after January 1, 2006; 1.3 mills on and after January 1, 2007; 1.6 mills on and after January 1, 2008; 1.9 mills on and after January 1, 2009; 2.2 mills on and after January 1, 2010; and 2.5 mills on and after January 1, 2011. Municipal electric utilities must adopt a comprehensive plan for the expenditure of the monies collected, and the plans must be consistent with the comprehensive plan of the state's Energy Conservation Management Board (ECMB).

** Connecticut's restructuring legislation also created a systems benefits charge to fund public education, weatherization and energy conservation measures for low-income residents, storage and disposal costs for spent nuclear fuel, and post-retirement costs for decommissioned nuclear reactors.*

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EXHIBIT 6: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. DELAWARE: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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ENERGY Energy Efficiency & Renewable Energy
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IREC

11/19/10

Delaware

Incentives/Policies for Renewables & Efficiency

Delaware Electric Cooperative - Green Energy Fund

Last DSIRE Review: 08/20/2010

Program Overview:

State:	Delaware
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Lighting, Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Photovoltaics, Wind, Geothermal Heat Pumps, Fuel Cells using Renewable Fuels
Applicable Sectors:	Commercial, Industrial, Residential, Nonprofit, Rural Electric Cooperative, Agricultural
Types:	Renewables, energy efficiency
Total Fund:	$206,000 annually (based on 2008 retail electricity sales)
Charge:	$0.000178/kWh
Web Site:	http://www.dnrec.delaware.gov/energy/services...

Authority 1:
26 Del. C. § 363
Date Enacted:
07/21/2005

Authority 2:
Delaware Electric Cooperative Renewable Resources Program Regulations
Date Effective:
02/01/2009 (as amended)

Authority 3:
S.S. 1 for S.B. 119
Date Enacted:
07/28/2010

Summary:
Under the 2005 Delaware renewable portfolio standard (RPS) legislation, electric cooperatives were allowed to opt out of the RPS schedule if they met certain other requirements. One such requirement was that they contribute to the existing Green Energy Fund for investor-owned utilities or create their own green energy fund supported by an equal surcharge (i.e. $0.000178/kWh). In 2010 the Delaware RPS was amended by SS 1 for S.B. 119 and the section (26 Del. C. § 363) detailing the obligations of electric cooperatives was slightly revised. While these amendments change several other opt-out requirements, the provision mandating green energy fund contributions in the event of an opt-out remains unchanged.

The Delaware Electric Cooperative, the state's lone cooperative, opted out of the RPS requirements and established its own green energy fund. Based on 2008 retail electricity sales data from the DEC annual report, the fund has an annual income of approximately $206,000. The surcharge for the investor-owned utility fund was doubled in 2007 through legislation, but the surcharge for the Cooperative's fund was not affected.

The green energy fund supports the Cooperative's Green Energy Program Incentives, which include rebates for distributed renewable energy systems. The eligible technologies listed in this entry are based on those described in the program regulations. Incentive programs for a given technology may or may not be active at any point in time.

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EXHIBIT 7: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. DISTRICT OF COLUMBIA: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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District of Columbia

Incentives/Policies for Renewables & Efficiency

Sustainable Energy Trust Fund

Last DSIRE Review: 09/24/2010

Program Overview:

State:	District of Columbia
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Photovoltaics, Wind, Biomass, Geothermal Electric, Anaerobic Digestion
Applicable Sectors:	Commercial, Industrial, Residential, General Public/Consumer, Utility, Institutional
Types:	Energy efficiency, low-income assistance, renewables
Total Fund:	$7.5 million in 2009 $15 million in 2010 $17.5 million in 2011 $20 million in 2012 and each subsequent year
Charge:	Non-bypassable surcharge based on kWh use
Web Site:	http://www.dcpsc.org/customerchoice/whatis/el...

Authority 1:
DC Code § 8-1773.01 § 8-1774.01 et seq.
Date Enacted:
10/06/2008 (subsequently amended)
Date Effective:
10/22/2008

Summary:
The District of Columbia's Retail Electric Competition and Consumer Protection Act of 1999 required the DC Public Service Commission (PSC) to establish a public benefits fund to provide energy assistance to low-income residents, and to support energy-efficiency programs and renewable-energy programs. This fund, known as the Reliable Energy Trust Fund (RETF), took effect in 2001. In October 2008, the District of Columbia enacted the Clean and Affordable Energy Act (CAEA), which effectively eliminated the RETF and replaced it with the Sustainable Energy Trust Fund (SETF). This program will be administered by a third-party “Sustainable Energy Utility” (SEU) which will be selected to develop, coordinate, and provide programs for the purpose of promoting the sustainable use of energy in the District of Columbia.

The SETF is financed by a non-bypassable surcharge on the electric and natural gas bills of utility customers who are not Residential Aid Discount (RAD) or Residential Essential Service customers. The surcharge for natural gas customers is calculated on a per therm basis and is assessed at $0.011 in Fiscal Year (FY) 2009, $0.012 in FY 2010, and $0.014 in FY 2012 and each subsequent year. The surcharge for electric customers is calculated on a per-kilowatt-hour basis and is assessed at $0.0011 in FY 2009, $0.0013 in FY 2010 and $0.0015 in FY 2011 and each subsequent year. The October 2008 legislation also established a separate Energy Assistance Trust Fund (EATF). The EATF collects a surcharge of $0.006/therm from natural gas sales. It collects $0.0000607/kWh from electric sales in general, plus an additional assessment $0.00069/kWh for June - September 2010. Electricity collections were formerly set at $0.0004/kWh, but the EATF law was amended in 2010.

In the past, the RETF program supported weatherization measures; appliance replacements for low-income residents; RAD extension; LIHEAP expansion and education; energy efficiency for small businesses, institutions and non profits; Energy Star appliance and lighting rebates, home energy ratings and loan promotions, public education and outreach, distributed generation and net metering; and renewable-energy demonstration projects. The program website listed at the top of this page contains a detailed history of the RETF/SETF.

This SETF is projected to eventually amount to about $20 million a year, plus any money from the Regional Greenhouse Gas Initiative (RGGI). Specific annual funding levels are set for existing electricity programs, temporary electricity programs, existing natural gas programs, renewable energy incentives, and energy efficiency programs (administered by PEPCO). Like the RETF that it replaced, unused SETF funding will carry over to the following year rather than lapsing at the end of the fiscal year. As amended the AETF is expected to collect $2.3 million annually for existing low-income assistance programs and $5.2 million in 2010 for a new Residential Aid discount subsidy. Related PSC documents are available at the website listed above, or in the E-docket Section of the PSC website under Formal Case (FC) 945.

