

## **Energy Bills that passed 2007 Oregon Legislative Session**

1. **Enrolled HB 2078 Biomass Tax Credit Changes** – This bill deals with federal reconnect/disconnect aspects of taxation. Placed in the bill at the end of session were changes originally moving in HB 2180 related to the Biomass tax credit. These changes include:
  - Modifies various provisions of the biomass tax credit, including: limiting eligibility to biofuels that have been converted into fuels ready for use as energy in Oregon; allow credit where biofuel producer is also agricultural producer or biomass collector (Biomass One is an example where they both collect and produce the energy); authorizes ODOE to certify tax credit and establish rules; revise transferability provisions of the credit and provides that ODOE may establish by rule a minimum discounted value of tax credit and other rules with DOR. The bill also
  - Phases out gasoline-electric hybrid tax credits for vehicles that are not designed for electric plug in charging at the end of this year.
2. **Enrolled HB 2180 BETC Study** – Directs ODOE in consultation with PUC to determine the extent to which wind facilities and conservation projects under the BETC credit depend on state tax incentives for initial investment and continued operation. ODOE to report to the Legislative Assembly prior to February 1, 2011.
3. **Enrolled HB 2182 Small Scale Energy Loan Changes** - Broadens definition of alternative fuel projects eligible under this program. Increases term of service for advisory committee members.
4. **Enrolled HB 2472 BETC Changes (Governor vetoed)** – Most changes to the Business Energy Tax Credit (BETC) were reductions to reduce costs to the state, save for an expansion to electric vehicle car manufactures. In general the BETC credit was reduced for renewable projects from 50% to 35% for larger (mainly wind) projects while eligible community scaled projects stayed at a 50% credit and a \$20 million dollar cap (includes biomass plants 10Mw or less).
5. **Enrolled HB 2940 Pre 1995 Biomass Plants RPS Eligible (Governor vetoed)** – Provides that pre-1995 biomass plants can qualify for Renewable Energy Certificates (RECs) if they meet certain standards. Specifics include:
  - 100mw cap for pre 1995 facilities
  - REC's from these facilities cannot be used to comply with the RPS prior to Jan. 1, 2015 but can be banked
  - If owners of these facilities make cumulative investments in the facility between January 1, 2007 and January 1, 2020 equal to at least 80% of the 2007 real market value of the generating facility they will be classified as being operational after 1995.

- After January 1, 2020 electricity generated from pre -1995 classified facilities will not be used to comply with the RPS.
- 11mw for pre 1995 facilities generating electricity from direct combustion of municipal solid waste may be used to comply with the RPS, again REC's from these facilities cannot be used to comply with the RPS prior to Jan.1, 2015 but can be banked.
- The bill continues to authorize full recovery of costs by public utilities in prudent energy investments related to hydrogen power stations.

**6. Enrolled HB 3039 Solar Power** – Directs the PUC to establish a pilot program for each electric company to demonstrate effectiveness of incentive rates and payments for generating solar electricity (feed-in tariff). PUC to report to the next Legislature. Requires by January 1, 2020 each electric company maintain a specified generating capacity from solar photovoltaic. Allows electric companies to use electricity produced to comply with the state RPS.