

# South Central Oregon Sustainable Energy Progress Report

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Klamath and Lake Counties, located in southern Oregon, abound in natural resources, agricultural activities, geothermal resources, and forest by-products that provide opportunities for the region to be a leader in renewable energy. As part of its regional economic strategy, the South Central Oregon Economic Development District (SCOEDD) is working to establish a sustainable energy base to provide a solid foundation of related job opportunities and industry development. Using our resources to promote renewable energy allows for economic diversification, creation of jobs, and reduction of major health risks. The strategy also affects land use in a positive manner, thereby improving the environmental future of our region.

Several renewable energy projects have resulted from the work of SCOEDD and its partners. Following is a summary of these projects:

- ☆ **Geothermal Ag Industrial Park Development**– SCOEDD is working with Liskey Farms to expand his geothermal operation to include about 40 to 50 acres of marginal farm ground. The farms geothermal heated water already serves multiple purposes. A biodiesel plant, launched on the farm earlier this year by farmer Rick Walsh, uses geothermal for processing canola seeds. Spent water from a greenhouse operation also warms about 28 small ponds to 85 degrees F, where aquaculture expert Ron Barnes raises freshwater tropical fish. Using Funds from the US Department of Energy and the Natural Resources Conservation Service, SCOEDD has hired engineering consultants to design the next phase of the park which includes installation of a re-injection well. In addition to leasing more ground to entrepreneurs like Walsh and Barnes, Liskey plans to turn the geothermal resource into an energy supply. The water can heat a refrigerant such as Freon, causing it to expand into a gas. This will force turbines to rotate and generate electricity. In Lake County, SCOEDD is working with the Town of Lakeview and Barry Farms on the development of a similar resource. Current work includes providing for cleanout of the existing geothermal well, and funding a feasibility study for the continued development of this resource.
- ☆ **Renewable Energy Project Financing Assistance** – SCOEDD has assisted several projects that utilize geothermal heat to offset their cost of doing business. These include:
  - **Klamath Brewing Company**—Economic Development Administration Revolving Loan funds financed a geothermal supported brewing company that created 40 new jobs.
  - **Greenfuels of Oregon** – SCOEDD staff assisted the biodiesel company in packaging a loan request which was funded by the

Regional Investment Board Revolving Loan Fund and the Klamath Community Development Corporation (KCDC).

- **Biotactics** – Joint loan financing from SCOEDD, KCDC, and the State of Oregon, plus a grant from the Climate Trust facilitated by Klamath County Economic Development Association (KCEDA) will allow Benemites to occupy greenhouses in the “Geo-Ag” industrial park located on Liskey Farms property to take advantage of the Basin’s geothermal heat. The business produces biocontrols used as an alternative to toxic pesticides and will employ 32 local employees within the first two years, providing livable wages and health benefits.

- ☆ **Biomass to Energy** – The Lakeview Biomass Project is a community-based, multi-stakeholder effort to create an ecologically sound solution to forest restoration that includes an economically viable biomass energy facility. The biomass energy facility (approximately 10-15 megawatts in size) will be adjacent to the Fremont Sawmill in Lakeview, Oregon. The sawmill is located in the center of the 492,642 acre Lakeview Stewardship Unit on the Fremont –Winema National Forest. DG Energy is working with The Collins Companies, the owner of the Fremont Sawmill, to pursue the development of the biomass facility, and Collins and DG Energy have entered into initial development agreements and are progressing accordingly.

SCOEDD has provided support to Lake County Resources Initiative (LCRI) and the Lakeview Biomass Project through USDA Rural Community Development Initiative and Regional Investment Fund grants to develop the feasibility study and business plan.

- ☆ **Coordinate with Lake County, North Lake Chamber of Commerce and other partners on the Backscatter Site Project.** - The Christmas Valley Back-scatter site, once designed to provide national security information needed during the cold war, but made obsolete by satellite technology, consists of 2,622 acres, surrounded by thousands of additional acres of federal BLM land.

