

**REVENUE:** Revenue statement issued

**FISCAL:** Fiscal statement issued

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**Action:** Do pass the A engrossed bill

**Vote:** 9-0-0

**Yeas:** Berger, Bruun, Butler, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart

**Nays:**

**Exc.:**

**Prepared By:** Chris Allanach, Economist

**Meeting Dates:** 2/12, 2/19

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**WHAT THE BILL DOES:** Amends the Residential Energy Tax Credit (RETC) program. Increases the maximum tax credit for fuel cells and for wind generation from \$1,500 to \$6,000 claimed over four years. Clarifies that a tax credit can be taken for each qualifying device if more than one device is acquired in the same year. Makes high efficiency wood stoves eligible for the RETC.

**ISSUES DISCUSSED:**

- Benefits of solar power and clean energy
- Energy efficiency and conservation projects
- Ability of homeowners with "off-grid" homes to obtain a mortgage loan
- Costs of renewable energy systems for new homes vs. retrofitting existing homes
- As per Committee rules, the following metrics were adopted for evaluating the credit:
  - Number of energy efficient appliances, renewable systems and hybrid vehicles bought.
  - Amount of energy saved or produced (in million BTUs).
  - Annual dollar value of the energy saved or produced.
  - Tons of CO2 emissions avoided.
  - Capital invested in energy efficiency and renewable energy projects.
  - Total average payback period / return on investment.

**EFFECT OF COMMITTEE AMENDMENTS:**

- None

**BACKGROUND:** Energy efficient products/technologies currently eligible for residential tax credits include clothes washers, dishwashers, refrigerators, fuel cells, heating and air conditioning systems solar water heating, solar electric systems (photovoltaic), solar space heating, wind systems, alternative fuel vehicles and hybrid vehicles.

The maximum amount of tax credits a resident may receive per year is \$1,000 for appliances including heating, ventilation, and air conditioning (HVAC) equipment. The maximum amount of tax credits a resident may receive per year is \$1,500 for renewable energy equipment such as solar and wind systems.

The Oregon Residential Energy Tax Credit brochure is available at  
<http://oregon.gov/ENERGY/CONS/RES/tax/docs/retcbro.pdf>

In tax year 2005, roughly 34,500 tax filers claimed a total of \$9.7 million dollars in these credits and reduced their liability by \$9.1 million.

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*This summary has not been adopted or officially endorsed by action of the committee.*