

# House Bill 2211

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Presession filed (at the request of Governor Theodore R. Kulongoski for State Department of Energy)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases annual cap on amount of business energy tax credit that may be claimed for certified facilities using renewable energy resources or renewable energy resource equipment manufacturing facilities. Eliminates required reduction in value of credit when taxpayer also claims federal income tax credit for same facility.

Expands business energy tax credit to include credit for homebuilder-installed renewable energy systems, high-performance homes, renewable energy resource equipment manufacturing facilities and energy facilities that manufacture or distribute alternative fuels. Modifies period over which credit may be claimed if facility upon which credit is based uses or produces renewable energy resources. Defines terms and authorizes State Department of Energy to adopt performance, efficiency and other criteria for certain types of facilities that qualify for credit.

Applies to certifications issued on or after effective date of Act and to tax years beginning on or after January 1, 2007.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to renewable energy; creating new provisions; amending ORS 315.354, 315.356, 469.185,  
3 469.200, 469.205 and 469.215; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 315.354 is amended to read:

6 315.354. (1) A credit is allowed against the taxes otherwise due under ORS chapter 316 (or, if  
7 the taxpayer is a corporation, under ORS chapter 317 or 318), based upon the certified cost of the  
8 facility during the period for which that facility is certified under ORS 469.185 to 469.225. The credit  
9 is allowed as follows:

10 (a) Except as provided in paragraph (b) **or** (c) of this subsection, the credit allowed in each of  
11 the first two tax years in which the credit is claimed shall be 10 percent of the certified cost of the  
12 facility, but may not exceed the tax liability of the taxpayer. The credit allowed in each of the  
13 succeeding three years shall be five percent of the certified cost, but may not exceed the tax liability  
14 of the taxpayer.

15 (b) If [*the application for certification under ORS 469.185 to 469.225 was filed with the State De-*  
16 *partment of Energy on or after January 1, 2001, and*] the certified cost of the facility does not exceed  
17 \$20,000, the total amount of the credit allowable under subsection [(3)] (4) of this section may be  
18 claimed in the first tax year for which the credit may be claimed, but may not exceed the tax li-  
19 ability of the taxpayer.

20 (c) **If the facility uses or produces renewable energy resources or is a renewable energy**  
21 **resource equipment manufacturing facility, the credit allowed in each of five succeeding tax**  
22 **years shall be 10 percent of the certified cost of the facility, but may not exceed the tax li-**  
23 **ability of the taxpayer.**

24 **(2) Notwithstanding subsection (1) of this section:**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (a) If the facility is one or more renewable energy resource systems installed in a  
 2 single-family dwelling, the amount of the credit for each system shall be determined as if the  
 3 facility was considered a residential alternative energy device under ORS 316.116, but subject  
 4 to the maximum credit amount under subsection (4)(b) of this section;

5 (b) If the facility is a high-performance home, the amount of the credit shall equal the  
 6 amount determined under paragraph (a) of this subsection plus \$3,000; and

7 (c) If the facility is a high-performance home or a homebuilder-installed renewable en-  
 8 ergy system, the total amount of the credit may be claimed in the first tax year for which  
 9 the credit is claimed, but may not exceed the tax liability of the taxpayer.

10 [(2)] (3) In order for a tax credit to be allowable under this section:

11 (a) The facility must be located in Oregon;

12 (b) The facility must have received final certification from the Director of the State Department  
 13 of Energy under ORS 469.185 to 469.225; and

14 (c) The taxpayer must be an eligible applicant under ORS 469.205 (1)(c).

15 [(3)] (4) [*The maximum total credit or credits allowed for a facility under this section to eligible*  
 16 *taxpayers*] **The total amount of credit allowable to an eligible taxpayer under this section may**  
 17 **not exceed:**

18 (a) **50 percent of the certified cost of a renewable energy resources facility, a renewable**  
 19 **energy resource equipment manufacturing facility or a high-efficiency combined heat and**  
 20 **power facility;**

21 (b) **\$9,000 per single-family dwelling for homebuilder-installed renewable energy systems;**

22 (c) **\$12,000 per single-family dwelling for homebuilder-installed renewable energy systems,**  
 23 **if the dwelling also constitutes a high-performance home; or**

24 (d) 35 percent of the certified cost of [*the*] **any other** facility.