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EXHIBIT 8: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. HAWAII: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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11/19/10

Hawaii

Incentives/Policies for Renewables & Efficiency

Hawaii Energy Efficiency Program

Last DSIRE Review: 09/08/2010

Program Overview:

State:	Hawaii
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Clothes Washers, Dishwasher, Refrigerators, Ceiling Fan, Water Heaters, Lighting, Lighting Controls/Sensors, Chillers , Heat pumps, Central Air conditioners, Heat recovery, Windows, Motors, Processing and Manufacturing Equipment, Custom/Others pending approval
Eligible Renewable/Other Technologies:	Solar Water Heat
Applicable Sectors:	Commercial, Industrial, Residential, Nonprofit, Fed. Government
Types:	Energy efficiency, demand side management
Total Fund:	2010 Budget (July 2010-June 2011): approximately $20 million
Charge:	2009-2010: 1% of projected total utility revenue, including revenue tax 2011-2012: 1.5% of projected total utility revenue, including revenue tax 2013-onwards: 2% of projected total utility revenue, including revenue tax
Web Site:	http://www.hawaiienergy.com/

Authority 1:
HRS § 269-121 et seq.
Date Enacted:
6/2/2006, subsequently amended

Authority 2:
HI PUC Order, Docket 2007-0323
Date Enacted:
12/15/2008

Summary:
In June 2006, the Hawaii State Legislature enacted legislation to create a public benefits fund (PBF) for energy efficiency and demand side management. The statutory language included a provision that prevents the PBF funds from being re-appropriated by the legislature or put into the state treasury. This legislation granted authority to the Public Utilities Commission (PUC) to develop the details of the third-party administered public benefits fund. In December 2008, the PUC issued an order in Docket No. 2007-0323, outlining the structure of the PBF. In July 2009, the Hawaii Energy Efficiency Program was created, and administration of the public benefits funds programs transitioned from the utilities to

a third-party administrator.

The PBF is funded by a surcharge on utility bills that is based on a percentage of total utility revenue. The percentage of total utility revenue is used to establish a target budget for the PBF. The surcharge is set on a cents per kilowatt-hour ($/kWh) basis to meet the target budget. The surcharge is determined by dividing the target budget (based on a percentage of total utility sales) by projected sales. Any difference in the amount collected from the surcharge and the target budget will be addressed by adjusting the following year's surcharge (by either increasing or decreasing the surcharge). There will be separate residential and commercial/industrial components, with 45% of collections from residential customers, for residential programs and 55% of collections from commercial and industrial customers, for commercial and industrial programs. The surcharge appears as a separate line item on customers' bills.

For 2009 and 2010, the PBF will have a target budget of 1% of total projected revenue, including revenue taxes. For 2011 and 2012, the PBF will have a target budget of 1.5% of total projected revenue. From 2013 onwards, the PBF will have a target budget of 2% of total projected revenue. All utilities in Hawaii, with the exception of KIUC, collect this surcharge on utility bills. Customers of HECO, HELCO, and MECO are eligible to receive incentives from the public benefits fund. Programs supported by Hawaii Energy include rebates for home appliances, industrial energy efficiency, and solar water heaters, among others.

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Web Site: http://www.hawaii.gov/budget/puc

EXHIBIT 9: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. MAINE: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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Maine

Incentives/Policies for Renewables & Efficiency

Efficiency Maine

Last DSIRE Review: 05/20/2010

Program Overview:

State:	Maine
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Applicable Sectors:	Commercial, Industrial, Residential, Nonprofit, Schools, Local Government, State Government, Agricultural, Institutional
Types:	Energy efficiency
Total Fund:	$72 million through 2009 (estimate); no fund expiration date
Charge:	Varies by utility and year (maximum charge of 1.45 mills/kWh)
Web Site:	http://www.efficiencymaine.com

Authority 1:
35-A M.R.S. § 3211-A
Date Enacted:
4/5/2002 (subsequently amended)
Expiration Date
07/01/2010

Authority 2:
CMR 65-407-380
Date Enacted:
10/1/1999 (subsequently amended)
Date Effective:
10/6/1999

Authority 3:
35-A MRSA §10101 et seq.
Date Enacted:
06/12/2009
Date Effective:
07/01/2010

Summary:

Note: The Efficiency Maine Trust Act (June 2009) establishes a new entity, the Efficiency Maine Trust, which will be responsible for Maine's energy efficiency and renewable energy programs. All of the funds in Efficiency Maine

will be transferred to Efficiency Maine Trust July 1, 2010. In addition, LD 1786 (2010) mandates that state revenue generated from energy corridor development on state-owned land would be deposited to the Efficiency Maine Trust (80%) and a new Transportation Efficiency Fund.

Maine's public benefits fund for energy efficiency was authorized by the state's electric-industry restructuring legislation, enacted in 1997. Under the initial arrangement, the administration of certain efficiency programs was divided among the State Planning Office (SPO), the state's electric utilities and the Maine Public Utilities Commission (PUC). However, general dissatisfaction by the Maine Legislature (and many other stakeholders) with the administration of the fund prompted revisions in 2002. As a result of the 2002 legislative amendments, the authority to develop energy-efficiency programs was effectively transferred from the SPO to the PUC, and the authority to implement these programs was transferred from the state's electric utilities to the PUC. The public benefits program operated by the PUC is known as Efficiency Maine.

By statute, at least 20% of funds must support energy programs for low-income residents, and at least 20% of funds must support energy programs for small business customers. The PUC assesses utilities to collect funds for energy programs and administrative costs. The maximum amount of the assessment is 0.145 cents per kilowatt-hour (1.45 mills/kWh), while the minimum amount of the assessment is 0.5% of a utility's total revenue. Utilities include the assessment in their rates; the assessment currently varies by utility. In 2003, the PUC decided to raise the assessment gradually on all utilities to the maximum assessment rate allowable. Beginning July 1, 2003, each utility was assessed at 0.6 mills/kWh or its April 2003 assessment rate, whichever was higher. In each subsequent year, the assessment will increase by 0.2 mills per year until the maximum assessment rate is reached. (Central Maine Power currently is currently paying the maximum assessment rate.)

The fund collected $9.6 million in 2006, and the PUC projects that the fund will collect a total of approximately $58 million through fiscal year 2010. (There is no expiration date for the fund.) In general, Efficiency Maine supports improvements in lighting efficiency, reductions in peak demand, high-performance buildings, appliance replacements for low-income residents, energy training and certification, and public education.

The *Efficiency Maine 2009 Annual Report* includes additional details on the program and the types of projects funded.

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EXHIBIT 10: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. MASSACHUSETTS: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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Massachusetts

Incentives/Policies for Renewables & Efficiency

Energy Efficiency Fund

Last DSIRE Review: 03/23/2010

Program Overview:

State:	Massachusetts
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	CHP/Cogeneration, Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Geothermal Heat Pumps, (geothermal heating and cooling projects), Geothermal Direct-Use
Applicable Sectors:	Commercial, Industrial, Residential, Nonprofit, Schools, Utility, Agricultural, Institutional, (no specific programs for Agriculture)
Types:	Energy efficiency, low-income energy assistance
Total Fund:	$1.09 billion collected during years 1998-2006; Three year plans for 2010-2012 expected to be at least $1.4 billion (plans to be approved by Energy Efficiency Advisory Council and MA Dept of Public Utilities later in 2009)
Charge:	$0.0025 per kilowatt-hour (2.5 mills/kWh); + Proceeds from Forward Capacity Market (est @ $10 million in 2009); + Proceeds from Regional Greenhouse Gas Initiative; and possibly other sources

Authority 1:
M.G.L. ch. 25, § 19 (subsequently amended)
Date Enacted:
11/25/1997
Date Effective:
3/1/1998

Authority 2:
M.G.L. ch. 25A § 11G

Authority 3:
DPU Order on Electric Three-Year Energy Efficiency Plans (2010-2012)
Date Enacted:
01/28/2010

Authority 4:
DPU Order on Gas Three-Year Energy Efficiency Plans (2010-2012)
Date Enacted:
01/28/2010

Summary:
Massachusetts's 1997 electric-utility restructuring legislation created separate public benefits funds to promote renewable energy and energy efficiency for all customer classes. Both funds were significantly revised by legislation enacted in July 2008 (S.B. 2768). The 2008 Green Communities Act directs the electric and gas program administrators to “first acquire all available energy efficiency that is cost effective or less than the cost of supply."

