

A-Engrossed
House Bill 3488

Ordered by the House May 9
Including House Amendments dated May 9

Sponsored by Representatives BRUUN, WITT; Representatives DINGFELDER, HANNA

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.

Expands business energy tax credit to include credit for renewable energy resource equipment manufacturing facilities. Defines "renewable energy resource equipment manufacturing facility" and directs State Department of Energy to adopt standards related to such facilities. Increases maximum income tax credits for alternative energy devices used for domestic water heating and residential solar electric systems.

Applies to facilities and alternative energy devices acquired, erected, constructed or installed on or after January 1, 2007, and to tax years beginning on or after January 1, 2007.

Authorizes Public Utility Commission to establish rates for renewable energy generation facilities.

Authorizes public utility to use moneys obtained through cost-of-service rate to provide renewable energy generation facilities to property owners or customers.

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, 316.116, 469.185,
3 469.205 and 757.247; 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) of this subsection, the credit allowed in each of the first
11 two tax years in which the credit is claimed shall be 10 percent of the certified cost of the facility,
12 but may not exceed the tax liability of the taxpayer. The credit allowed in each of the succeeding
13 three years shall be five percent of the certified cost, but may not exceed the tax liability of the
14 taxpayer.

15 (b) If the application for certification under ORS 469.185 to 469.225 was filed with the State
16 Department of Energy on or after January 1, 2001, and the certified cost of the facility does not
17 exceed \$20,000, the total amount of the credit allowable under subsection (3) 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 the first two tax**
22 **years in which the credit is claimed shall be 15 percent of the certified cost of the facility,**

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 **but may not exceed the tax liability of the taxpayer. The credit allowed in the following year**
2 **shall be 10 percent of the certified cost of the facility, but may not exceed the tax liability**
3 **of the taxpayer. The credit allowed in each of the succeeding two years shall be five percent**
4 **of the certified cost of the facility, but may not exceed the tax liability of the taxpayer.**

5 (2) In order for a tax credit to be allowable under this section:

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

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

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

10 (3) The maximum total credit or credits allowed for a facility under this section to eligible tax-
11 payers may not exceed 35 percent of the certified cost of the facility.

12 (4)(a) Upon any sale, termination of the lease or contract, exchange or other disposition of the
13 facility, notice thereof shall be given to the Director of the State Department of Energy who shall
14 revoke the certificate covering the facility as of the date of such disposition. The new owner, or
15 upon re-leasing of the facility, the new lessor, may apply for a new certificate under ORS 469.215,
16 but the tax credit available to the new owner shall be limited to the amount of credit not claimed
17 by the former owner or, for a new lessor, the amount of credit not claimed by the lessor under all
18 previous leases.

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

22 (5) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
23 particular year may be carried forward and offset against the taxpayer's tax liability for the next
24 succeeding tax year. Any credit remaining unused in that next succeeding tax year may be carried
25 forward and used in the second succeeding tax year, and likewise, any credit not used in that second
26 succeeding tax year may be carried forward and used in the third succeeding tax year, and likewise,
27 any credit not used in that third succeeding tax year may be carried forward and used in the fourth
28 succeeding tax year, and likewise, any credit not used in that fourth succeeding tax year may be
29 carried forward and used in the fifth succeeding tax year, and likewise, any credit not used in that
30 fifth succeeding tax year may be carried forward and used in the sixth succeeding tax year, and
31 likewise, any credit not used in that sixth succeeding tax year may be carried forward and used in
32 the seventh succeeding tax year, and likewise, any credit not used in that seventh succeeding tax
33 year may be carried forward and used in the eighth succeeding tax year, but may not be carried
34 forward for any tax year thereafter. Credits may be carried forward to and used in a tax year be-
35 yond the years specified in subsection (1) of this section only as provided in this subsection.

36 (6) The credit provided by this section is not in lieu of any depreciation or amortization de-
37 duction for the facility to which the taxpayer otherwise may be entitled for purposes of ORS chapter
38 316, 317 or 318 for such year.

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

41 **SECTION 2.** ORS 469.185 is amended to read:

42 469.185. As used in ORS 469.185 to 469.225 and 469.878:

43 (1) "Alternative fuel vehicle" means a vehicle as defined by the Director of the State Depart-
44 ment of Energy by rule that is used primarily in connection with the conduct of a trade or business
45 and that is manufactured or modified to use an alternative fuel, including but not limited to elec-

1 tricity, ethanol, methanol, gasohol and propane or natural gas, regardless of energy consumption
2 savings.

