

Testimony in Support of HB 2563-2  
House Revenue Committee Hearing, June 1, 2011  
by Richard Steinbrugge, P.E.  
Executive Administrator for Facilities  
Beaverton School District

MEASURE: HB 2563-2  
EXHIBIT: 1  
HOUSE REVENUE COMMITTEE  
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The Beaverton School District requests your support of HB 2563-2 in order to enable solar energy projects to proceed on three of our school buildings. We believe these projects:

- are consistent with the State's goals of increasing renewable power generation,
- will save our District some electricity costs over the next 15 years, and
- will have academic applications in our classrooms.

Beaverton has developed a highly successful energy and resource conservation program over the past several years. We have 22 schools that have received the ENERGY STAR® from the U.S. Environmental Protection Agency and 31 schools that carry Oregon Green School certifications. Our District has also been recognized by EPA with a Top Performer award because our energy performance is among the top 11% of school districts in the United States. Over the past four years we have actually reduced energy consumption while adding over one-half million square feet of new building space. Beaverton has been looking at the potential for installing solar photovoltaic (PV) panels on school buildings for two years in order to push our program to the next level by installing some renewal energy generation.

Beaverton encountered two roadblocks in our pursuit of solar power:

- the lack of available capital funding to self-finance solar installations, and
- the economic pay-back for solar PV systems, which is very long absent state and federal incentives.

However, we saw an opportunity created by the Legislature in 2009 when it passed HB 3039 that created the Feed-in-Tariff Pilot Program that works together with certain tax incentives. Through a partnership with Gladstone School District, Gerding Edlen Sustainable Solutions, and Kenyon Energy, we have together developed a project that would install solar PV systems on three school buildings in each district. Kenyon has agreed to provide the full capital investment of about \$3 million, Beaverton and Gladstone will provide the roof space and will each receive about 300,000 kWh per year of solar generated electricity for 15 years. This deal works for Kenyon because of the combination of the Feed-in-Tariff and tax incentives, but a recent ruling by the Department of Revenue has put all this at risk.

We have been told that a new interpretation of an existing property tax statute by the Department of Revenue will tip the economics making these projects unviable for our investor. Only the Legislature can reset the economic equation. The Bill this Committee is considering today, HB 2563-2, will clarify the tax code language and reaffirm that solar systems installed on public buildings owned by third parties are exempt from property taxes.

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Both the Beaverton and Gladstone School Boards have approved the solar project, we have completed a formal agreement with Kenyon, and are ready to install the PV systems this summer. Our Feed-in-Tariff allocation expires in October of this year, therefore, it is critical that this legislation is passed during the current legislative session.

We believe these solar power projects will further the State goals for creating more Oregon renewable energy generation, advance the Legislature's objectives outlined in the Feed-in-Tariff Pilot Program, and provide a great example of how school districts can work with each other and partner with the private sector to everyone's mutual benefit.

Beyond all those important benefits, we are also planning to leverage this project for classroom applications. Beaverton will be installing flat screen monitors in the lobbies of each of our three host schools that will provide technical information about the real-time performance of the solar system on their buildings in a visually stimulating display. In addition, this data will be web-based and available via computer in any classroom across the District. We've worked closely with educators in our District to ensure that this information will be in a form that can be integrated into teaching to established learning targets for students in multiple grade-levels and different curricular subjects.

The Beaverton School District urges your support of HB 2563-2 to ensure all this can happen. We need the investor's capital, they need the tax incentives, and we both need the Legislature. Our solar installations will not occur without clarification of the property tax matter.



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