25 [(4)(a)] (5)(a) Upon any sale, termination of the lease or contract, exchange or other disposition  
 26 of the facility, notice thereof shall be given to the Director of the State Department of Energy who  
 27 shall revoke the certificate covering the facility as of the date of such disposition. The new owner,  
 28 or upon re-leasing of the facility, the new lessor, may apply for a new certificate under ORS 469.215,  
 29 but the tax credit available to the new owner shall be limited to the amount of credit not claimed  
 30 by the former owner or, for a new lessor, the amount of credit not claimed by the lessor under all  
 31 previous leases.

32 (b) The State Department of Energy may not revoke the certificate covering a facility under  
 33 paragraph (a) of this subsection if the tax credit associated with the facility has been transferred  
 34 to a taxpayer who is an eligible applicant under ORS 469.205 (1)(c)(A).

35 [(5)] (6) Any tax credit otherwise allowable under this section that is not used by the taxpayer  
 36 in a particular year may be carried forward and offset against the taxpayer's tax liability for the  
 37 next succeeding tax year. Any credit remaining unused in that next succeeding tax year may be  
 38 carried forward and used in the second succeeding tax year, and likewise, any credit not used in  
 39 that second succeeding tax year may be carried forward and used in the third succeeding tax year,  
 40 and likewise, any credit not used in that third succeeding tax year may be carried forward and used  
 41 in the fourth succeeding tax year, and likewise, any credit not used in that fourth succeeding tax  
 42 year may be carried forward and used in the fifth succeeding tax year, and likewise, any credit not  
 43 used in that fifth succeeding tax year may be carried forward and used in the sixth succeeding tax  
 44 year, and likewise, any credit not used in that sixth succeeding tax year may be carried forward and  
 45 used in the seventh succeeding tax year, and likewise, any credit not used in that seventh succeed-

1 ing tax year may be carried forward and used in the eighth succeeding tax year, but may not be  
 2 carried forward for any tax year thereafter. Credits may be carried forward to and used in a tax  
 3 year beyond the years specified in subsection (1) of this section only as provided in this subsection.

4 ~~[(6)]~~ (7) The credit provided by this section is not in lieu of any depreciation or amortization  
 5 deduction for the facility to which the taxpayer otherwise may be entitled for purposes of ORS  
 6 chapter 316, 317 or 318 for such year.

7 ~~[(7)]~~ (8) The taxpayer's adjusted basis for determining gain or loss may not be decreased by any  
 8 tax credits allowed under this section.

9 **(9) If a homebuilder claims a credit under this section with respect to a homebuilder-  
 10 installed renewable energy system or a high-performance home:**

11 **(a) The homebuilder may not claim credits for both a homebuilder-installed renewable  
 12 energy system and a high-performance home with respect to the same dwelling;**

13 **(b) The homebuilder must inform the buyer of the dwelling that the homebuilder is  
 14 claiming a tax credit under this section with respect to the dwelling; and**

15 **(c) The buyer of the dwelling may not claim a credit under this section that is based on  
 16 any facility for which the homebuilder has already claimed a credit.**

17 **(10) The definitions in ORS 469.185 apply to this section.**

18 **SECTION 2.** ORS 315.356 is amended to read:

19 315.356. (1) If a taxpayer obtains a grant *[or tax credit]* from the federal government *[other than*  
 20 *an investment tax credit or a low income housing tax credit]* in connection with a facility *[which] that*  
 21 has been certified by the Director of the State Department of Energy, the certified cost of the fa-  
 22 cility shall be reduced on a dollar for dollar basis. Any income or excise tax credits *[which such]*  
 23 **that the** taxpayer would be entitled to under ORS 315.354 and 469.185 to 469.225 after any *[such*  
 24 *reduction shall]* **reduction described in this subsection may** not be reduced by *[such] the* federal  
 25 *[grants or tax credits]* **grant**. A taxpayer applying for a federal grant *[or credit]* shall notify the De-  
 26 partment of Revenue by certified mail within 30 days after each application, and after the receipt  
 27 of any grant.

28 (2) A taxpayer is eligible to participate in both this tax credit program and low interest,  
 29 government-sponsored loans.

30 (3) A taxpayer who receives a tax credit or *[ad valorem]* **property** tax relief on a pollution  
 31 control facility or an alternative energy device under ORS 307.405, 315.304 or 316.116 is not eligible  
 32 for a tax credit on the same facility or device under ORS 315.354 and 469.185 to 469.225.

33 (4) A credit may not be allowed under ORS 315.354 if the taxpayer has received a tax credit on  
 34 the same facility or device under ORS 315.324.