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

6 (3) "Car sharing program" means a program in which drivers pay to become members in order
7 to have joint access to a fleet of cars from a common parking area on an hourly basis. "Car sharing
8 program" does not include operations conducted by car rental agencies.

9 (4) "Cost" means the capital costs and expenses necessarily incurred in the acquisition, erection,
10 construction and installation of a facility, including site development costs and expenses for a
11 sustainable building practices facility.

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

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

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

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

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

24 (D) Perform a process that obtains energy resources from material that would otherwise be solid
25 waste as defined in ORS 459.005.

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

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

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

35 (6) "Facility" means an energy facility, recycling facility, transportation facility, car sharing
36 facility, sustainable building practices facility, alternative fuel vehicle or facilities necessary to op-
37 erate alternative fuel vehicles, including but not limited to an alternative fuel vehicle refueling
38 station.

39 (7) "Qualified transit pass contract" means a purchase agreement entered into between a
40 transportation provider and a person, the terms of which obligate the person to purchase transit
41 passes on behalf or for the benefit of employees, students, patients or other individuals over a
42 specified period of time.

43 (8) "Recycling facility" means equipment used by a trade or business solely for recycling:

44 (a) Including:

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

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

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

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

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

10 (9)(a) "Renewable energy resource" includes, but is not limited to, straw, forest slash, wood
11 waste or other wastes from farm or forest land, industrial waste, solar energy, wind power, water
12 power or geothermal energy.

13 (b) "Renewable energy resource" does not include a hydroelectric generating facility larger than
14 one megawatt of installed capacity unless the facility qualifies as a research, development or dem-
15 onstration facility.

16 **(10) "Renewable energy resource equipment manufacturing facility" means any struc-**
17 **ture, building, installation, excavation, machinery, equipment or device, or an addition, re-**
18 **construction or improvement to land or an existing structure, building, installation,**
19 **excavation, machinery, equipment or device, that is necessarily acquired, constructed or in-**
20 **stalled by a person in connection with the conduct of a trade or business, that is used pri-**
21 **marily to manufacture equipment, machinery or other products designed to use a renewable**
22 **energy resource and that meets the criteria established under section 5 of this 2007 Act.**

23 [(10)] (11) "Sustainable building practices facility" means a commercial building in which build-
24 ing practices that reduce the amount of energy, water or other resources needed for construction
25 and operation of the building are used. "Sustainable building practices facility" may be further de-
26 fined by the State Department of Energy by rule, including rules that establish traditional building
27 practice baselines in energy, water or other resource usage for comparative purposes for use in
28 determining whether a facility is a sustainable building practices facility.

29 [(11)] (12) "Transportation facility" means a transportation project that reduces energy use
30 during commuting to and from work or school, during work-related travel, or during travel to obtain
31 medical or other services, and may be further defined by the department by rule. "Transportation
32 facility" includes, but is not limited to, a qualified transit pass contract or a transportation services
33 contract.

34 [(12)] (13) "Transportation provider" means a public, private or nonprofit entity that provides
35 transportation services to members of the public.

36 [(13)] (14) "Transportation services contract" means a contract that is related to a transporta-
37 tion facility, and may be further defined by the department by rule.

38 **SECTION 3.** ORS 469.205 is amended to read:

39 469.205. (1) Prior to erection, construction, installation or acquisition of a proposed facility, any
40 person may apply to the State Department of Energy for preliminary certification under ORS 469.210
41 if:

