

Residential Energy Tax Credit Options (Highlighted areas are ODOE's additions to ETOs)

Action/Product	Eliminate	Reduce	Preserve	Rationale
Phase out eligible residential measures covered by new state and federal standards and codes.	X			As new building codes and standards take effect, energy efficient construction and requirements will be mandated for a variety of actions. These include new residential building codes (2013), lighting (2012 and 2014), as well as new requirements for gas furnaces, water heating equipment and appliances. As these requirements take effect, tax credits can be eliminated. Remaining RETC dollars could be refocused on new and emerging technologies not otherwise addressed by changing codes and standards.
94% efficient furnace	X			Most of the furnace market for owner-occupied homes is transformed. New codes will require high efficiency furnaces in all new construction. Could consider retaining the credit only for certain income bracket.
Efficient boilers	X			Most Oregon homes have forced air heat, not boilers
Air conditioning	X			Most air conditioners are already efficient and comply with federal standards; cooling load and peak, though growing, remain limited in Oregon
Ground source heat pumps	X*			Very expensive per home with compared to air-to-air heat pumps and lengthy payback; however technologic advances suggest a need to retain flexibility to include this credit, but with parameters that specify acceptable types of applications, locations, and climate.
Whole-house air-to-air heat pumps		X		May be influential in moving the heat pump market and large share of market is already fairly efficient
Appliances		X		Could be phased out as high efficiency appliances are mandated by new standards and also as markets are transformed
Hydronic air handler (air to air heat exchanger)		X		Though this measure may someday prove cost-effective it is not today; also not currently critical to Energy Trust programs
Solar water heat			X	Absent credit, growing market will likely slow
Ductless heat pumps			X	Absent credit, growing market will likely slow
Gas and electric home water heaters			X	Promising technologies for which credit could move the market
Alt fuels and vehicles			X	Absent tax credit market for these emerging technologies will likely slow
Solar Photovoltaic			X	Absent credit, growing market will likely slow. Should modify methodology to allow Department to establish rate by rule.
Wind			X	Absent credit, growing market will likely slow/least cost, most competitive of renewables
Geothermal			X	Absent tax credit, market for these emerging technologies will likely slow

• ODOE recommends keeping the credit in certain areas of the state such as eastern Oregon where the combination of the availability of the resource and temperature provides greater payback.

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