35 **SECTION 3.** ORS 469.185 is amended to read:

36 469.185. As used in ORS 469.185 to 469.225 and 469.878:

37 (1) "Alternative fuel vehicle" means a vehicle as defined by the Director of the State Depart-  
 38 ment of Energy by rule that is used primarily in connection with the conduct of a trade or business  
 39 and that is manufactured or modified to use an alternative fuel, including but not limited to elec-  
 40 tricity, ethanol, methanol, gasohol and propane or natural gas, regardless of energy consumption  
 41 savings.

42 (2) "Car sharing facility" means the expenses of operating a car sharing program, including but  
 43 not limited to the fair market value of parking spaces used to store the fleet of cars available for  
 44 a car sharing program, but does not include the costs of the fleet of cars.

45 (3) "Car sharing program" means a program in which drivers pay to become members in order

1 to have joint access to a fleet of cars from a common parking area on an hourly basis. “Car sharing  
2 program” does not include operations conducted by car rental agencies.

3 (4) “Cost” means the capital costs and expenses necessarily incurred in the acquisition, erection,  
4 construction and installation of a facility, including site development costs and expenses for a  
5 sustainable building practices facility.

6 (5) “Energy facility” means any capital investment for which the first year energy savings yields  
7 a simple payback period of greater than one year. An energy facility includes:

8 (a) Any land, structure, building, installation, excavation, machinery, equipment or device, or  
9 any addition to, reconstruction of or improvement of, land or an existing structure, building, instal-  
10 lation, excavation, machinery, equipment or device necessarily acquired, erected, constructed or in-  
11 stalled by any person in connection with the conduct of a trade or business and actually used in the  
12 processing or utilization of renewable energy resources to:

13 (A) Replace a substantial part or all of an existing use of electricity, petroleum or natural gas;

14 (B) Provide the initial use of energy where electricity, petroleum or natural gas would have been  
15 used;

16 (C) Generate electricity to replace an existing source of electricity or to provide a new source  
17 of electricity for sale by or use in the trade or business; [or]

18 (D) Perform a process that obtains energy resources from material that would otherwise be solid  
19 waste as defined in ORS 459.005; or

20 **(E) Manufacture or distribute alternative fuels, including but not limited to electricity,**  
21 **ethanol, methanol, gasohol or biodiesel.**

22 (b) Any acquisition of, addition to, reconstruction of or improvement of land or an existing  
23 structure, building, installation, excavation, machinery, equipment or device necessarily acquired,  
24 erected, constructed or installed by any person in connection with the conduct of a trade or business  
25 in order to substantially reduce the consumption of purchased energy.

26 (c) A necessary feature of a new commercial building or multiple unit dwelling, as dwelling is  
27 defined by ORS 469.160, that causes that building or dwelling to exceed an energy performance  
28 standard in the state building code.

29 (d) The replacement of an electric motor with another electric motor that substantially reduces  
30 the consumption of electricity.

31 (6) “Facility” means an energy facility, recycling facility, transportation facility, car sharing  
32 facility, sustainable building practices facility, alternative fuel vehicle or facilities necessary to op-  
33 erate alternative fuel vehicles, including but not limited to an alternative fuel vehicle refueling  
34 station, **a high-efficiency combined heat and power facility, a high-performance home, a**  
35 **homebuilder-installed renewable energy system, or a renewable energy resource equipment**  
36 **manufacturing facility.**

37 **(7) “High-efficiency combined heat and power facility” means a device or equipment that**  
38 **simultaneously produces heat and electricity from a single source of fuel and that meets the**  
39 **criteria established for a high-efficiency combined heat and power facility under section 8 of**  
40 **this 2007 Act.**

41 **(8) “High-performance home” means a new single-family dwelling that:**

42 **(a) Is designed and constructed to reduce net purchased energy to an annualized level**  
43 **that is less than \_\_\_\_\_; and**

44 **(b) Meets the criteria established for a high-performance home under section 8 of this**  
45 **2007 Act.**

1       **(9) “Homebuilder-installed renewable energy system” means a renewable energy resource**  
 2 **system that:**

3       **(a) Meets the criteria established for a renewable energy resource system under section**  
 4 **8 of this 2007 Act; and**

5       **(b) Is installed in a new single-family dwelling by, or at the direction of, the homebuilder**  
 6 **constructing the dwelling.**