The energy efficiency fund is authorized to support energy efficiency programs, including demand-side management (DSM) programs and low-income energy programs. It is funded by several sources: a non-bypassable surcharge of surcharge is $0.0025 per kilowatt-hour (2.5 mills/kWh), imposed on customers of all investor-owned electric utilities in Massachusetts; amounts generated under the Forward Capacity Market program administered by ISO-NE; cap-and-trade pollution-control programs, including the Regional Greenhouse Gas Initiative (RGGI) and the NOx Allowance Trading Program; and other sources approved by the Massachusetts Department of Energy Resources (DOER), the Energy Efficiency Advisory Council and the Department of Public Utilities (DPU). The energy efficiency surcharge does not have an expiration date.

Efficiency programs are administered by electric utilities and municipal aggregators, with approval by a state-appointed Energy Efficiency Advisory Council consisting of a broad group of stakeholders and the DPU. DOER is responsible for program oversight and evaluation. The Energy Efficiency Advisory Council's website includes minutes from meetings and information about upcoming meetings.

The Energy Efficiency Advisory Council and the DPU are also authorized to approve and fund natural gas energy efficiency programs, including DSM programs and low-income energy programs, proposed by natural gas distribution companies. Energy efficiency activities eligible for funding through these programs include combined heat and power (CHP). Gas efficiency programs are administered by gas distribution companies.

Electric and gas energy efficiency program funds are required to be allocated to customer classes, including the low-income residential subclass, in proportion to their contributions to those funds; provided, that at least 10% of the amount expended for electric energy efficiency programs and at least 20% of the amount expended for gas energy efficiency programs must be spent on comprehensive low-income residential DSM and education programs. The low-income residential DSM and education programs are be implemented through the state’s low-income weatherization and fuel assistance program network.

In October 2009, the Energy Efficiency Advisory Council approved the 2010-2012 Three-Year Energy Efficiency Plans for electric and gas utilities in the state after approximately 25 meetings held over the span of a year, with broad stakeholder input. And, later in January 2010, the DPU formally approved the plans. The DOER provides a summary of these plans.

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EXHIBIT 11: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. MINNESOTA: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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Minnesota

Incentives/Policies for Renewables & Efficiency

Renewable Development Fund (RDF)

Last DSIRE Review: 03/17/2010

Program Overview:

State:	Minnesota
Incentive Type:	Public Benefits Fund
Eligible Renewable/Other Technologies:	Photovoltaics, Wind, Biomass, Hydroelectric, CHP/Cogeneration, Anaerobic Digestion, Renewable Fuels, Fuel Cells using Renewable Fuels
Applicable Sectors:	Commercial, Industrial, Residential, General Public/Consumer, Nonprofit, Schools, Local Government, Utility, State Government, Tribal Government, Fed. Government, Agricultural, Institutional
Types:	Renewables
Total Fund:	$19.5 million annually (beginning in 2008)
Web Site:	http://www.xcelenergy.com/Minnesota/Company/E...

Authority 1:
Minn. Stat. § 116C.779
Date Enacted:
1994 (subsequently amended)
Date Effective:
1999
Expiration Date
None

Summary:
Xcel Energy's Renewable Development Fund (RDF) was created in 1999 pursuant to the 1994 Radioactive Waste Management Facility Authorization Law (Minn. Stat. § 116C.779). Originally, Xcel Energy was required to donate to the fund $500,000 annually for each dry cask containing spent nuclear fuel being stored at the Prairie Island nuclear power plant, amounting to about $9 million annually. Subsequent legislation, enacted in May 2003, extended nuclear-waste storage at Xcel Energy's Prairie Island plant and increased the amount Xcel must pay toward the development of renewable-energy resources to $16 million annually for as long as the utility's Prairie Island nuclear plant is in operation and $7.5 million for each year the plant is not in operation.

In May 2007, S.F. 2096 amended Minn. Stat. § 116C.779 yet again after Xcel petitioned the Minnesota Public Utilities Commission (PUC) to begin dry cask storage at Monticello, a second nuclear power plant. Under this legislation Xcel is required to contribute $350,000 towards the fund for each dry cask storage device containing spent fuel at the Monticello plant for as long as the plant remains in operation and $5.25 million annually for each year the plant is not in operation. Xcel's petition for dry cask storage at Monticello (which continues to operate) has been approved according to the following schedule:

- 2008: 10 casks (+ $3.5 million)
- 2012: 10 casks (+ $3.5 million)
- 2016: 10 casks (+ $3.5 million)

Thus, Xcel's annual contribution to the RDF was increased from $16 million to $19.5 million during 2008 and is scheduled to increase again in 2012 and 2016.

Through January 1, 2021, up to $10.9 million annually must be allocated from available funds in the account to support renewable-energy production incentives. Of this amount, $9.4 million supports production incentives for electricity generated by wind-energy systems. The balance of the $10.9 million sum -- up to $1.5 million annually -- may be used for production incentives for on-farm biogas recovery facilities, hydroelectric facilities, or for production incentives for other renewables. Unspent portions of this allocation from any calendar year may be used for other purposes. Separately, as a result of 2009 legislation a total of $20 million ($5 million annually from July 1, 2009 through July 1, 2012) must be must be allocated to fund a grant for the University of Minnesota's Initiative for Renewable Energy and the Environment (IREE). The IREE in turn is required to use this money for a variety of activities, including environmentally sound renewable energy production and hydrogen production; the development of energy conservation, efficient energy utilization, and energy storage technologies; and analysis of policy options for facilitating the adoption of low-carbon renewable energy technologies.

The RDF is administered by the Renewable Development Board, which consists of two representatives from Xcel Energy, two representatives from Minnesota's environmental community, one representative from the Prairie Island Indian Community, and two representatives of Xcel Energy's ratepayers—one representing commercial/industrial customers and one representing residential customers. Funds in the account may only be used for the development of renewable-energy resources. Preference must be given to development of renewable-energy projects located in Minnesota, but a small number of projects located in other states have been funded. Renewable-energy technologies eligible for funding typically include wind, biomass, solar, hydro and fuel cells. Funding is generally split between new development projects that result in the production of renewable energy, and research and development. Wind energy production projects were not eligible for funding under the third and most recent grant cycle and will likely remain so under future cycles. Expenditures from the RDF may only be made after approval by order of the PUC upon a petition by the public utility.

In 2001, the RDF selected a total of 19 research projects to receive nearly $16 million in funding. These awards supported commercial technology, experimental technology, and research and development. In 2005, 29 projects totaling nearly $37 million were selected under the second round of funding. These awards were split between research and development of new renewable-energy sources and energy production. Projects awards supported wind energy, biomass energy, solar energy, hydropower, biofuels and a project involving coal gasification.

In May 2007 Xcel announced the third round of funding and 22 projects totaling $22.6 million were approved by the PUC in April 2008. See the program website for a list of projects selected during the third round. The funding schedule for the fourth round has not yet been determined.

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EXHIBIT 12: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. MONTANA: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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Montana

Incentives/Policies for Renewables & Efficiency

Universal System Benefits Program

Last DSIRE Review: 03/16/2010

Program Overview:

State:	Montana
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind, Geothermal Electric
Applicable Sectors:	Commercial, Industrial, Residential, General Public/Consumer, Utility, Institutional
Types:	Efficiency, conservation, renewable energy, low-income energy assistance, R&D
Total Fund:	Approximately $9 million annually
Charge:	Surcharge rate based on 2.4% of electric utilities' 1995 revenue
Web Site:	http://www.deq.mt.gov/Energy/renewable/taxinc...

