



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

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TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Mark Freeman, Energy Management & Customer Services Manager, Steve Mangan and Tom Williams, Key Account Managers
DATE: May 24, 2013
SUBJECT: Economic Development Loan Program update and Reserve transfer
OBJECTIVE: Information Only

Issue

Last year the Board authorized an Economic Development Loan Program. This backgrounder is to update the board on program activity.

Background

This Economic Development program was designed to assist both new and existing electric, water and/or telecom customers by providing financing options for EWEB service costs including equipment purchase, construction cost, engineering and service connection fees. Before this program, EWEB policy required customers to pay 100% of projected costs for utility services prior to establishing or expanding EWEB services.

To qualify for the program, customers need to meet two levels of criteria. The first level of eligibility consists of a project review, which is based on benefits to EWEB customers. A point system matrix is applied to determine program eligibility. Criterion includes:

1. Alignment with Regional Prosperity Initiative or Metro Partnership goals
2. Ability to participate in EWEB programs
3. Social Equity
4. Environmental Health
5. Economic Prosperity

The next step for program eligibility is a review of the applicant's credit worthiness.

Discussion

To date two projects have been approved. Pacific Recycling is approved for \$393K to expand operations including 15 to 20 new jobs plus expanded rail activity. This project represents a significant demand response opportunity with 5 MW's new retail electric service that is available for immediate interruption or curtailment. Project will utilize state-of-the-art energy efficient equipment for long term persistent energy savings. Scheduled to start construction in April the project was

stopped during the preconstruction meeting and is on hold due to legal challenge related to permitting issues. Once online the project is forecast to generate \$500K per year in new retail electric revenue.

The Ninkasi Brewing Company is approved for over \$500K for economic development and energy management loans. The expansion is underway and estimated to bring an additional 30 jobs plus construction activity while building LEED certified buildings. Ninkasi has an ongoing commitment to this community and the Whitaker neighborhood. Additional retail electric and water revenue to EWEB is projected at \$250K per year.

Recommendation and Requested Board Action

None at this time.