

Chairs, Vice Chairs, Committee members,

For the record, my name is Matthew Henderson. I am the Field Sales Consultant for SunWize Technologies, Inc, a photovoltaic installation business, operating in Philomath, Oregon. SunWize employs 14 people at living wages and contracts for the services of four to five full time union electricians.

You may be surprised to hear that we are a trade sector business in the design and installation of solar systems. Today, SunWize employs 5 high wage engineers and other professionals who design systems for installation in Arizona, California, New Jersey, New Mexico, and Oregon. How did we secure this kind of business? We believe that the tax credit programs and other incentives available in Oregon are directly responsible. Because of these, Oregon has developed a highly capable eco-system, with skilled professionals trained and experienced in solar system design. This has enabled us, as a division of a national company, to secure the charter to serve multiple states out of our small Oregon office.

You need this background about my company to understand the risks to Philomath office if the RETC is not extended or is extended in a way that creates the same kind of uncertainty that exists with BETC. I will talk about this, later in my testimony.

I am here to ask for your support for the extension of the Residential Energy Tax Credit (RETC), for both energy efficiency and renewable energy tax credits. The RETC program has provided the foundation for the success and growth of my business. It enabled a small business to build from one engineer and one marketing person to the division of a national company that it is today.

First, the RETC communicated a State policy to support the creation of a distributed generation system. It incited homeowners to invest in this distributed generation by matching this private investment with incentives and tax credits. This (and concomitant regulatory action) made my homeowner customers comfortable that they were making investments in line with the policy direction of the State of Oregon.

Second, the RETC gave my customers a certainty that these investments will pay off within a 10-15 year timeframe. This is a long lead time investment. My customers have needed this kind of certainty, especially given the fact that these investments are competing against highly tax-subsidized fossil fuel alternatives.

Third, as mentioned above, it enabled a pool of talented solar installations to emerge in Oregon, creating the eco-system that allows Oregon to compete against other States for the current and future Solar Industry business.

I believe that we still need the RETC program, until such time as fossil fuel alternatives are not subsidized and until such time as the costs of centralized generation and transmission are properly compared against the costs of distributed generation. I urge your support for full funding of this Tax Credit in the 2011-2013 biennium.

But I have concerns with some of the amendments to the RETC tax credit. Because of my company's recent experience with the BETC cap and application process, I am particularly concerned about how the Oregon Department of Energy will implement ongoing changes to the tax credit to live within a budgeted expenditure for the RETC.

The BETC cap and application process has done significant damage to my company, in the following way. In the last year, the charter for my Oregon Office to serve four Western States has started to be at risk. As the BETC has become uncertain, rationed, and only available for some projects, my company has reduced its focus on business installations in Oregon. Almost all of our staff is working on more certain applications and installations in other states.

This has caused our company to start asking the question of whether our employees should be located in Oregon or moved to California.

During that same time, the work that we have secured through residential installations has continued to support a reason for our office in Oregon. We have 14 jobs in Oregon, because the anchor of work that is enabled by RETC, allows me to make an argument for serving Oregon and four other states (in the business sector) efficiently.

If the RETC becomes as uncertain as the BETC, and if the BETC continues as a herky-jerky process, it is possible that my office will lose its charter to serve more than one state....and we might even be asked to move to those other states....losing all 14-20 jobs to a State that has more certain, more dependable incentives.

So, in summary, I would ask that you: 1) support the RETC at the full levels that were funded in 2009-2011, 2) that you recognize that tax credits are not just competing against other tax credit needs in Oregon but competing against tax credits in other States, 3) that you would set expectations and legislation that ensure that the RETC budgeting and application processes is a predictable and dependable incentive process and 4) that you would set this same expectation (of a predictable process) for the BETC tax bills that you will look at in the future.