7       [(7)] **(10) “Qualified transit pass contract” means a purchase agreement entered into between a**  
 8 **transportation provider and a person, the terms of which obligate the person to purchase transit**  
 9 **passes on behalf or for the benefit of employees, students, patients or other individuals over a**  
 10 **specified period of time.**

11       [(8)] **(11) “Recycling facility” means equipment used by a trade or business solely for recycling:**

12       (a) Including:

13       (A) Equipment used solely for hauling and refining used oil;

14       (B) New vehicles or modifications to existing vehicles used solely to transport used recyclable  
 15 materials that cannot be used further in their present form or location such as glass, metal, paper,  
 16 aluminum, rubber and plastic;

17       (C) Trailers, racks or bins that are used for hauling used recyclable materials and are added to  
 18 or attached to existing waste collection vehicles; and

19       (D) Any equipment used solely for processing recyclable materials such as bailers, flatteners,  
 20 crushers, separators and scales.

21       (b) But not including equipment used for transporting or processing scrap materials that are  
 22 recycled as a part of the normal operation of a trade or business as defined by the director.

23       [(9)(a)] **(12)(a) “Renewable energy resource” includes, but is not limited to[,]:**

24       **(A) Straw, forest slash, wood waste or other wastes from farm or forest land, [industrial waste]**  
 25 **nonpetroleum plant or animal based biomass, solar energy, wind power, water power or**  
 26 **geothermal energy; or**

27       **(B) A hydroelectric generating facility that obtains all applicable permits and complies**  
 28 **with all state and federal statutory requirements for the protection of fish and wildlife and:**

29       **(i) That does not exceed 10 megawatts of installed capacity; or**

30       **(ii) Qualifies as a research, development or demonstration facility.**

31       (b) “Renewable energy resource” does not include a hydroelectric generating facility [*larger*  
 32 *than one megawatt of installed capacity unless the facility qualifies as a research, development or*  
 33 *demonstration facility*] **that is not described in paragraph (a) of this subsection.**

34       **(13) “Renewable energy resource equipment manufacturing facility” means any struc-**  
 35 **ture, building, installation, excavation, machinery, equipment or device, or an addition, re-**  
 36 **construction or improvement to land or an existing structure, building, installation,**  
 37 **excavation, machinery, equipment or device, that is necessarily acquired, constructed or in-**  
 38 **stalled by a person in connection with the conduct of a trade or business, that is used pri-**  
 39 **marily to manufacture equipment, machinery or other products designed to use a renewable**  
 40 **energy resource and that meets the criteria established under section 8 of this 2007 Act.**

41       [(10)] **(14) “Sustainable building practices facility” means a commercial building in which build-**  
 42 **ing practices that reduce the amount of energy, water or other resources needed for construction**  
 43 **and operation of the building are used. “Sustainable building practices facility” may be further de-**  
 44 **defined by the State Department of Energy by rule, including rules that establish traditional building**  
 45 **practice baselines in energy, water or other resource usage for comparative purposes for use in**

1 determining whether a facility is a sustainable building practices facility.

2 [(11)] (15) "Transportation facility" means a transportation project that reduces energy use  
3 during commuting to and from work or school, during work-related travel, or during travel to obtain  
4 medical or other services, and may be further defined by the department by rule. "Transportation  
5 facility" includes, but is not limited to, a qualified transit pass contract or a transportation services  
6 contract.

7 [(12)] (16) "Transportation provider" means a public, private or nonprofit entity that provides  
8 transportation services to members of the public.

9 [(13)] (17) "Transportation services contract" means a contract that is related to a transporta-  
10 tion facility, and may be further defined by the department by rule.

11 **SECTION 4.** ORS 469.200 is amended to read:

12 469.200. (1) The total cost of a facility that receives a preliminary certification from the Direc-  
13 tor of the State Department of Energy for tax credits in any calendar year [*shall*] **may** not exceed:

14 (a) **\$20 million, in the case of a facility using or producing renewable energy resources,**  
15 **a renewable energy resource equipment manufacturing facility or a high-efficiency combined**  
16 **heat and power facility; or**

17 (b) \$10 million, in the case of any other facility.

18 (2) The director shall determine the dollar amount certified for any facility and the priority  
19 between applications for certification based upon the criteria contained in ORS 469.185 to 469.225  
20 and applicable rules and standards adopted under ORS 469.185 to 469.225. The director may consider  
21 the status of a facility as a research, development or demonstration facility of new renewable re-  
22 source generating and conservation technologies or a qualified transit pass contract in the deter-  
23 mination.