Authority 1:
MCA 69-8-402
Date Enacted:
1997
Date Effective:
1/1/1999

Authority 2:
MONT. ADMIN. R. 42.29.101 et seq.
Date Enacted:
1999, subsequently amended

Summary:
Montana established the Universal System Benefits Program (USBP) in 1997 as part of its restructuring legislation. The USBP supports cost-effective energy conservation, low-income customer weatherization, renewable-energy projects and applications, research and development programs related to energy conservation and renewables, market transformation designed to encourage competitive markets for public purpose programs, and low-income energy assistance.

Beginning January 1, 1999, all electric utilities -- including electric cooperatives -- must contribute revenue generated from a surcharge on customers' electricity use. In 1997, the surcharge was set through electricity restructuring legislation and was based on 2.4% of electric utilities' 1995 revenues. This surcharge is determined by the Montana Public Service

Commission (PSC) and by individual electric cooperatives. However, the surcharge rate has not been adjusted since that time, so annual collections have increased slightly as utility loads have increased over time. In 2009, approximately $10.3 million was collected from utilities regulated by the PSC via a non-bypassable surcharge on customers' electricity use. The amount collected annually varies, depending on weather and economic conditions. Utilities may spend all or a portion of the funds on internal programs, or may opt to contract or fund eligible programs externally. Large-scale electricity users with a load exceeding one megawatt (MW) may choose to fund qualifying internal energy programs with monies that otherwise would be remitted to the USBP.

The USBP was set to expire December 31, 2009, but H.B. 27 removed the expiration date and extended the program indefinitely.

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EXHIBIT 13: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. NEW HAMPSHIRE: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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New Hampshire

Incentives/Policies for Renewables & Efficiency

System Benefits Charge

Last DSIRE Review: 06/29/2010

Program Overview:

State:	New Hampshire
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Applicable Sectors:	Commercial, Industrial, Residential, Schools, Utility
Types:	Energy efficiency, low-income energy assistance
Total Fund:	Approximately $19 million collected annually
Charge:	1.8 mills per kilowatt-hour ($0.0018/kWh)
Web Site:	http://nh.gov/oep/programs/energy/resources.h...

Authority 1:
New Hampshire Statutes § 374-F:3 et seq.
Date Enacted:
1996

Summary:
New Hampshire's 1996 electric-industry restructuring legislation authorized the creation of a system benefits charge (SBC) to support energy-efficiency programs and energy programs for low-income residents. The efficiency fund, which took effect in 2002, is financed by a non-bypassable surcharge on electric customers' bills. The efficiency surcharge is 1.8 mills per kilowatt-hour and a separate surcharge that supports low-income energy programs was raised from 1.2 mills per kWh to 1.5 mills per kWh in September 2008. As a result, approximately $15 million will be collected annually to support the efficiency fund. The New Hampshire Public Utilities Commission (PUC) has approved several "core" energy-efficiency programs for SBC funding. All efficiency programs are administered by the state's utilities, with oversight from the PUC.

Commercial programs funded by the SBC support new construction and major renovations, lighting upgrades, occupancy sensors, controls, air conditioning improvements, programmable thermostats, efficient motors, variable-frequency drives, energy-management systems, LED traffic lights, and custom projects. Residential programs funded by the SBC support Energy Star lighting and appliances, Energy Star new home construction, insulation, thermostats and other efficiency measures. SBC programs for qualified low-income residents provide funding for insulation, thermostats, lighting upgrades and efficient refrigerators.

Contact:

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Web Site: http://www.puc.nh.gov

EXHIBIT 14: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. NEW JERSEY: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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New Jersey

Incentives/Policies for Renewables & Efficiency

Societal Benefits Charge

Last DSIRE Review: 04/02/2010

Program Overview:

State:	New Jersey
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, CHP/Cogeneration, Anaerobic Digestion, Tidal Energy, Wave Energy, Fuel Cells using Renewable Fuels
Applicable Sectors:	Commercial, Industrial, Residential, General Public/Consumer, Nonprofit, Schools, Local Government, Utility, State Government, Fed. Government, Agricultural, Institutional
Types:	Energy efficiency, renewables, low-income energy assistance
Total Fund:	$2.439 billion (2001-2012)
Charge:	Per-kWh surcharge (varies annually by funding target)
Web Site:	http://www.njcleanenergy.com/main/public-repo...

Authority 1:
N.J. Stat. § 48:3-60
Date Enacted:
02/09/1999

Summary:
New Jersey's 1999 electric-utility restructuring legislation created a "societal benefits charge" (SBC) to support investments in energy efficiency and "Class I" renewable energy. The SBC funds New Jersey's Clean Energy Program (NJCEP), a statewide initiative administered by the New Jersey Board of Public Utilities (BPU). The NJCEP provides technical assistance, financial assistance, information and education for all classes of ratepayers. NJCEP energy-efficiency programs and renewable-energy programs were initially managed and implemented by New Jersey's seven investor-owned electric public utilities and gas public utilities, but on April 1, 2007 management was turned over to third-party program managers Honeywell Utility Solutions and TRC Energy Solutions. The BPU will continue to act as the administrator of the NJCEP, while contracted program managers will be responsible for managing and implementing these programs. The New Jersey Office of Clean Energy (OCE) and market managers submit annual program plans for approval by the BPU (see website for details).

"Class I" renewable energy is defined as electric energy produced from solar technologies, photovoltaic technologies, wind energy, fuel cells, geothermal technologies, wave or tidal action, and methane gas from landfills or a biomass

facility, provided that the biomass is cultivated and harvested in a sustainable manner. NJCEP funding for renewables includes the state's much publicized customer-sited rebate programs, as well as other initiatives such as offshore wind, large grid-connected renewables, and clean energy systems manufacturing. For energy-efficiency projects, the NJCEP has provided funding for new construction, building retrofits, HVAC systems, Energy Star products (including air conditioners, appliances and lighting), combined heat and power (CHP), energy audits, and energy-efficiency projects for low-income residents.

The SBC is collected as a non-bypassable charge imposed on all customers of New Jersey's seven investor-owned electric public utilities and gas public utilities. The BPU determines the amount that will be collected. A total of $482 million was collected during 2001-2004 and a total of $745 million was collected from 2005-2008. In September 2008 the BPU approved a 2009-2012 budget of $1.213 billion, with approximately 80% ($950 million) of the budget devoted to energy efficiency programs and 20% ($243 million) for renewable energy programs. Any unused funds from previous years are carried into the next year's budget.

It is important to note that these budget numbers do not account for a variety of factors that may have small or large impacts on the actual annual budget. Such factors include: <UL

- Interest income earned by the fund
- Budget re-allocations between the energy efficiency and renewable energy
- Alternative compliance payments (ACPs) made under the state renewable portfolio standard, which by law must be used to support renewable energy projects through the NJCEP. For instance, solar ACPs (or SACPs) totaling $38.9 million were deposited into the fund for RPS shortfalls during the June 2008 - May 2009 compliance year.
- Transfers of money out of the fund to serve other state purposes. Examples of this include a $40 million transfer made in June 2009 as part of the state's FY2010 appropriations act, and a further transfer of $158 million from the clean energy fund into a state budget reserve fund in February 2010 (Executive Order 14 of 2010). The Revised 2010 Clean Energy Program Budget contains significant program and funding revisions resulting from this transfer.

These and other budget/funding details are available in various market manager and BPU documents on the program web site listed at the top of this page. Further information on historical activities is available in form of quarterly and annual reports.

