

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 1 - 0
Yeas:	Bailey, Bentz, Galizio, Gilliam, Holvey, Witt, Read
Nays:	Thatcher
Exc.:	0
Prepared By:	Barbara Allen, Administrator
Meeting Dates:	2/26, 3/19, 3/24

WHAT THE MEASURE DOES: Expands the eligibility of alternative fuel projects to use the Department of Energy's Small Scale Energy Loan Program (SELP). Expands eligibility from vehicle fleets and fueling facilities to include other kind of equipment fueled by alternative energy sources. Increases the term of service for members of the Small Scale Local Energy Project Advisory Committee from two to four years.

ISSUES DISCUSSED:

- Biofuel competing with the food supply
- Definition of eligible vehicles
- Amendment language that would specifically exclude from eligibility vehicles used primarily for personal, family or household purposes

EFFECT OF COMMITTEE AMENDMENT: Allows the financing of alternative fuel business vehicles, defining eligible and ineligible vehicles.

BACKGROUND: Expanded eligibility will closely match the Business Energy Tax Credit (BETC) eligibility for alternative fuel projects. The BETC was created in 1979 for projects pertaining to recycling, energy, conservation, and renewable energy. Generally the credit is 35% of the certified cost taken over five years. In 2007, the credit was increased to 50% over five years for projects that use or produce renewable energy or is a renewable energy resource equipment manufacturing facility.

The Small Scale Energy Loan Program (SELP) was created in 1979 to offer low-interest, fixed rate, long term loans for any qualified Oregon project that invests in energy conservation, renewable energy, alternative fuels, or creating products from recycled material. Over the years, the program has been expanded to include projects that reduce energy consumption during construction or operation of another facility, projects proposed by an intergovernmental entity and projects located outside Oregon but providing substantial benefits inside Oregon. Senate Bill 735 was a central recommendation in the Governor's Renewable Energy Action Plan.

Because the committee that reviews the loan applications only meet six to eight times per year, members spend much time familiarizing themselves with the responsibilities and requirements of the program the first year of their two-year term. Proponents report that extending terms from two to four years may improve their effectiveness.

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