24 **SECTION 5.** ORS 469.205 is amended to read:

25 469.205. (1) Prior to erection, construction, installation or acquisition of a proposed facility, any  
26 person may apply to the State Department of Energy for preliminary certification under ORS 469.210  
27 if:

28 (a) The erection, construction, installation or acquisition of the facility is to be commenced on  
29 or after October 3, 1979;

30 (b) The facility complies with the standards or rules adopted by the Director of the State De-  
31 partment of Energy; and

32 (c) The applicant meets one of the following criteria:

33 (A) The applicant is a person to whom a tax credit has been transferred; or

34 (B) The applicant will be the owner or contract purchaser of the facility at the time of erection,  
35 construction, installation or acquisition of the proposed facility, and:

36 (i) The applicant is the owner, contract purchaser or lessee of a trade or business that plans to  
37 utilize the facility in connection with Oregon property; or

38 (ii) The applicant is the owner, contract purchaser or lessee of a trade or business that plans  
39 to lease the facility to a person who will utilize the facility in connection with Oregon property.

40 (2) An application for preliminary certification shall be made in writing on a form prepared by  
41 the department and shall contain:

42 (a) A statement that the applicant or the lessee of the applicant's facility:

43 (A) Intends to convert from a purchased energy source to a renewable energy resource;

44 (B) Plans to acquire, construct or install a facility that will use a renewable energy resource  
45 or solid waste instead of electricity, petroleum or natural gas;

1 (C) Plans to use a renewable energy resource in the generation of electricity for sale or to re-  
 2 place an existing or proposed use of an existing source of electricity;

3 (D) Plans to acquire, construct or install a facility that substantially reduces the consumption  
 4 of purchased energy;

5 (E) Plans to acquire, construct or install equipment for recycling as defined in ORS 469.185  
 6 [(8)] (11);

7 (F) Plans to acquire an alternative fuel vehicle or to convert an existing vehicle to an alterna-  
 8 tive fuel vehicle;

9 (G) Plans to acquire, construct or install a facility necessary to operate alternative fuel vehicles;

10 (H) Plans to acquire transit passes for use by individuals specified by the applicant;

11 (I) Plans to acquire, construct or install a transportation facility;

12 (J) Plans to acquire a sustainable building practices facility; [or]

13 (K) Plans to acquire a car sharing facility and operate a car sharing program;

14 **(L) Plans to construct a high-efficiency combined heat and power facility;**

15 **(M) Is a homebuilder and plans to construct a homebuilder-installed renewable energy**  
 16 **system;**

17 **(N) Is a homebuilder and plans to construct a high-performance home; or**

18 **(O) Plans to acquire, construct or install a renewable energy resource equipment manu-**  
 19 **facturing facility.**

20 (b) A detailed description of the proposed facility and its operation and information showing that  
 21 the facility will operate as represented in the application.

22 (c) Information on the amount by which consumption of electricity, petroleum or natural gas by  
 23 the applicant or the lessee of the applicant's facility will be reduced, and on the amount of energy  
 24 that will be produced for sale, as the result of using the facility or, if applicable, information about  
 25 the expected level of sustainable building practices facility performance.

26 (d) The projected cost of the facility.

27 (e) If applicable, a copy of the proposed qualified transit pass contract, transportation services  
 28 contract or contract for lease of parking spaces for a car sharing facility.

29 (f) Any other information the director considers necessary to determine whether the proposed  
 30 facility is in accordance with the provisions of ORS 469.185 to 469.225, and any applicable rules or  
 31 standards adopted by the director.

32 (3) An application for preliminary certification shall be accompanied by a fee established under  
 33 ORS 469.217. The director may refund the fee if the application for certification is rejected.

34 (4) The director may allow an applicant to file the preliminary application after the start of  
 35 erection, construction, installation or acquisition of the facility if the director finds:

36 (a) Filing the application before the start of erection, construction, installation or acquisition is  
 37 inappropriate because special circumstances render filing earlier unreasonable; and

38 (b) The facility would otherwise qualify for tax credit certification pursuant to ORS 469.185 to  
 39 469.225.

40 (5) A preliminary certification of a sustainable building practices facility shall be applied for and  
 41 issued as prescribed by the department by rule.

42 **SECTION 6.** ORS 469.215 is amended to read:

43 469.215. (1) [No] **A** final certification [shall] **may not** be issued by the Director of the State  
 44 Department of Energy under this section unless the facility was acquired, erected, constructed or  
 45 installed under a preliminary certificate of approval issued under ORS 469.210 and in accordance

1 with the applicable provisions of ORS 469.185 to 469.225 and any applicable rules or standards  
 2 adopted by the director.