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EXHIBIT 15: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. NEW MEXICO: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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New Mexico

Incentives/Policies for Renewables & Efficiency

Efficient Use of Energy Act

Last DSIRE Review: 12/01/2009

Program Overview:

State:	New Mexico
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Applicable Sectors:	Commercial, Industrial, Residential
Charge:	Limit: $75,000/yr per customer

Authority 1:
N.M. Stat. § 62-17-1 et seq.

Summary:
The Efficient Use of Energy Act of 2005 allowed public electric and natural gas utilities to implement cost-effective energy-reduction programs. The programs may be funded through a tariff rider for energy-efficiency and load management programs. The charges on the consumer cannot exceed the commission's approved tariff for that customer's bill or $75,000 per year. The Act also provides for monitoring, verification, and periodic reporting by the utility on its energy efficiency expenditures and overall program effectiveness. Public utilities must obtain Commission approval of energy efficiency and load management programs before they are implemented.

PNM is the only investor-owned utility that has received approval of energy efficiency programs for its gas service. PNM also received approval for its electric energy efficiency programs and program cost tariff riders approved in Case No. 07-00053-UT on August 28, 2007.

A distribution cooperative may collect from its customers a renewable energy and conservation fee of no more than one percent of the customer's bill. Money collected through the renewable energy and conservation fee must be segregated in a separate renewable energy and conservation account from other distribution cooperative funds and can only be expended on programs or projects to promote the use of renewable energy, load management or energy efficiency. At this time only one cooperative, Roosevelt County Electric Cooperative, has imposed a renewable energy and conservation fee upon its member/customers.

Electric cooperatives must provide written submission of their energy-efficiency programs to the Commission, but approval for such programs shall reside with the governing body of each cooperative utility.

Background
In 2007, SB 418 § 14 removed a requirement that consumer charges cannot exceed 1.5% of a consumer's energy bill and empowered the Commission to establish a new cap.

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EXHIBIT 16: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. NEW YORK: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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New York

Incentives/Policies for Renewables & Efficiency

System Benefits Charge

Last DSIRE Review: 08/18/2010

Program Overview:

State:	New York
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Fuel Cells, CHP/Cogeneration, Daylighting, Anaerobic Digestion, Tidal Energy, Wave Energy, Ocean Thermal, Ethanol, Methanol, Biodiesel
Applicable Sectors:	Commercial, Industrial, Residential, Nonprofit, Schools, Local Government, Utility, State Government, Fed. Government, Multi-Family Residential, Low-Income Residential, Institutional
Types:	Energy efficiency, R&D (includes renewables), low-income assistance
Total Fund:	$1.89 billion (1998-2011)
Charge:	Each utility must collect a sum equal to 1.42% of its 2004 revenue and submit this sum to NYSERDA annually. The percentage may be adjusted slightly each year based on updated utility revenue.
Web Site:	http://www.dps.state.ny.us/sbc.htm

Authority 1:
New York PSC Opinion No. 96-12 (Cases 94-E-0952 et al.)
Date Enacted:
05/20/1996
Date Effective:
05/20/1996

Authority 2:
New York PSC Order (Case 94-E-0952)
Date Enacted:
01/26/2001
Date Effective:

01/26/2001

Authority 3:
New York PSC Order (Case 05-M-0090)
Date Enacted:
12/21/2005
Date Effective:
12/21/2005

Summary:
New York's system benefits charge (SBC), established in 1996 by the New York Public Service Commission (PSC), supports energy efficiency, education and outreach, research and development, and low-income energy assistance. To support the SBC program, the state's six investor-owned electric utilities collect funds from customers through a surcharge on customers' bills. Each year from 2006-2011, each utility must collect and remit to the New York State Energy Research and Development Authority (NYSERDA) a sum equal to 1.42% of the utility's 2004 revenue. This percentage may be adjusted slightly each year based on updated utility revenue.

The SBC program is administered by NYSERDA and funds the New York Energy $mart Program and other programs to improve the state's transmission and distribution infrastructure. The program goals include improving system-wide reliability and increasing peak-electricity reductions through end-user efficiency actions; improving energy efficiency and access to energy options for under-served customers; reducing the environmental impacts of energy production and use; and facilitating competition in electricity markets to benefit end-users. Individual program solicitations can be found by visiting the Energy $mart web page, as well as the NYSERDA Current Funding Opportunities web page. Only customers that pay the SBC are eligible for assistance through the programs it funds.*

In December 2005, the PSC extended the SBC for an additional five years -- through June 30, 2011 -- and increased annual funding from approximately $150 million to $175 million. Under this order, of the $896 million (includes expected interest earnings) to be collected during this five-year period, $427 million is allocated to peak load, energy efficiency, and outreach and education; $182 million is allocated to R&D (including renewables); and $190 million is allocated to low-income energy assistance. The balance of fund expenditures will support administration, evaluation and fees. Click here for a copy of the SBC III Operating Plan.

The DPS has the authority to adjust program priorities and to shift funds to address emerging energy challenges. Current Energy $mart budget figures, such as those found in the 2009 Evaluation Report, reflect budget re-allocations as well as significant carryover of unspent funds from earlier years. Total funding amounts to $1.89 billion during the 1998-2011 period as detailed in this report.

Although SBC funds may be used to support renewable-energy infrastructure, the program no longer provides financial incentives for most renewable-energy systems, most of which are instead eligible for funding under the Customer-Sited Tier of the state renewable portfolio standard (RPS). However, SBC funding may be available for technologies that are ineligible for RPS funding, or for efforts that support training, education, or market development of RPS-eligible technologies.

Background
Initial funding totaled $234 million from 1998-2001 for energy-efficiency programs, R&D projects (including renewables), low-income energy assistance (including weatherization), and environmental disclosure activities. In January 2001, funding was expanded to $750 million total through June 30, 2006. A full policy history can be found on the PSC website listed at the top of this page.

**Customers of the Long Island Power Authority (LIPA), the New York Power Authority (NYPA), municipal utilities, and electric cooperatives do not qualify for incentives funded by the SBC. The NYPA and LIPA both offer separate energy conservation programs for their customers.*

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EXHIBIT 17: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. OHIO: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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Ohio

Incentives/Policies for Renewables & Efficiency

Advanced Energy Fund

Last DSIRE Review: 10/07/2010

Program Overview:

State:	Ohio
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Fuel Cells, Municipal Solid Waste, CHP/Cogeneration, Microturbines
Applicable Sectors:	Commercial, Industrial, Residential, Utility, Institutional
Types:	Renewables, energy efficiency, distributed energy
Total Fund:	$100 million over 10 years (maximum)
Charge:	Varies by utility (fund authorized to collect $15 million per year from 2001-05 and $5 million per year from 2006-11)
Web Site:	http://development.ohio.gov/Energy/Incentives...

Authority 1:
ORC 4928.61 et seq.
Date Effective:
10/05/1999
Expiration Date
12/31/2010

Summary:
Ohio's Advanced Energy Fund* was originally authorized by the state's 1999 electric restructuring legislation. The Fund supports the Advanced Energy Program, which at different times has provided grants for renewable energy and energy efficiency projects to different economic sectors. Grant funds are awarded through periodic Notices of Funding Availability (NOFAs) which may each focus on specific technologies or economic sectors.

The Fund is administered by the Ohio Department of Development's Office of Energy Resources Division and replenished through a uniform fee on the electric bills of customers of the state's four investor-owned utilities (American Electric Power, Dayton Power & Light, Duke Energy, and FirstEnergy). The fee amount is determined by dividing an aggregate revenue target for a given year -- as determined by the Ohio Department of Development (ODOD) -- by the number of customers of electric distribution utilities in Ohio during the previous year. The maximum aggregate revenue target for each year through 2005 was $15 million; the maximum target for each year after 2005 is $5 million. Fee collections began January 1, 2006, and will end January 1, 2011, or when the fund reaches $100 million, whichever is

first.