U.S. Air Force (USAF) is interested in partnering with the Bureau of Land Management (BLM) to support “enhanced use leasing” and develop ideas for renewable energy production at the Air Combat Command Radar Transmitter (ACCRT) in Christmas Valley, south-central Oregon.

In March 2007 the Oregon Central Corridor Economic Revitalization Team met with local community leaders, BLM and Air Force representatives and interested private businesses at the Christmas Valley site. The purpose of the tour was to identify the potential for utilization of the site for solar and to determine issues that might need to be resolved. This tour was organized out of the SCOEDD office.

Also in March it was announced that Oregon Solutions has received funding from USDA Rural Community Development Initiative to assist with building collaborative partnerships in Lake County, OR to develop alternative energy resources. Oregon Solutions will provide staffing and institutional support for the Christmas Valley Alternative Energy Development project at the Christmas Valley Back-scatter site.

- ☆ **Biofuels Conference** - At the Klamath Regional Biofuels Conference held March 2007, USDA Rural Development and the Oregon Department of Energy made presentations on "Funding Biofuels". This conference was cosponsored by Oregon Renewable Energy Center, SCOEDD, the Klamath Basin office of the OSU Research and Extension Center, and the Klamath County Biofuels Task Force.
- ☆ **Marketing Geothermal** - The Town of Lakeview has developed a Geothermal Business Opportunity brochure which has been mailed to over 500 businesses. Regional Investment Board grant funds were used to pay for the development and printing.
- ☆ **Demonstration Center** - SCOEDD has received funding from the U.S. Department of Commerce, Economic Development Administration to fund an Energy Specialist position. Bob Rogers from OREC has been hired for this position. Located two weeks a month in Lake County, he provides the staff expertise and capacity needed for Lake County to actively partner with potential private and public investors. As part of the Oregon Institute of Technology (OIT) Geo-Heat Center, he has set up a Renewable Energy demonstration center at the Lake County Fairgrounds. He installed a ground source heat pump and will be setting up a solar panel inverter donated by PV Powered.
- ☆ **Making Green Work partnership** - SCOEDD, OREC at OIT and the Klamath Community College (KCC) joined together with other statewide partners to submit a "WIRED" proposal to the Department of Labor. The \$5 million proposal was not funded, but the partnership will continue to look for funding to implement the Making Green Work Partnership

The project's three transformational strategies include:

1. Connecting existing communities of interest to one another, so that investors, firms, communities, and consumers in Oregon and elsewhere can access information, products, services, business, and training opportunities offered by the entire alternative energy industry rather than specific sectors. Goal: To turn renewable energy into an economic powerhouse in the region and beyond.
2. Growing unique, globally competitive assets including intelligence, new technologies, research, development and

commercialization capacity, and the region's brand. Goals: To leverage and grow Oregon's renewable industry (5% > growth in region), resulting in increased intellectual property and technology transfer (5% > average increase in region), and product manufacturing and service sector growth (10% in region, with growth in state, national, and international markets > overall industry average).

3. Cultivating renewable energy talent through K-12 science and technology-based classes linked to community colleges and universities (e.g., at Lane and Columbia Gorge colleges, Oregon Institute of Technology, etc.). Goal: to attract and train a new cadre of energy professionals, training and placing at least 500 workers in three years, growing the proportion of the workforce in renewable energy and efficiency by 15%, and generate an increase of 12-15% in their wages.

Other projects being developed include:

- Sustainable home building program – hands on training for workers
- Micro-hydro-energy project development
- Mini-biomass plants in schools
- Economic incentives, including reduced power rates and a revolving loan fund to entice businesses to locate in the area and use renewable energy
- Exploration by local governments of additional wind, solar, biomass, and geothermal opportunities

SCOEDD is an ORS 190 organization designated as the regional Economic Development District by the U.S. Department of Commerce, Economic Development Administration. SCOEDD provides assistance to communities within the Oregon counties of Klamath and Lake to strengthen the local economy.