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

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

- 1 (c) The applicant meets one of the following criteria:
- 2 (A) The applicant is a person to whom a tax credit has been transferred; or
- 3 (B) The applicant will be the owner or contract purchaser of the facility at the time of erection,
- 4 construction, installation or acquisition of the proposed facility, and:
- 5 (i) The applicant is the owner, contract purchaser or lessee of a trade or business that plans to
- 6 utilize the facility in connection with Oregon property; or
- 7 (ii) The applicant is the owner, contract purchaser or lessee of a trade or business that plans
- 8 to lease the facility to a person who will utilize the facility in connection with Oregon property.
- 9 (2) An application for preliminary certification shall be made in writing on a form prepared by
- 10 the department and shall contain:
- 11 (a) A statement that the applicant or the lessee of the applicant's facility:
- 12 (A) Intends to convert from a purchased energy source to a renewable energy resource;
- 13 (B) Plans to acquire, construct or install a facility that will use a renewable energy resource
- 14 or solid waste instead of electricity, petroleum or natural gas;
- 15 (C) Plans to use a renewable energy resource in the generation of electricity for sale or to re-
- 16 place an existing or proposed use of an existing source of electricity;
- 17 (D) Plans to acquire, construct or install a facility that substantially reduces the consumption
- 18 of purchased energy;
- 19 (E) Plans to acquire, construct or install equipment for recycling as defined in ORS 469.185 (8);
- 20 (F) Plans to acquire an alternative fuel vehicle or to convert an existing vehicle to an alterna-
- 21 tive fuel vehicle;
- 22 (G) Plans to acquire, construct or install a facility necessary to operate alternative fuel vehicles;
- 23 (H) Plans to acquire transit passes for use by individuals specified by the applicant;
- 24 (I) Plans to acquire, construct or install a transportation facility;
- 25 (J) Plans to acquire a sustainable building practices facility; [*or*]
- 26 (K) Plans to acquire a car sharing facility and operate a car sharing program[.]; **or**
- 27 **(L) Plans to acquire, construct or install a renewable energy resource equipment manu-**
- 28 **facturing facility.**
- 29 (b) A detailed description of the proposed facility and its operation and information showing that
- 30 the facility will operate as represented in the application.
- 31 (c) Information on the amount by which consumption of electricity, petroleum or natural gas by
- 32 the applicant or the lessee of the applicant's facility will be reduced, and on the amount of energy
- 33 that will be produced for sale, as the result of using the facility or, if applicable, information about
- 34 the expected level of sustainable building practices facility performance.
- 35 (d) The projected cost of the facility.
- 36 (e) If applicable, a copy of the proposed qualified transit pass contract, transportation services
- 37 contract or contract for lease of parking spaces for a car sharing facility.
- 38 (f) Any other information the director considers necessary to determine whether the proposed
- 39 facility is in accordance with the provisions of ORS 469.185 to 469.225, and any applicable rules or
- 40 standards adopted by the director.
- 41 (3) An application for preliminary certification shall be accompanied by a fee established under
- 42 ORS 469.217. The director may refund the fee if the application for certification is rejected.
- 43 (4) The director may allow an applicant to file the preliminary application after the start of
- 44 erection, construction, installation or acquisition of the facility if the director finds:
- 45 (a) Filing the application before the start of erection, construction, installation or acquisition is

1 inappropriate because special circumstances render filing earlier unreasonable; and

2 (b) The facility would otherwise qualify for tax credit certification pursuant to ORS 469.185 to
3 469.225.

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

6 **SECTION 4. Section 5 of this 2007 Act is added to and made a part of ORS 469.185 to**
7 **469.225.**

8 **SECTION 5. The State Department of Energy shall establish by rule criteria for**
9 **renewable energy resource equipment manufacturing facilities, which shall include standards**
10 **relating to the types of equipment, machinery or other products being manufactured and**
11 **related performance and efficiency standards applicable to the manufactured products.**

12 **SECTION 6.** ORS 316.116 is amended to read:

13 316.116. (1)(a) A resident individual shall be allowed a credit against the taxes otherwise due
14 under this chapter for costs paid or incurred for construction or installation of an alternative energy
15 device in a dwelling.

16 (b) A resident individual shall be allowed a credit against the taxes otherwise due under this
17 chapter for costs paid or incurred to modify or purchase an alternative fuel vehicle or related
18 equipment.

19 (c) A resident individual shall be allowed a credit against the taxes otherwise due under this
20 chapter for costs paid or incurred for construction or installation of a solar electric system in a
21 dwelling.

22 (2)(a) Except in the case of an alternative fuel device or a solar electric system, the credit shall
23 be based upon the first year energy yield of the alternative energy device that qualifies under ORS
24 469.160 to 469.180. The amount of the credit shall be the same whether for collective or noncollec-
25 tive investment.

26 (b) The credit allowed under this section for each dwelling shall not exceed the lesser of:

27 (A) \$1,500 or the first year energy yield in kilowatt hours per year multiplied by 60 cents per
28 dwelling utilizing the alternative energy device used for space heating, cooling, electrical energy or
29 domestic water heating for tax years beginning on or after January 1, 1990, and before January 1,
30 1996.

31 (B) \$1,200 or the first year energy yield in kilowatt hours per year multiplied by 48 cents per
32 dwelling utilizing the alternative energy device used for space heating, cooling, electrical energy or
33 domestic water heating for tax years beginning on or after January 1, 1996, and before January 1,
34 1998.