Additional income may accrue to the Advanced Energy Fund from alternative compliance payments (ACPs) associated with Ohio's newly created Alternative Energy Resource Standard, enacted in July 2008.

Ohio's 1999 restructuring legislation also created the Public Benefits Advisory Board, a multi-stakeholder panel that assists the ODOD in administering the Fund, and the Universal Service Board. The ODOD collaborates with the Public Utilities Commission of Ohio to design and develop energy programs. Incentives are available to residents, low-income housing developers, businesses, industry, local governments, schools, nonprofits and farms. Participation in the Fund by electric cooperatives and municipal utilities is voluntary. Because no electric cooperatives or municipal utilities are participating, customers of these utilities are not eligible for Fund incentives. For information on current opportunities please consult the program website.

**This fund was previously known as the Energy Efficiency Revolving Loan Fund, but the name was changed and its programs were restructured in August 2007.*

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Web Site: http://development.ohio.gov/Energy/default.htm

EXHIBIT 18: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. OREGON: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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Oregon

Incentives/Policies for Renewables & Efficiency

Energy Trust of Oregon

Last DSIRE Review: 08/03/2010

Program Overview:

State:	Oregon
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Clothes Washers, Water Heaters, Lighting, Furnaces , Boilers, Heat pumps, CHP/Cogeneration, Heat recovery, Windows, Processing and Manufacturing Equipment, Comprehensive Measures/Whole Building
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Photovoltaics, Wind, Biomass, Hydroelectric, Geothermal Electric, Fuel Cells using Renewable Fuels, Geothermal Direct-Use
Applicable Sectors:	Commercial, Industrial, Residential, Nonprofit, Schools, Local Government, Utility, State Government, Multi-Family Residential, Agricultural, Institutional
Types:	Renewables, energy efficiency, low-income assistance
Total Fund:	Annual funding from public purpose surcharge, based on 2010 budget: $13.8 million for renewables, $71.3 million for energy efficiency
Charge:	3% charge for Pacific Power and Portland General Electric customers, of which 73.8% goes to Energy Trust; 1.25% charge for NW Natural Gas customers; and 1.5% charge for Cascade Natural Gas customers
Web Site:	http://energytrust.org/about/who-we-are/

Authority 1:
ORS 757.612 et seq.
Expiration Date
1/1/2026

Summary:
Oregon's 1999 electric-utility restructuring legislation (SB 1149) required Pacific Power and Portland General Electric (PGE) to collect a 3% public-purpose charge from their customers to support renewable energy and energy efficiency projects through January 1, 2026. The Oregon Public Utility Commission (OPUC) authorized the Energy Trust of Oregon, an independent non-profit organization, to administer these programs beginning in 2002.

Of the funds collected by the electric utilities, 56.7% must be allocated towards energy efficiency programs and 17.1% to renewables. The remaining funds support low-income housing energy assistance and K-12 school energy-conservation efforts. Click here for an overview of all of the Energy Trust's programs.

Oregon's renewable portfolio standard legislation (SB 838), enacted in June 2007, established a goal that by 2025 at least 8% of Oregon's retail electrical load comes from small-scale renewable energy projects with a capacity of 20 megawatts (MW) or less. To support this goal, the legislation modified the public purpose charge for renewables to require that funding be used to support only smaller projects of 20 MW or less. Furthermore, the sunset date on the original 10-year public purpose charge was extended through 2025.

In addition to its work under the 1999 energy restructuring law, the Energy Trust administers gas conservation programs for residential and commercial customers of Northwest Natural (starting in 2003) and Cascade Natural Gas Corporation (starting July 2006). Energy Trust offered select programs for residential customers of Avista Corporation in Oregon starting in September 2006, but no longer delivers energy efficiency programs to Avista.

The Energy Trust's renewable energy programs include financial incentives for small-scale and utility-scale projects that generate energy from solar, wind, hydro, biomass and geothermal resources. Efficiency programs include incentives for improvements to residential, commercial and new buildings, retrofit, appliances and manufacturing processes. The Energy Trust accepts applications for funding in response to specific programs, as well as through an open solicitation process. At least 80% of the energy conservation expenditures are concentrated in the service territory of the utility where the funds were collected.

Visit the program web site above for the latest Energy Trust Annual Report.

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EXHIBIT 19: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. PENNSYLVANIA: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

11/19/10

Pennsylvania

Incentives/Policies for Renewables & Efficiency

Public Benefits Programs

Last DSIRE Review: 04/18/2010

Program Overview:

State:	Pennsylvania
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Fuel Cells, Geothermal Heat Pumps, Municipal Solid Waste
Applicable Sectors:	Commercial, Industrial, Residential, General Public/Consumer, Utility, Institutional
Types:	Renewables and efficiency
Total Fund:	Varies by fund, approximately $92 million in collective revenue through 2009
Charge:	Varies by utility territory
Web Site:	http://www.puc.state.pa.us/electric/electric ...

Summary:
Although Pennsylvania's December 1996 electricity restructuring law did not establish a clean-energy fund, four renewable and sustainable-energy funding programs were subsequently created through individual settlements with the state's five major distribution utilities: Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), PECO Energy (PECO), PP&L (PPL), and Allegheny Power/West Penn Power Company (WPP). These utilities created individual "Sustainable Energy Funds" with the goals of promoting (1) the development and use of renewable energy and advanced clean-energy technologies, (2) energy conservation and efficiency, and (3) sustainable-energy businesses. Each utility has established an oversight board and designated a fund administrator.

The four Sustainable Energy Funds (SEF) in Pennsylvania are:

- The Metropolitan Edison Region SEF is administered by the Berks County Community Foundation. This is a companion fund to the Penelec Region SEF, administered by the Community Foundation for the Alleghenies.
- The Sustainable Development Fund, in Southeastern Pennsylvania PECO's service territory, is administered by The Reinvestment Fund.
- The West Penn Power SEF is administered by The Energy Institute of Penn State University, in partnership with Energetics, Inc.
- The Sustainable Energy Fund of Central Eastern Pennsylvania, in PPL's service territory, is administered by a nonprofit organization.

Under terms of the settlements, approximately $55 million was collected through the utilities' distribution rates to promote the development of sustainable and renewable energy. The Sustainable Development Fund (in PECO's territory) received

an additional $18.5 million in funding over a five-year period as a result of the PECO/Unicom merger. Likewise, the Met-Ed and Penelec funds received an additional $5 million ($2.5 million each) in funding due to the merger of GPU Energy and FirstEnergy. The PUC agreed to continue funding the PPL SEF though December 31, 2006. The per-kilowatt-hour surcharge included in the utility's distribution rates for 2005 and 2006 was $0.0001 and $0.00005 per kilowatt-hour, respectively.

As of 2009 the West Penn fund was the only fund still receiving revenue. In 2009 the annual income was equivalent to a $0.0001/kWh charge on utility distribution sales. However, West Penn is not permitted to seek recovery of the expense through rate making so the cost is essentially borne by the utility as opposed to its ratepayers. The annual payment amounts to approximately $2 million per year and began in 2006. Without the expectation of significant additional revenue, the collective funds are making efforts to transition towards becoming revolving loan and investment funds in order to sustain their capital.