3 (2) Any person may apply to the State Department of Energy for final certification of a facility:

4 (a) If the department issued preliminary certification for the facility under ORS 469.210; and

5 (b)(A) After completion of erection, construction, installation or acquisition of the proposed fa-  
 6 cility or, if the facility is a qualified transit pass contract, after entering into the contract with a  
 7 transportation provider; or

8 (B) After transfer of the facility, as provided in ORS 315.354 [(4)] (5).

9 (3) An application for final certification shall be made in writing on a form prepared by the  
 10 department and shall contain:

11 (a) A statement that the conditions of the preliminary certification have been complied with;

12 (b) The actual cost of the facility certified to by a certified public accountant who is not an  
 13 employee of the applicant or, if the actual cost of the facility is less than \$50,000, copies of receipts  
 14 for purchase and installation of the facility;

15 (c) A statement that the facility is in operation or, if not in operation, that the applicant has  
 16 made every reasonable effort to make the facility operable; and

17 (d) Any other information determined by the director to be necessary prior to issuance of a final  
 18 certificate, including inspection of the facility by the department.

19 (4) The director shall act on an application for certification before the 60th day after the filing  
 20 of the application under this section. The director, after consultation with the Public Utility Com-  
 21 mission, may issue the certificate together with such conditions as the director determines are ap-  
 22 propriate to promote the purposes of this section and ORS 315.354, 469.185, 469.200, 469.205 and  
 23 469.878. The action of the director shall include certification of the actual cost of the facility.  
 24 However, in no event shall the director certify an amount for tax credit purposes which is more than  
 25 10 percent in excess of the amount approved in the preliminary certificate issued for the facility.

26 (5) If the director rejects an application for final certification, or certifies a lesser actual cost  
 27 of the facility than was claimed in the application, the director shall send to the applicant written  
 28 notice of the action, together with a statement of the findings and reasons therefor, by certified mail,  
 29 before the 60th day after the filing of the application. Failure of the director to act constitutes re-  
 30 jection of the application.

31 (6) Upon approval of an application for final certification of a facility, the director shall certify  
 32 the facility. Each certificate shall bear a separate serial number for each device. Where one or  
 33 more devices constitute an operational unit, the director may certify the operational unit under one  
 34 certificate.

35 **SECTION 7. Section 8 of this 2007 Act is added to and made a part of ORS 469.185 to**  
 36 **469.225.**

37 **SECTION 8. The State Department of Energy shall by rule establish all of the following**  
 38 **criteria:**

39 (1) **For a high-performance home, the minimum design and construction standards that**  
 40 **must be met or exceeded for a dwelling to be considered a high-performance home, including**  
 41 **but not limited to standards for the building envelope, HVAC systems, lighting, appliances,**  
 42 **water conservation measures, use of sustainable building materials and on-site renewable**  
 43 **energy systems. The criteria must also establish the minimum reduction in estimated net**  
 44 **purchased energy that a dwelling must achieve to be considered a high-performance home.**

45 (2) **For a homebuilder-installed renewable energy system, the minimum performance and**



1 efficiency standards that a solar electric system, solar domestic water heating system, pas-  
2 sive solar space heating system, wind power system, geothermal heating system, fuel cell  
3 system or other system utilizing renewable resources must achieve to be considered a  
4 homebuilder-installed renewable energy system.

5 (3) For a high-efficiency combined heat and power facility, the minimum performance and  
6 efficiency standards that the facility must achieve to be considered a high-efficiency com-  
7 bined heat and power facility.

8 (4) For a renewable energy resource equipment manufacturing facility, standards relating  
9 to the type of equipment, machinery or other products being manufactured and related per-  
10 formance and efficiency standards applicable to the manufactured products.

11 **SECTION 9.** Section 8 of this 2007 Act and the amendments to ORS 315.354, 315.356,  
12 469.185, 469.200, 469.205 and 469.215 by sections 1 to 6 of this 2007 Act apply to facilities cer-  
13 tified on or after the effective date of this 2007 Act and to tax years beginning on or after  
14 January 1, 2007.

15 **SECTION 10.** This 2007 Act takes effect on the 91st day after the date on which the  
16 regular session of the Seventy-fourth Legislative Assembly adjourns sine die.