35 (C) \$1,500 or the first year energy yield in kilowatt hours per year multiplied by 60 cents per
36 dwelling utilizing the alternative energy device used for space heating, cooling, electrical energy or
37 domestic water heating for tax years beginning on or after January 1, 1998, **and before January**
38 **1, 2007.**

39 **(D) \$3,000 or the first year energy yield in kilowatt hours per year multiplied by 120 cents**
40 **per dwelling utilizing the alternative energy device used for domestic water heating for tax**
41 **years beginning on or after January 1, 2007.**

42 (c) For an alternative energy device used for swimming pool, spa or hot tub heating, the credit
43 allowed under this section shall be based upon 50 percent of the cost of the device or the first year's
44 energy yield in kilowatt hours per year multiplied by 15 cents, whichever is lower, up to:

45 (A) \$1,500 for tax years beginning on or after January 1, 1990, and before January 1, 1996.

1 (B) \$1,200 for tax years beginning on or after January 1, 1996, and before January 1, 1998.

2 (C) \$1,500 for tax years beginning on or after January 1, 1998.

3 (d) For an alternative fuel device, the credit allowed under this section is 25 percent of the cost
4 of the alternative fuel device but the total credit shall not exceed \$750 if the device is placed in
5 service on or after January 1, 1998.

6 (e)(A) For a solar electric system, the credit allowed under this section shall equal \$3 per watt
7 of installed output, but the installed output that is used to determine the amount of credit under this
8 paragraph may not exceed [2,000] **5,000** watts.

9 (B) Notwithstanding subparagraph (A) of this paragraph, the amount of the credit allowed in any
10 one tax year may not exceed the tax liability of the taxpayer or [~~\$1,500~~] **\$3,750**, whichever is less.
11 Unused credit amounts may be carried forward as provided in subsection (7) of this section, but may
12 not be carried forward to a tax year that is more than five tax years following the first tax year for
13 which any credit was allowed with respect to the solar electric system that is the basis for the
14 credit.

15 (C) Notwithstanding subparagraph (A) of this paragraph, the total amount of the credit allowed
16 under this paragraph may not exceed 50 percent of the total installed cost of the solar electric
17 system.

18 (3)(a) In the case of a credit for an alternative energy device that is an energy efficient appli-
19 ance, the credit allowed to a resident individual under this section shall equal:

20 (A) 48 cents per first year kilowatt hour saved, or the equivalent for other fuel saved, not to
21 exceed \$1,200 for each tax year beginning on or after January 1, 1998, and before January 1, 1999;
22 and

23 (B) 40 cents per kilowatt hour saved, or the equivalent for other fuel saved, not to exceed \$1,000
24 for each tax year beginning on or after January 1, 1999.

25 (b) Notwithstanding paragraph (a) of this subsection, the credit allowed for an energy efficient
26 appliance shall not exceed 25 percent of the cost of the appliance.

27 (4) To qualify for a credit under this section, all of the following are required:

28 (a) The alternative energy device or solar electric system must be purchased, constructed, in-
29 stalled and operated in accordance with ORS 469.160 to 469.180 and a certificate issued thereunder.

30 (b) Except for credits claimed for alternative fuel devices, the taxpayer who is allowed the credit
31 must be the owner or contract purchaser of the dwelling or dwellings served by the alternative en-
32 ergy device or solar electric system or the tenant of the owner or of the contract purchaser and
33 must:

34 (A) Use the dwelling or dwellings served by the alternative energy device or solar electric sys-
35 tem as a principal or secondary residence; or

36 (B) Rent or lease, under a residential rental agreement, the dwelling or dwellings to a tenant
37 who uses the dwelling or dwellings as a principal or secondary residence, unless the basis for the
38 credit is the installation of an energy efficient appliance. If the basis for the credit is the installation
39 of an energy efficient appliance, the credit shall be allowed only to the taxpayer who actually oc-
40 cupies the dwelling as a principal or secondary residence.

41 (c) In the case of an alternative fuel device, if the device is a fueling station necessary to op-
42 erate an alternative fuel vehicle, unless the verification form and certificate are transferred as au-
43 thorized under ORS 469.170 (8), the taxpayer who is allowed the credit must be the contractor who
44 constructs the dwelling that incorporates the fueling station into the dwelling or installs the fueling
45 station in the dwelling. If the alternative energy device is an alternative fuel vehicle, the credit must

1 be claimed by the owner as defined under ORS 801.375 or contract purchaser. If the alternative
2 energy device is related equipment, the credit may be claimed by the owner or contract purchaser.