The Pennsylvania Sustainable Energy Board was formed in 1999 to enhance communications among the four funds and state agencies. The board includes representatives from the PUC; the Pennsylvania Department of Environmental Protection; the Pennsylvania Department of Community and Economic Development; the Pennsylvania Office of Consumer Advocate; the Pennsylvania Environmental Council; and each regional board. The board's annual reports provide details on the projects and activities supported by each of the four funds. In addition, the Pennsylvania Sustainable Energy Board has developed uniform guidelines for the business practices of the sustainable energy funds. The PUC approved these guidelines in 2007. See the program web site for details on fund activities and the guidelines.

See DSIRE's summaries of financial incentives in Pennsylvania for more information about assistance offerings available from the four funds.

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EXHIBIT 20: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. RHODE ISLAND: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

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Rhode Island

Incentives/Policies for Renewables & Efficiency

Rhode Island Renewable Energy Fund (RIREF)

Last DSIRE Review: 09/21/2010

Program Overview:

State:	Rhode Island
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Co-firing, Anaerobic Digestion, Tidal Energy, Wave Energy, Ocean Thermal, Fuel Cells using Renewable Fuels
Applicable Sectors:	Commercial, Industrial, Residential, Utility, Institutional
Types:	Demand-side management (DSM), renewables, low-income assistance
Charge:	$0.0023 per kWh (2.3 mills per kWh)
Web Site:	http://www.riedc.com/business-services/renewa...

Authority 1:
R.I. Gen. Laws § 39-2-1.2
Date Enacted:
8/7/1996
Date Effective:
1/1/1997

Authority 2:
RIEDC Rules and Regulations for the Renewable Energy Development Fund
Date Enacted:
12/15/2008
Date Effective:
11/24/2008

Summary:
Rhode Island's Public Utilities Restructuring Act of 1996 created the nation's first public benefits fund (PBF) for renewable energy and demand-side management (DSM). The Rhode Island Renewable Energy Fund (RIREF)'s renewable-energy component is administered by the Rhode Island Economic Development Corporation (RIEDC), and the fund's demand-side management (DSM) programs are administered by the state's electric distribution companies, subject to review by the Rhode Island Public Utilities Commission (PUC).

Rhode Island's PBF is supported by a surcharge on electric customers' bills. Initially, the surcharge for renewables and

DSM was set at $0.0023 per kilowatt-hour (2.3 mills per kWh). The law was amended in 2002 by establishing separate surcharges for renewables and DSM. The adjusted surcharge for renewables -- set at $0.0003 (0.3 mills) per kWh -- and the adjusted surcharge for DSM programs -- set at $0.002 (2.0 mills) per kWh -- will remain in effect for a 10-year period, beginning January 1, 2003. The annual budget for the renewables fund during this 10-year period is approximately $2.4 million.

Legislation (H.B. 7806) enacted in July 2008 authorized the RIEDC to integrate and coordinate the state's renewable-energy policies more effectively. This law requires the RIEDC to create a new program, the Municipal Renewable Energy Investment Program, using the lesser of 50% or $1 million collected annually from the 0.3 mill per kWh surcharge for renewable-energy programs. This program will provide grants of up to $500,000 per project for municipal renewable-energy projects. The RIEDC must also create a second new grant program, the Nonprofit Affordable Housing Renewable Energy Investment Program, using the lesser of 10% or $200,000 collected annually from the 0.3 mill per kWh surcharge for renewable-energy programs. In addition, the rules established by RIEDC provide funding (around $200,000 per year) to support pre-development consultant and technical feasibility studies. The remainder of the fund will be support the development of renewable energy development projects. These programs took effect January 1, 2009.

Effective January 1, 2007, Rhode Island's gas-distribution utilities must include, with approval from the PUC, a surcharge of up to $0.15 per decatherm delivered. The funds collected will support DSM programs that will be administered by the utilities, subject to PUC review. Gas-distribution utilities must collect these funds for seven years. (Gas used for distributed generation and in certain other applications is exempt from the surcharge.)

Renewable-energy systems eligible for support from the RIREF include facilities in the New England Power Pool (NEPOOL) control area that generate electricity using solar, wind, wave, tidal, ocean-thermal, geothermal, hydro or sustainably-managed biomass resources. Solar-thermal systems (including solar space-heating systems) are eligible if installed on low-income housing projects certified by the Rhode Island Housing and Mortgage Finance Corporation. In addition, co-firing systems are eligible for funding, as well as fuel cells and microturbines using renewable fuels. Projects and activities directly related to implementing eligible renewable-energy projects in Rhode Island also are eligible.

H.B. 7806 also directed the RIEDC to integrate and coordinate the state's renewable-energy policies -- including the RIREF, the Rhode Island Renewable Electricity Standard (RES) and the state's Regional Greenhouse Gas Initiative (RGGI) policy -- more effectively. See the RIEDC's *5-year Strategic Plan* (2009-2013) for the Renewable Energy Development Fund for additional information.

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EXHIBIT 21: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. VERMONT: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

DSIRE™
Database of State Incentives for Renewables & Efficiency

ENERGY Energy Efficiency & Renewable Energy
North Carolina Solar Center
IREC

11/19/10

Vermont

Incentives/Policies for Renewables & Efficiency

Clean Energy Development Fund (CEDF)

Last DSIRE Review: 06/22/2010

Program Overview:

State:	Vermont
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	CHP/Cogeneration, Comprehensive Measures/Whole Building, Other Efficiency Measures (not specified), Emerging Energy-Efficienct Technologies
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind, Biomass, Geothermal Electric, Fuel Cells, Geothermal Heat Pumps, CHP/Cogeneration, Anaerobic Digestion, Small Hydroelectric
Applicable Sectors:	Commercial, Industrial, Residential, Nonprofit, Schools, Agricultural, Institutional
Types:	Renewables, energy efficiency
Charge:	Approximately $6 million - $7.2 million annually through March 2012 Additional money through the American Recovery and Reinvestment Act
Web Site:	http://publicservice.vermont.gov/energy/ee_cl...

Authority 1:
10 V.S.A. § 6523
Date Enacted:
6/21/2005 (subsequently amended)
Date Effective:
7/1/2005

Authority 2:
H. 781
Date Enacted:
06/04/2010
Date Effective:
06/04/2010

Summary:
Vermont's Clean Energy Development Fund (CEDF) was established in 2005 to promote the development and deployment of cost-effective and environmentally sustainable electric-power resources -- primarily renewable energy, and combined heat and power (CHP). The Vermont Recovery and Reinvestment Act (H. 313)* that passed in June 2009

extends the CEDF to include thermal, geothermal energy, and emerging energy-efficient technologies. H. 313 also requires that an amount equal to the value of the business solar energy tax credits granted is to be transferred out of the CEDF to the general fund on an annual basis.

The CEDF will receive annual payments of approximately $4.5 million from Entergy, which owns the Vermont Yankee nuclear power plant in FY11 and FY12. In return, under terms of two memoranda of understanding between Entergy and the Vermont Department of Public Service (DPS), Entergy is permitted to store its own spent nuclear fuel at the Vermont Yankee plant until March 21, 2012, when the current operating license for this plant expires. Balances in the CEDF will be carried forward and may not be used for general obligations of Vermont's government.* In addition, the Vermont Recovery and Reinvestment Act mandates that all funding for the state energy program (SEP) and the energy efficiency and conservation block grant (EECBG) program from the Federal American Recovery and Reinvestment Act (ARRA) be included in CEDF (over $30 million in total).

