

Chairs, Vice Chairs, Committee members,

For the record, my name is James Reismiller. I am the sole proprietor of Abundant Solar, a small photovoltaic installation business, operating in Corvallis, Oregon since 2005. I employ two other professionals making a living wage; we install approximately 60 systems a year. We are growing in a stable fashion.

I am here to support the extension of the Residential Energy Tax Credit (RETC), even as amended, for both energy efficiency and renewable energy tax credits.

First, I want to emphasize that the RETC program is essential to the success and growth of my business:

1) it enables the solar photovoltaic industry to compete on a more even playing field with the highly established and highly subsidized fossil fuels energy industry and 2) it supports the significant costs of initiating a move to a more sustainable future, before a supply and demand crisis occurs.

In creating a more-even playing field for alternative energy and energy efficiency, the RETC is of value to Oregon because of three things:

First, it begins to shift Oregon homes away from a dependence on fossil fuels, by matching private homeowner investment with a tax credit match (public investment),

Second, it incents a clean energy industry in Oregon, so that Oregon companies, residents, and the State of Oregon will benefit when the inevitable wholesale shift away from fossil fuels occurs. It is creating and preserving jobs now and is increasingly growing jobs throughout the entire supply chain that leads to a solar system on someone's roof.

Finally, it incents my customers, Oregon homeowners, to make investments in generating their own energy (locally) to protect themselves against the increases in electricity rates that are certain to come as large investments in centralized generation and (especially) transmission are made over the next twenty years.¹

These private investments will also keep more of Oregon's money in Oregon. My client's investments reduce the amount of money Oregonians will send to out-of-State electricity generators and transmission investors, by increasing investment in more in local, distributed generation.

My customers install solar photovoltaic systems for these reasons. They are planning ahead for an uncertain and expensive future. They are making a private investment in improving Oregon's future economy and environment.

The Residential Energy Tax Credit enables the State to provide a match for that private investment.

¹ With a large portion of Oregon's population approaching retirement and expected to face limited fixed incomes, these are investments that it is important that Oregonians make now.

In addition to the value of the RETC in making the playing field more level between the green energy industry and the also-subsidized fossil fuel industry, the Residential Energy Tax Credit plays the same valuable role that Utility Company advertising plays.

The tax credits (and the press they attract) is a form of consumer education funding that is actually more direct than the advertising, community receptions or business breakfasts that the Investor Owned Utilities use to encourage investments in energy efficiency.²

The tax credits subsidize the significant sales efforts that energy efficiency and renewable energy small businesses make in explaining the complicated system of private investment, utility incentives, and tax credits and the paperwork that we use to track these expenditures.

In short, tax credits pay for part of the actual alternative energy devices and installations and for the direct consumer public policy education that small energy efficiency and renewable energy businesses provide.

The Concerns that I have with the amendments to the Residential Energy Tax Credit bill, are:

a) there will be a cap on total Tax Credits allowed per biennium, b) that cap is not yet defined in the Amended bill, and c) there is a mechanism to truncate or reduce Tax Credits as that cap is reached.

Because the RETC bill gives the Oregon Department of Energy the flexibility to adjust credits over the years from 2012 to 2018, I do not believe that a hard cap in each biennium is required. Instead, I believe that the Department of Energy should be given a budget in each biennium and be instructed to modify the tax credits, as needed, to serve projects anticipated and yet live within that budget.

If there is a cap, it must be a cap with a soft landing, one that does not result in an abrupt end to the availability of credits for a time. I would also hope the Committee will not reduce expenditures on energy efficiency and renewable energy tax credits from the levels of 2009-2011, but instead set a budget at the same level for 2011-2013.

The mechanism also needs to be implemented well. The mechanism applied to the Business and to the Residential Energy Tax Credits in the last two years has been cumbersome, abruptly implemented, and not very well communicated by the Oregon Department of Energy. I would hope that Committee work on this bill either in this Committee or in the Senate will establish expectations for how this process can be implemented and communicated.

It would be far better for our industry to have a lower tax credit from the beginning of a biennium that stays constant throughout the biennium than start high, anticipate low numbers of installations and truncate the tax credit to keep from going over budget.

In summary, I hope this Committee will support the Residential Energy Tax Credit, set expectations for a smooth implementation over the whole biennium, and reserve the same funds for this Credit as were reserved in the 2009-2011 session.

² This advertising (newsprint, Blazer Radio network support, etc.) and free breakfast workshops (businesses) and evening receptions (residences) are funded with SB 838 monies.