3 (d) The credit must be claimed for the tax year in which the alternative energy device or solar
4 electric system was purchased if the device or system is operational by April 1 of the next following
5 tax year.

6 (5) The credit provided by this section does not affect the computation of basis under this
7 chapter.

8 (6) The credit allowed under this section in any one year may not exceed the tax liability of the
9 taxpayer.

10 (7) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
11 particular year may be carried forward and offset against the taxpayer's tax liability for the next
12 succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried
13 forward and used in the second succeeding tax year, and likewise any credit not used in that second
14 succeeding tax year may be carried forward and used in the third succeeding tax year, and any
15 credit not used in that third succeeding tax year may be carried forward and used in the fourth
16 succeeding tax year, and any credit not used in that fourth succeeding tax year may be carried
17 forward and used in the fifth succeeding tax year, but may not be carried forward for any tax year
18 thereafter.

19 (8) A nonresident shall be allowed the credit under this section in the proportion provided in
20 ORS 316.117.

21 (9) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the
22 Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit al-
23 lowed by this section shall be prorated or computed in a manner consistent with ORS 314.085.

24 (10) If a change in the status of a taxpayer from resident to nonresident or from nonresident to
25 resident occurs, the credit allowed by this section shall be determined in a manner consistent with
26 ORS 316.117.

27 (11) A husband and wife who file separate returns for a taxable year may each claim a share
28 of the tax credit that would have been allowed on a joint return in proportion to the contribution
29 of each. However, a husband or wife living in a separate principal residence may claim the tax
30 credit in the same amount as permitted a single person.

31 (12) As used in this section, unless the context requires otherwise:

32 (a) "Collective investment" means an investment by two or more taxpayers for the acquisition,
33 construction and installation of an alternative energy device for one or more dwellings.

34 (b) "First year energy yield" has the meaning given in ORS 469.160.

35 (c) "Noncollective investment" means an investment by an individual taxpayer for the acqui-
36 sition, construction and installation of an alternative energy device for one or more dwellings.

37 (13) As used in this section, "taxpayer" includes a transferee of a verification form under ORS
38 469.170 (8).

39 (14) Notwithstanding any provision of subsection (1) or (2) of this section, the sum of the credit
40 allowed under subsection (1) of this section plus any similar credit allowed for federal income tax
41 purposes shall not exceed the cost to the taxpayer for the acquisition, construction and installation
42 of the alternative energy device or solar electric system.

43 **SECTION 7. Section 5 of this 2007 Act and the amendments to ORS 315.354, 316.116,**
44 **469.185 and 469.205 by sections 1 to 3 and 6 of this 2007 Act apply to facilities and alternative**
45 **energy devices acquired, erected, constructed or installed on or after January 1, 2007, and**

1 **to tax years beginning on or after January 1, 2007.**

2 **SECTION 8.** ORS 757.247 is amended to read:

3 757.247. (1) The Public Utility Commission may authorize a public utility to file and place into
4 effect tariff schedules establishing rates or charges for **renewable energy generation facilities,**
5 **or for** energy conservation measures, services or payments, provided to individual property owners
6 or customers. Application of the schedule shall be subject to agreement between the public utility
7 and the property owner or customer receiving service at the time the **renewable energy gener-**
8 **ation facilities or** conservation measures, services or payments are initially provided.

9 (2) *[The]* **A tariff schedule under this section** may include provisions for the payment of the
10 rates or charges over a period of time and for the application of the payment obligation to succes-
11 sive property owners or customers at the premises where the **renewable energy generation facil-**
12 **ities or** conservation measures or services were installed or performed or with respect to which the
13 *[conservation]* payments were made.

14 (3) *[The]* **A public utility shall record a notice of *[the]* any payment obligation required of a**
15 **property owner or customer under this section** in the records maintained by the county clerk
16 under ORS 205.130. The commission may prescribe by rule *[under the applicable provisions of ORS*
17 *183.325 to 183.400]* other methods by which the public utility shall notify property owners or cus-
18 tomers of any such payment obligation.

19 (4) **A public utility may use moneys obtained through a rate established under ORS**
20 **757.603 (2)(a) to provide renewable energy generation facilities to property owners or cus-**
21 **tomers under this section. A public utility may not charge interest to a property owner or**
22 **customer for facilities acquired with moneys obtained through a rate established under ORS**
23 **757.603 (2)(a).**

24 **SECTION 9.** This 2007 Act takes effect on the 91st day after the date on which the reg-
25 ular session of the Seventy-fourth Legislative Assembly adjourns sine die.
26