The CEDF is authorized to support renewable-energy resources, CHP systems and cost-effective energy-efficiency resources. Eligible renewable-energy systems include photovoltaics; solar-thermal; wind; geothermal heat pumps; farm, landfill and sewer methane recovery; low-emission, advanced biomass; and CHP systems using biomass fuels such as wood, agricultural or food wastes, energy crops and organic refuse-derived waste. (Municipal solid waste is not eligible.) CHP systems must have a design system efficiency of at least 65% and must meet Vermont's air-quality standards in order to qualify. H.B. 781 (June, 2010) authorizes the CEDF to support natural gas vehicles and/or fueling infrastructure.

The CEDF may be used to support projects that sell power in commercial quantities (especially those projects that sell electricity to Vermont utilities), projects to benefit publicly owned or leased buildings, renewable-energy projects on farms, small-scale renewable energy for homes and businesses, "effective projects that are not likely to be established in the absence of funding" under the CEDF and -- until December 31, 2008 -- super-efficient buildings. The CEDF has provided funding for the Vermont Solar and Small Wind Incentive Program, the CEDF Loan Program, and the CEDF Grant Program.

The DPS, which manages the CEDF, issued a strategic plan for the fund in May 2007. In addition, the *CEDF FY 2010 Program Plan & Budget* identifies the programs and financing initiatives that the CEDF supported from July 1, 2009, to June 30, 2010.

**The Vermont Reinvestment and Recovery Act (H 313), enacted in June 2009, supersedes the CEDF provisions included in the Vermont Energy Act (H 446) of May 2009.*

*** Legislation enacted in March 2008 required a fixed amount of $20,000 to be redirected annually from the CEDF to support the cost of Vermont's tax credit for solar energy. Legislation enacted in June 2009 required that instead of a $20,000 transfer from CEDF, a dollar amount equal to the cost of the business solar energy income tax credits be transferred from the CEDF to the general fund. Legislation enacted in June 2010 (781) maintains that transfer, and caps the amount of money authorized for tax credits at $9,400,000.*

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EXHIBIT 22: DATABASE OF STATE INCENTIVES FOR RENEWABLES AND EFFICIENCY. 2010. WISCONSIN: INCENTIVE/ POLICIES FOR RENEWABLES & EFFICIENCY

DSIRE™
Database of State Incentives for Renewables & Efficiency

ENERGY Energy Efficiency & Renewable Energy
North Carolina Solar Center
IREC

11/19/10

Wisconsin

Incentives/Policies for Renewables & Efficiency

Focus on Energy Program

Last DSIRE Review: 08/24/2010

Program Overview:

State:	Wisconsin
Incentive Type:	Public Benefits Fund
Eligible Efficiency Technologies:	Yes; specific technologies not identified
Eligible Renewable/Other Technologies:	Solar Water Heat, Photovoltaics, Wind, Biomass, Hydroelectric, Geothermal Electric, Geothermal Heat Pumps, Solar Pool Heating, Anaerobic Digestion, Tidal Energy, Wave Energy, Fuel Cells using Renewable Fuels
Applicable Sectors:	Commercial, Industrial, Residential, Nonprofit, Schools, Local Government, State Government, Tribal Government, Fed. Government, Multi-Family Residential, Agricultural, Institutional
Types:	Renewables, energy efficiency
Total Fund:	~$83 million (2010), approximately 9.9% allocated for renewable energy
Charge:	Each utility is required to spend 1.2% of its annual operating revenue on efficiency and renewables.
Web Site:	http://www.focusonenergy.com

Authority 1:
Wis. Stat. § 196.374
Date Enacted:
03/17/2006 (Act 141 Amendments)
Date Effective:
07/01/2007 (as amended)

Authority 2:
Chapter PSC 137
Date Effective:
08/01/2007

Summary:
The Wisconsin Focus On Energy program supports statewide programs that promote energy efficiency and renewable energy*. The program was initially created by Act 9 of 1999 as a public benefit fund (PBF), which also included provided energy assistance programs for low-income residents (the Home Energy Plus Program). Focus On Energy was restructured in March 2006 by S.B. 459 (2005 Act 141). This law, most of which took effect July 1, 2007, replaced existing

renewable energy and energy efficiency PBF programs with programs that utilities create and fund through contracts with private program administrators, with oversight and approval by the PSC. Because Act 141 requires utilities to pay directly for programs, the state will not be able to transfer or otherwise use these funds for general obligations. (From 2002 to 2006, the governor and legislature transferred or reallocated more than $108 million from the PBF to the state's general fund or for other uses.) Thus Focus On Energy is no longer precisely a state public benefits program, although it remains a statewide program that serves many of the same purposes that PBFs serve in other states.

Wisconsin utilities contract with the Wisconsin Energy Conservation Corporation (WECC), which administers the residential, business and renewable energy programs. The Energy Center of Wisconsin administers the Environmental and Economic R&D program. Collectively, the energy efficiency, renewable energy, and research components comprise the Focus on Energy initiative. Focus on Energy provides information, financial assistance, technical assistance and other services to residents, businesses, schools, institutions and local governments. Financial assistance takes the form of rebates, grants and loans.

Under Act 141, each electric utility and natural gas utility is required to spend 1.2% of the latest 3-year average of its gross operating revenue on energy-efficiency programs and renewable-resource programs. The PSC is authorized to specify a higher funding level and utilities will recover the cost through rates. With PSC approval, a utility may retain a certain portion of the revenue it is required to spend on statewide programs to administer or fund a new energy-efficiency program for the utility's large commercial, industrial, institutional or agricultural customers. The 2009 total Focus On Energy budget is approximately $94 million.

"Large energy customers" may implement and fund an energy-efficiency project or a renewable-energy project and, with PSC approval, may deduct the cost from the amount the customer is required to pay its utility for cost recovery. The utility, in turn, deducts that amount from the amount that it is required to spend on statewide or utility-administered programs. A "large energy customer" is defined as a customer that has a monthly energy demand of at least 1,000 kilowatts or 10,000 therms of natural gas and, in any month, has been billed at least $60,000 for electricity or natural gas -- or both -- for all its facilities within a utility's service territory.

The state's municipal utilities and electric cooperatives have the option of participating in the state program or operating their own "commitment-to-community" programs, which are similar to Focus on Energy. There is a cap on fees for these programs of the lesser of $375 per month or 1.5% of the total other monthly charges. The PSC does not oversee "commitment-to-community" programs, but Act 141 does require cooperatives and municipal utilities to submit annual program audit reports to the PSC. These programs remain otherwise unaffected by the Act 141 amendments.

History
The original PBF legislation required utilities to fund energy-efficiency programs and renewable-energy programs through (1) a public benefits fee that utilities collect directly from customers and (2) mandatory utility "contributions," which utilities recover from customers in rates. The amount of the charge was based on levels of utility expenditures for energy programs prior to the enactment of Act 9. The fee generated approximately $16 million annually, and the charge generated approximately $46 million annually. In fiscal year 2005, these two sources of revenue generated a combined total of $62.9 million for renewables and efficiency. In addition, the state's five major investor-owned utilities administered and funded several related programs required by the Public Service Commission of Wisconsin (PSC). In 2004, the five utilities spent a combined total of approximately $38.8 million on these programs, which included energy-efficiency projects, renewable-energy projects, load management, and related measures.

**The definition of "renewable resource" under Wis. Stat. § 196.374 includes solar, wind, water power (i.e., hydroelectric), biomass, geothermal, tidal or wave, and fuel cells that use renewable fuels. However, at present Focus On Energy does not offer incentives for all of these technologies. Please see the individual listings on the program website for detailed eligibility information.*

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